

CL King Best Ideas Conference

September 13, 2016

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Safe Harbor Statement

These slides (and the accompanying oral discussion) contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including general economic and business conditions, conditions affecting the industries served by the Company and its subsidiaries, conditions affecting the Company’s customers and suppliers, competitor responses to the Company’s products and services, the overall market acceptance of such products and services, the effect of the Company’s strategy and other factors disclosed in the Company’s periodic reports filed with the Securities and Exchange Commission. Consequently, such forward-looking statements should be regarded as the Company’s current plans, estimates and beliefs. The Company does not undertake and specifically declines any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Astronics Corporation

NASDAQ: ATRO

Index membership	Russell 3000®/2000®
Recent price	\$44.81
52-week range	\$24.75 – \$48.00
Market capitalization	\$1.1 billion
Total shares outstanding:	25.3 million
Common	19.3 million
Class B (10 votes per share)	6.0 million
Avg. daily trading volume (3 mos.)	116,700
Ownership (Common and Class B shares combined):	
Institutional	68%
Insider	13%

Market data as of close of business on September 8, 2016 [Source: Bloomberg LP]; Ownership as of most recent filing; Share price and SHOUT reflect October 2015 15% Class B Stock distribution

Product Offerings in Two Business Segments

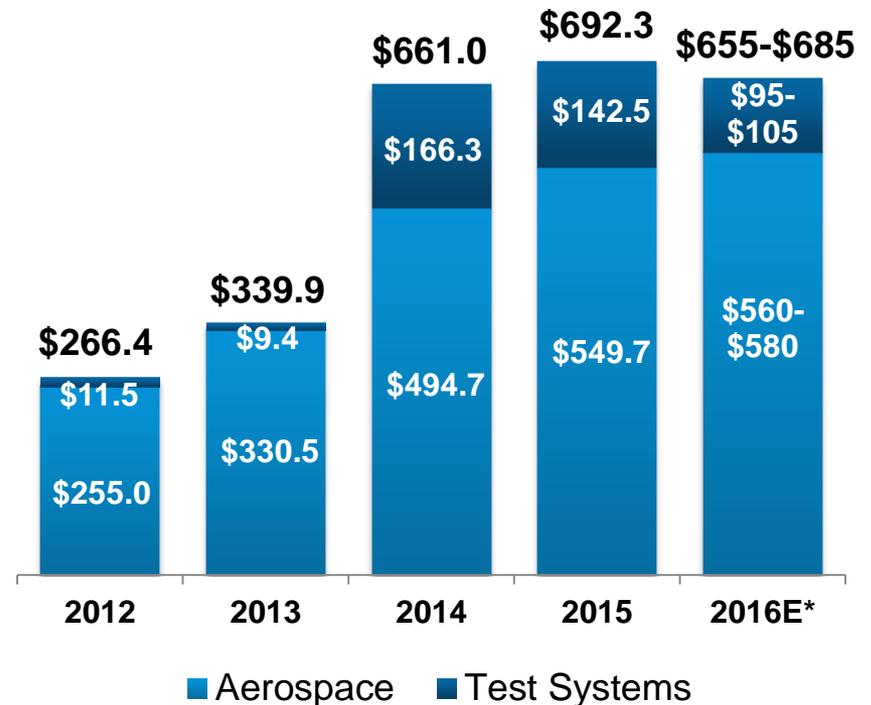
Aerospace

- Electrical Power and Motion (EP&M)
- Lighting and Safety (L&S)
- Avionics
- Systems Certification
- Structures

