



## Gabelli Aerospace Conference



Nasdaq: ATRO

ELEVATING *innovation*

Pete Gundermann, President & CEO

Dave Burney, Executive Vice President & CFO

September 13, 2018

[astronics.com](http://astronics.com)

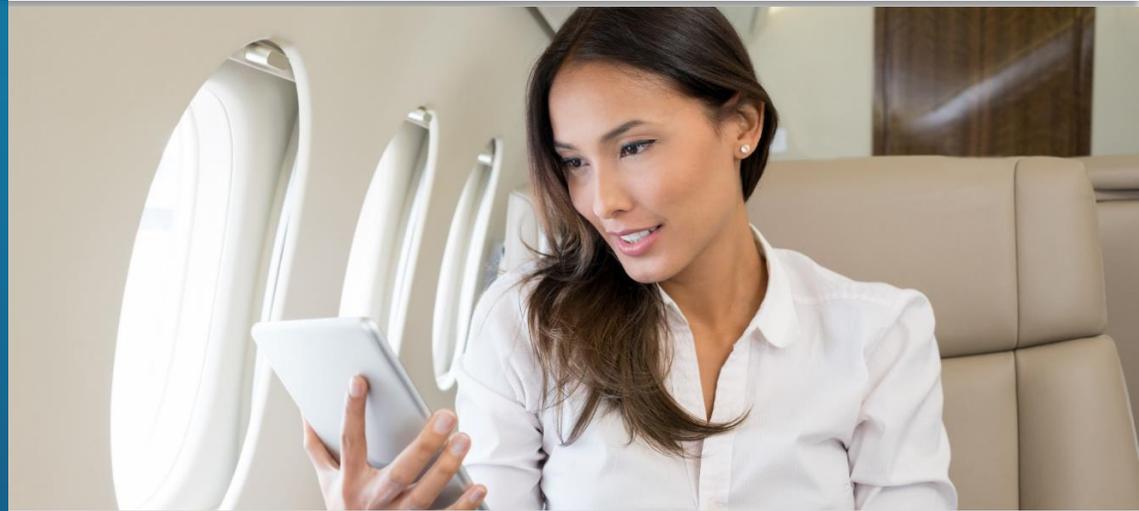
# Safe Harbor Statement

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)

INNOVATION. COLLABORATION. SUCCESS.

We work side-by-side with customers, integrating our array of power, connectivity, lighting, structure, interior, and test technologies to solve complex challenges.



Market Cap	\$1.2 billion
Recent Price	\$43.76
52-Week Range	\$26.39–\$49.45
Average Daily Volume (3 mos.)	101,620

Shares Out	28.1 million
Institutional ownership	72%
Insider ownership	14%
Index membership	Russell 3000 <sup>®</sup> /2000 <sup>®</sup>
IPO	1972

