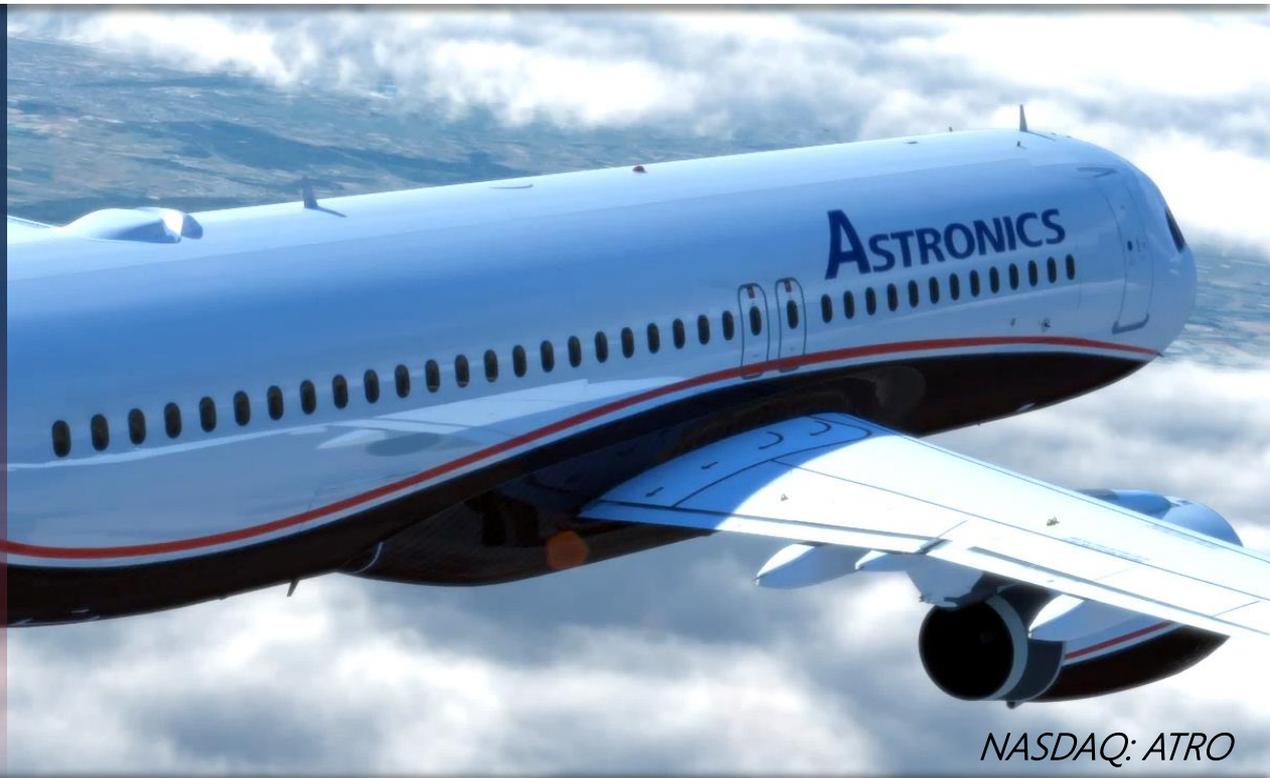


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DOUGHERTY & CO.  
INSTITUTIONAL  
INVESTORS  
CONFERENCE

SEPTEMBER 19, 2017



*NASDAQ: ATRO*

**Peter J. Gundermann**  
President & CEO

**David C. Burney**  
Executive VP & CFO

# 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.

# About Astronics Corporation (NASDAQ: ATRO)

As a trusted partner to the world's leading manufacturers, we create **INNOVATIVE** solutions with **TECHNOLOGIES**, **SYSTEMS** and **SERVICES** that enhance everything from commercial jets to military programs to the smart phone in your pocket.



Shares Out	28.7 million
Market Cap	\$811 million
Avg. Daily Volume (3 mos.)	159,900
Recent Price	\$28.25
52-Week Range	\$23.95 – \$41.03

Index membership:	Russell 3000®/2000®
Institutional ownership	68%
Insider ownership	14%

*Market data as of September 13, 2017 [Source: Bloomberg]; ownership as of most recent filing*

