ASTRONICS

Benchmark Industrial Early Cyclicals Conference

June 1-2, 2020



Nasdaq: ATRO

ELEVATING innovation

Peter J. Gundermann, Chairman, President & CEO
David C. Burney, Executive Vice President & CFO

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	$280.1 million
Recent Price	$9.13
52-Week Range	$6.99–$44.34
Average Daily Volume (3 mos.)	417,920
Established/IPO	1969/1972

Shares Out – Common	23.3 million
Shares Out – Class B	7.5 million
Institutional ownership	69%
Insider ownership	13%
Index membership	Russell 3000®/2000®

Solid Franchise with Leading Market Positions

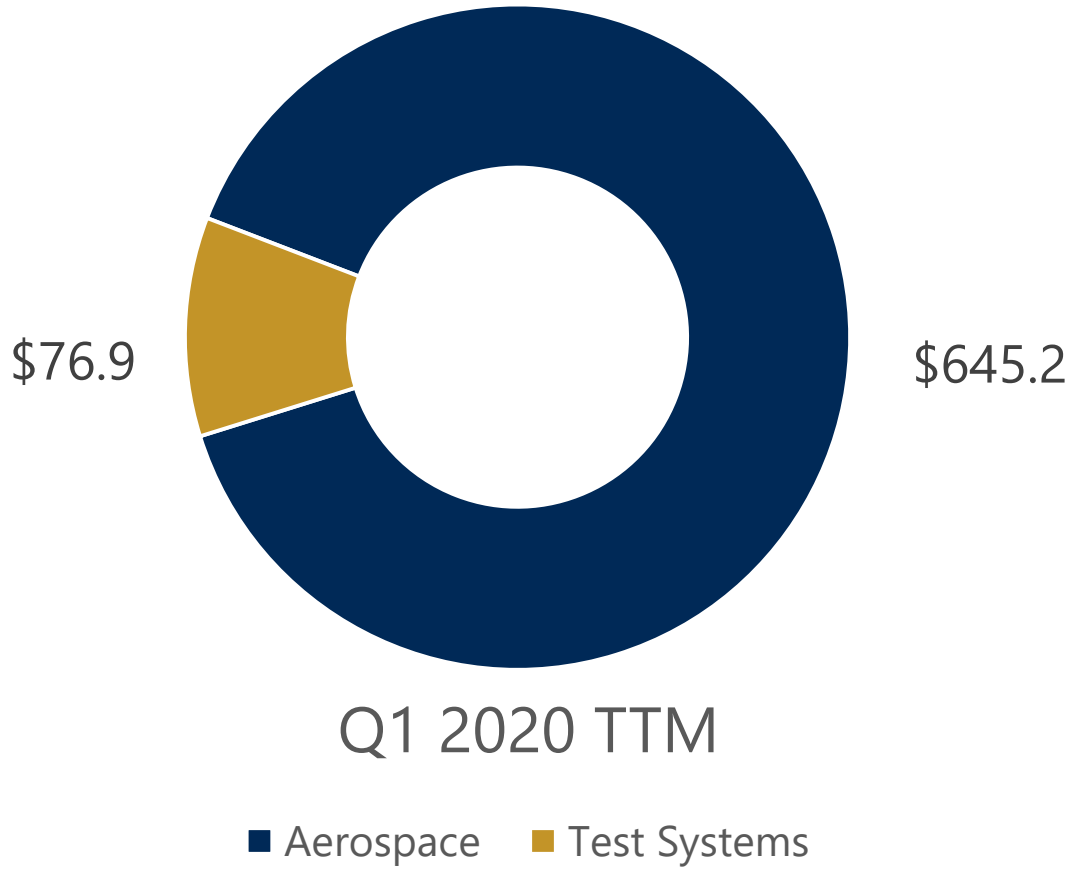
($ in millions)