# Two Business Segments

## Aerospace

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

## Test Systems

- » Semiconductor
- » Aerospace & Defense

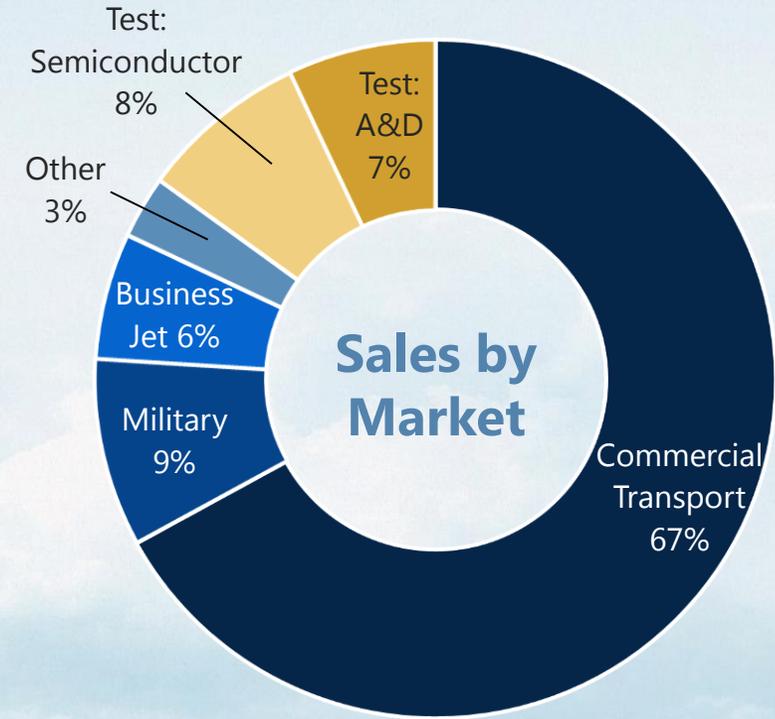
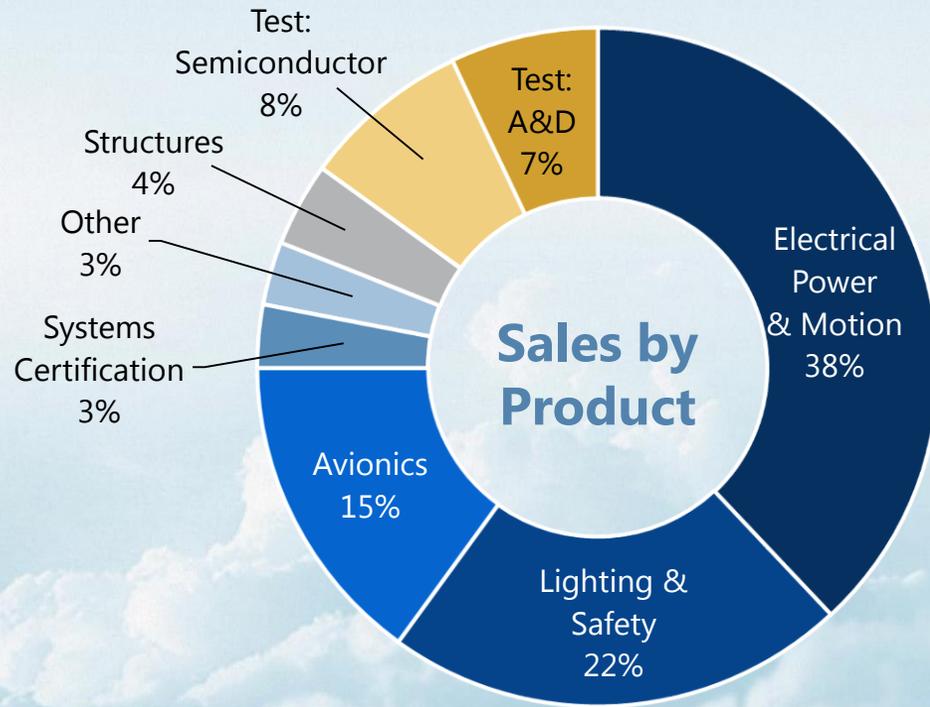
### SALES

US\$ in millions



\* Guidance provided as of August 3, 2018. Segment sales tally may differ due to rounding.

