



Baird 2020 Global Industrial Conference

November 11, 2020



Nasdaq: ATRO

ELEVATING *innovation*

Peter J. Gundermann, Chairman, President & CEO

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Safe Harbor Statement

These slides contains forward-looking statements as defined by the Securities Exchange Act of 1934. One can identify these forward-looking statements by the use of the words "expect," "anticipate," "plan," "may," "will," "estimate" or other similar expressions and include all statements with regard to being the impact of COVID-19 on the Company and its future, achieving cash positive or neutral in 2020, expectations of demand by customers and markets, and EBTIDA margins. Because such statements apply to future events, they are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by the statements. Important factors that could cause actual results to differ materially from what may be stated here include the impact of the global outbreak of COVID-19 and governmental and other actions taken in response, trend in growth with passenger power and connectivity on airplanes, the state of the aerospace and defense industries, the market acceptance of newly developed products, internal production capabilities, the timing of orders received, the status of customer certification processes and delivery schedules, the demand for and market acceptance of new or existing aircraft which contain the Company's products, the need for new and advanced test and simulation equipment, customer preferences and relationships, and other factors which are described in filings by Astronics with the Securities and Exchange Commission. The Company assumes no obligation to update forward-looking information in this presentation, or its accompanying oral discussion, whether to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial conditions or prospects, or otherwise.

Astronics Corporation (Nasdaq: ATRO)

INNOVATION. COLLABORATION. SUCCESS.

Astronics serves the world's aerospace, defense, and other mission critical industries with proven, innovative technology solutions. Our strategy is to grow value by developing technologies, organically or through acquisition, for our targeted markets.

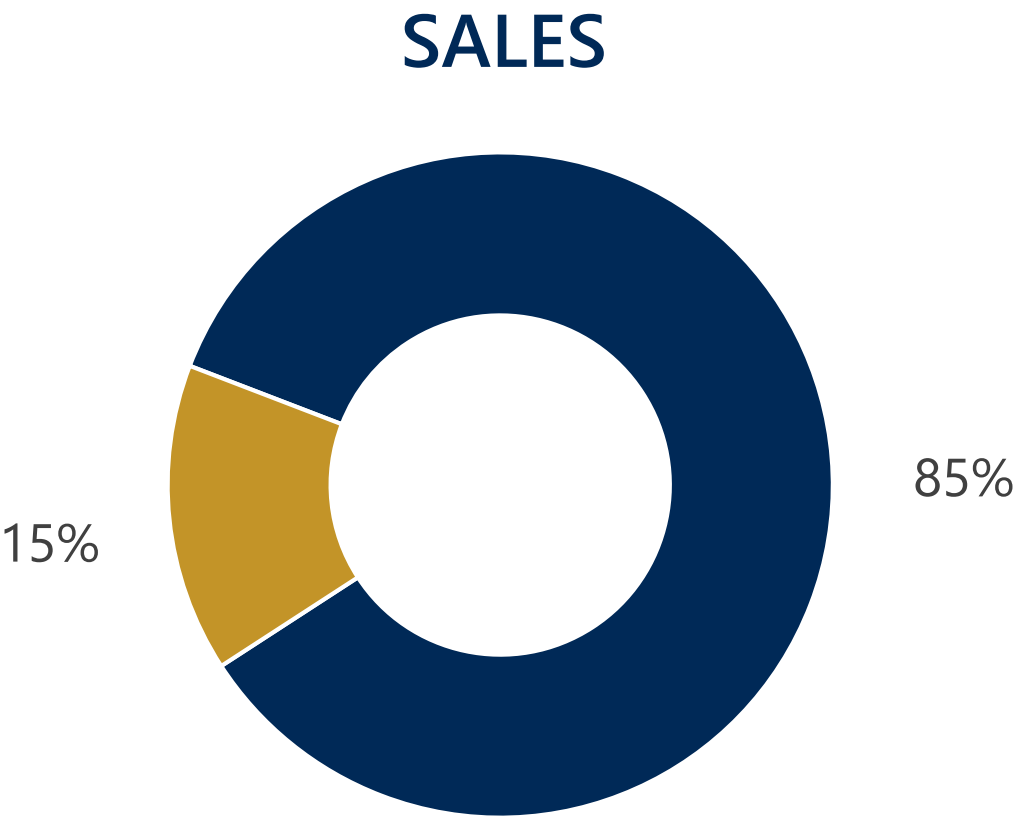


Market Cap	\$262.6 million
Recent Price	\$8.50
52-Week Range	\$6.30–\$31.47
Average Daily Volume (3 mos.)	255,480
Established/IPO	1969/1972

Shares Out – Common	23.9 million
Shares Out – Class B	6.9 million
Institutional ownership	66%
Insider ownership	9%
Index membership	Russell 3000 [®] /2000 [®]

Solid Franchise with Leading Market Positions

(\$ in millions)



Q3 2020 TTM Sales: \$586.2 Million

■ Aerospace ■ Test Systems

Astronics Aerospace

Elevating Innovation

PRODUCT LINES

Electrical Power & Motion
Lighting & Safety
Avionics/Systems Certification
Structures
Other