Test Systems

- Semiconductor
- Aerospace & Defense

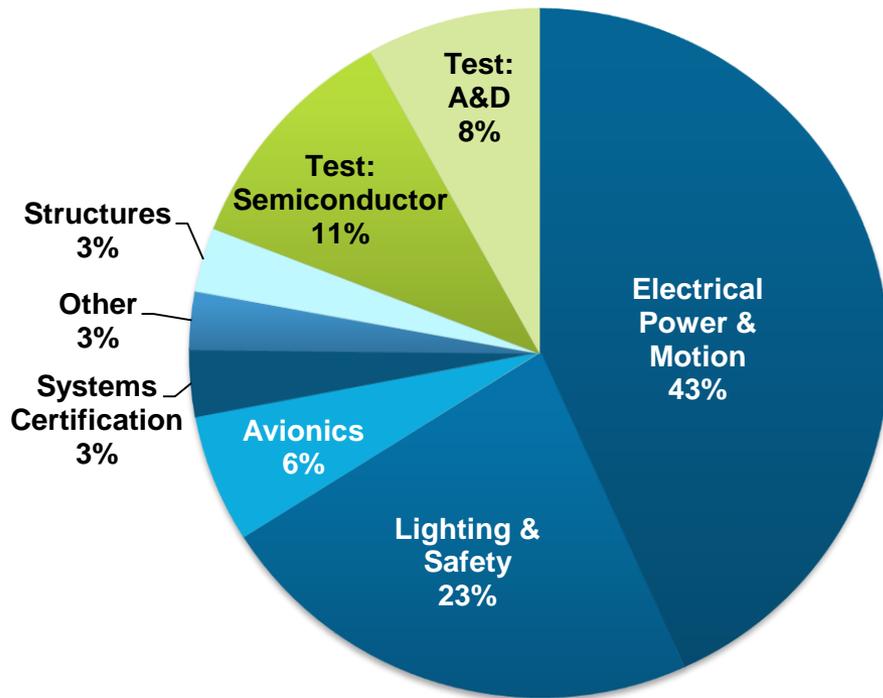
Sales



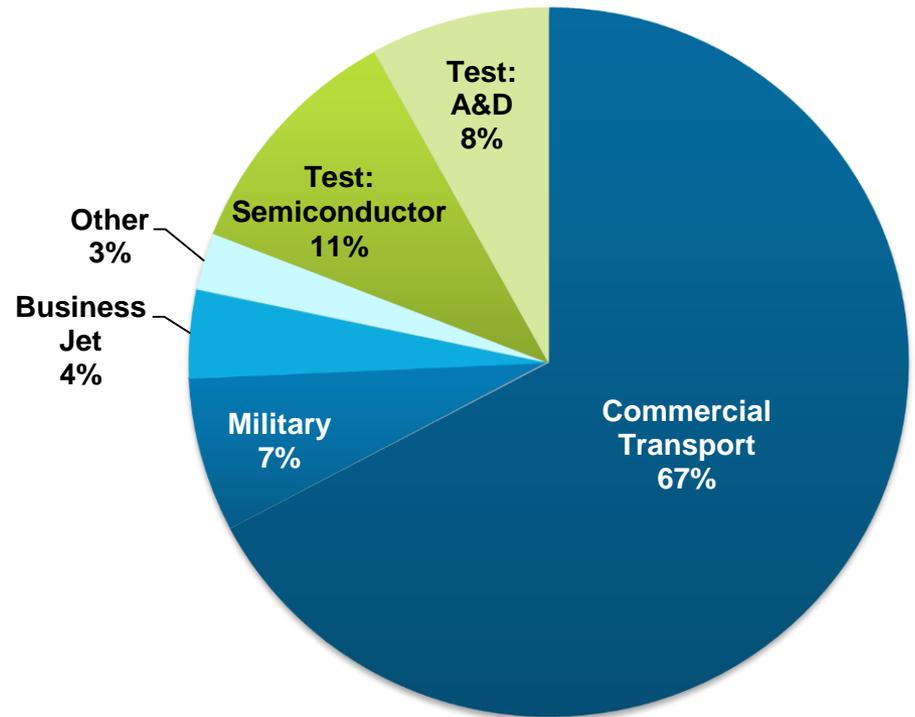
* Guidance provided as of August 3, 2016
Segment sales tally may differ due to rounding.

