



Needham Growth Conference

January 15, 2025



Nasdaq: ATRO

ELEVATING *innovation*

Peter J. Gundermann, Chairman, President & CEO

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Safe Harbor Statement

This presentation 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 the timing for the ruling on the Company’s UK and French patent infringement damages proceedings as well as the indirect damages claim yet to be filed in Germany and the amount of any such damages that may become due and payable by the Company as a result, the Company’s ability to appeal the ruling on the Company’s UK patent infringement damages claim, the timing as to when the damages in the UK patent infringement claim will become due and payable, to achieving any revenue or profitability expectations, commercial aerospace widebody/long haul build rates and order rates, the timing of pricing and impact of inflation on margins, the effectiveness on profitability of cost reduction efforts, the timing of receipt of task orders or future orders, the timing of projects through development to LRIP to full rate production including the TS 4549/T and FLRAA, the rate of cash generation, the impact of volume on margins, the effectiveness of pricing in new or renewed contracts, the expectations of demand by customers and markets, preliminary unaudited revenue and bookings for the fourth quarter of 2024 and full year 2024, 2025 revenue outlook, and the rate of production for Boeing and the resolution of intellectual property disputes. 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 any impact from global pandemics and related 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, the effectiveness of the Company’s supply chain, 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 whether to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial conditions or prospects, or otherwise.

Non-GAAP Financial Measures

This presentation will discuss some non-GAAP (“adjusted”) financial measures which we believe are useful in evaluating our performance. You should not consider the presentation of this additional information in isolation or as a substitute for results compared in accordance with GAAP. The non-GAAP (“adjusted”) measures are notated and we have provided reconciliations of comparable GAAP to non-GAAP measures in tables found in the Supplemental Information portion of this presentation.

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	\$557 million
Recent Price	\$15.60
52-Week Range (high/low)	\$23.74 / \$14.13
Average Daily Volume (3 mos.)	318,600
Established/IPO	1968/1972

Shares Out – Common	29.7 million
Shares Out – Class B	5.6 million
Institutional ownership	61%
Insider ownership	9%
Index membership	Russell 3000 [®] /2000 [®]

Aerospace

Test Systems

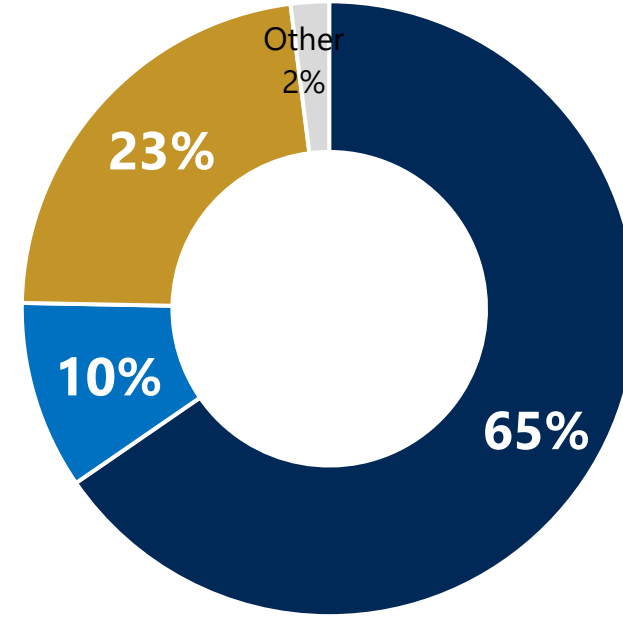
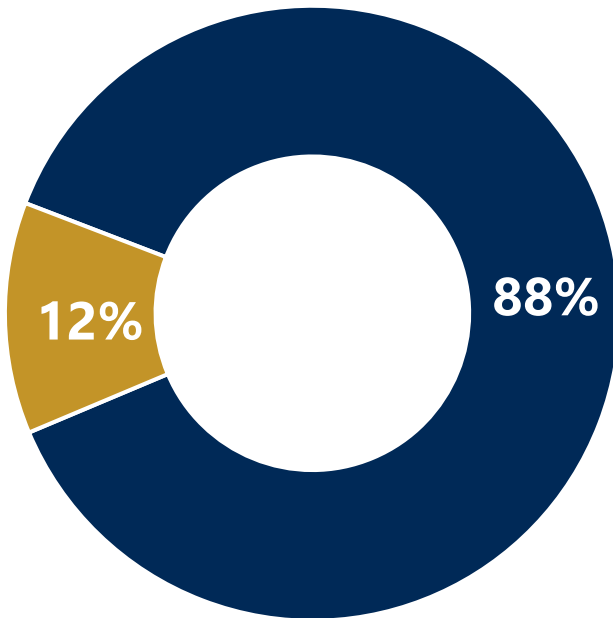
Solid Franchise with Leading Market Positions