POWER & MOTION



LIGHTING & SAFETY



AVIONICS: CONNECTIVITY & DATA

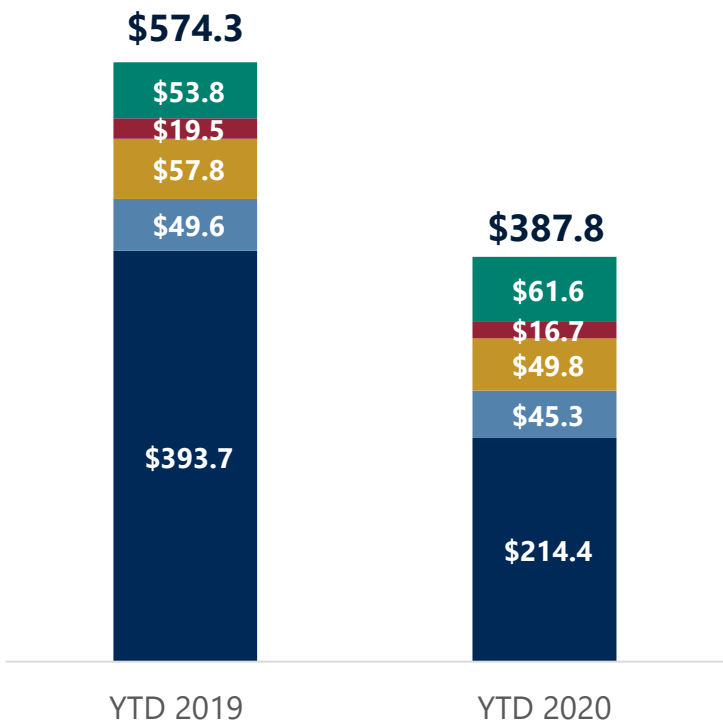


MAJOR THRUSTS

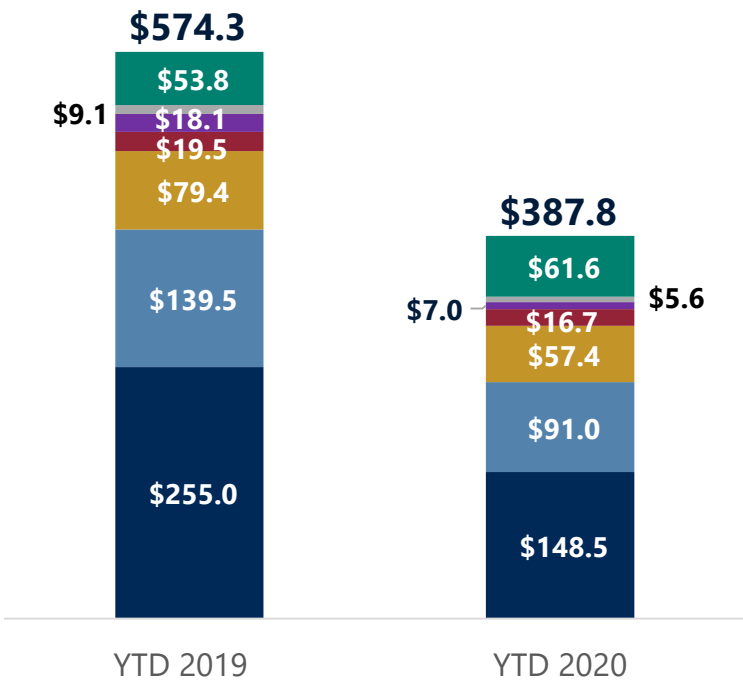
Flight Critical Electrical Power
Aircraft Lighting & Safety
Inflight Entertainment & Connectivity (IFEC)

YTD FY2020 Sales – Changes in Revenue Mix

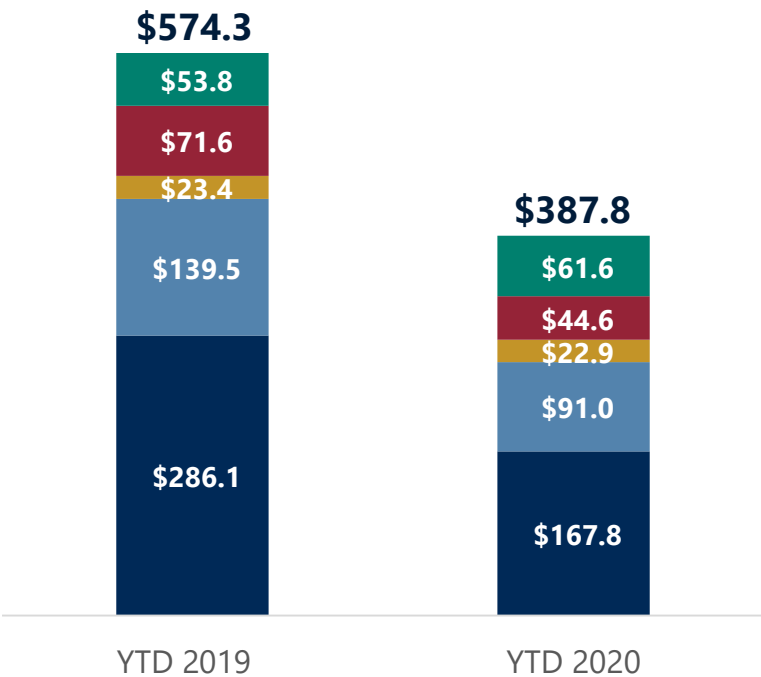
Sales by Market



Sales by Product



Sales by Major Thrust



- Test
- All Other
- Military Aircraft
- Business Jet
- Commercial Transport

- Test
- Systems Certification
- Structures
- All Other
- Avionics
- Lighting & Safety
- Electrical Power & Motion

- Test
- All Other
- Flight Critical Electrical Power
- Lighting & Safety
- IFEC

COVID-19 Impact on Demand

Commercial aircraft market: ~70% of sales in 2019

- » Approximately two-thirds new aircraft production primarily at Boeing and Airbus
- » Approximately one-third aftermarket business with airlines and leasing companies

General aviation: ~10% of sales in 2019

- » Mostly line-fit product to airframe OEMs
- » Most manufacturers reduced production rates as the pandemic took hold
- » Production rates could recover in the coming year or two

Defense and other government markets: ~20% of sales in 2019

- » Includes military aircraft programs and the majority of the Test business
- » Remained stable and has been largely unaffected by the pandemic.

A close-up, low-angle shot of the nose of a white commercial airplane against a clear blue sky. The aircraft's nose cone, cockpit windows, and the top of the fuselage are visible. The image has a blue tint and is used as a background for the left side of the slide.

RAPID ACTIONS TO ADDRESS CHALLENGING TIMES

Operational Adjustments for COVID-19 Impact on Business

Prioritized health and safety of employees

Respond to customer needs and expectations

Focus on cash

- » Goal is to generate cash and deliver mid-to high single digit EBTIDA margins at 30% to 35% reduction in revenue
- » Implemented cost savings of ~\$160 million from original 2020 plan
- » Additional levers available if conditions worsen or duration is significant
- » Restructured Debt

Aircraft Inflight Entertainment & Connectivity

Aircraft Data Systems



IFC Antennas and Radome Systems



Power for Passengers and Crew



Inflight Entertainment Systems Hardware



IFEC: IN-SEAT POWER SUPPLY (ISPS)