# Product Offerings in Two Business Segments

## Aerospace

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

## Test Systems

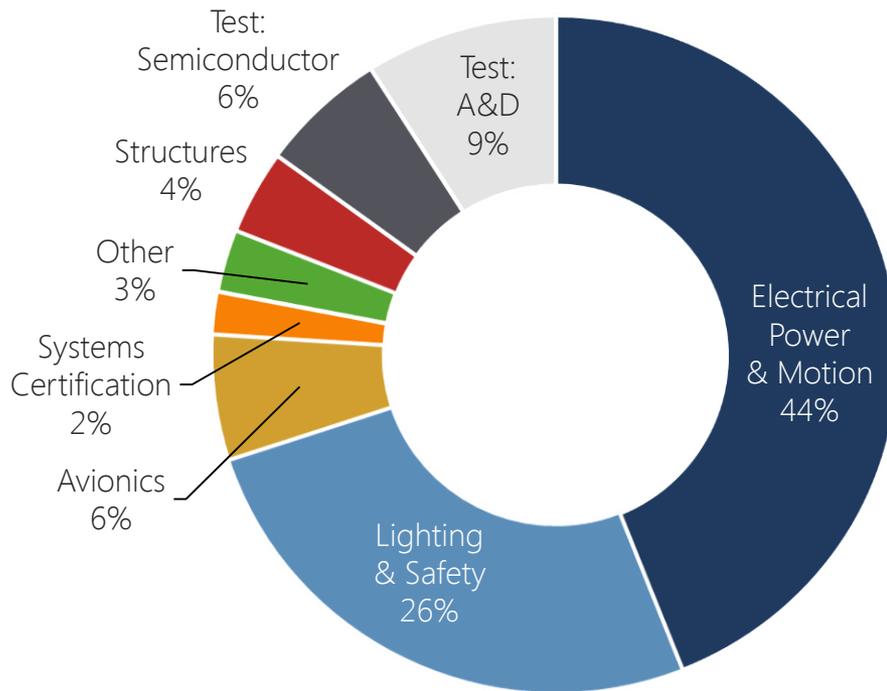
- » Semiconductor
- » Aerospace & Defense



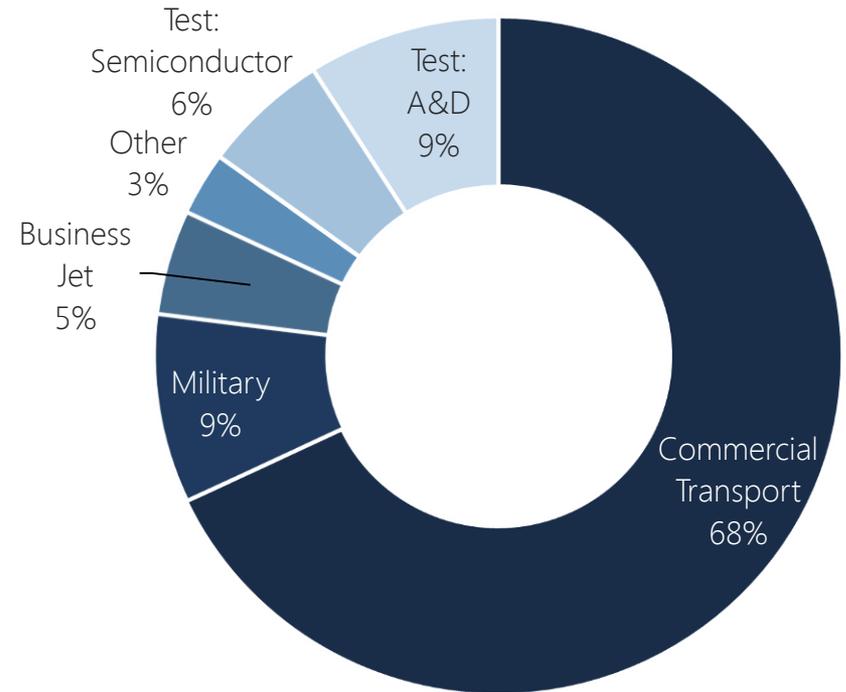
\*Guidance provided as of August 2, 2017  
Segment sales tally may differ due to rounding