TTM Q3 24 Sales:
\$782.2 million

Commercial Aerospace

General Aviation

Defense & Government*



Commercial Aerospace

~50/50 Line Fit/Aftermarket

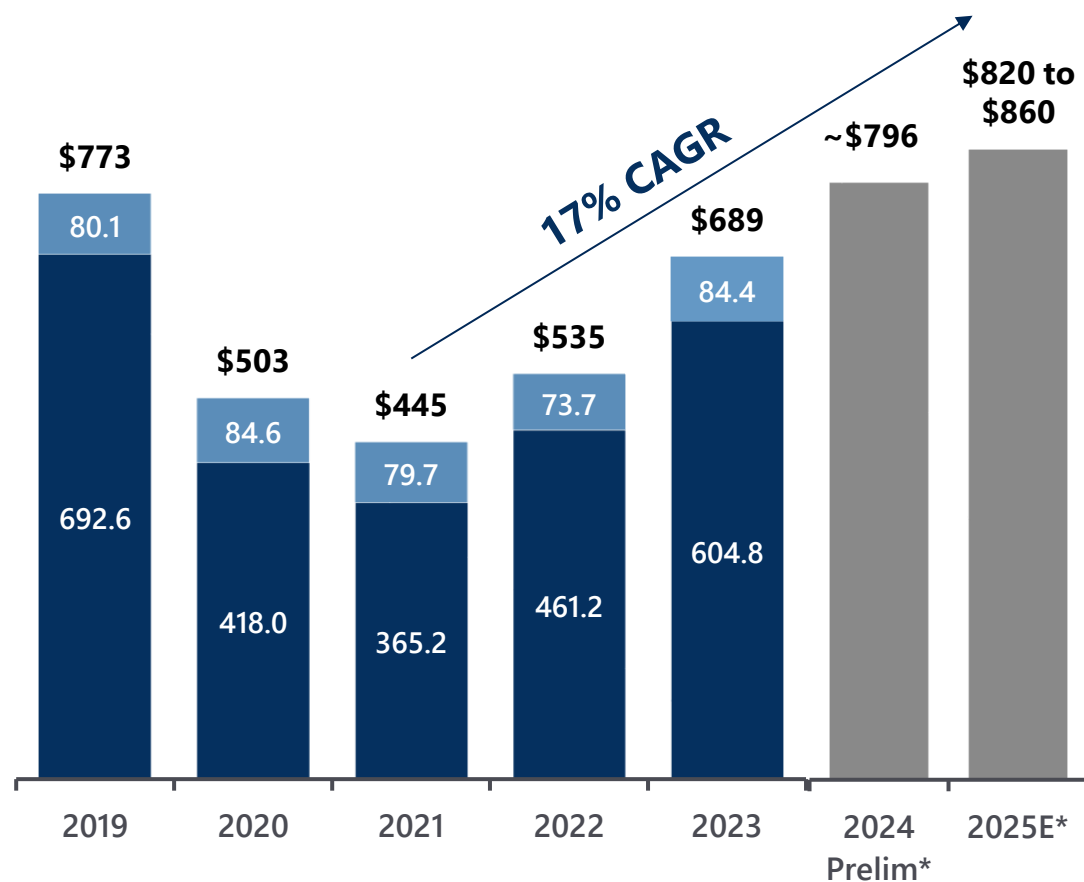
~50/50 Narrowbody/Widebody

*Includes Test and Aerospace sales

Covid Recovery

(\$ in millions)

Revenue 2019 to 2025E



Faced 42% decline in sales due to Covid

- » Concentration of sales to commercial aerospace
- » Commercial aerospace recovered later than other industries

Dramatic growth despite significant challenges

- » Supply chain impeded growth and margins in 2022 and 2023
- » Employee shortages and high turnover in 2022 and 2023 resulted in production inefficiencies
- » Negotiated higher pricing to help offset inflation
 - » Some slower contract turnover given length of term
 - » New pricing began rolling in during latter half of 2023
- » 2024: stabilizing operations, more predictable supply chain and improving pricing helped drive steadily improving margins
- » 2025: Continued tailwinds and improved operating environment

Astronics Strategic Thrusts

Elevating Innovation

PRODUCT LINES

Electrical Power & Motion

Lighting & Safety

Avionics/Systems
Certification

Structures

Test Solutions

Other

STRATEGIC THRUSTS

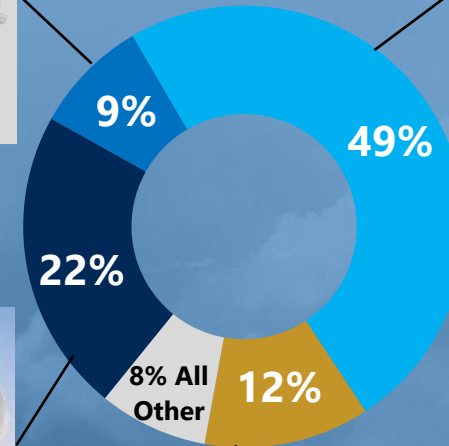
TTM Q3 24 Sales:
\$782 million



Flight Critical
Electrical Power



Aircraft Lighting & Safety



Inflight Entertainment &
Connectivity (IFEC)