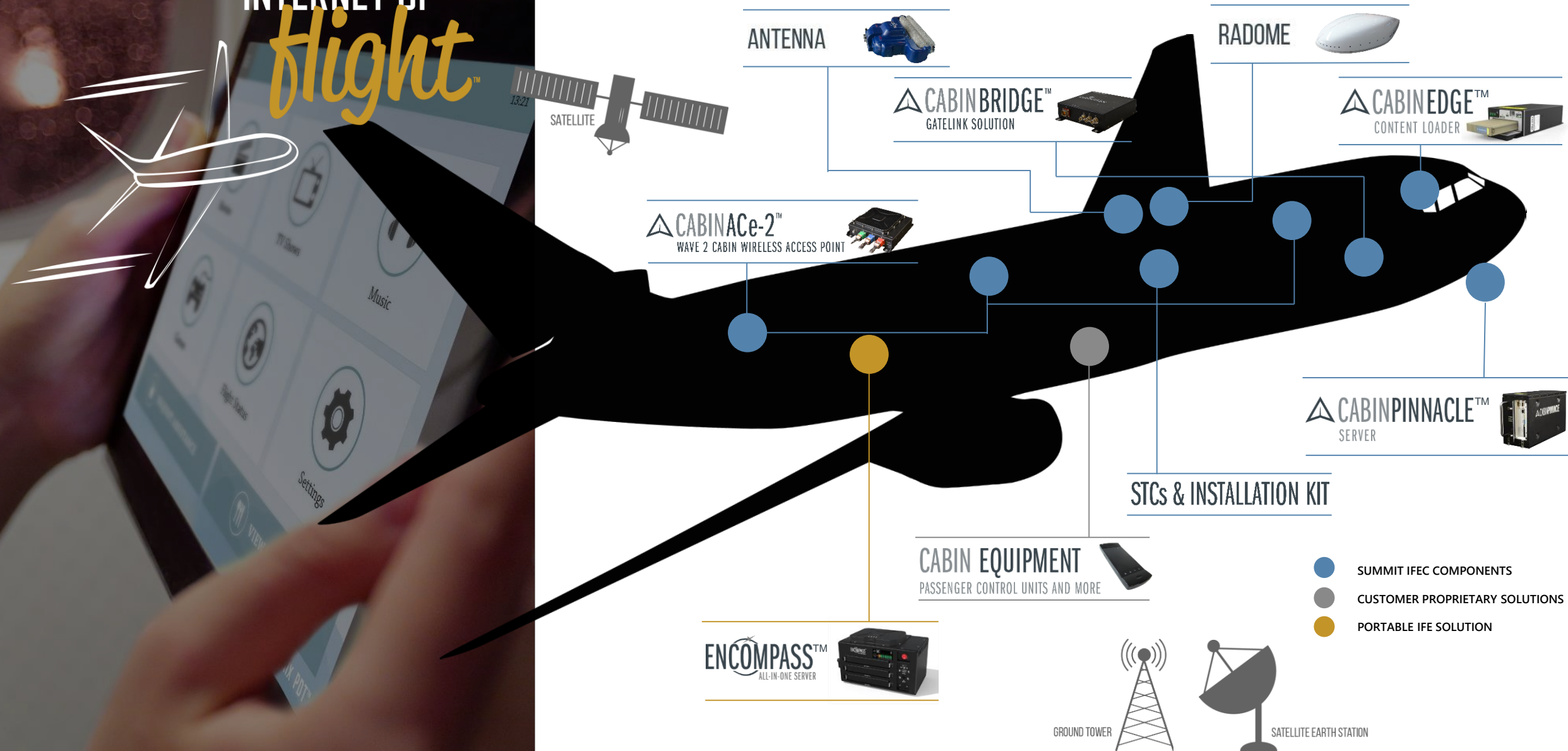
- » In-seat power, line-fit and retrofit, now powering 1 million+ seats on over 280 airlines worldwide
- » High barriers to entry: 90%+ market share
- » ASP: \$350-\$850 per seat
- » Market penetration aircraft: ~80% wide body and ~25% narrow body
- » Market penetration seats: ~60% wide body and ~20% narrow body



ADVANCED
TECHNOLOGY
FOR THE
INTERNET OF
Flight

The leader and only one-stop source for the hardware needed to provide connectivity.

INTERNET

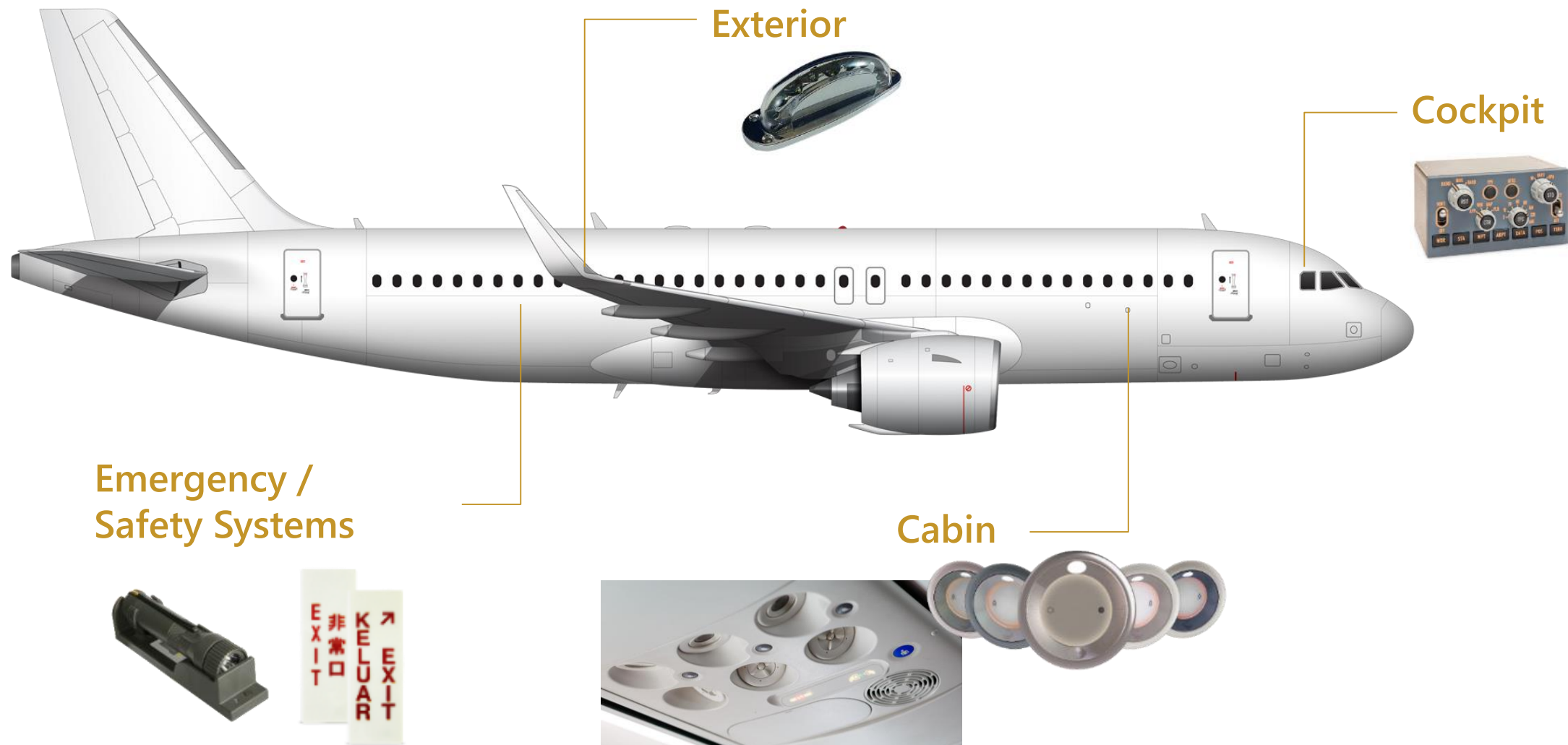


IFEC Technologies & Content Value

Total Addressable Market Opportunity

System Components	ATRO	Product Category	Narrow body Potential Content	Wide body Potential Content
Hardware Equipment				
Aircraft Interface Device (AID)	✓	Avionics	\$10k	\$10k
Servers	✓	Avionics	\$15k	\$15k
Data Loader	✓	Avionics	\$5k	\$5k
Wireless Access Points (WAP)	✓	Avionics	\$10k	\$15k
In-seat Power	✓	Electrical Power & Motion	\$50k-\$100k	\$175k - \$300k
Seatback Displays	✓	Avionics		
Passenger Control Units (PCU)	✓	Avionics	\$10k	\$20k
Service Delivery				
Content				
Bandwidth				
TOTAL ADDRESSABLE MARKET			\$100k - \$150k	\$240k - \$365k

Lighting & Safety Solutions



Aircraft Lighting Systems

Industry Leader in Aircraft Lighting

A complete array of innovative, lightweight, reliable, solid-state lighting systems

Products

- » Exterior lighting systems
- » Cabin lighting systems
- » Cockpit lighting systems

Markets

- » Commercial transport
- » Military
- » Business and general aviation



Illuminating commercial, business and military aircraft, including Airbus, Boeing, Embraer, Lockheed and Textron