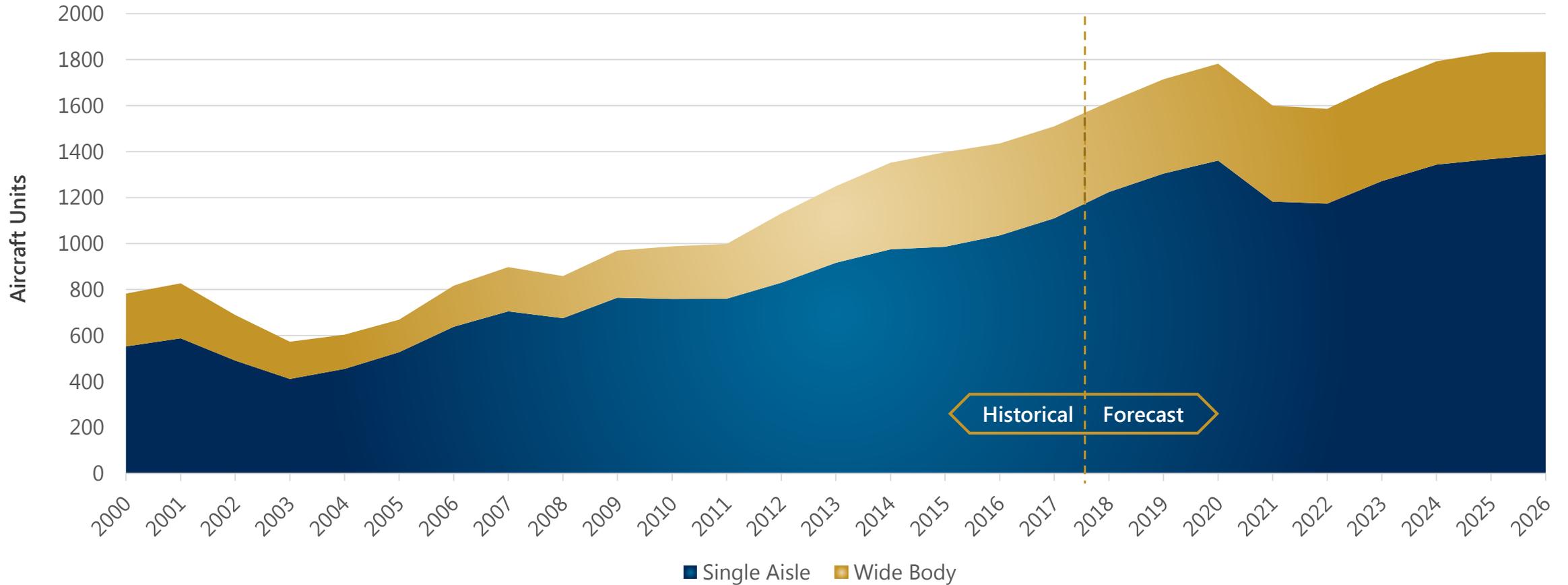
# Sales by Product and Market



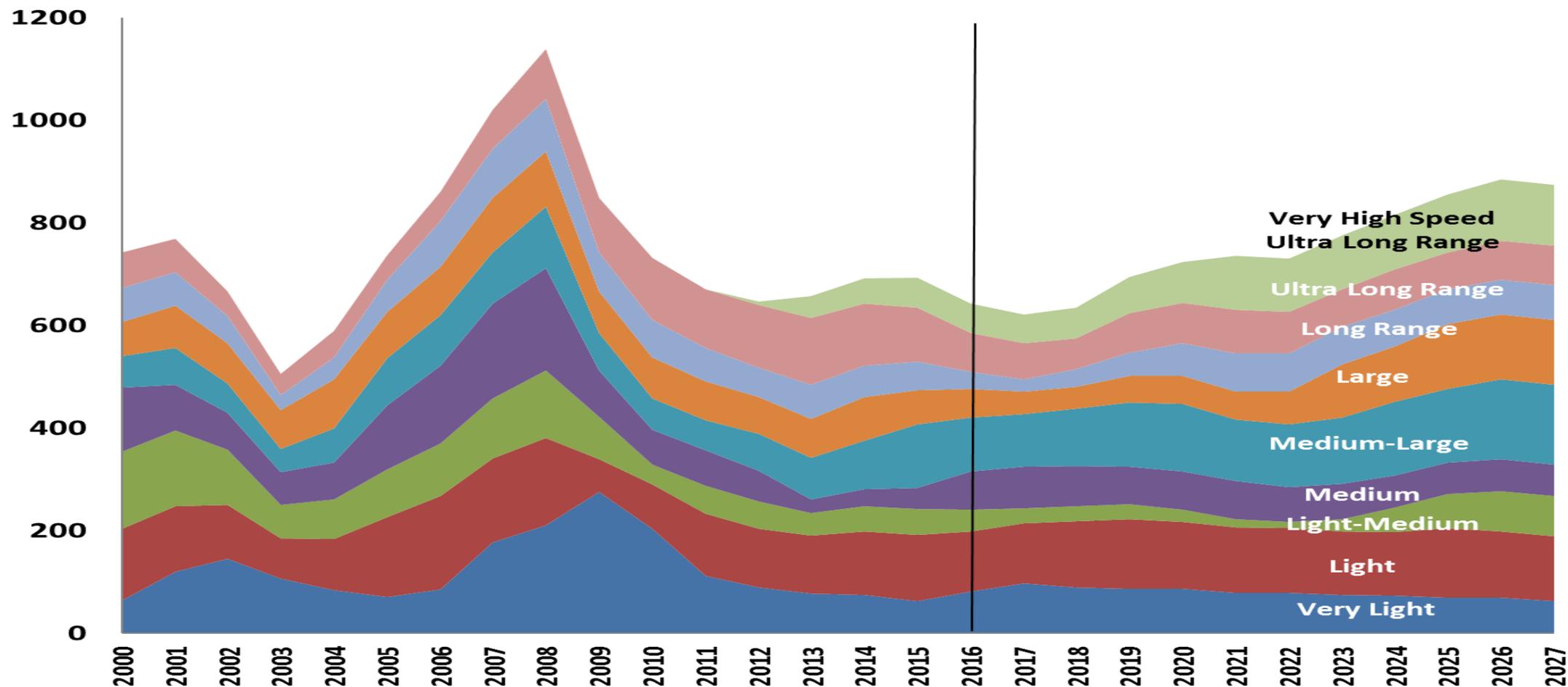
TTM Q2 18 Sales: \$708.6 Million

Sales by product percentage tally may differ due to rounding

# Commercial Transport Delivery Forecast



# Business Jet Delivery Forecast



~8,300 Aircraft from 2017 - 2027

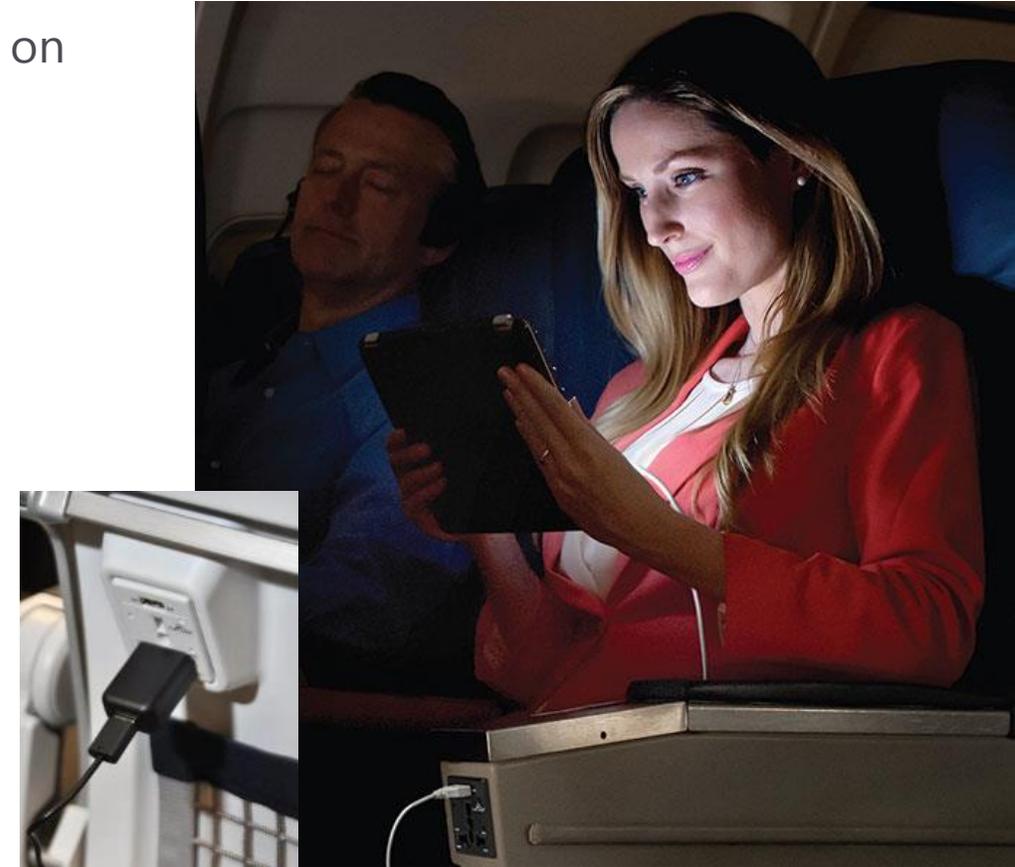
# Products & Solutions



# Power and Motion

## ⚡ In-Seat Power Supply (ISPS)

- » In-seat power, line-fit and retrofit, now powering 1 million+ seats on over 230 airlines worldwide
- » IFE power supplier to Thales, Panasonic, and Zodiac
- » ASP: \$750-\$850 per seat
- » Currently 90%+ market share in growing market of seat power worldwide
- » Large growth opportunity with narrow body adoption



# Power and Motion

⚡ Establishing leadership in airframe power

Solid-state power distribution systems replace extensive wiring and traditional electromechanical components with modular electronics and software



- » Intelligent systems for power generation, distribution and conversion
- » Increased reliability
- » Reduced weight
- » Automation, flexibility
- » Lower life cycle cost
- » Reduces pilot work load

## Wins:

- » DAHER TBM 900
- » Bell 505, 525 & V280
- » Pilatus PC-24
- » Cessna Denali

COREPOWER®



# Connectivity & Data



## Connectivity Systems, Antennas and Databus Solutions

- » Acquired Telefonix in December 2017 for \$104 million
  - › Leader in cord reels; provides connectivity hardware: Wireless access points, Servers and controls
- » Complete IFEC solution:
  - › Connectivity hardware, installation design and integration engineering
  - › Certification services
- » Satellite-based broadband
  - › Ku-band: leading technology, lower cost, flexible applications, efficient, upgrading
  - › Suited for commercial, business, VVIP, and military aircraft applications
- » Data interface solutions
  - › Aircraft Interface Device (AID): translation devices that enable varying system protocols to communicate
  - › webFB: Wireless Electronic Flight Bag