Test Solutions

Aircraft Inflight Entertainment & Connectivity

Aircraft Data Systems



IFC Radome Systems



Power for Passengers and Crew



Inflight Entertainment Systems Hardware

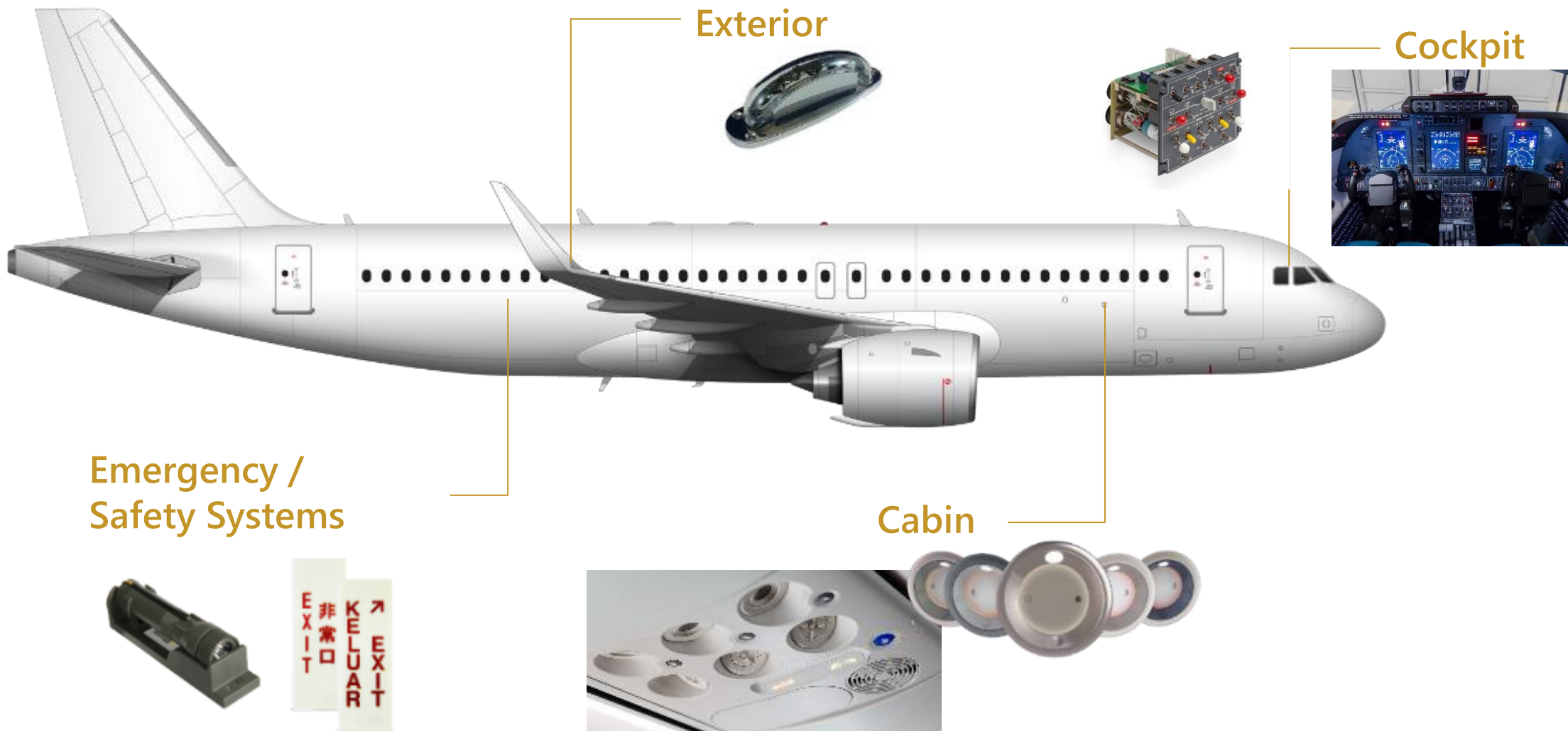


IFEC: IN-SEAT POWER SYSTEM (ISPS)

- » In-seat power, line-fit and retrofit, now powering 1 million+ seats on over 280 airlines worldwide
- » System provides power to personal electronics and seat-back displays
- » High barriers to entry: 90%+ market share
- » ASP: \$350-\$850 per seat
- » Market penetration seats*: ~60% wide body and ~30% narrow body



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

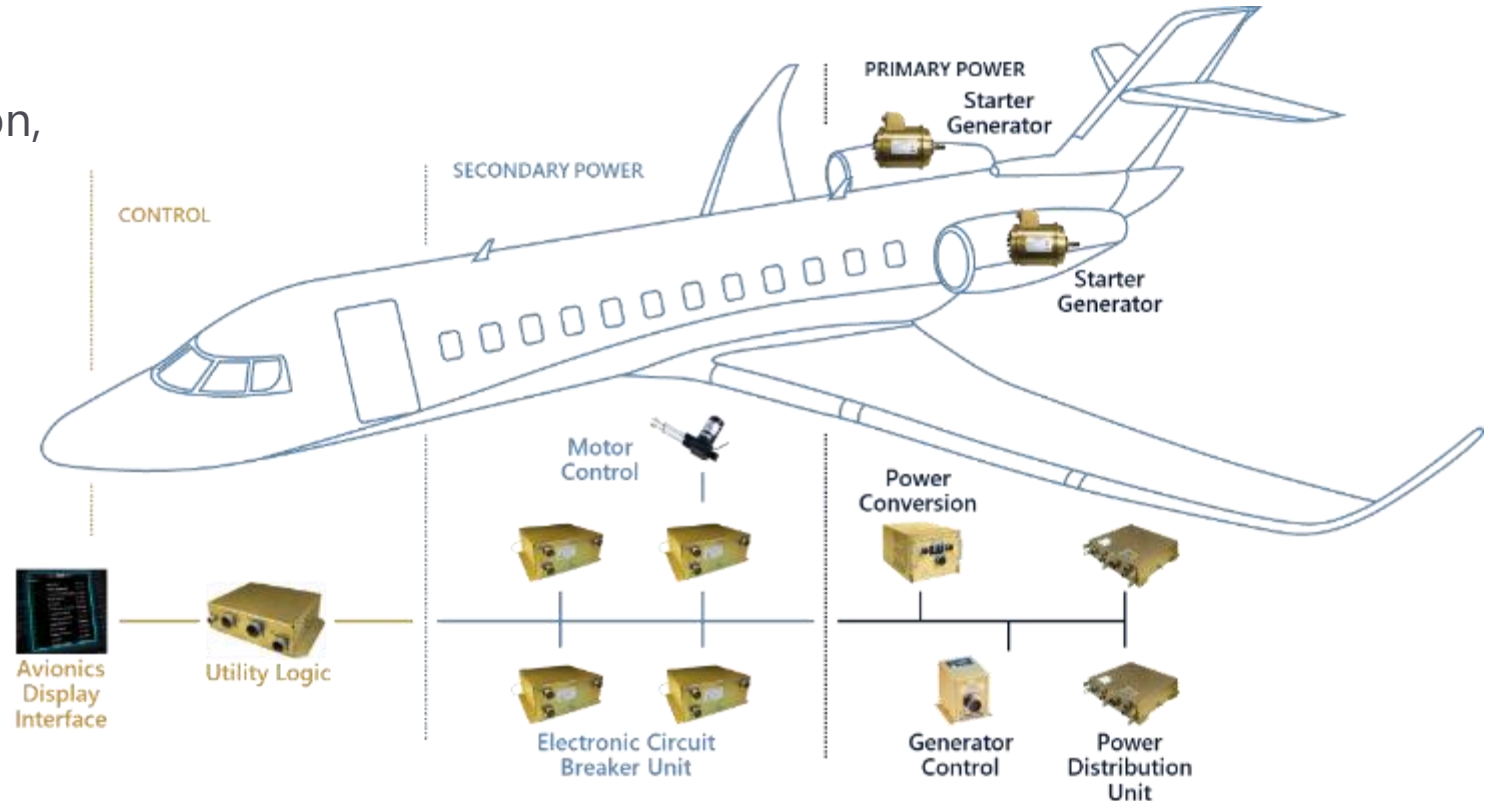
Flight Critical Electrical Power

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

✓ Selected for the U.S. Army Future Long-Range Assault Aircraft (FLRAA) program

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



Addressing Trends: Modernization of Aircraft

Clean, Streamlined Cockpit



Traditional Cockpit with Mechanical Circuit Breakers
Learjet 45



Modern Cockpit with Electronic Circuit Breakers
Pilatus PC-24

Flight Critical Electrical Power Programs of Record

Electronic Circuit Breaker Units and Long-Life Starter Generator

Program Wins to Date

- » Daher TBM 900
- » Bell 505, 525
- » Pilatus PC-24
- » Cessna Denali
- » FLRAA: Bell V-280 Valor*
- » Boeing MQ-25 Stingray

*Future Long-Range Assault Aircraft (FLRAA)