Lighting & Safety Technologies & Content Value

Total Addressable Market Opportunity

Lighting Solutions	ATRO	Product Category	Wide body Potential Content	Narrow body Potential Content	Bizjet Potential Content
Cockpit					
Panels / Keyboards	✓	Lighting & Safety	\$20k	\$15k	\$10k
Caution / Warning	✓	Lighting & Safety	\$30k	\$20k	\$10k
Utility			\$10k	\$10k	\$3k
Displays			\$15k	\$15k	\$5k
Exterior	✓	Lighting & Safety	\$30k	\$20k	\$10k
Cabin					
Emergency / Signage	✓	Lighting & Safety	\$50k	\$20k	\$5k
Area / Mood			\$175k	\$70k	\$10k - \$30k
Passenger Service Units	✓	Lighting & Safety	\$250k	\$85k	
Business / First Class Seats	✓	Lighting & Safety	\$55k	\$3k	
TOTAL ADDRESSABLE MARKET			\$635k	\$258k	\$53k - \$73k

Flight Critical Electrical Power

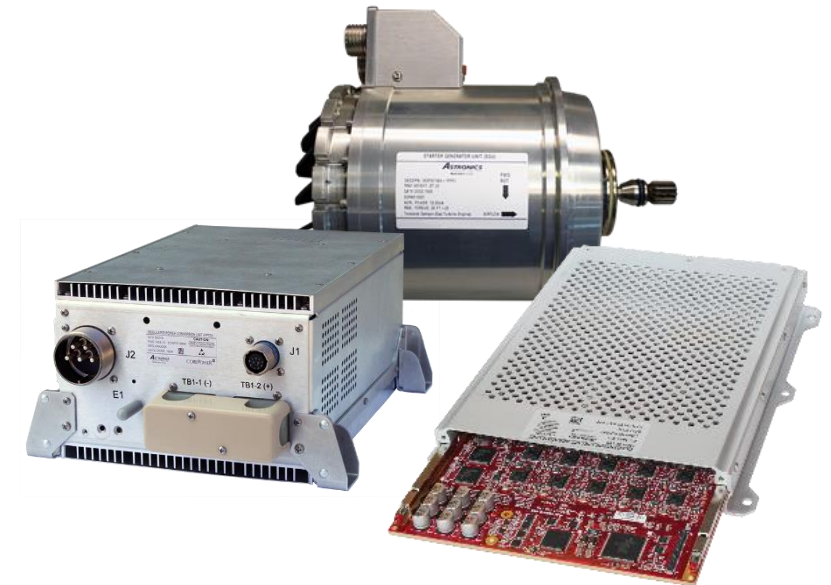
First Mover Advantage: Establishing leadership in small aircraft airframe power

The technology for the future of small aircraft: 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 workload

COREPOWER®



Addressing Trends: Modernization of Aircraft

Clean, Streamlined Cockpit



Traditional Cockpit with Circuit Breakers
Learjet 45



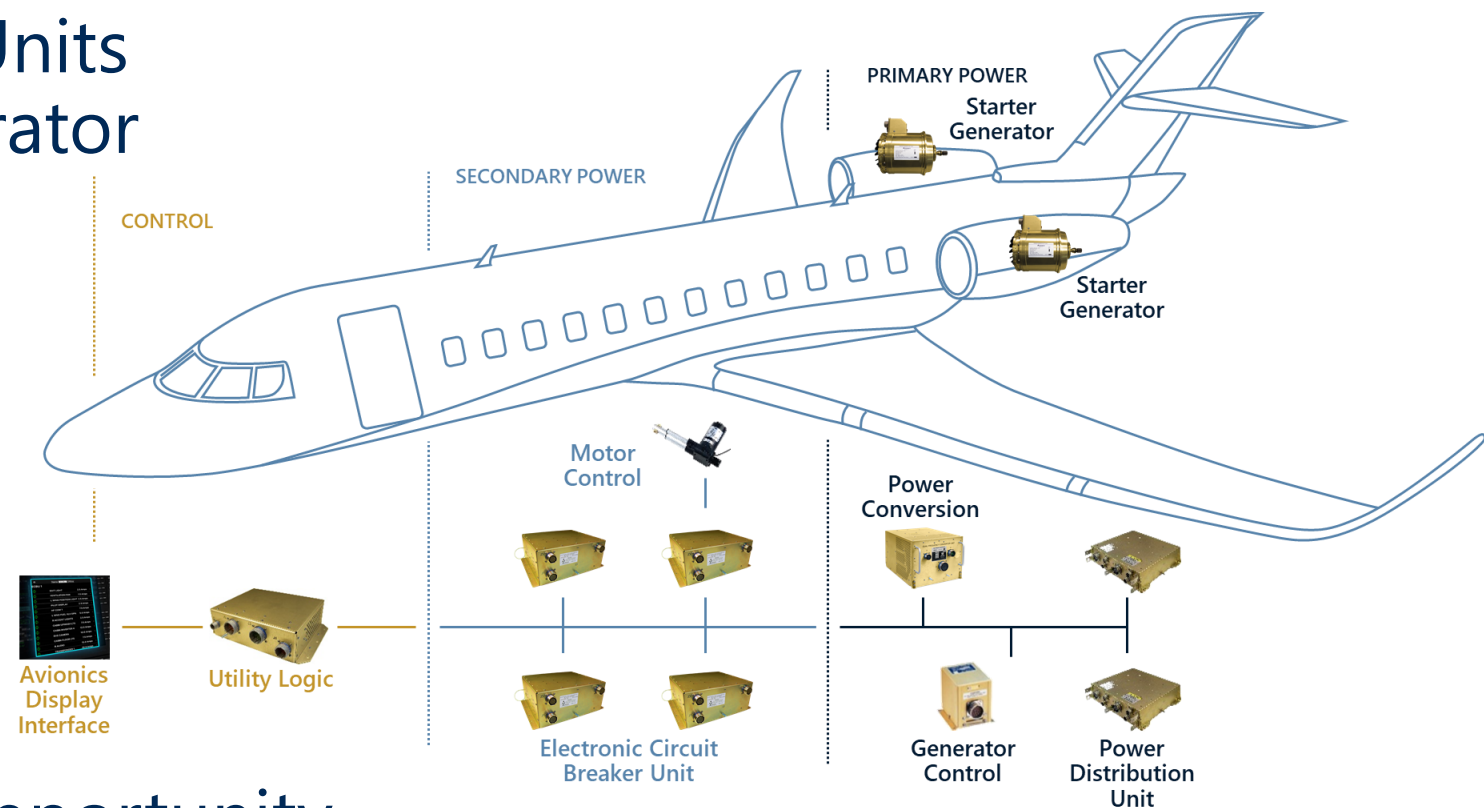
Electronic Power Distribution
PC-24

Flight Critical Electrical Power Addressable Market

Electronics Circuit Breaker Units and Long-Life Starter Generator

Program Wins to Date

- » Eclipse 500
- » Daher TBM 900
- » Bell 505, 525, V-280
- » Pilatus PC-24
- » Cessna Denali
- » Global 7000
- » FARA: 360 Invictus
- » FLRAA: V-280