# Diverse Sales Composition

## Sales by Product

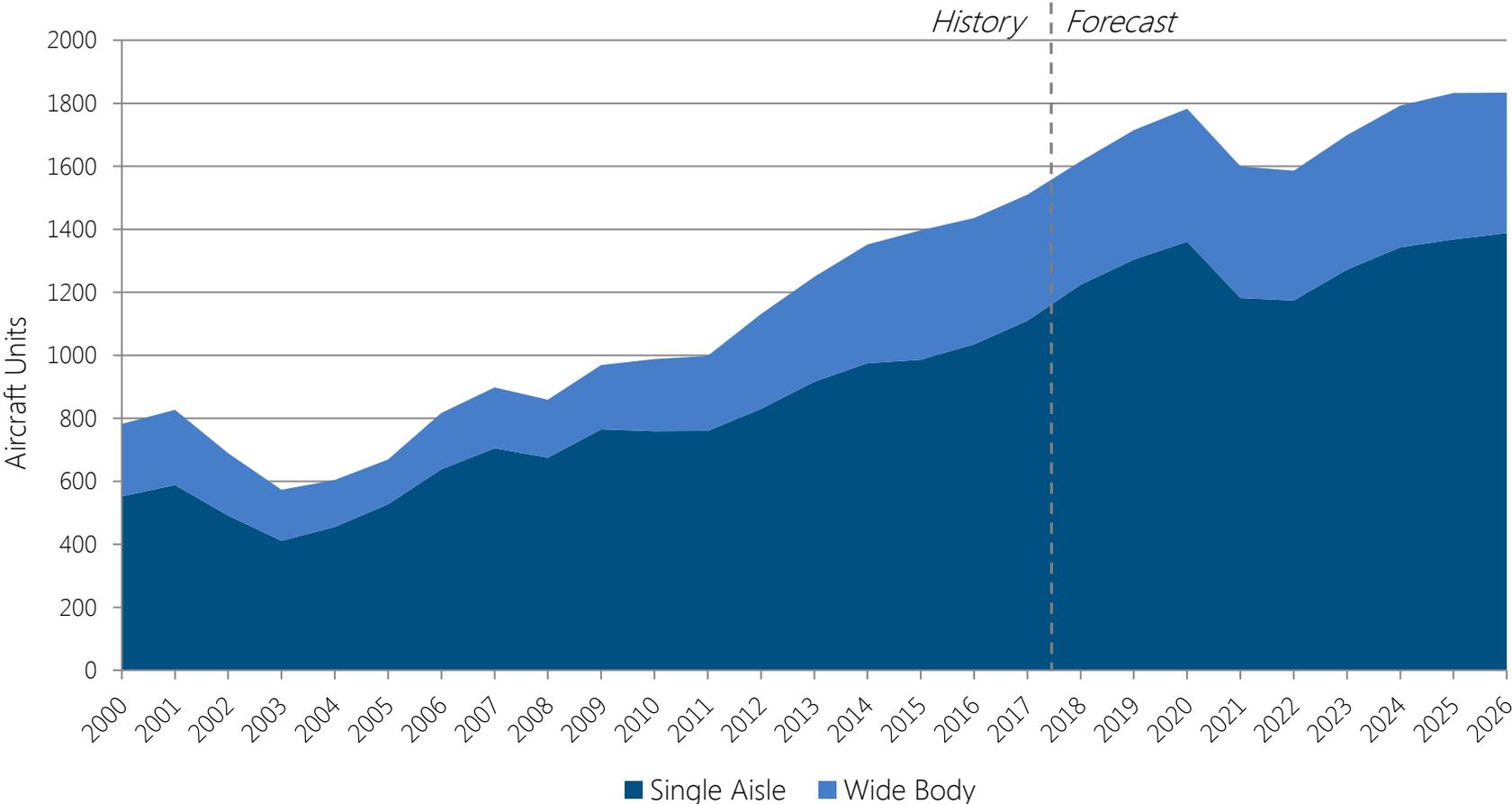


## Sales by Market



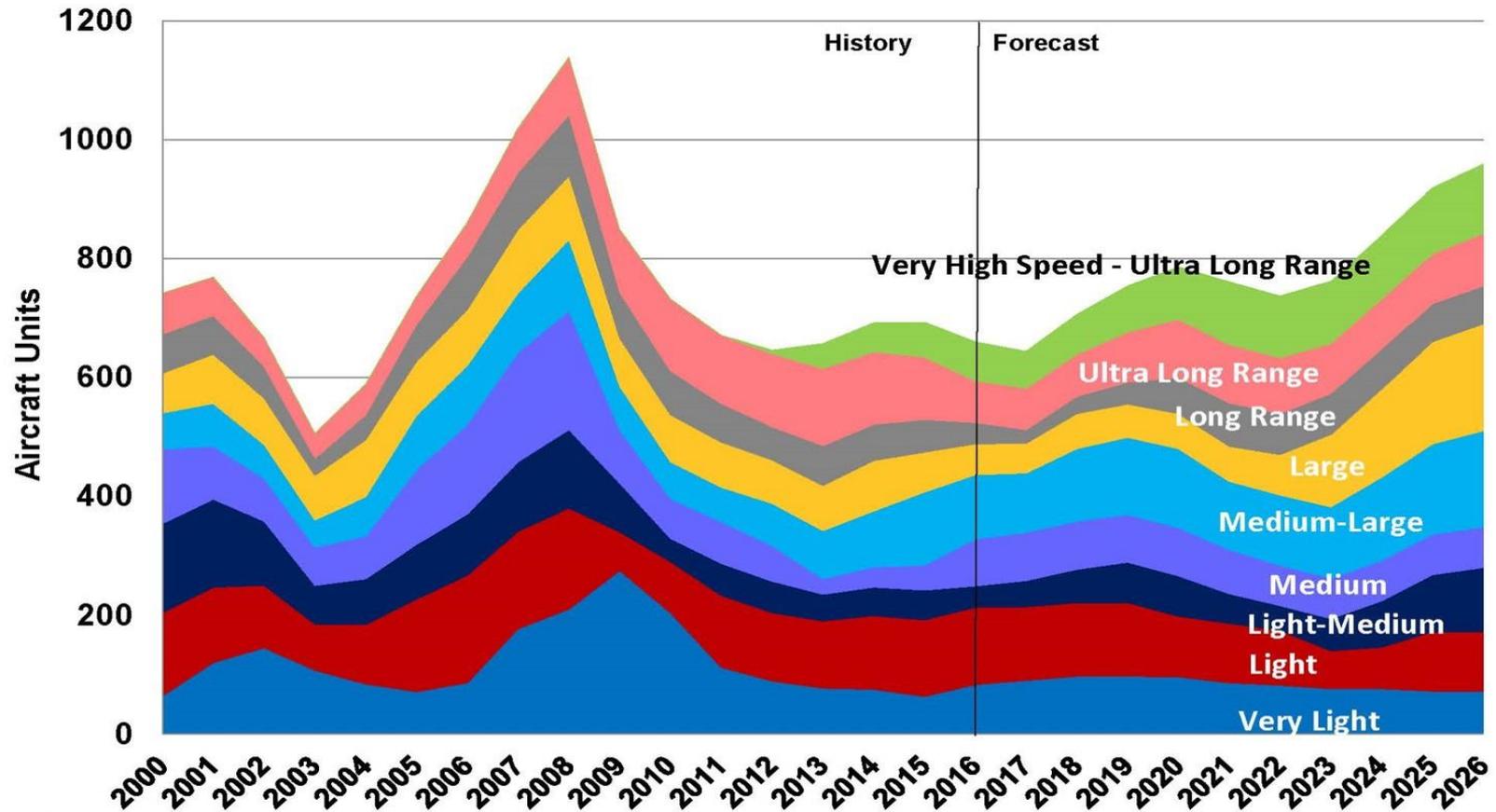
Q2 2017 TTM Sales: \$612.7 Million

# Commercial Transport Delivery Forecast



Source: Airbus & Boeing actual deliveries through 12/31/2016 / Forecast International (July 2017)

# Business Jet Delivery Forecast



~8,600 Aircraft from 2016 - 2026

Source: Honeywell Business Aviation Market Update, October 2016