Diverse Sales Composition

Sales by Product



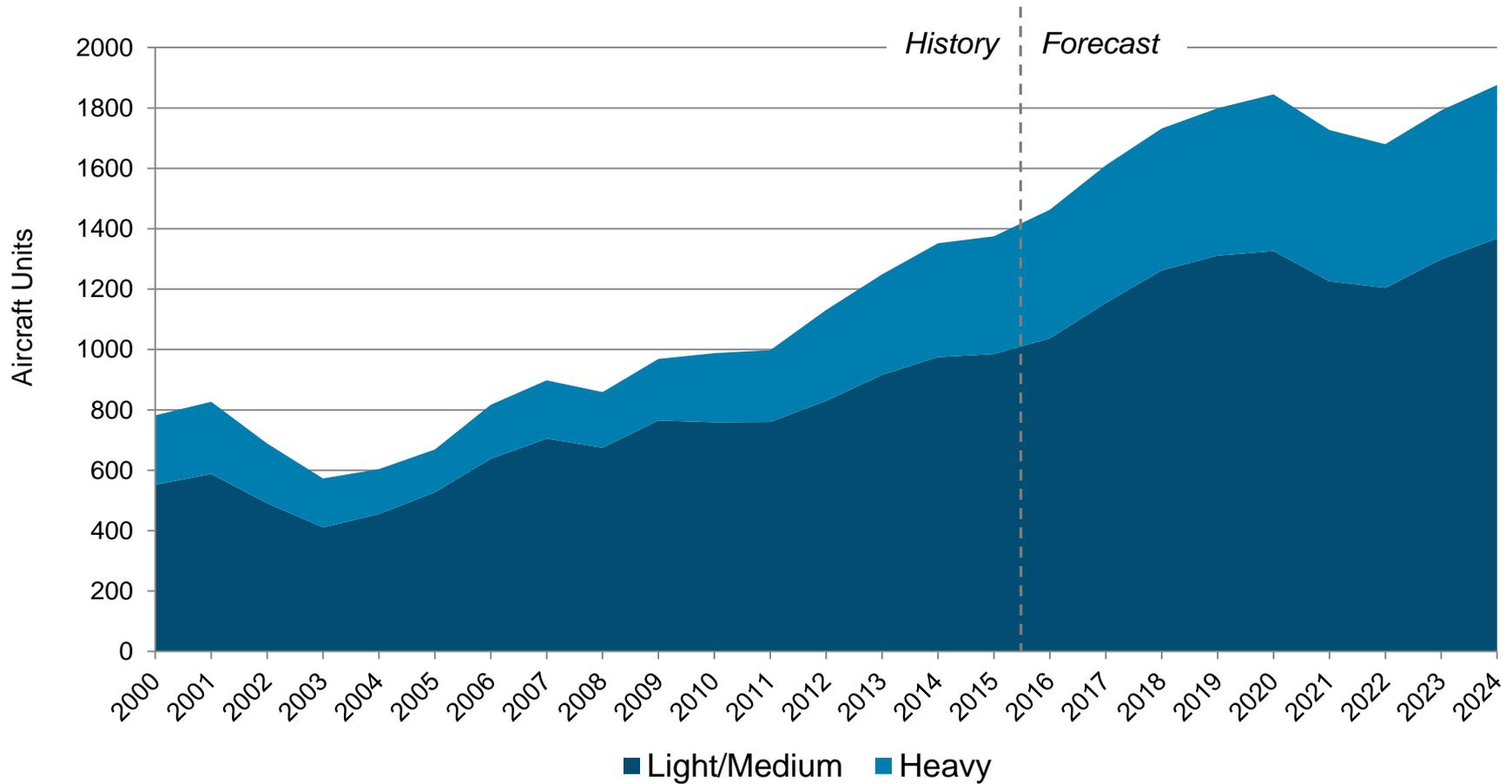
Sales by Market



Q2 2016 TTM Sales: \$681.4 Million

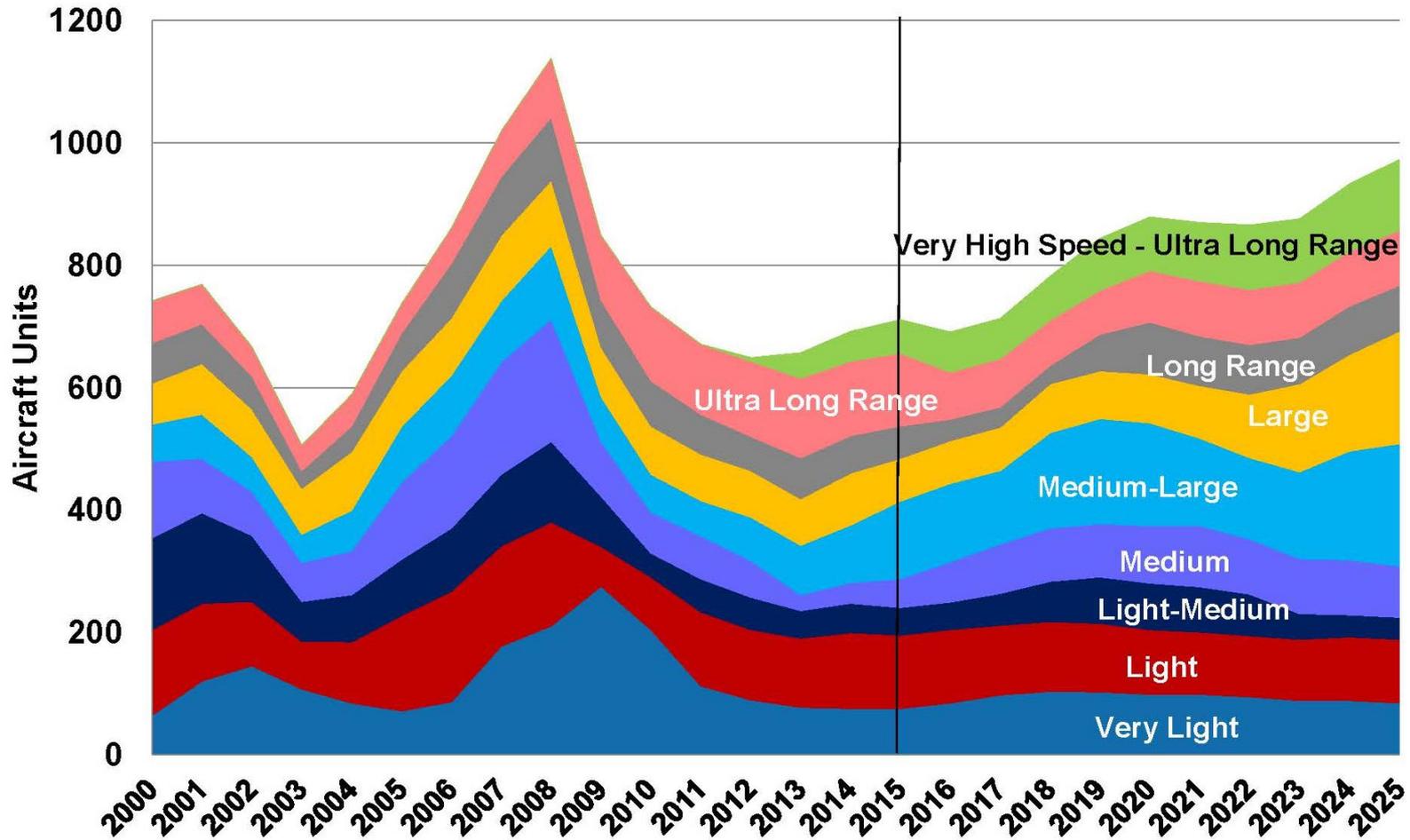
Continued Growth in Commercial

Commercial Transport Delivery Forecast



Source: Airbus & Boeing Actual deliveries through 12/31/2015 / Forecast International (July 2015)

Outlook For Business Jet Deliveries



~9,200 Aircraft from 2015 - 2025

Source: Honeywell Business Aviation Market Update, November 2015

Leading Provider of Passenger Power



EP&M: In-Seat Power Supply (ISPS)