Total Addressable Market Opportunity

	Small Turbine	Medium Turbine	Large Turbine
Shipset value	\$80k – \$120k	\$100k – \$200k	\$200 – \$600k
Number of aircraft/year	310	230	280
TOTAL	~\$30 million	~\$35 million	~\$110 million

Aerospace

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

Boeing 787

Passenger power, fuel doors & cockpit lighting

Boeing 737 NG/BSI

PSU, passenger power available & cockpit lighting

F-35 JSF

Exterior lighting system & lighting controllers

Airbus A350

Emergency egress lighting & passenger power

NEXT GENERATION

Boeing 777X

PSU, fuel doors, cabin, cockpit & exterior lighting

Boeing 737MAX

Exterior lighting system & PSU

Embraer E2

Interior and exterior emergency lighting system & PSU

Pilatus PC-24

Airframe power & induction starter generator

Cessna Denali

Induction starter generator, electronic circuit breakers & passenger power

Bell 525/V280/505

Airframe power, lighting/safety



Test Systems

Testing for Mission-Critical Industries

Award-winning test solutions

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

Improve system reliability, reduce costs, streamline TPS development, and preserve vital legacy investments with test solutions

- » Instruments, ATE, and switching systems
- » Commissioning, logistics, support, obsolescence management
- » Experience includes:
 - › Test systems to railway rolling stock manufacturer Stadler US Inc.
 - › AutoPoint Multi-Axis Robotic System (AP-MARS)



Expanding test instrument business with next-gen PXI platform offerings



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



ASTRONICS

FINANCIALS

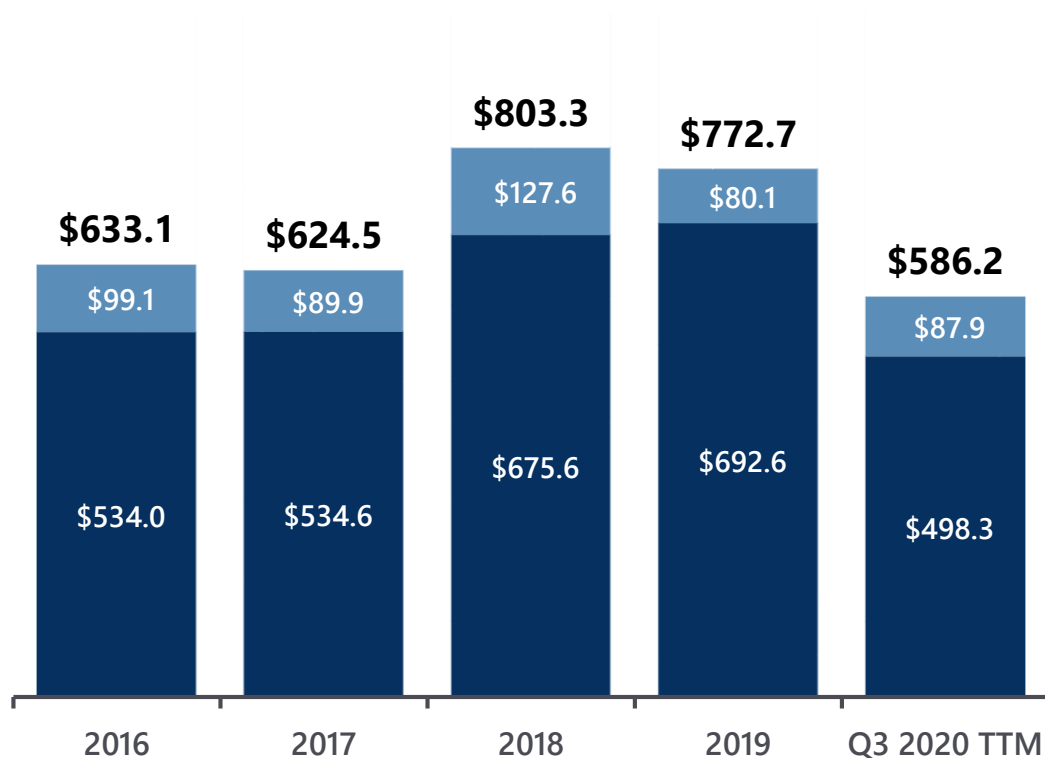


INNOVATION. COLLABORATION. SUCCESS.

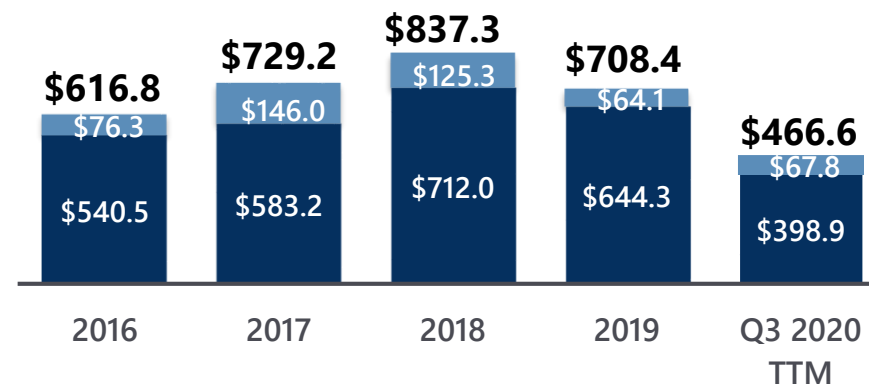
Sales, Bookings & Backlog

(US\$ in millions; except EPS)