Test Systems *

Aerospace

* Sold Semiconductor Test business on February 13, 2019 for $103.8 million. Includes $8.0 million of Semi Test Sales

SALES



Astronics Aerospace

Elevating Innovation

PRODUCT LINES

Electrical Power & Motion

Lighting & Safety

Avionics/Systems Certification

Structures

Other

POWER & MOTION

LIGHTING & SAFETY

AVIONICS: CONNECTIVITY & DATA

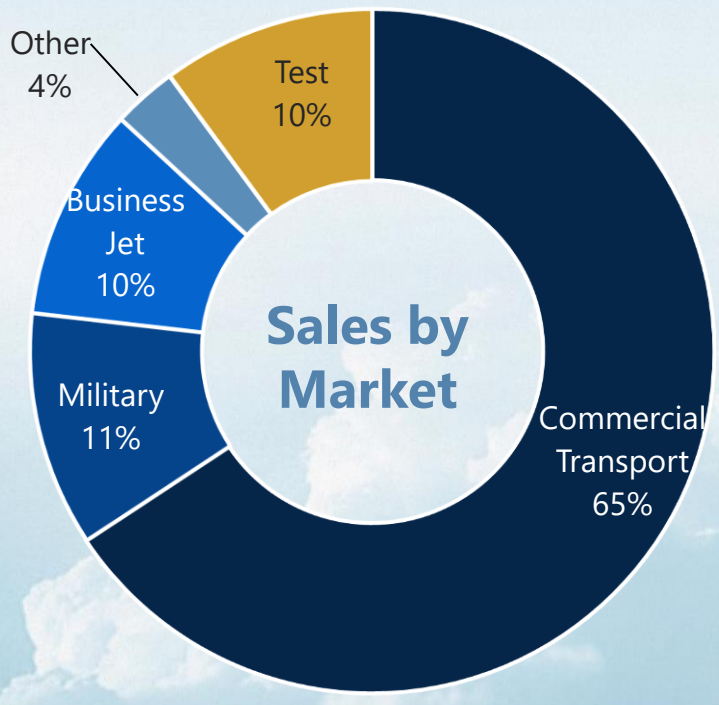
MAJOR THRUSTS

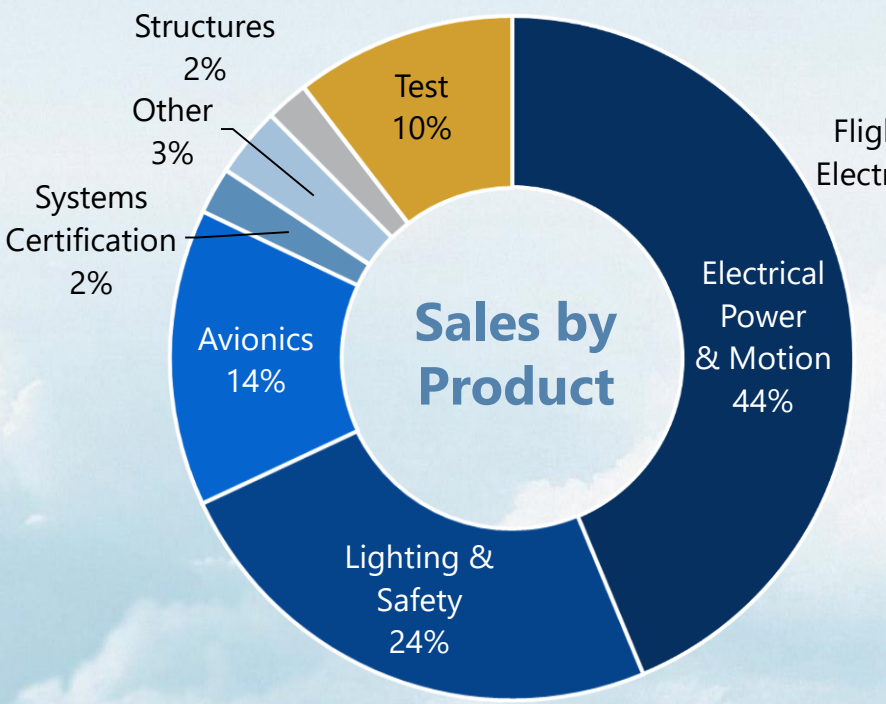
Inflight Entertainment & Connectivity (IFEC)