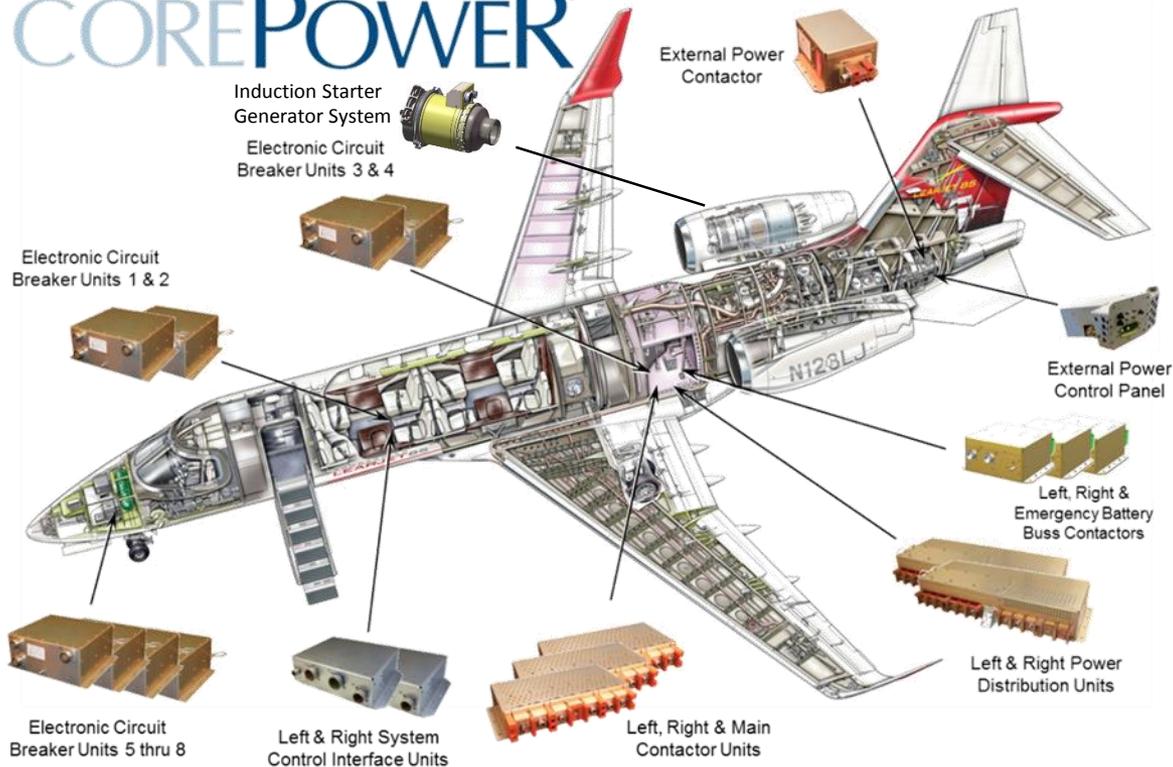
- Passenger power for 900,000+ seats
 - ◆ Est. 3M+ seats flying (~30% penetration)
- Sales to IFE providers, commercial airlines and BizJet OEMs
- ASP: \$750-\$850 / seat
- Competitive advantage: Large installed base, ~90% market share
- Large growth opportunity with narrow body adoption



Establishing Market Leadership

EP&M: Airframe Power

COREPOWER®



Intelligent Power Management Systems

Solid-state systems replace extensive wiring and traditional electromechanical components with modular electronics & software.

- Increased Reliability
- Reduced Weight
- Automation
- Flexibility
- Lower Life Cycle Cost

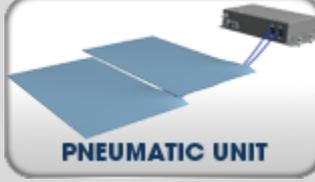
Wins:

- ✓ DAHER TBM 900
- ✓ Bell 505, 525 & V280
- ✓ Pilatus PC-24

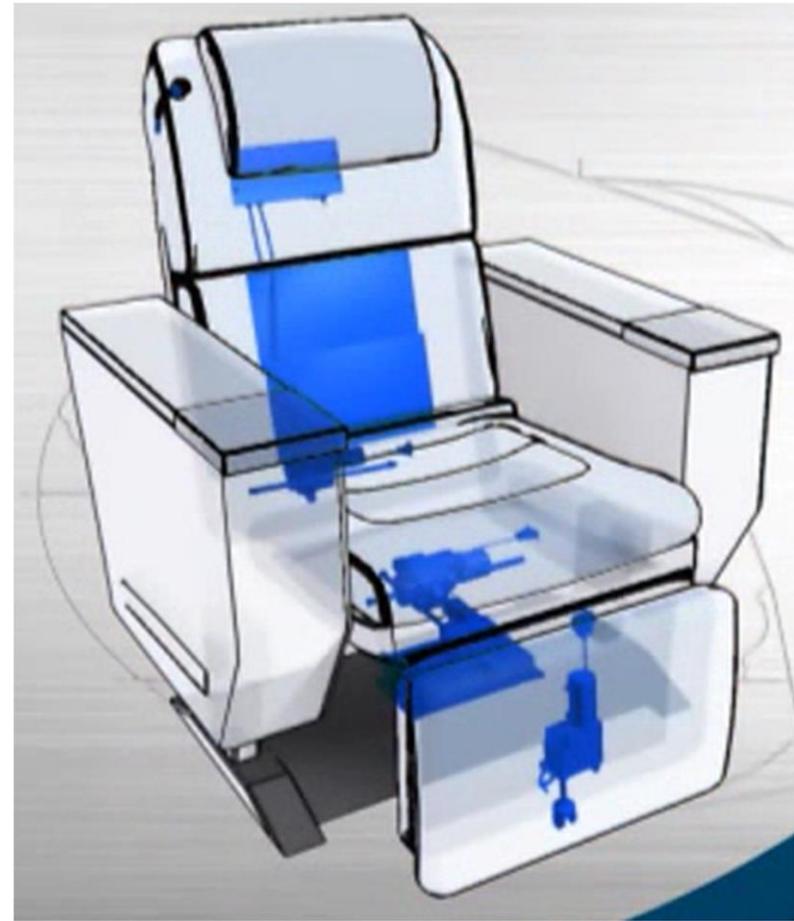
Specialize in High-End Seat Technology

EP&M: Seat Actuation

Gen VI Smart Motion System



Gen V Nano Smart Motion System



Established Position on 777X and 737 MAX

Lighting and Safety: Passenger Service Units (PSUs)

- Recently won Embraer E2

Strong position with Boeing

- **777** - approximately \$235k in content (PSUs, fuel access doors)
- **737** - approximately \$100k in content (BSI PSUs, fuel access doors)
- **787** - approximately \$45k in content (fuel access doors)
- **747** - approximately \$30k in content (PSUs, fuel access doors)
- **777X** - Recent award being negotiated (PSUs)



Unique Product Offering

Lighting and Safety: Aircraft Lighting

Exterior Lighting Systems

- Beacon & Formation
- Taxi & Landing
- Position / Anti-Collision
- Pioneered Application of Hi-Res / Low-Power LEDs for Aircraft Lighting
- LED Lighting on 737 Max



Cabin Lighting Systems

- Emergency Egress Lighting
- Emergency Signs
- Passenger Information Signs
- Flood Lights
- Smart Lighting Systems



Cockpit Lighting Systems

- Panels
- Avionics HMI
- Lighting Controllers
- Control Panel Assemblies
- Night Vision Modifications



Industry Leading Technologies

Avionics: Databus Solutions

- Aircraft Interface Device (AID): Translation devices that enable varying system protocols to communicate
 - ◆ Interface between EFB and Aircraft Systems
- Embedded Computers, Systems & Function Cards



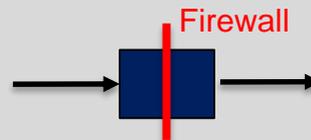
Data/protocol conversion



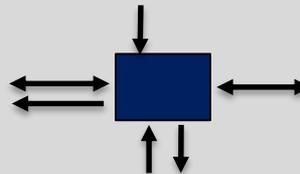
Data concentration/separation



Domain isolation



Operational processing



- Gather aircraft data
- Run custom software or a variety of Type A/B EFB applications
- Securely view applications on choice of wireless devices

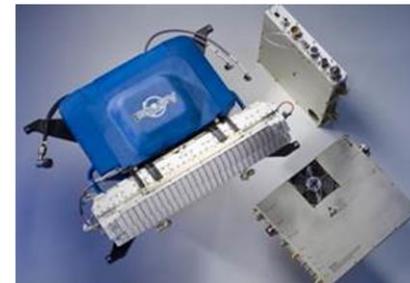


Connectivity Solutions

Avionics: Antenna Systems

Satellite-Based Broadband

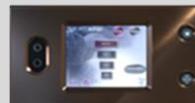
- Cost effective solutions for in-flight internet and TV connectivity
- Ku-band: leading technology, lower cost, flexible applications, efficient, upgrading
- Suited for commercial, business, VVIP and military aircraft applications
- Dedicated global connectivity solution for VVIP/Bizjet market with Panasonic Avionics



Specialized Capabilities

Avionics: In-flight Entertainment for VVIP

- Large private and government jets
- \$2 million to \$10 million per install
- UHD Media Center
 - ◆ First aeronautical player with 4K Ultra HD technology



VCC

Engineering Solutions

Systems Certification

- A leading provider of engineering, design and certification solutions for commercial aircraft
 - ◆ Specialize in connectivity, in-flight entertainment, electrical power systems and off-seat power solutions
- Customers include Panasonic and Gogo
- New capability to bring to the market and leverage across the company internally
- Launched AeroShield low drag radome and composite adapter plate
 - ◆ Composite plate expected to be certified in second half of 2016



Aerospace Segment: Well Positioned

Wide range of high profile next generation aircraft platforms

Embraer Phenom 100/300:
Exterior lighting

UH-60 Blackhawk:
Exterior cockpit lighting

V-22 Osprey:
Cabin, cockpit & exterior lighting

Cessna:
Exterior & cockpit lighting

Airbus A380:
Cabin lighting & cabin electronics

Boeing 787:
Passenger power & fuel doors

Boeing 737 NG & BSI:
PSU, fuel doors & passenger power available

F-35 JSF:
Exterior lighting suite & lighting controllers

Pilatus PC-24:
Airframe power & induction starter generator

Airbus 350:
Emergency egress lighting & passenger power

Bell 505, 525 & V280:
Airframe power

737MAX:
Exterior lighting system & PSU

777X: PSU

Embraer E2:
Interior and exterior emergency lighting system & PSU

Current



Next Generation

A&D Test Systems

- Test systems equipment, radio test solutions, test program sets and training and simulation systems
- Integrated logistics support
- Validate operating performance on multiple top-priority defense communications and weapons systems platforms