# Leading Provider of Passenger Power

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

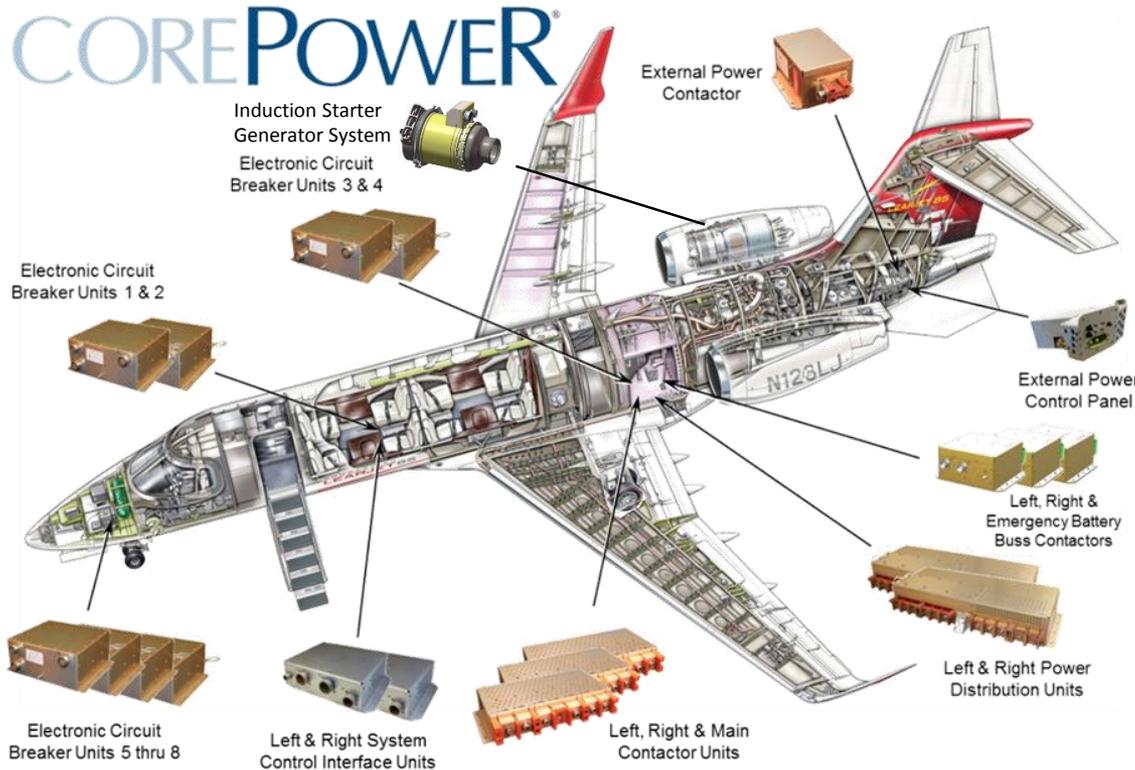


- » In-seat power installed on 1 million+ seats on over 200 airlines worldwide
- » IFE power supplier to Thales, Panasonic and Zodiac
- » ASP: \$750-\$850 per seat
- » Currently 90%+ market share in growing market of seat power worldwide
- » Large growth opportunity with narrow body adoption