# The Executive Aircraft



Combined capabilities: IFE for VVIP\*

- » Large private and government jets
- » \$1 million to \$10 million per install
- » UHD Media Center: first aeronautical player with 4K Ultra HD technology



\*In flight entertainment for Very, Very Important People

# Lighting & Safety



Serving commercial, business jet and military

## Passenger Service Units (PSUs)

- » 777/777X - approximately \$240K\* in content  
(PSUs, fuel access doors, exterior lighting)
- » 737 - approximately \$115K\* in content  
(BSI PSUs, fuel access doors, exterior lighting)
- » 787 - approximately \$45K\* in content  
(fuel access doors)
- » 747 - approximately \$30K\* in content  
(PSUs, fuel access doors)
- » Embraer E2 (PSUs, emergency lights)



## » Exterior Lighting Systems



## » Cabin Lighting Systems



## » Cockpit Lighting Systems



# Aerospace Segment

## Well Positioned on Wide Range of High Profile Next-Gen Aircraft

### CURRENT

#### 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

### NEXT GENERATION

#### 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

#### Boeing 777X

PSU & fuel doors

#### 737MAX

Exterior lighting system & PSU

#### Airbus 350

Emergency egress lighting & passenger power

#### Embraer E2

Interior and exterior emergency lighting system & PSU

#### Cessna Denali

Induction starter generator, electronic circuit breakers & passenger power

#### Bell 505, 525 & V280

Airframe power



# Test Systems

## Aerospace & Defense and Semiconductor Testing

A&D test instruments, automated test systems, and training and simulations systems

- » Integrated logistics support
- » Validate operating performance on multiple top-priority defense communications and weapons systems platforms



*Expanding test instrument business with next-gen PXI platform offerings*



*Next-gen radio test set that combines 16+ field test capabilities in one device*

Semiconductor: supporting the largest smart device ramps in history

- » Shortened time to volume
- » Reduced cost of test
- » Innovative test solutions
- » Flexibility
- » Scalability



*The new ATS 5034 SLT Platform delivers a high throughput and low cost of test for testing semiconductor devices at the system level.*

# ***ASTRONICS***

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## FINANCIALS



INNOVATION. COLLABORATION. SUCCESS.

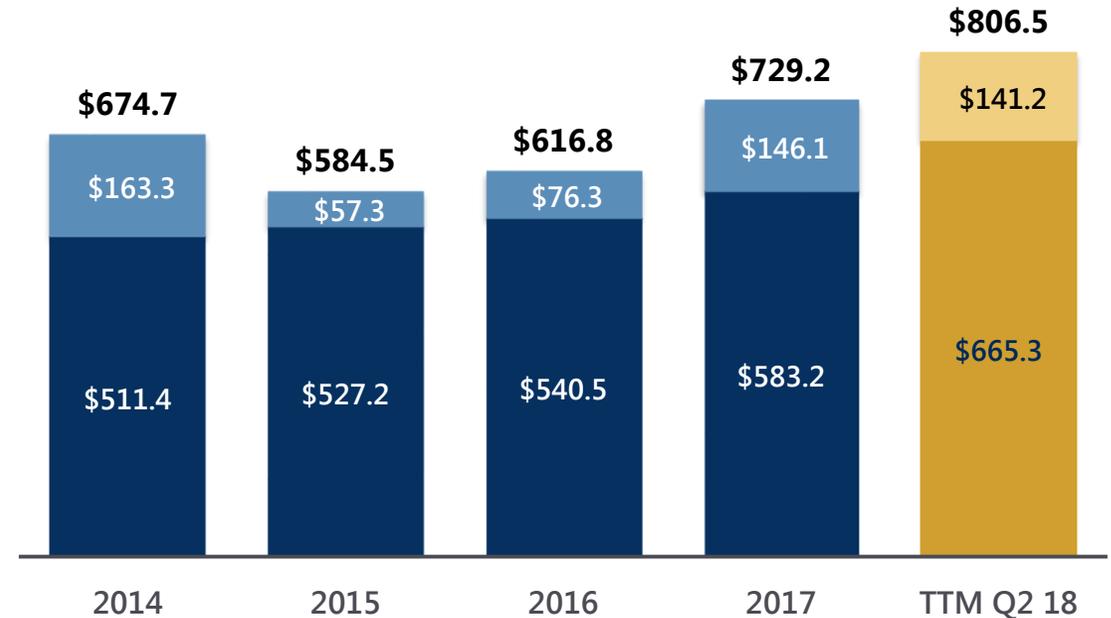
# Sales & Bookings

(US\$ in millions; except EPS)