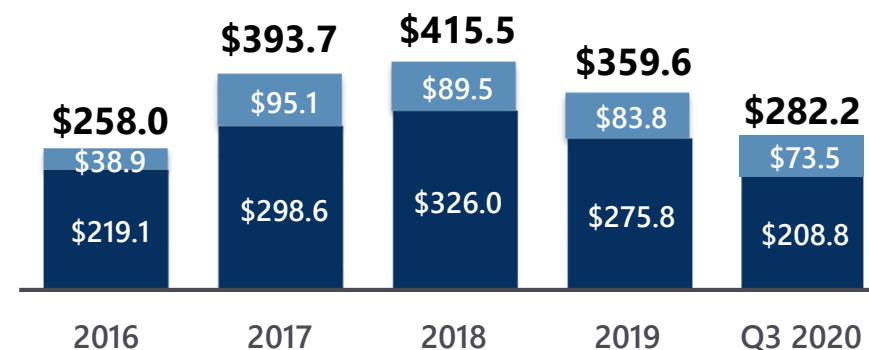
Sales



Bookings



Backlog

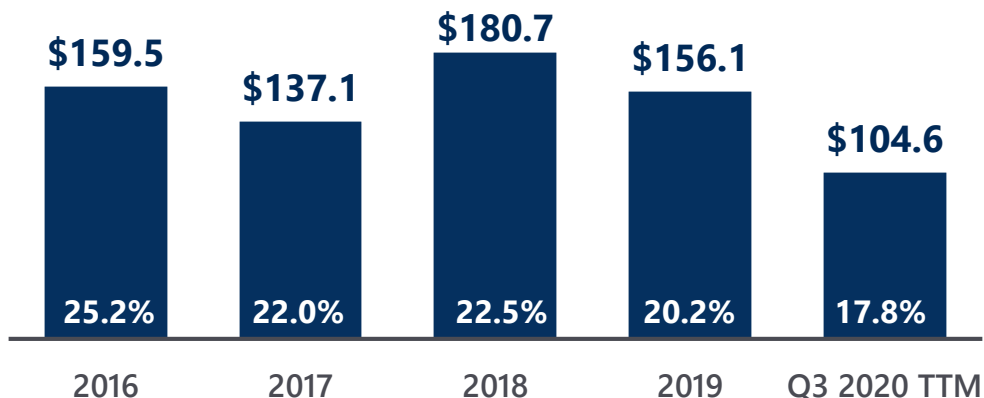


■ Aerospace ■ Test

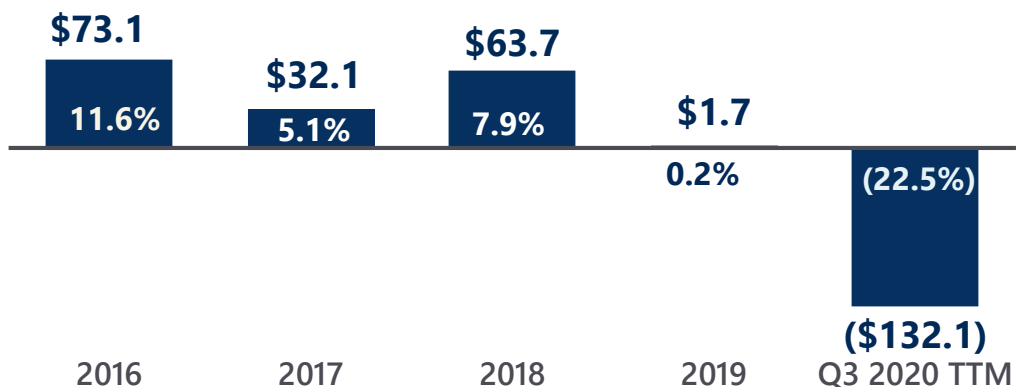
Profit and Margins

(US\$ in millions)

Gross Profit and Margin



Operating Profit and Margin



Operating profit impacted by:

Q4 2019

- » \$28.8 million of impairment and restructuring charges associated with the antenna business
- » \$19.6 million in legal reserve

Q1 2020

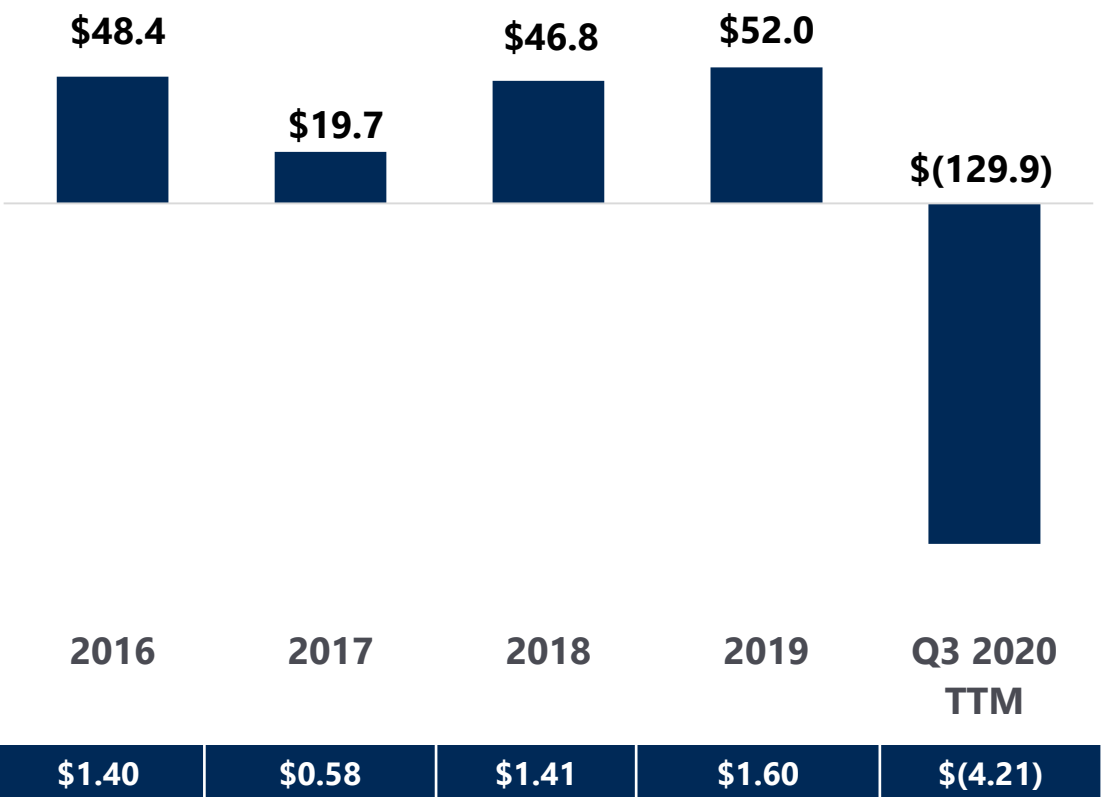
- » \$74.4 million of impairment charges related to reduced expectations due to the COVID-19 pandemic

Q2 2020

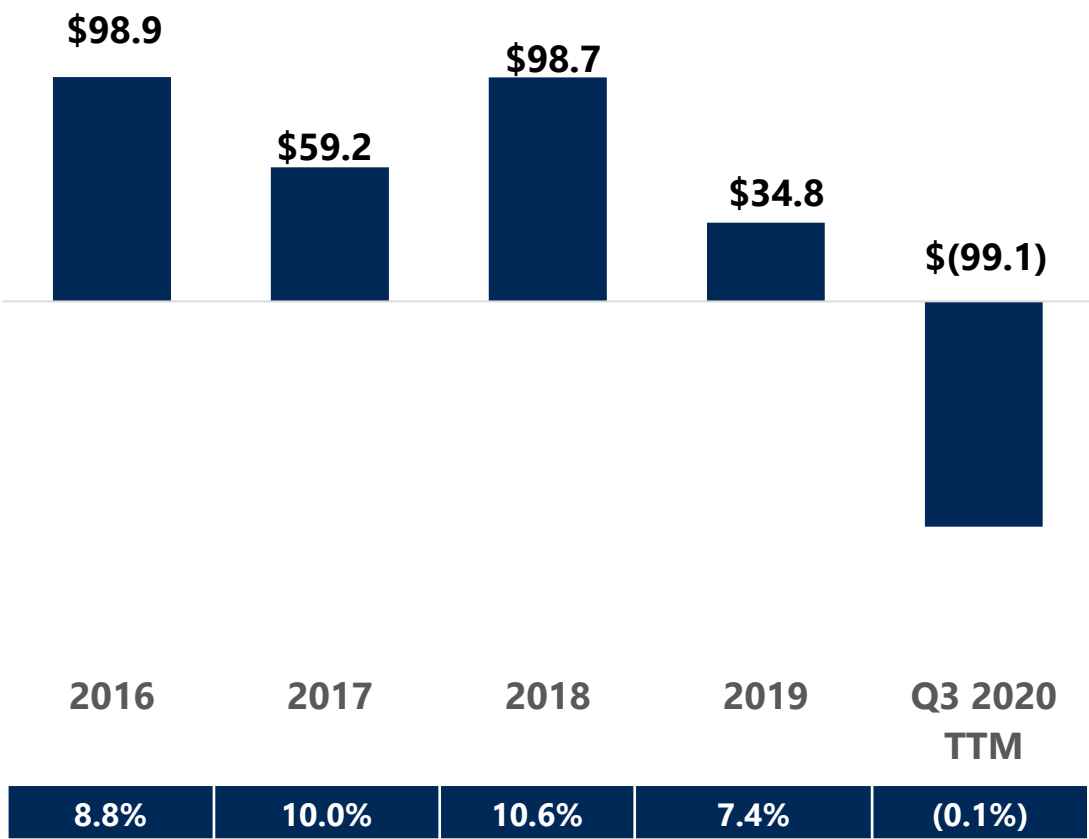
- » \$12.6 million of impairment charges related to reduced expectations due to delays in the recertification of the 737 MAX and the COVID-19 pandemic