U.S. Army Future Long-Range Assault Aircraft Program

Employs Astronics CorePower® family of solutions

Selected by Bell Textron to Develop Electrical Power Distribution System

- With roughly twice the range and twice the speed, FLRAA brings unmatched combat capability to the war fighter
- First flight expected in 2026; LRIP currently planned in 2028; Initial fielding in 2030
- \$70B program across lifespan expected to replace 2,000 Black Hawk utility helicopters
- Expect Astronics' shipset content to approach or exceed 7 digits

CorePower Benefits

- » Clean, intelligent, and efficient power to improve aircraft performance
- » Reduces overall system weight
- » Supports the U.S. Army Modular Open Systems Architecture (MOSA) initiatives

Currently in engineering and development

- » ~\$65 million development effort 2024-2026



Aerospace

Well Positioned on Wide Range of High-Profile Aircraft

Transport	Business Aircraft	Military
777/777X <ul style="list-style-type: none"> ~\$240K in content (<i>PSUs, fuel access doors</i>) ~\$350K in IFEC content (<i>BFE</i>) 	Embraer Phenom 100/300 <ul style="list-style-type: none"> Exterior lighting 	F-35 JSF <ul style="list-style-type: none"> ~\$55K in content (<i>Exterior lighting system, lighting controls</i>)
737 <ul style="list-style-type: none"> ~\$100K in content (<i>PSUs, fuel access doors, exterior and cockpit lighting</i>) Potentially \$100k to \$150k IFEC content (<i>BFE</i>) 	Cessna Citations <ul style="list-style-type: none"> Exterior and cockpit lighting 	UH-60 Blackhawk <ul style="list-style-type: none"> Exterior & cockpit lighting
787 <ul style="list-style-type: none"> ~\$45K in content (<i>fuel access doors</i>) ~\$200K in IFEC content (<i>BFE</i>) 	Beechcraft Denali <ul style="list-style-type: none"> Induction starter generator, electronic circuit breakers and passenger power 	V-22 Osprey <ul style="list-style-type: none"> Cabin, cockpit and exterior lighting
A350 <ul style="list-style-type: none"> ~\$30K in content (<i>Emergency exit lighting</i>) ~\$200K in IFEC content (<i>BFE</i>) 	Pilatus PC-24 <ul style="list-style-type: none"> Airframe power and induction starter generator 	Bell V280: FLRAA program <ul style="list-style-type: none"> Airframe power, lighting & safety
A320 and other Airbus and Boeing aircraft <ul style="list-style-type: none"> Potentially \$100k to \$150k IFEC content (<i>BFE</i>) 	Bell 525/505 <ul style="list-style-type: none"> Airframe power, lighting & safety 	
A220 <ul style="list-style-type: none"> ~\$80K in content (<i>PSUs</i>) Potential \$100k to \$150k IFEC content (<i>BFE</i>) 		
Embraer E2 <ul style="list-style-type: none"> PSUs, emergency lighting Potential IFEC (<i>BFE</i>) 		

Test Systems: A&D, Transit and Radio

Testing for Mission-Critical Industries

Award-winning test solutions

- » Validate operating performance on multiple top-priority defense communications and weapons systems platforms
- » Awarded \$40 million, 5-year IDIQ contract for the U.S. Marine Corps' Handheld Radio Test Sets program
- » Awarded ~\$215 million, 5-year IDIQ contract for the U.S. Army Radio Test Set 4549/T
- » Expanded into metro rail test system support:
 - › MARTA and NYCT
 - Stadler and Kawasaki
 - › AutoPoint Multi-Axis Robotic System (AP-MARS)

Structuring business to deliver profitability

- » Closed three facilities in 2024
- » Restructuring in April and November 2024 expected to provide more than \$5 million in annualized savings

Solutions Designed for the Unique Requirements of Mass Transit



Freedom 2 Universal Functional Tester



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

FINANCIALS

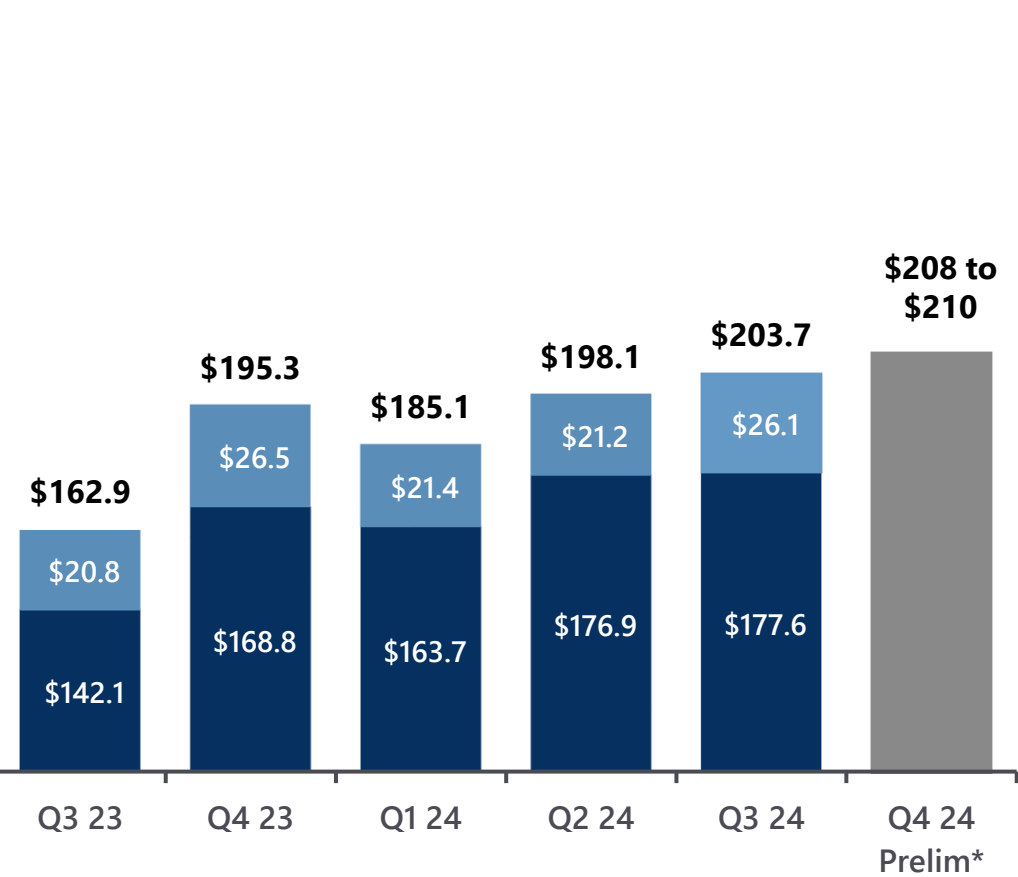


INNOVATION. COLLABORATION. SUCCESS.