## Sales



## Annual Bookings



### Diluted EPS

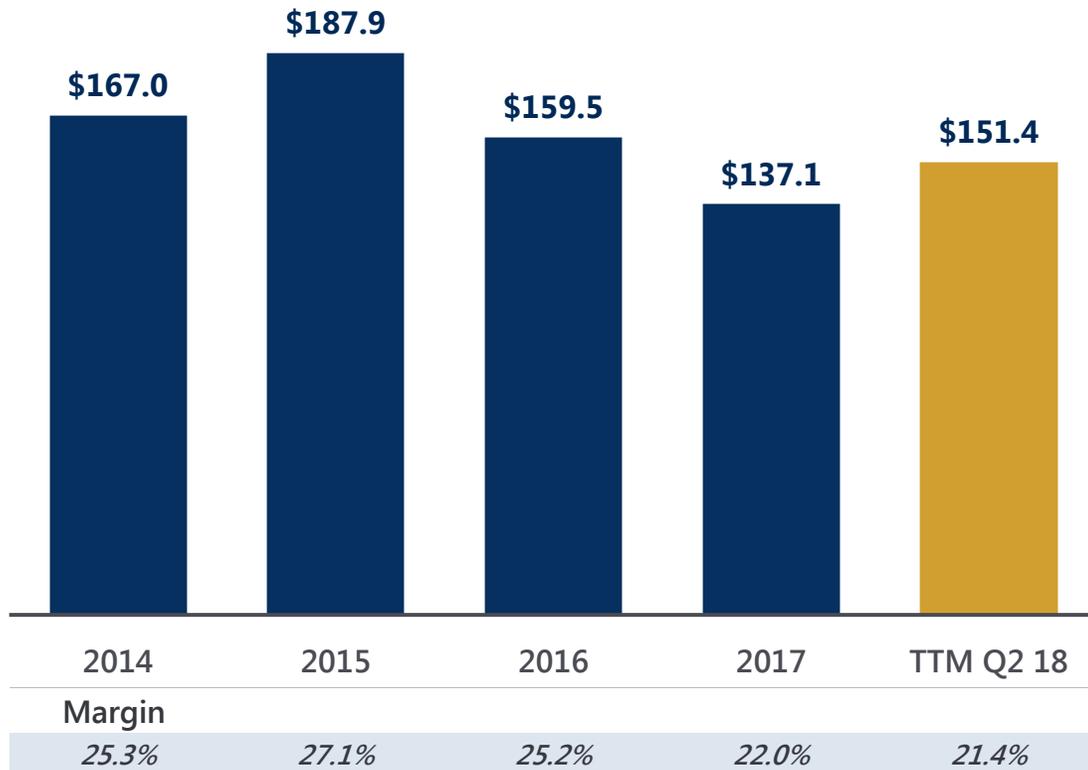
\$1.87      \$2.22      \$1.61      \$0.67