Launched next-gen radio test set that combines nine test capabilities in one device



Unique Solution for Semiconductor Testing



Shortened Time to Volume

Rapid test development and deployment



Reduced Cost of Test

massively parallel, system level test dramatically reduces cost of test (COT)



Innovative Test Solutions

“Engineer to engineer” design and manufacturing philosophy



Flexibility & Scalability

Configurable systems accommodate the device under test (DUT) and test objectives; “copy-exact” methodologies support global scaling



Opportunities

- More programs with major customer
- Developing new customers

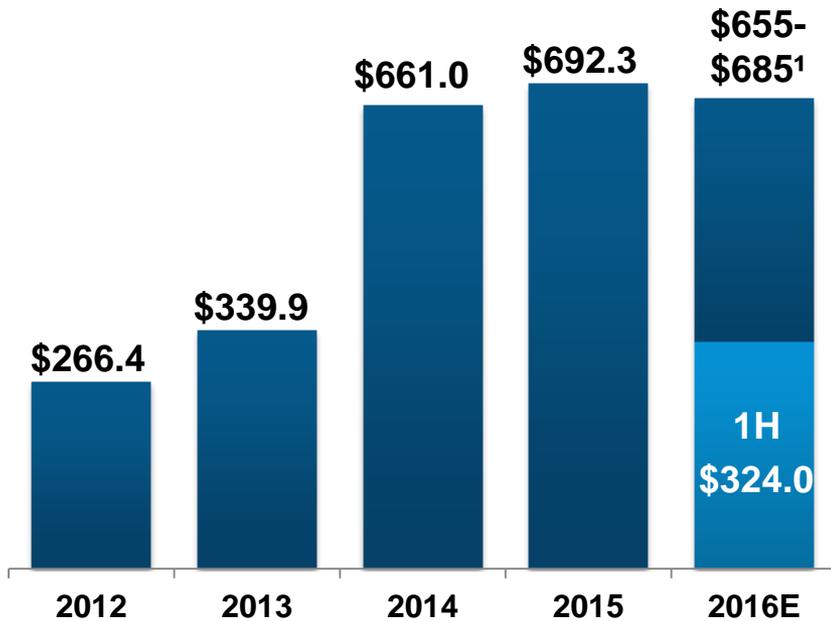
FINANCIALS



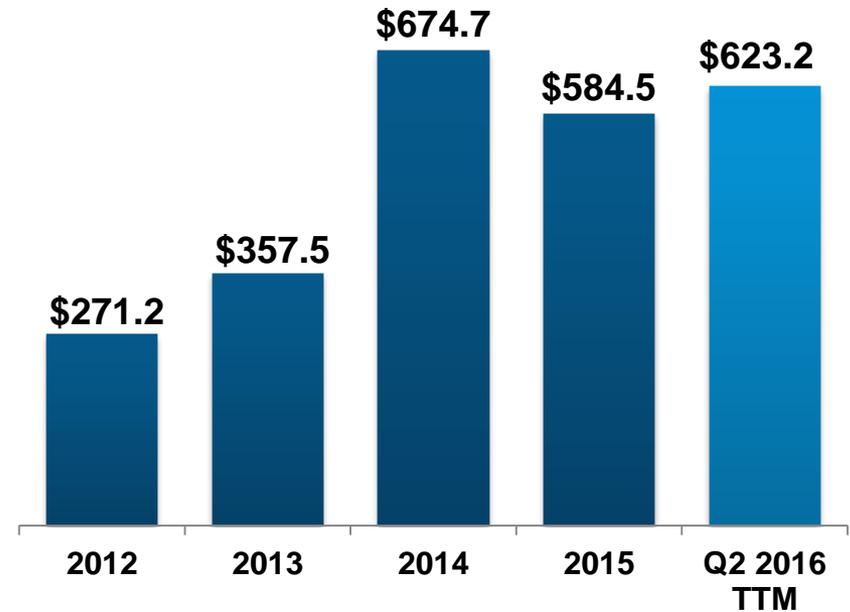
Sales & Bookings

(\$ in millions, except EPS)

Sales



Annual Bookings



\$0.87 \$1.08 \$2.16 \$2.55

Diluted EPS²

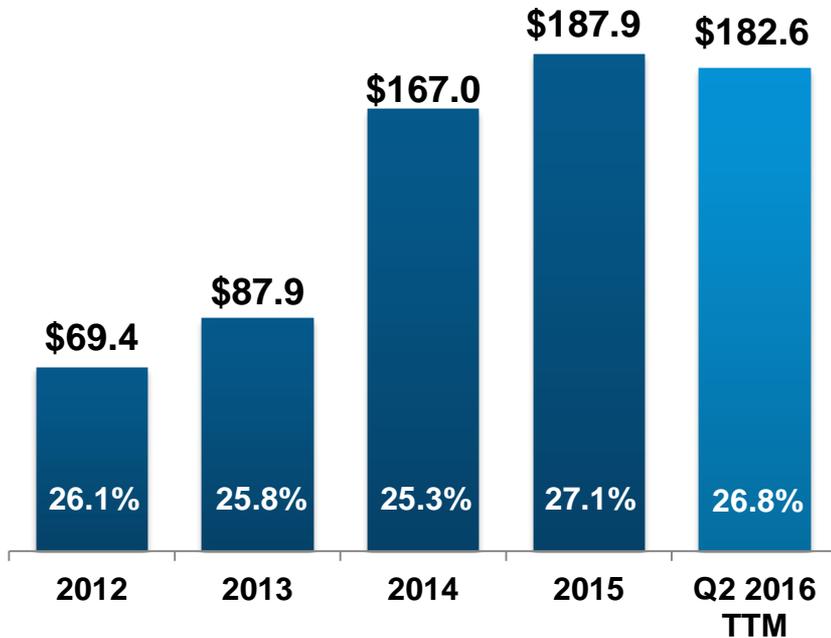
¹ Guidance provided as of August 3, 2016