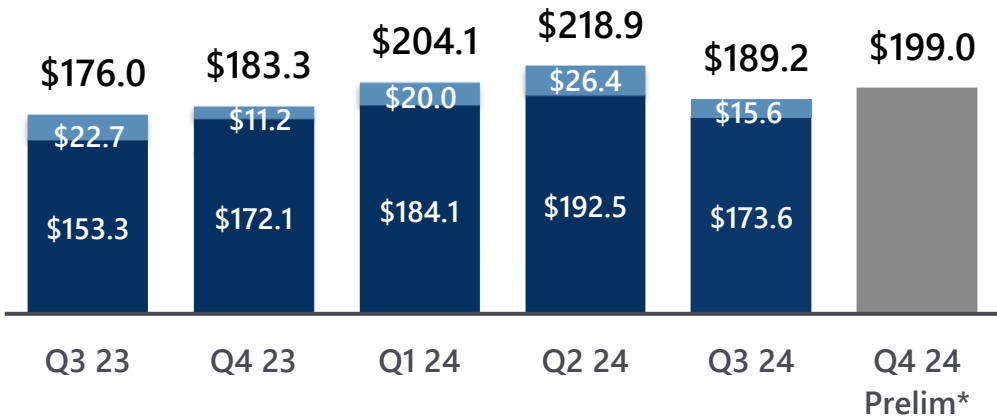
Sales, Bookings & Backlog

(\$ in millions)

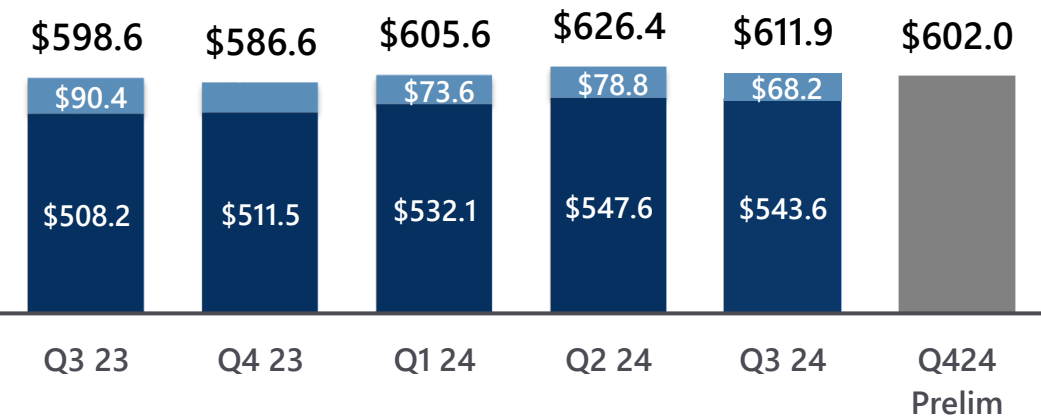
Sales



Bookings



Backlog

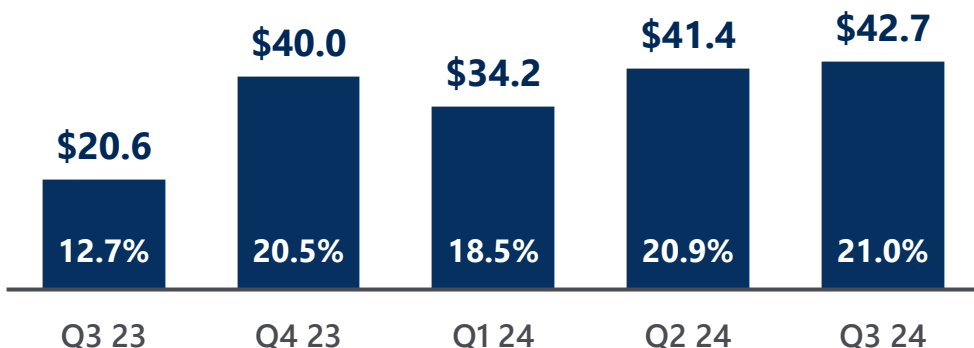


*Guidance provided January 10, 2025.
Segment sales tally may differ due to rounding.

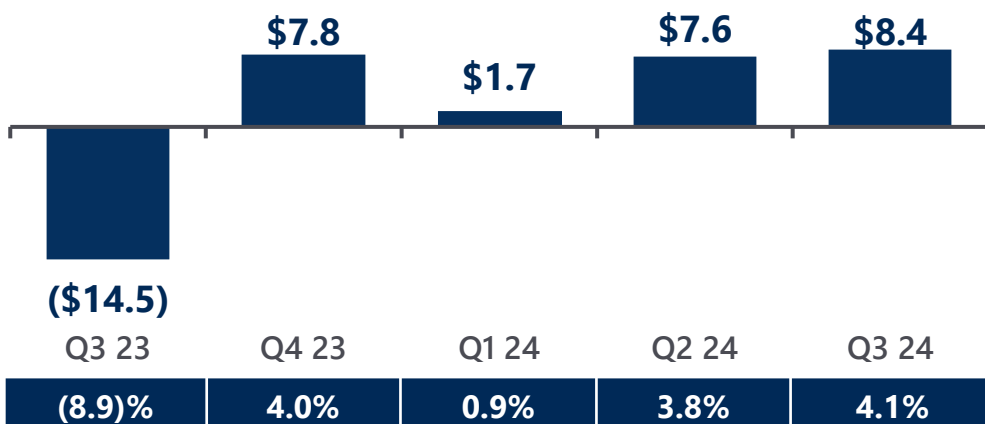
Profit and Margins

(\$ in millions)