EPS and EBITDA

Net Income and Diluted EPS



Adjusted EBITDA⁽¹⁾ and Margin



⁽¹⁾ Adjusted EBITDA is non-GAAP financial measures. Please see supplemental slides for a reconciliation of net income (loss) to non-GAAP adjusted EBITDA and other important disclosures regarding the use of non-GAAP financial measures.

Balance Sheet and Cash Flow

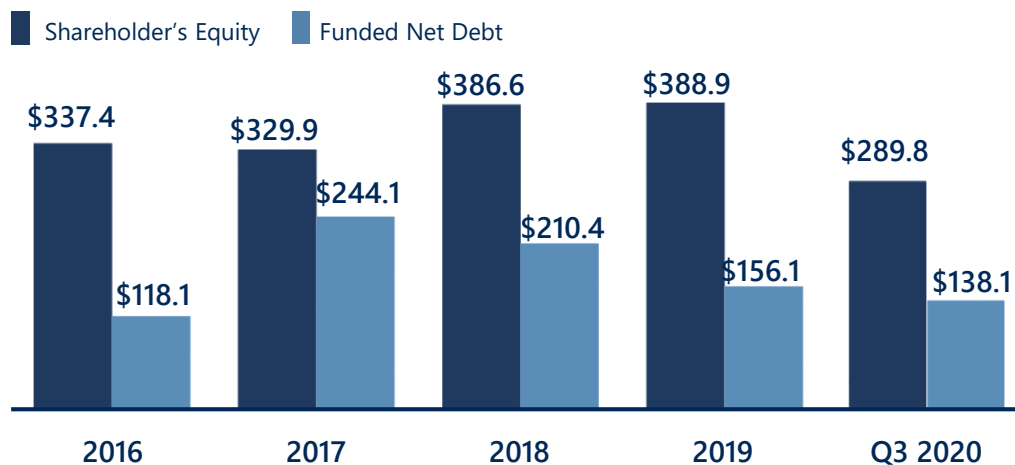
(US\$ in millions)

Cash from Operations

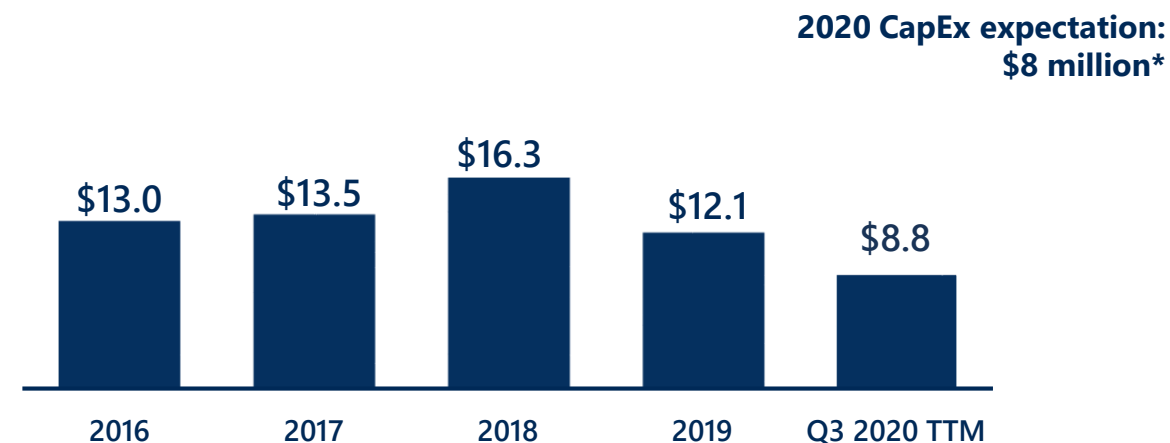


- » \$168 million outstanding balance on revolver
- » \$375 million in amended credit facility, matures February 2023
- » Required to maintain a minimum liquidity of \$180 million

Funded Net Debt & Shareholders' Equity



Capital Expenditures





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ELEVATING *innovation*

Astronics Corporation

SUPPLEMENTAL
INFORMATION



INNOVATION. COLLABORATION. SUCCESS.

Reconciliation of GAAP Net Income to Adjusted EBITDA

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
GAAP Consolidated Net Income	\$ 1,210	\$ (34,065)	\$ (66,963)	\$ (23,579)	\$ (5,254)
Interest Expense	1,547	1,565	1,333	1,983	1,775
Income Tax Expense	550	(9,217)	(2,314)	(872)	(5,887)
Depreciation and Amortization	8,203	8,866	7,971	8,081	8,043
Equity-based Compensation	798	900	1,703	1,103	1,118
Goodwill and Other Asset Impairments	-	11,083	74,408	12,608	-
Restructuring Charges	-	17,304	-	-	-
Equity Investment Impairment	-	5,000	-	3,493	-
Equity Investment Loss	-	-	107	-	-
(Gain) Loss on Sale of Business	1,332	-	-	-	-
Severance Expense	113	449	518	4,890	150
Legal Reseve Increases	1,700	17,919	-	1,450	-
Adjusted EBITDA	\$ 15,453	\$ 19,804	\$ 16,763	\$ 9,157	\$ (55)

Reconciliation to Non-GAAP Performance Measures

In addition to reporting net income, a U.S. generally accepted accounting principle ("GAAP") measure, we present Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, non-cash equity-based compensation expense, goodwill, intangible and long-lived asset impairment charges, equity investment income or loss, legal reserves, settlements and recoveries, restructuring charges and gains or losses associated with the sale of businesses), which is a non-GAAP measure. The Company's management believes Adjusted EBITDA is an important measure of operating performance because it allows management, investors and others to evaluate and compare the performance of its core operations from period to period by removing the impact of the capital structure (interest), tangible and intangible asset base (depreciation and amortization), taxes, equity-based compensation expense, goodwill, intangible and long-lived asset impairment charges, equity investment income or loss, legal reserves, settlements and recoveries, restructuring charges and gains or losses associated with the sale of businesses, which is not commensurate with the core activities of the reporting period in which it is included. As such, the Company uses Adjusted EBITDA as a measure of performance when evaluating its business and as a basis for planning and forecasting. Adjusted EBITDA is not a measure of financial performance under GAAP and is not calculated through the application of GAAP. As such, it should not be considered as a substitute for the GAAP measure of net income and, therefore, should not be used in isolation of, but in conjunction with, the GAAP measure. Adjusted EBITDA, as presented, may produce results that vary from the GAAP measure and may not be comparable to a similarly defined non-GAAP measure used by other companies.