# Establishing Market Leadership

## EP&M: Airframe Power



## 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
- ✓ Cessna Denali

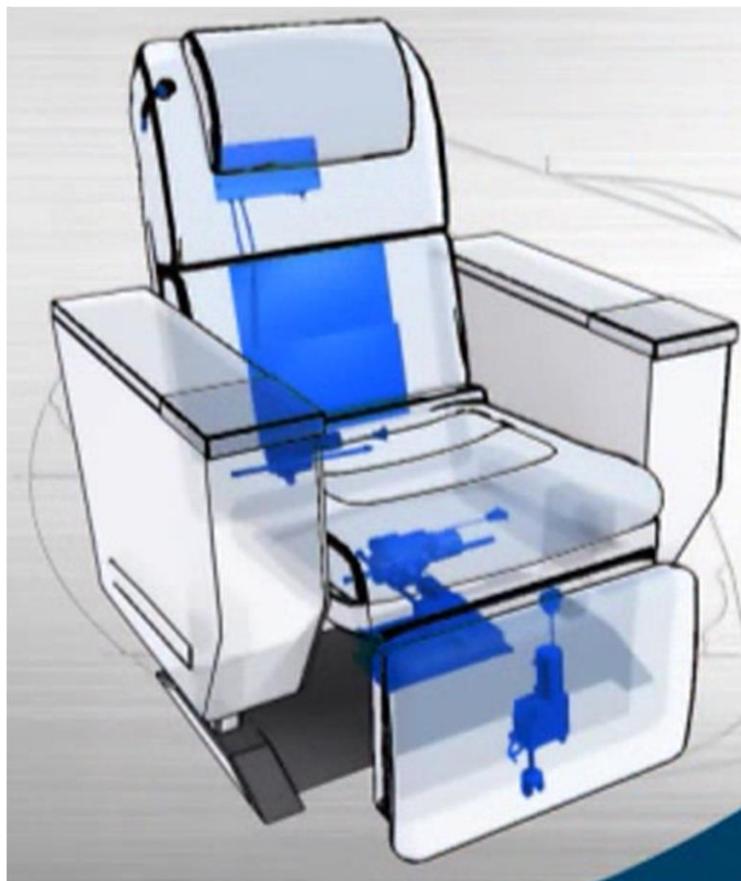
# Specialize in High-End Seat Technology

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 / 777X - 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)



# 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

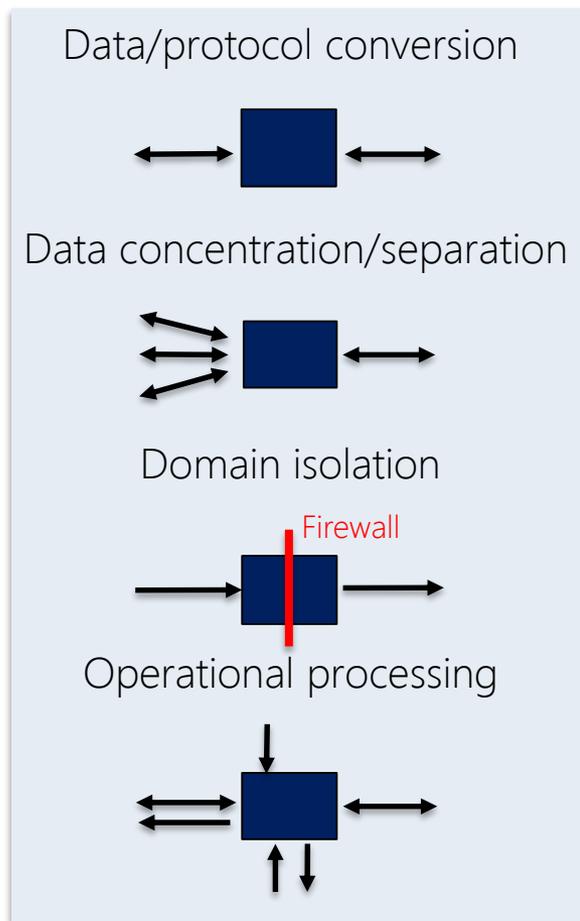
- » Panels
- » Avionics HMI
- » Lighting Controllers
- » Control Panel Assemblies
- » Night Vision Modifications



# 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



**webFB™**  
Wireless Electronic Flight Bag

- » 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

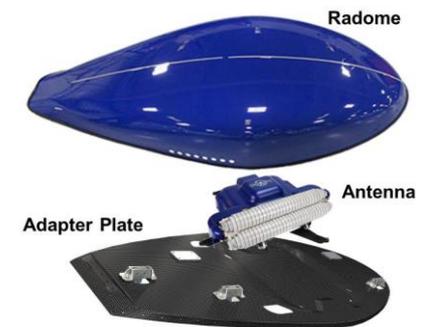
- » Large private and government jets
- » \$1 million to \$10 million per install
- » UHD Media Center
  - » First aeronautical player with 4K Ultra HD technology



# 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 2017



# 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

### 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

## NEXT GENERATION

### 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



# A&D Test Systems

- » Test instruments, automated test systems, and training and simulation 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*