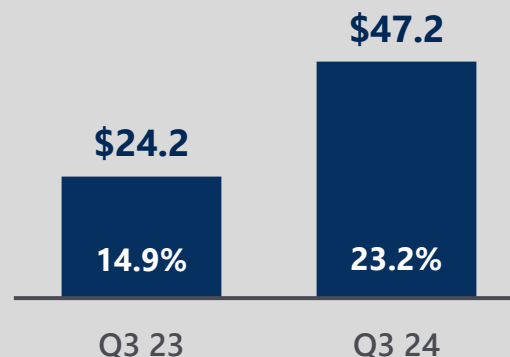
Gross Profit and Margin



Operating Profit (Loss) and Margin



Adj. Gross Profit and Margin¹



Adj. Operating Profit (Loss) and Margin²



Incremental volume drives margin expansion

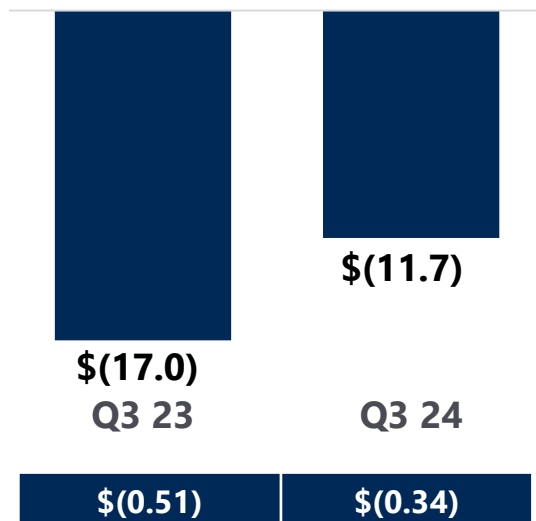
Q3 2024 Y/Y margin impacts

- » \$3.5 million warranty reserve
- » \$0.9 million inventory reserve related to a customer bankruptcy filing
- » Earlier restructuring savings in Test segment beginning to be realized

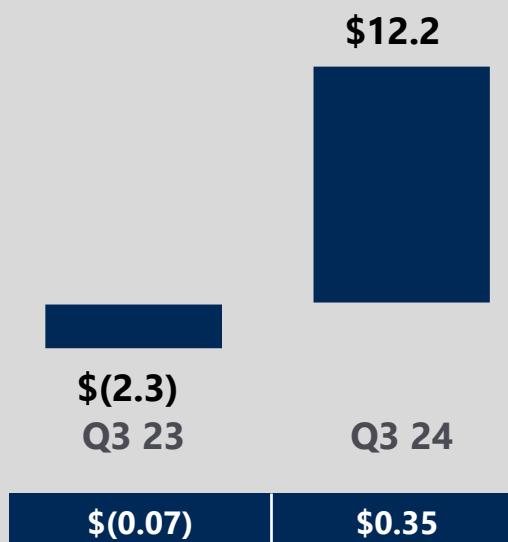
EPS and EBITDA

(\$ in millions; except EPS)

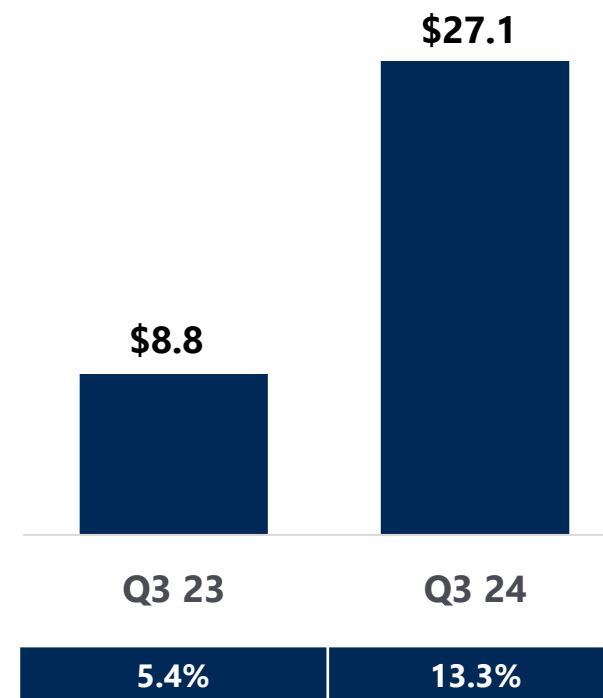
Net Income and Diluted EPS



Adj. Net Income and Adj. Diluted EPS¹



Adjusted EBITDA¹ and Margin

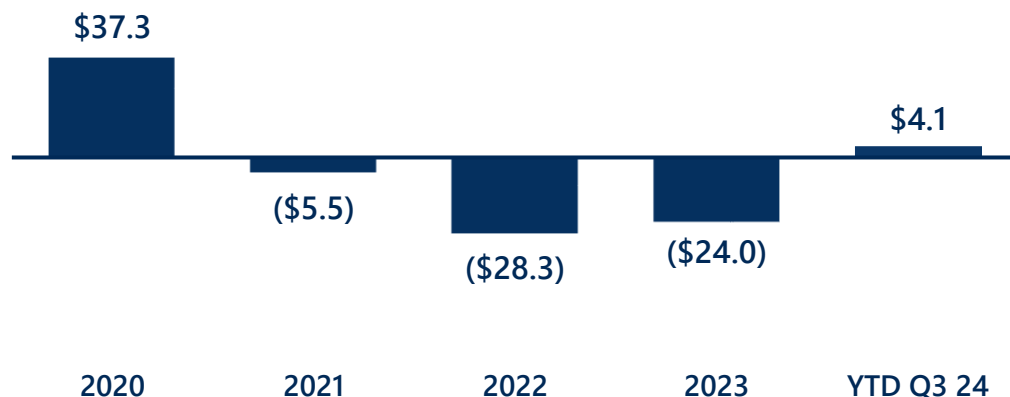


Balance Sheet and Cash Flow

(\$ in millions)