Extensive List of Customers

Representative List

280+ Airlines

Airbus

AMAC Aerospace

Bell Helicopter

Boeing

Bombardier

Carson Helicopters

Cessna

Cirrus Aircraft

Collins Aerospace

Comlux

Dassault Aviation

Embraer

General Dynamics

Gogo

Gulfstream

Hawker Beach

Hughes

Jet Aviation

L3Harris

Leonardo

Lockheed Martin

NASA

Panasonic Avionics

Raytheon Company

Safran

Sikorsky

Thales

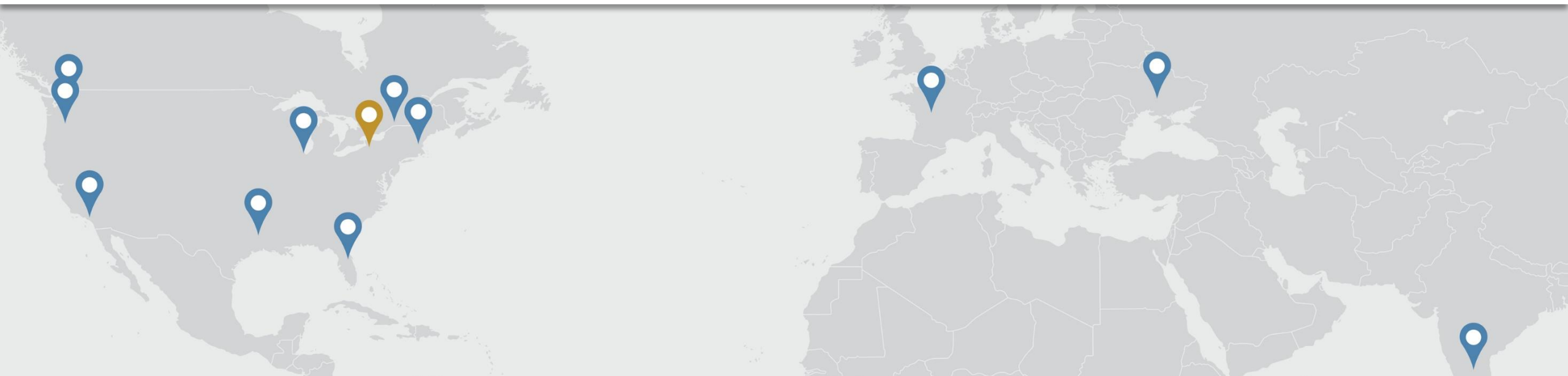
Thompson Aero Seating

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



A Global Presence to Support Your Needs

Worldwide Manufacturing, Sales and Support



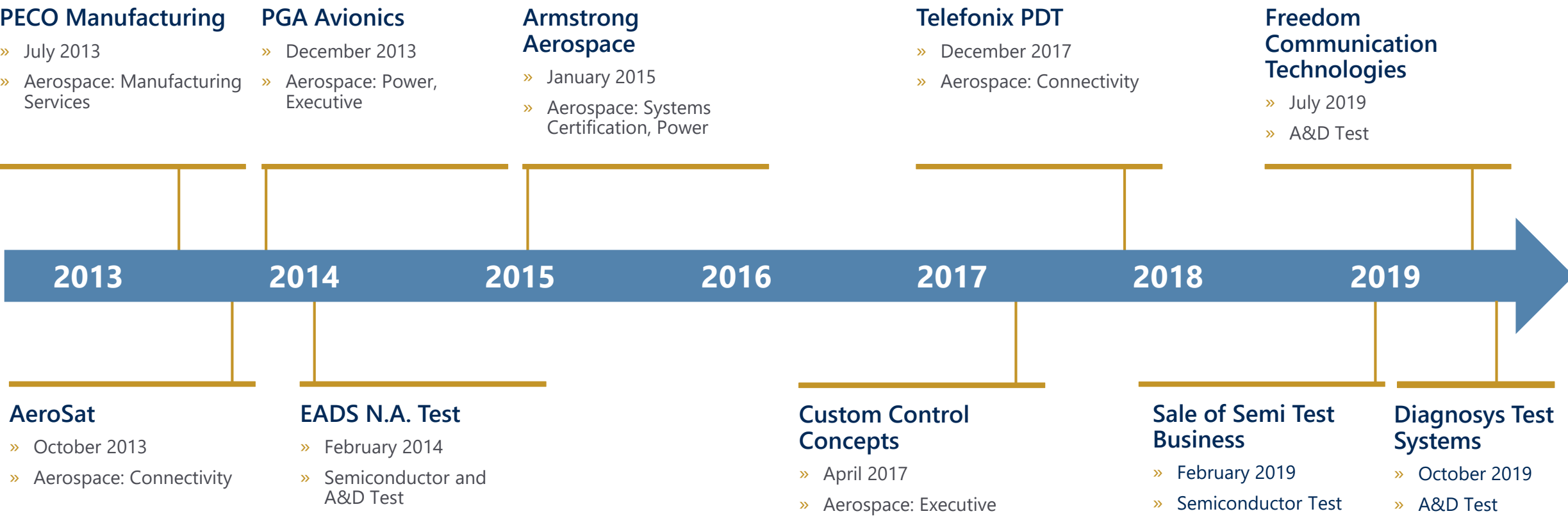
1.2M Square Feet of
Manufacturing Strength

2,300⁽¹⁾
Employees

24/7/365
Customer Service & Support

⁽¹⁾ as of 9/26/2020

Building a Portfolio for Growth



Commercial Aircraft Content

Serving commercial, business jet and military

- » 777/777X - approximately \$240K in content
(PSUs, fuel access doors)
 - potentially \$350K in IFEC content (BFE)
- » 737 - approximately \$95K in content
(PSUs, fuel access doors, exterior and cockpit lighting)
 - potentially up to \$100k to \$150k IFEC content (BFE)
- » 787 - approximately \$45K in content (fuel access doors)
 - approximately \$200K in IFEC content (BFEs)
- » A350 - approximately \$30K* in content
(Emergency exit lighting)
 - approximately \$200K* in IFEC content (BFEs)
- » Embraer E2
(PSUs, emergency lighting)... as well as potential BFE content

» Exterior Lighting Systems



» Cabin Lighting & Safety Systems



» Cockpit Lighting Systems



Select Competitors

POWERED AIRCRAFT

- » Airbus KID – Systeme
- » Collins Aerospace
- » Meggitt
- » Crane Aerospace

- » Safran
- » Ametek
- » Transdigm

LIGHTED AIRCRAFT

- » Safran
- » Honeywell
- » Transdigm
- » Collins Aerospace

- » Whelan
- » Diehl Aerospace

AVIONICS

- » TECOM (Smiths Group)
- » ThinKom

- » Kontron
- » Panasonic

TEST SYSTEMS

- » Viavi
- » Lockheed
- » National Instruments

- » Teradyne
- » Ametek
- » Keysight
- » Rhode & Schwartz



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