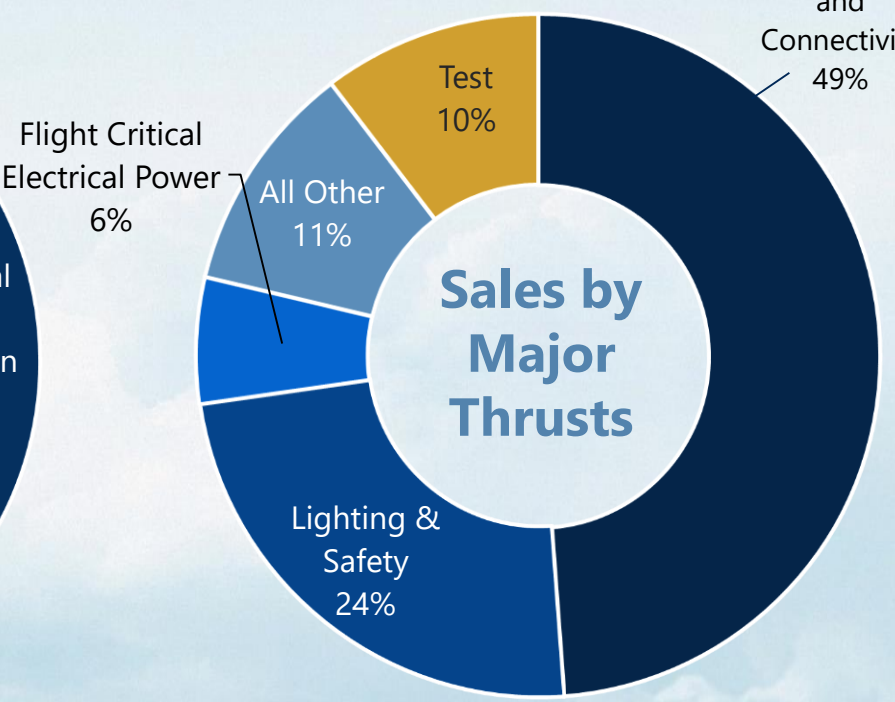
Aircraft Lighting & Safety

Flight Critical Electrical Power

Sales by Markets, Products, & Major Thrusts







Q1 2020 Sales: $157.6 Million
(as of 3/28/2020)