² Adjusted for October 2015 15% Class B Stock distribution

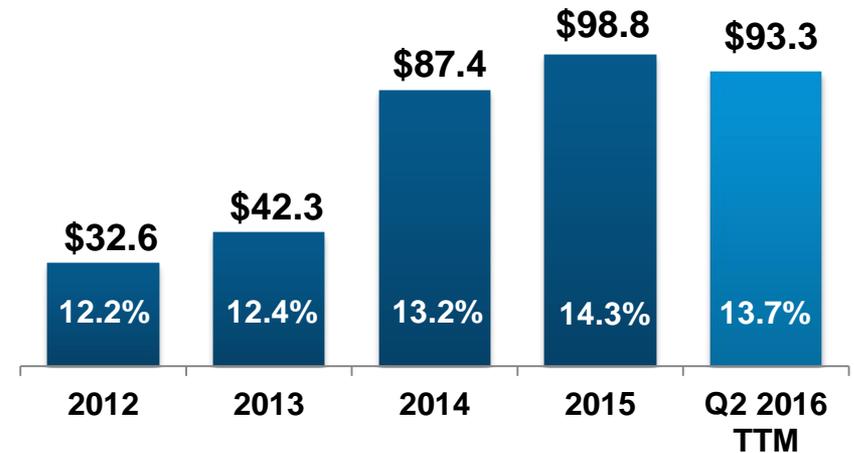
Solid Margins

(\$ in millions)

Gross Profit & Margin



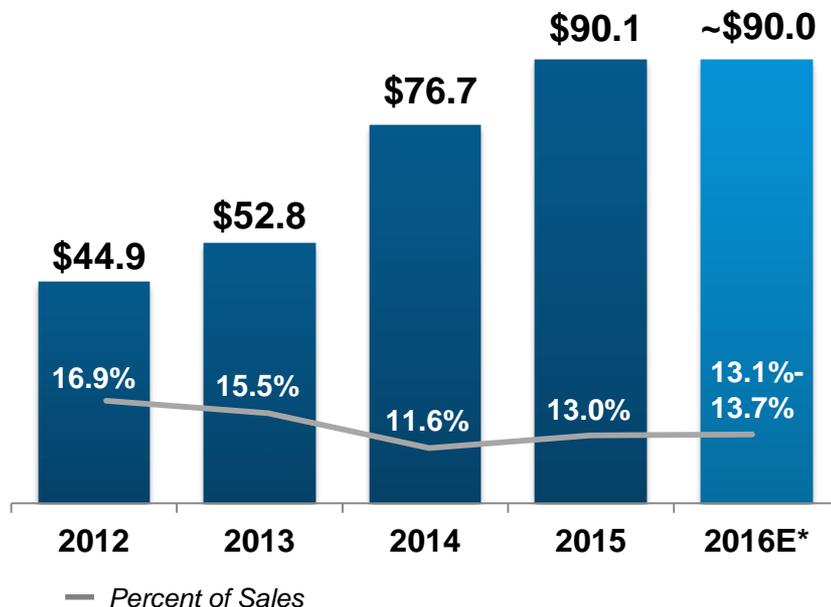
Operating Profit & Margin



Develop and Capitalize on Technical Expertise

(\$ in millions)

Engineering & Development Expense



* Guidance provided as of August 3, 2016

- Majority focused on customer specific projects
- Identify market opportunities
- Develop/acquire technical capability
- Earn higher returns by providing innovative solutions
- E&D estimated to continue at roughly the same rate as 2015

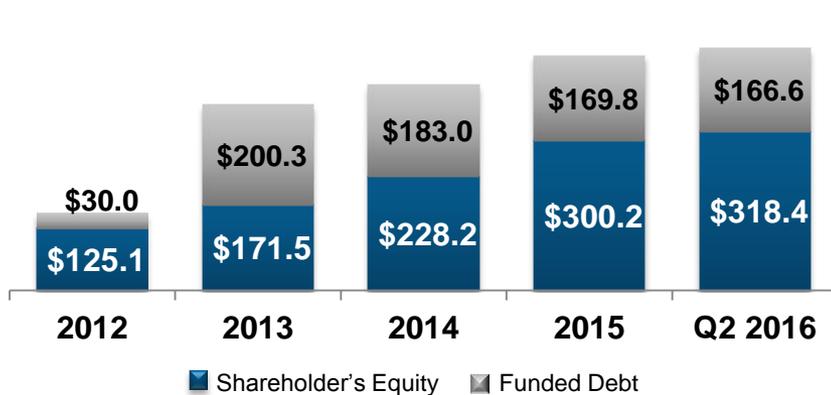
Strong Balance Sheet and Cash Flow

(\$ in millions)