# Unique Solution for Semiconductor Testing

Supported the largest smart device ramps in history



## 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

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



## Opportunities

- » More programs with major customer
- » Developing new customers

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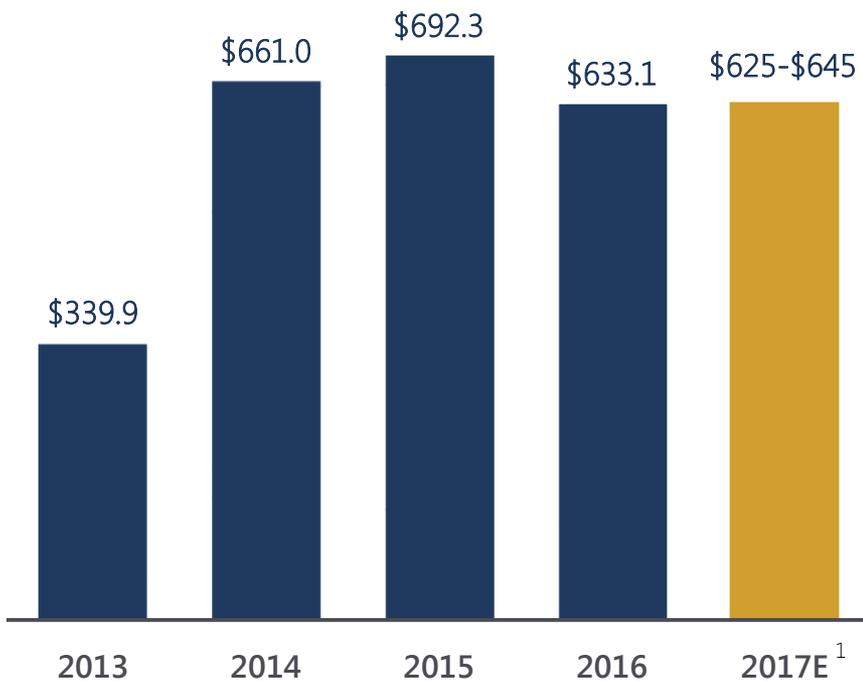
# FINANCIALS



# Sales & Bookings

(US\$ in millions; except EPS)

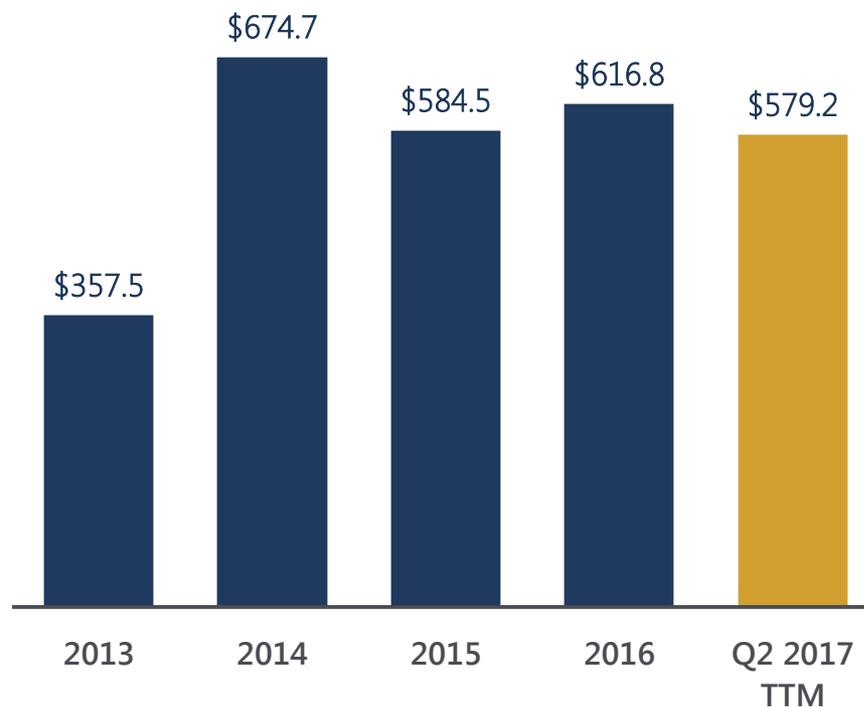
## SALES



Diluted EPS<sup>2</sup>

2013	2014	2015	2016
\$0.94	\$1.87	\$2.22	\$1.61

## Annual Bookings



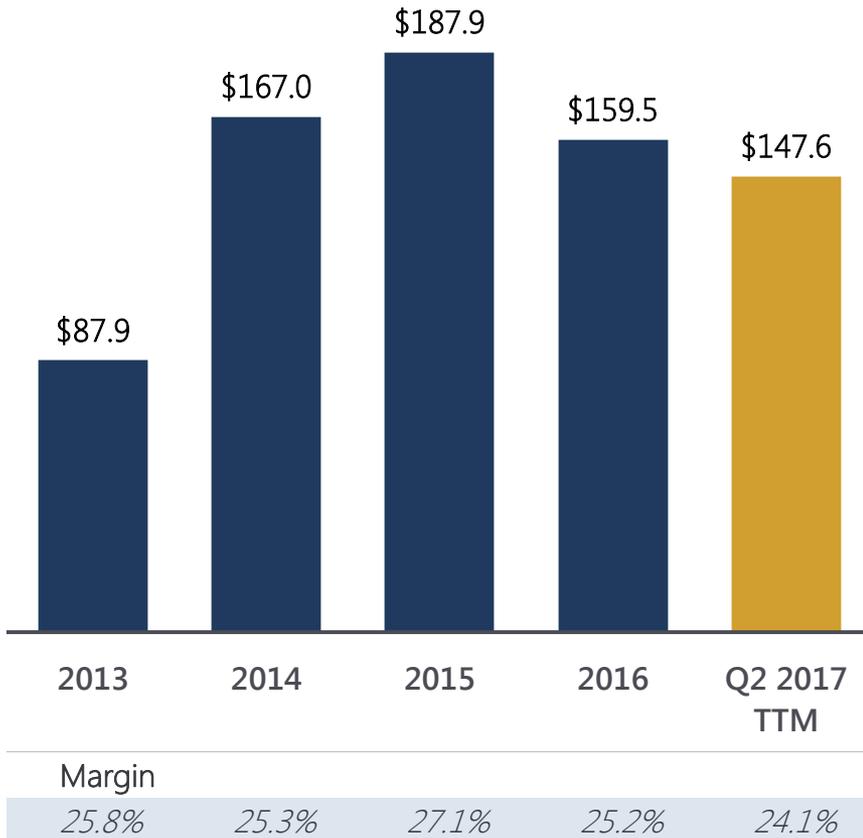
<sup>1</sup> Guidance provided as of August 2, 2017