Sales by product percentage tally may differ due to rounding

Aircraft Inflight Entertainment & Connectivity

IFC Antennas and Radome Systems

Aircraft Data Systems

Power for Passengers and Crew

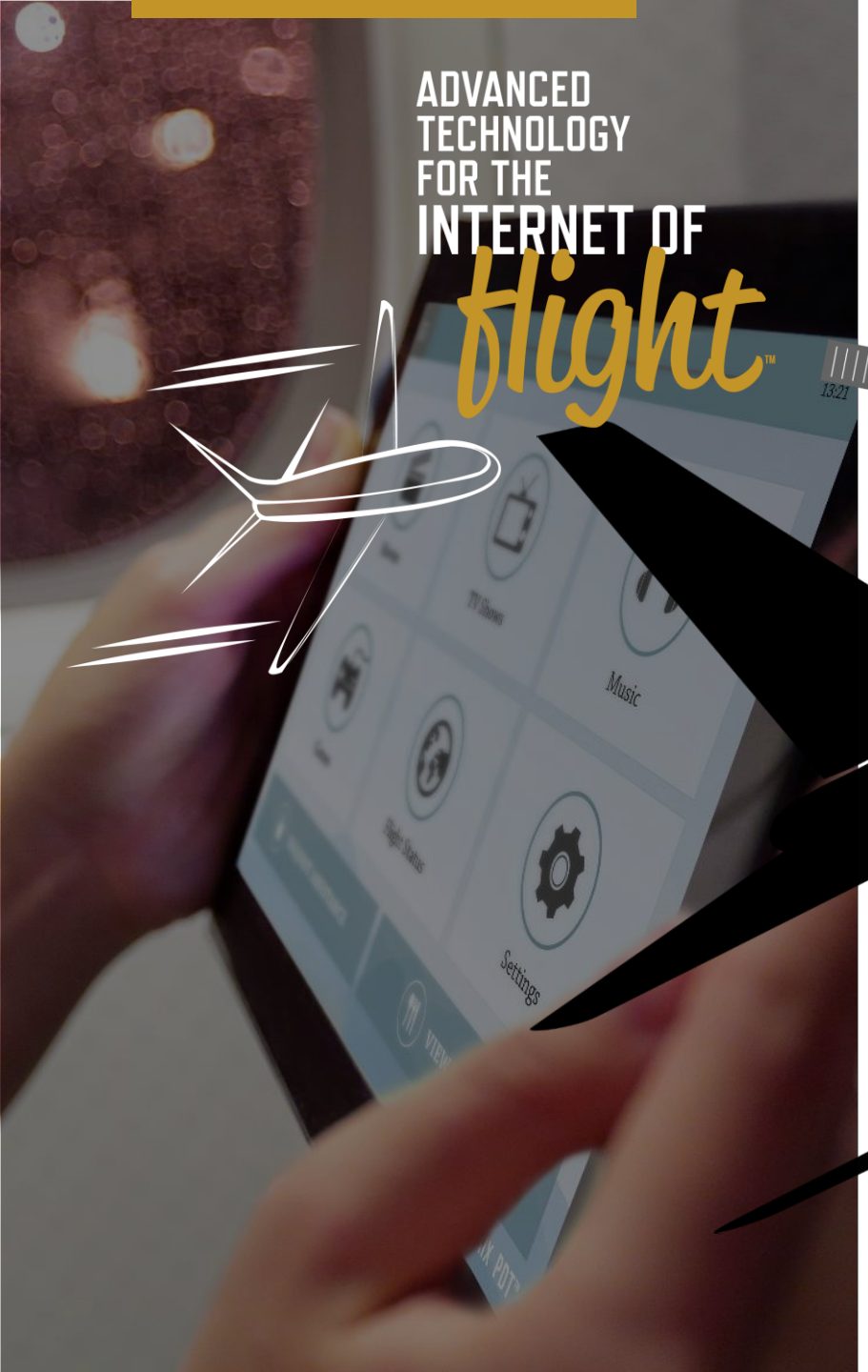
Inflight Entertainment Systems Hardware

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
- New build adding over 300,000 seats per year
- Narrow body aftermarket potential: nearly 2 million seats