Cash from Operations

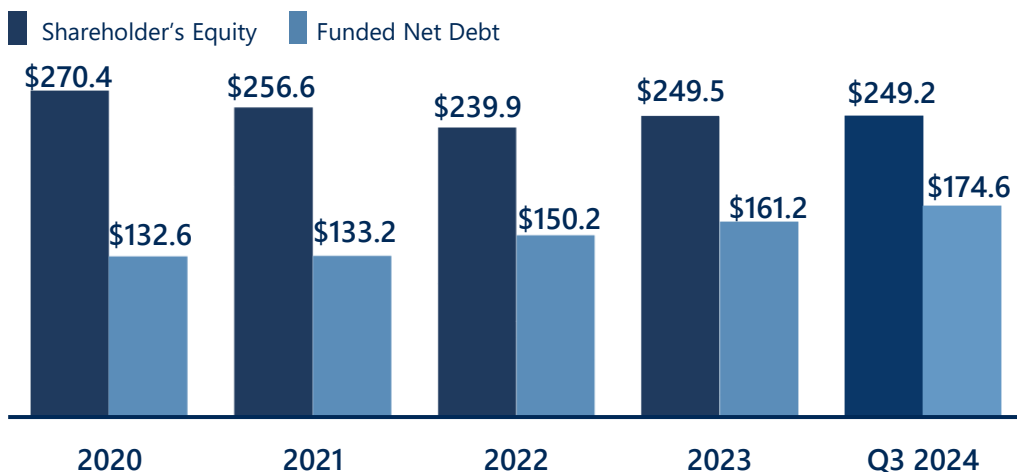
Generated \$8.5 million in cash from operations in Q3 24



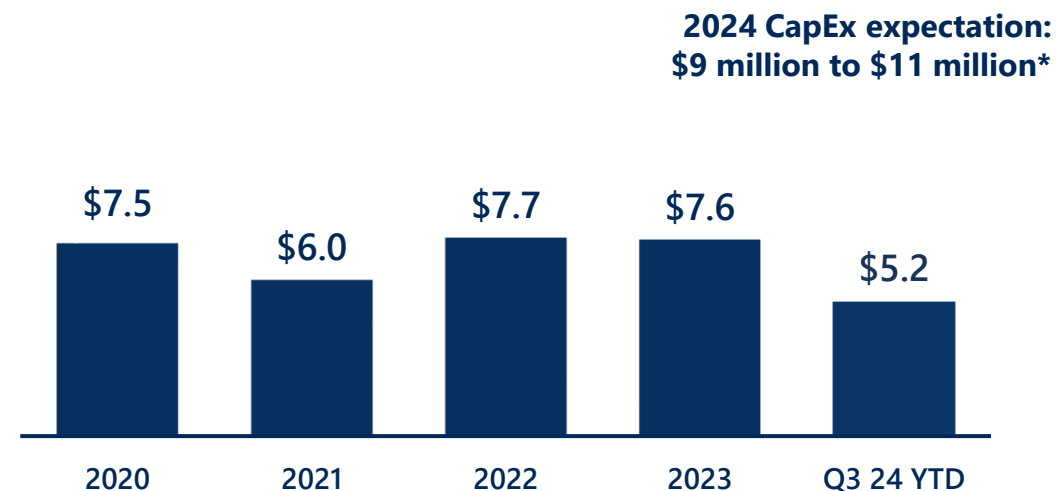
\$165 Million Convertible Note Offering

- » Refinanced debt to provide greater financial flexibility, no restrictive covenants, annual interest savings and flexible settlement option to limit/avoid dilution
- » Conversion price of \$22.89, representing a 30% premium
- » Increased ABL revolving credit facility by \$20 million to \$220 million
- » Able to address potential obligations related to allegations of IP infringement

Funded Net Debt & Shareholders' Equity



Capital Expenditures



Convertible Note Summary of Terms*

Key terms	
Closed December 3, 2024	Convertible Senior Notes due 2030
Offering Size	\$150 million plus \$15 million greenshoe
Coupon	5.50%, payable semi-annually on March 15 and September 15
Ranking	Senior Unsecured
Maturity	March 15, 2030
Investor Put Right	None, except customary in connection with a fundamental change
Issuer Call Right	Provisionally callable on or after March 20, 2028 if stock price exceeds 130% of conversion price for a specified period of time with table make-whole
Conversion Premium and Price	~30% at \$22.89
Flexible Settlement Mechanism	Cash, shares of common stock, or a combination of cash and shares of common stock; Company plans net settlement
Takeover Protection	Standard fundamental change provisions with table make-whole
Use of Proceeds	Repay existing term loan, pay down revolver, and pay any incurred fees associated with the transaction
Lock-up	60 days
Sole Bookrunner	HSBC

* Refer to the offering memorandum for additional details on the transaction and terms



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Astronics Corporation

SUPPLEMENTAL
INFORMATION



INNOVATION. COLLABORATION. SUCCESS.

Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
GAAP Consolidated Net Income (Loss)	\$ (16,983)	\$ 6,976	\$ (3,178)	\$ 1,533	\$ (11,738)
Interest expense	5,991	5,947	5,759	5,856	6,217
Income tax expense (benefit)	(3,835)	(5,442)	(1,351)	(274)	6,565
Depreciation and amortization	6,385	6,346	6,328	6,203	6,041
Equity-based compensation expense	1,611	1,595	2,802	1,840	1,772
Non-cash annual stock bonus accrual	-	2,806	1,448	-	-
Restructuring-related charges including severance	-	-	117	657	259
Legal reserve, settlements and recoveries	(1,227)	-	-	-	(332)
Non-cash 401K contribution and quarter bonus accrual	1,237	2,776	3,454	-	-
Litigation related legal expenses	4,574	3,826	3,694	4,428	5,558
Loss on extinguishment of debt	-	-	-	-	6,987
Warranty reserve	-	-	-	-	3,527
Non-cash reserves for customer bankruptcy	11,074	-	-	-	2,203
Adjusted EBITDA	\$ 8,827	\$ 24,830	\$ 19,073	\$ 20,243	\$ 27,059

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, loss on extinguishment of debt, unusual specific warranty reserves, and customer bankruptcy reserve) 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, and other items as noted previously which are 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.

Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA

	2021	2022	2023
GAAP Consolidated Net Income (Loss)	\$ (25,578)	\$ (35,747)	\$ (26,421)
Interest expense	6,804	9,422	23,328
Income tax expense (benefit)	(1,382)	5,954	110
Depreciation and amortization	29,005	27,777	26,104
Equity-based compensation expense	6,460	6,497	7,198
Non-cash annual stock bonus accrual	-	-	6,549
Equity Investment accrued payable write-off	-	-	(1,800)
Contingent consideration liability fair value adjustment	(2,200)	-	-
Restructuring-related charges including severance	577	199	564
Legal reserve, settlements and recoveries	8,374	500	(2,532)
Customer accommodation settlement	-	2,100	-
Lease termination settlement	-	450	-
Litigation related legal expenses	7,142	6,935	17,850
Non-cash 401K contribution and quarter bonus accrual	4,199	4,512	2,806
AMJP grant benefit	(8,670)	(6,008)	-
Net gain on sale of facility	(5,014)	-	-
Net gain on sale of business	(10,677)	(11,284)	(3,427)
Loss on extinguishment of debt	-	-	-
Warranty reserve	-	-	-
Non-cash reserves for customer bankruptcy	-	-	11,074
Deferred liability recovery	-	-	(5,824)
Adjusted EBITDA	\$ 9,040	\$ 11,307	\$ 55,579

Reconciliation to Non-GAAP Performance Measures

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Reconciliation of Gross Profit to Adjusted Gross Profit

	Q3 2023	Q3 2024
Gross Profit	\$20,618	\$42,743
Add back (deduct)		
Warranty reserve	-	3,527
Non-cash reserves for customer bankruptcy	3,601	909
Adjusted Gross Profit	\$24,219	\$47,179
Sales	\$ 162,922	\$ 203,698
Gross Margin	12.7%	21.0%
Adjusted Gross Margin	14.9%	23.2%

Reconciliation of Operating Income to Adjusted Operating Income

	Q3 2023	Q3 2024
Income (Loss) from Operations	\$(14,479)	\$8,374
Add back (deduct)		
Restructuring-related charges including severance	-	259
Legal reserve, settlements and recoveries	(1,227)	(332)
Litigation-related legal expenses	4,574	5,558
Non-cash reserves for customer bankruptcy	11,074	2,203
Warranty reserve	-	3,527
Adjusted Operating Income (Loss)	\$(58)	\$19,589
Sales	\$162,922	\$203,698
Operating Margin	(8.9%)	4.1%
Adjusted Operating Margin	-%	9.6%

Reconciliation of Net Income and Diluted Earnings per Share to Adjusted Net Income and Adjusted Diluted Earnings per Share

	Q3 2023	Q3 2024
Net Loss	\$(16,983)	\$(11,738)
Add back (deduct)		
Amortization of intangibles	3,381	3,188
Restructuring-related charges including severance	-	259
Legal reserve, settlements and recoveries	(1,227)	(332)
Litigation-related legal expenses	4,574	5,558
Loss on extinguishment of debt	-	6,987
Non-cash reserves for customer bankruptcy	11,074	2,203
Warranty reserve	-	3,527
Normalize tax rate ¹	(3,081)	2,511
Adjusted Net Income (Loss)	\$(2,262)	\$12,163
Weighted average diluted shares outstanding (in thousands)	33,000	35,011
Diluted loss per share	(\$0.51)	(\$0.34)
Adjusted diluted earnings (loss) per share	(\$0.07)	\$0.35

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

Delta Flight Products

Embraer

General Dynamics

Gulfstream

Honda Aircraft

Honeywell

Hughes

Intelsat

Jet Aviation

Kawasaki

L3Harris

Leonardo

Lockheed Martin

NASA

Northrup Grumman

Panasonic Avionics

Pilatus

Raytheon Technologies

Safran

Sikorsky

Textron Aviation

Thales

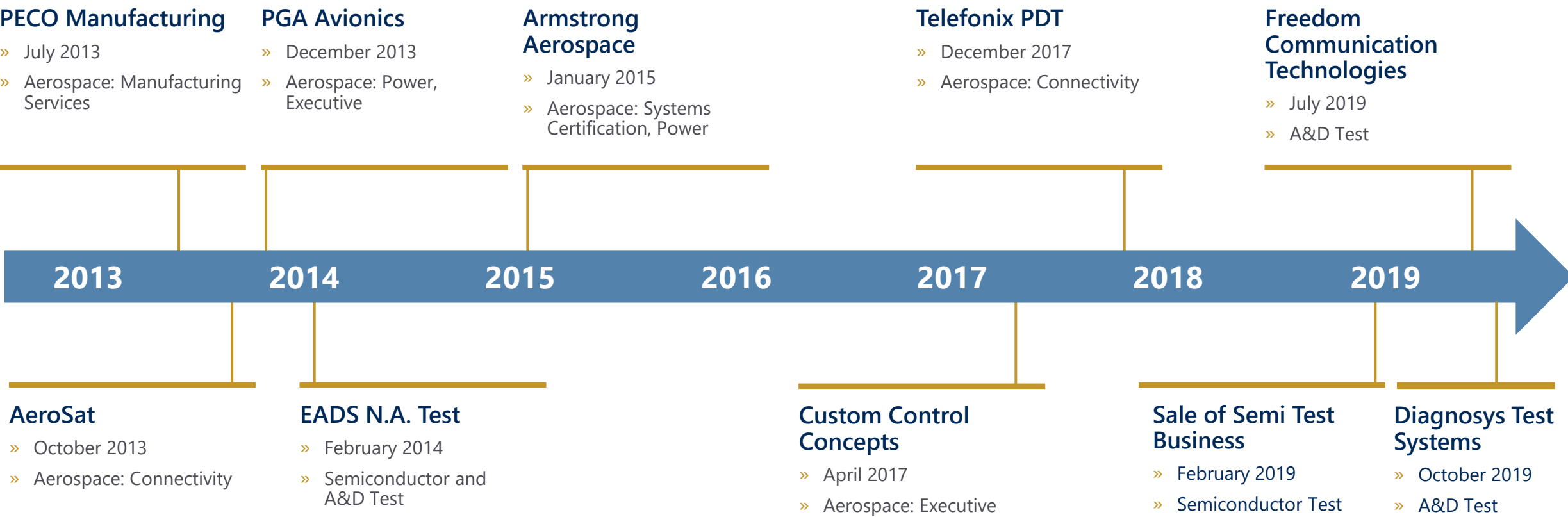
Thompson Aero Seating

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

Viasat



Created a Portfolio for Growth



Select Competitors

ELECTRICAL POWER

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

- » Safran
- » Ametek
- » Transdigm

LIGHTING & SAFETY

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

- » Whelan
- » Diehl Aerospace

AVIONICS

- » TECOM (Smiths Group)
- » ThinKom

- » Kontron
- » Panasonic

TEST SOLUTIONS

- » Viavi
- » Lockheed
- » National Instruments

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



For more
information:



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