<sup>2</sup> Adjusted for October 2016 15% Class B Stock distribution

# Margins

(US\$ in millions)

## Gross Profit and Margin



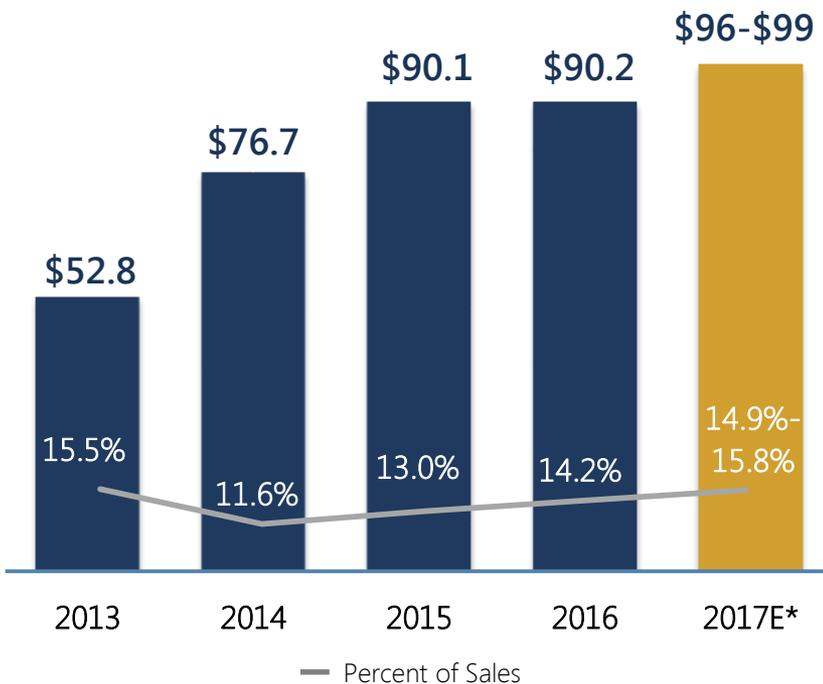
## Operating Profit and Margin



# Develop and Capitalize on Technical Expertise

(US\$ in millions)

## Engineering & Development Expense



- » Majority focused on customer specific projects
- » Identify market opportunities
- » Develop/acquire technical capability
- » Earn higher returns by providing innovative solutions

# Balance Sheet and Cash Flow

(US\$ in millions)