Cash From Operations



Funded Debt & Shareholders' Equity



Capital Expenditures



* Guidance provided as of August 3, 2016

Financial Strategy and Priorities

Maintain a strong, flexible balance sheet for growth

- Capital allocation priorities:
 1. Organic growth
 2. Acquisitions
 3. Pay down debt
 4. Stock repurchases

- Tolerance for debt:
 - ◆ 2x - 3x
 - ◆ Willing to flex up

- Maintenance CapEx:
 - ◆ \$17 million to \$20 million

CapEx guidance provided as of August 3, 2016

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Supplemental Slides



Major Competitors

Electrical Power & Motion

- Airbus KID – Systeme
- Hamilton Sundstrand/UTC
- Crane Aerospace

- Zodiac
- Honeywell
- OEM internal processes

Lighting & Safety

- Zodiac
- Honeywell
- Esterline
- Hamilton Sundstrand/UTC
- Draeger (B/E Aerospace)

- Goodrich
- Whelen
- Diehl Aerospace
- Numerous smaller suppliers

Avionics

- GE
- North Atlantic Industries
- TECOM (Smiths Group)

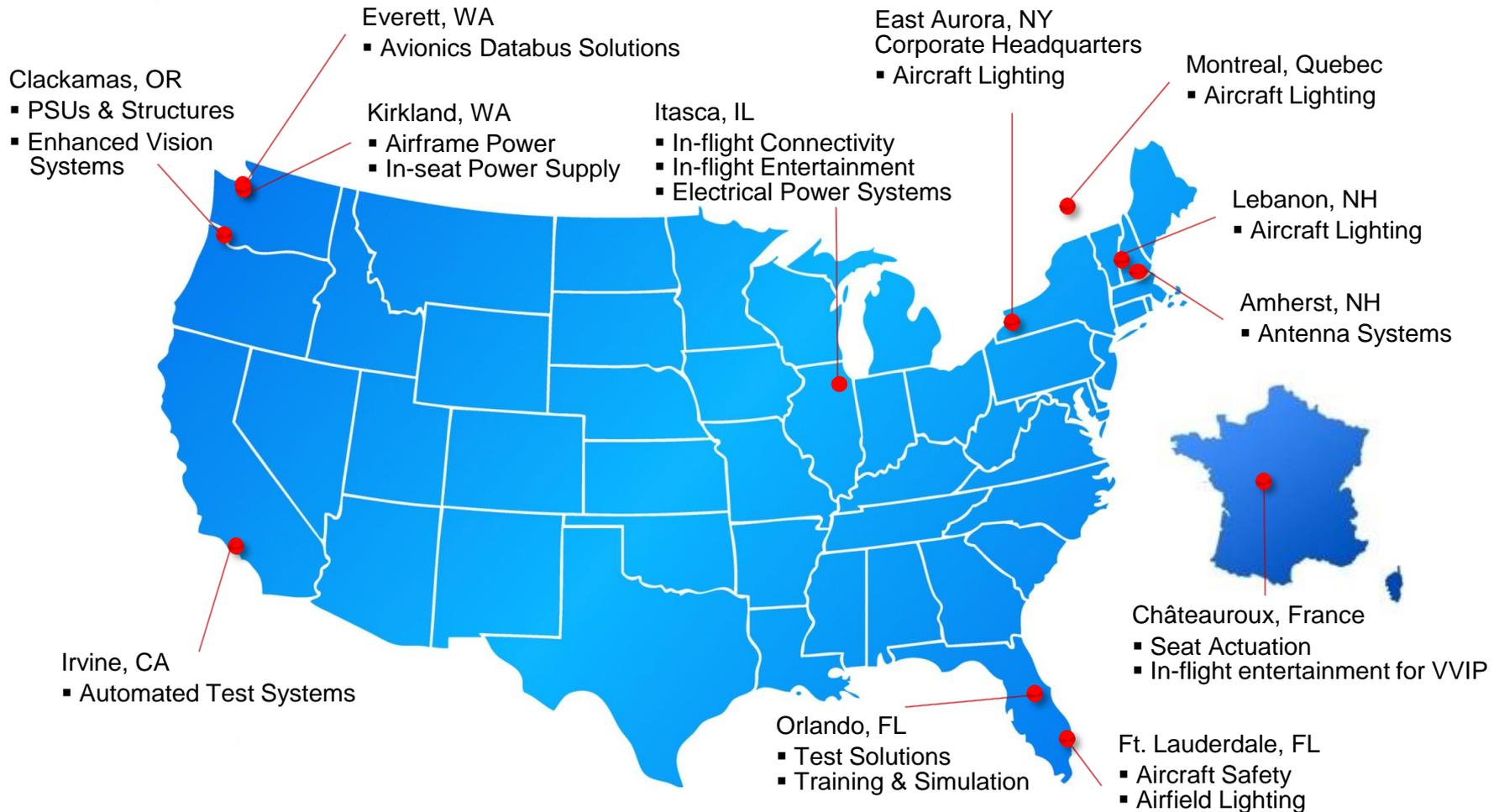
- Kontron
- Panasonic / Mitsubishi MELCO

Test Systems

- Aeroflex (Cobham)
- Lockheed
- National Instruments

- Keysight
- Teradyne

Astronics Locations



Adding Technology