■ Aerospace ■ Test

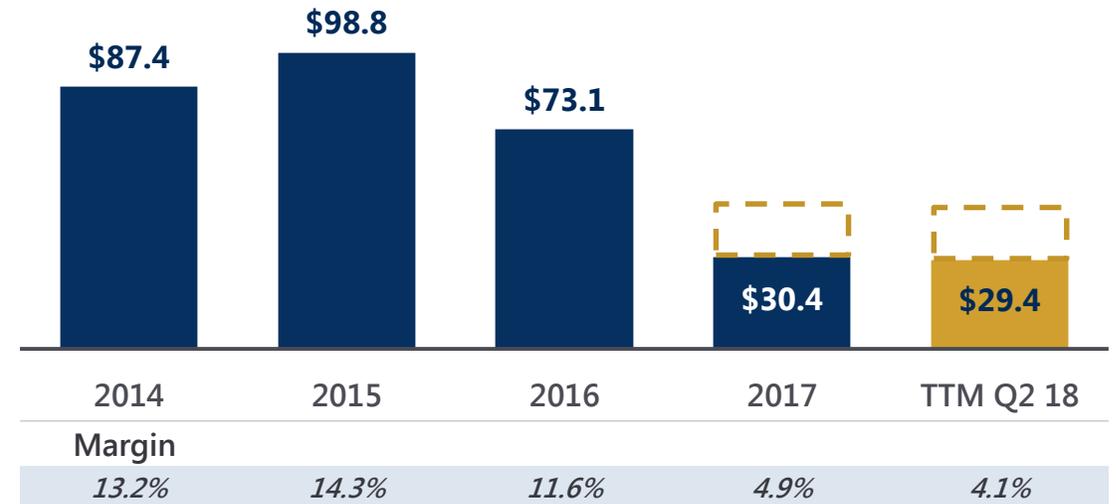
# Margins

(US\$ in millions)

## Gross Profit and Margin



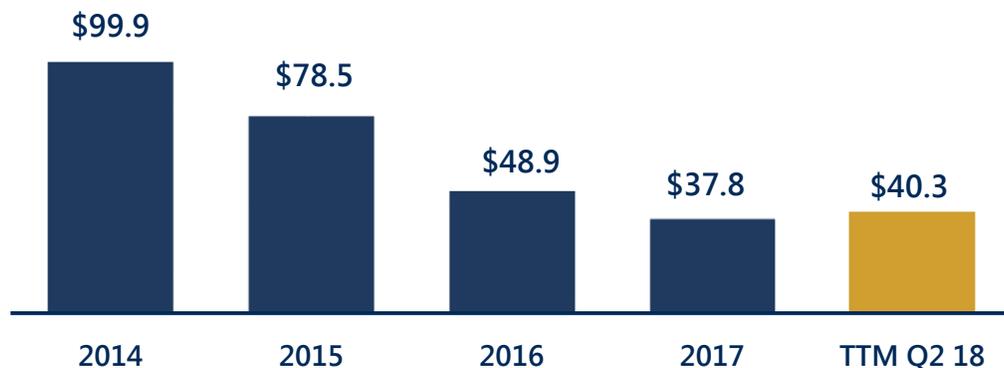
## Operating Profit and Margin



# Balance Sheet and Cash Flow

(US\$ in millions)

## Cash from Operations



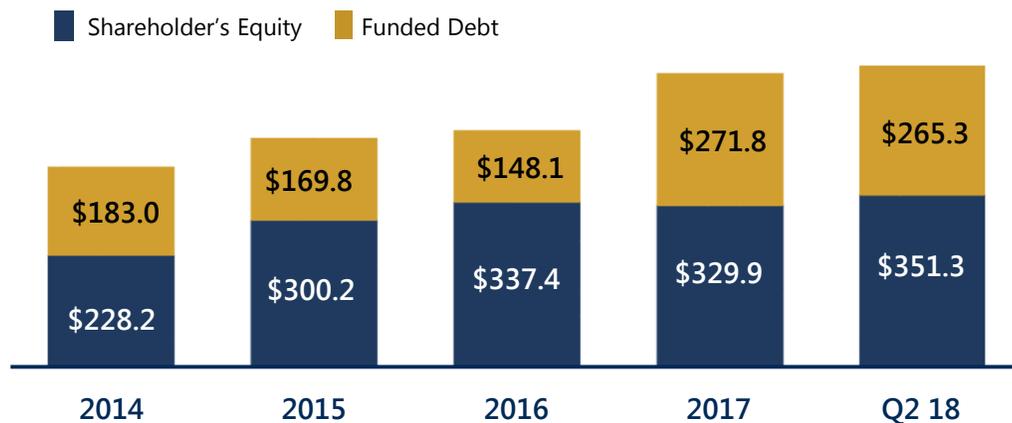
## Capital allocation priorities:

1. Pay down debt
2. Acquisitions
3. Organic growth
4. Opportunistic stock repurchases

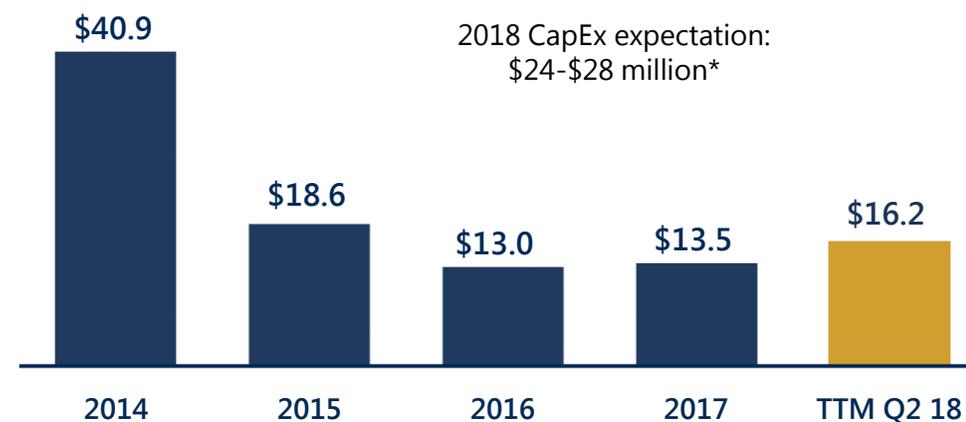
## Tolerance for debt:

- » 2x - 3x
- » Willing to flex up

## Funded Debt & Shareholders' Equity



## Capital Expenditures



# ***ASTRONICS***

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# Astronics Corporation

SUPPLEMENTAL  
INFORMATION



INNOVATION. COLLABORATION. SUCCESS.

# Serving Global Customers

## Representative List

230+ Airlines

Airbus

AMAC Aerospace

Bell Helicopter

Boeing

Bombardier

Carson Helicopters

Cirrus Aircraft

Comlux

Dassault Aviation

Embraer

General Dynamics

Gogo

Gulfstream

Hughes

Intel

Jet Aviation

L3 Technologies

Leonardo

Lockheed Martin

NASA

Panasonic Avionics

Raytheon Company

Rockwell Collins

Sikorsky

Textron

Thales

Thompson Aero Seating

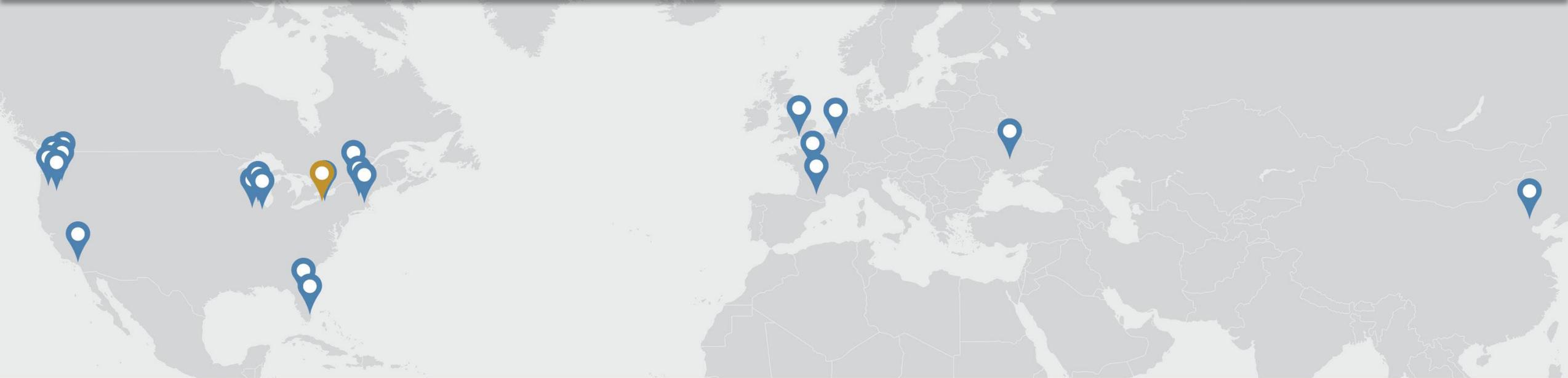
U.S. Army/Navy/Air Force/Marines

Zodiac Aerospace



# A Growing Global Footprint

Worldwide Manufacturing, Sales and Support



**1.2M** Square Feet of Manufacturing Strength

**2,700+** Employees

**24/7/365** Customer Service & Support

# Adding Technology, Building Solutions

## Recent Acquisitions for the Astronics Brand

### PECO Manufacturing

- » July 2013
- » Aerospace: Manufacturing Services

### PGA Avionics

- » December 2013
- » Aerospace: Power, Executive

### Armstrong Aerospace

- » January 2015
- » Aerospace: Systems Certification, Power

### Telefonix PDT

- » December 2017
- » Aerospace: Connectivity



### AeroSat

- » October 2013
- » Aerospace: Connectivity

### EADS N.A. Test

- » February 2014
- » Test

### Custom Control Concepts

- » April 2017
- » Aerospace: Executive

# ***ASTRONICS***

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information:



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