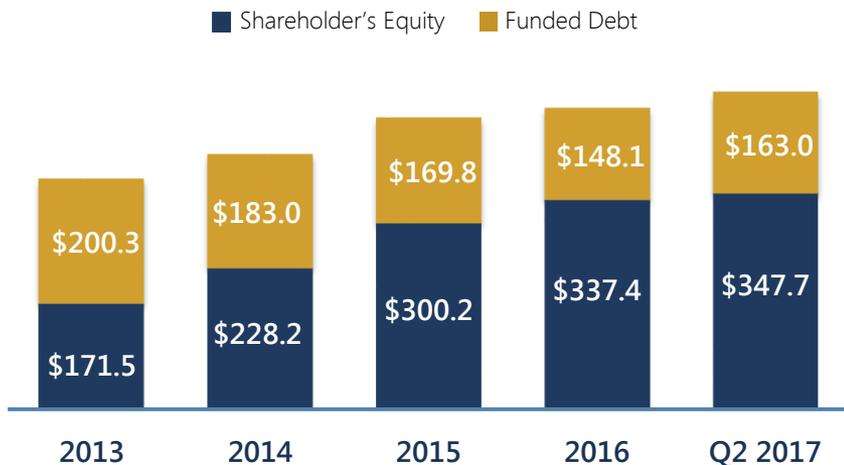
## Cash from Operations



## Capital Expenditures



## Funded Debt & Shareholders' Equity



## Capital allocation priorities:

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

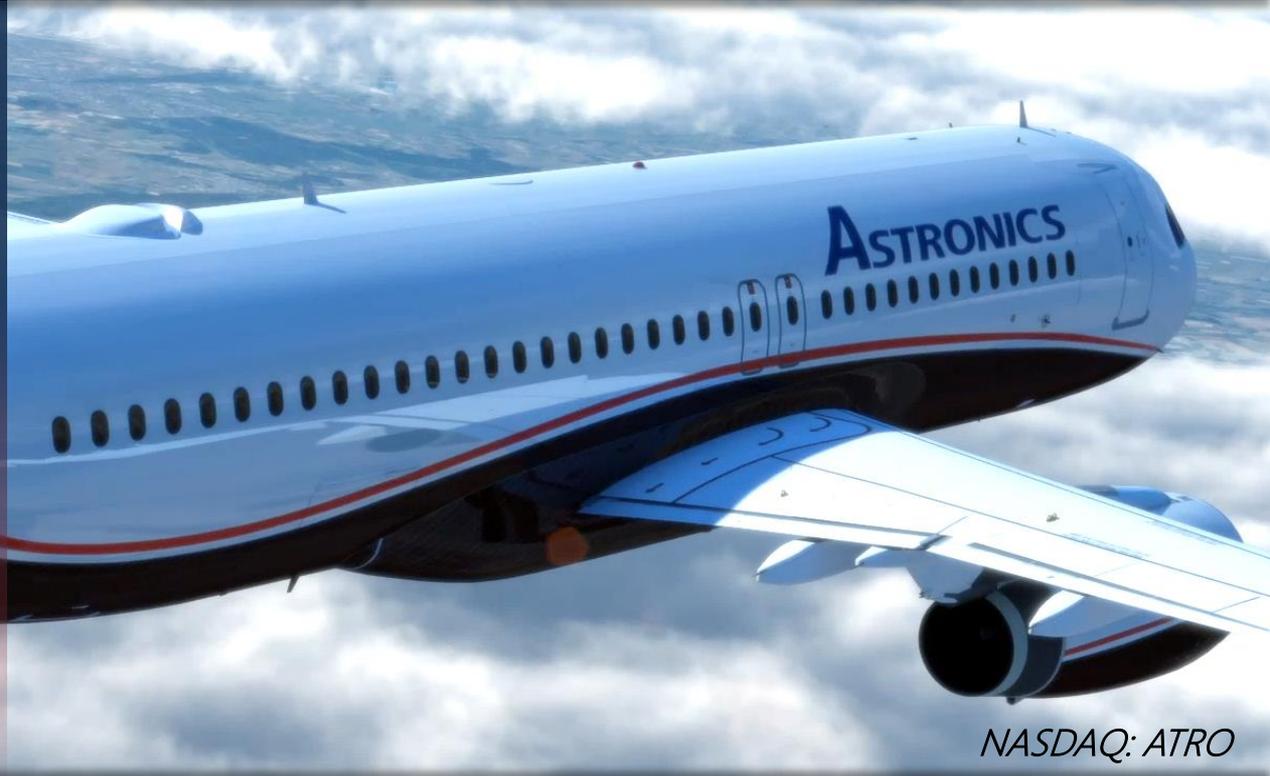
## Tolerance for debt:

- » 2x - 3x
- » Willing to flex up

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SEPTEMBER 19, 2017



NASDAQ: ATRO

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# SUPPLEMENTAL SLIDES



# Major Competitors

## POWERED AIRCRAFT

- » Airbus KID – Systeme
- » Hamilton
- » Sundstrand/UTC
- » Crane Aerospace
- » Zodiac
- » Honeywell
- » OEM internal processes

## LIGHTED AIRCRAFT

- » Zodiac
- » Honeywell
- » Esterline
- » Hamilton Sundstrand/UTC
- » Draeger (B/E Aerospace)
- » Goodrich
- » Whelan
- » Diehl Aerospace
- » Numerous small suppliers

## AVIONICS

- » GE
- » North Atlantic Industries
- » TECOM (Smiths Group)
- » Kontron
- » Panasonic

## TEST SYSTEMS

- » Aeroflex (Cobham)
- » Lockheed
- » National Instruments
- » Keysight
- » Teradyne

# Astronics Locations

*A Broad Footprint – For Capacity and Collaboration*

## NORTH AMERICA

## FRANCE

### KIRKLAND, WA

- » Airframe Power
- » In-Seat Power

### EVERETT, WA

- » Avionics Databus Solutions

### KENT, WA

- » VVIP In-flight Entertainment

### ITASCA, IL

- » System Installs
- » Systems Certification
- » Electrical Power Systems

### EAST AURORA, NY

#### Corporate Headquarters

- » Aircraft Lighting

### MONTREAL, Quebec

- » Aircraft Lighting

### LEBANON, NH

- » Aircraft Lighting

### AMHERST, NH

- » Connectivity Systems

### IRVINE, CA

- » Test Instruments
- » Integrated Test Systems

### FORT LAUDERDALE, FL

- » Aircraft Safety
- » Airfield Lighting

### ORLANDO, FL

- » Integrated Test Systems
- » Simulation and Training

### CLACKAMAS, OR

- » PSUs & Structures
- » Enhanced Vision Systems
- » Contract Manufacturing

### CHÂTEAUROUX, France

- » Seat Actuation
- » VVIP In-flight Entertainment

# Adding Technology, Building Solutions

*Recent Acquisitions for the Astronics Brand*

## PECO Manufacturing

- » July 2013
- » Aerospace: Interior & Structures

## PGA Avionics

- » December 2013
- » Aerospace: Motion, VVIP

## Armstrong Aerospace

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

2013

2014

2015

2016

2017

## AeroSat

- » October 2013
- » Aerospace: Connectivity

## EADS N.A. Test

- » February 2014
- » Test: Commercial and Defense

## Custom Control Concepts

- » April 2017
- » Aerospace: VVIP

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**ASTRONICS**



astronics.com