EMPOWER®

ASTRONICS



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

INTERNET

SATELLITE

ANTENNA

RADOME

CABINBRIDGE™
GATELINK SOLUTION

CABINEDGE™
CONTENT LOADER

CABINACe-2™
WAVE 2 CABIN WIRELESS ACCESS POINT

CABINPINNACLE™
SERVER

STCs & INSTALLATION KIT

CABIN EQUIPMENT
PASSENGER CONTROL UNITS AND MORE

ENCOMPASS™
ALL-IN-ONE SERVER

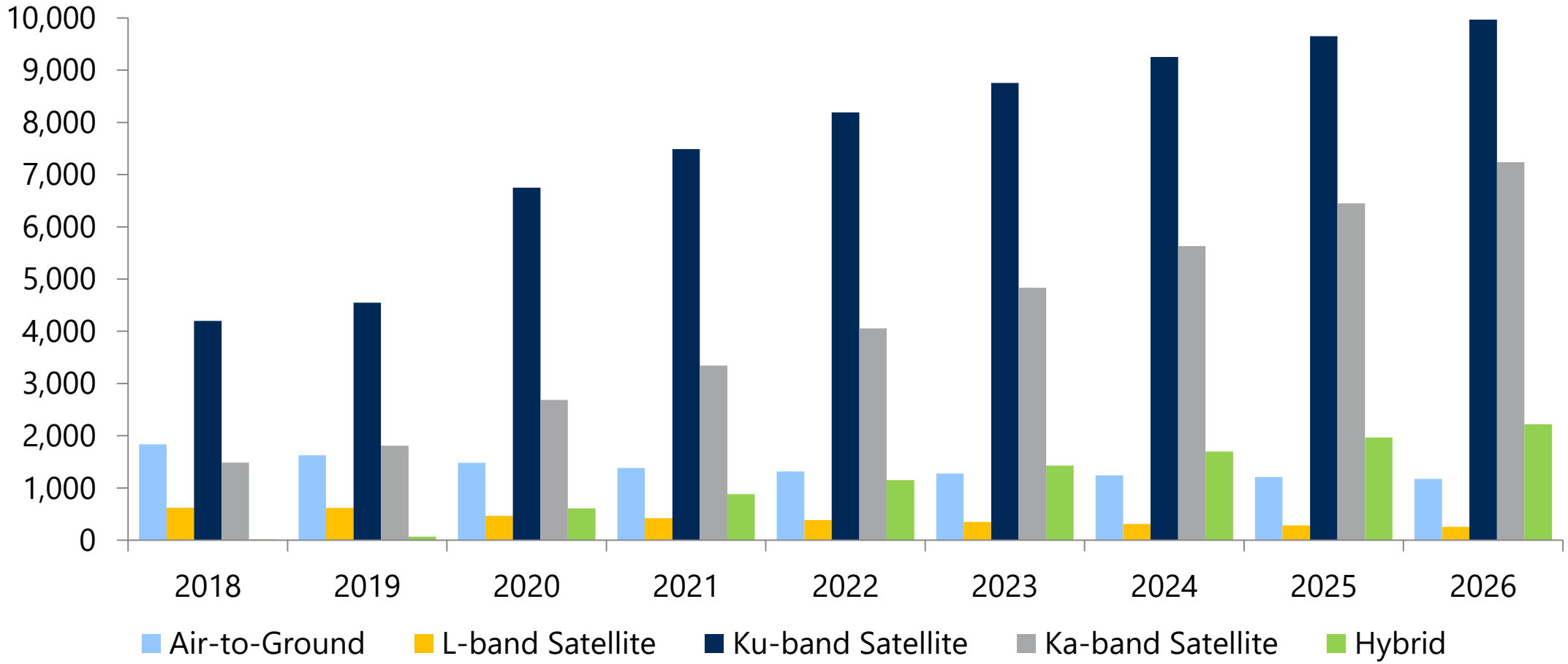
- SUMMIT IFEC COMPONENTS
- CUSTOMER PROPRIETARY SOLUTIONS
- PORTABLE IFE SOLUTION

GROUND TOWER

SATELLITE EARTH STATION

Growing Addressable Market

Total Connected Commercial Aircraft by Frequency Band



Source: Valour Consultancy (November 2019); 2018-2019 actual thru June 2019; 2020-2026 forecasts as of November 2019

IFEC Technologies & Content Value

Total Addressable Market Opportunity

System Components	ATRO	Product Category	Narrow body Potential Content	Wide body Potential Content
Hardware Equipment				
Antenna System	✓	Avionics	$100k-300k	$300k
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			$200k - $450k	$540k - $665k

Lighting & Safety Solutions

Exterior

Cockpit

Emergency / Safety Systems

Cabin

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

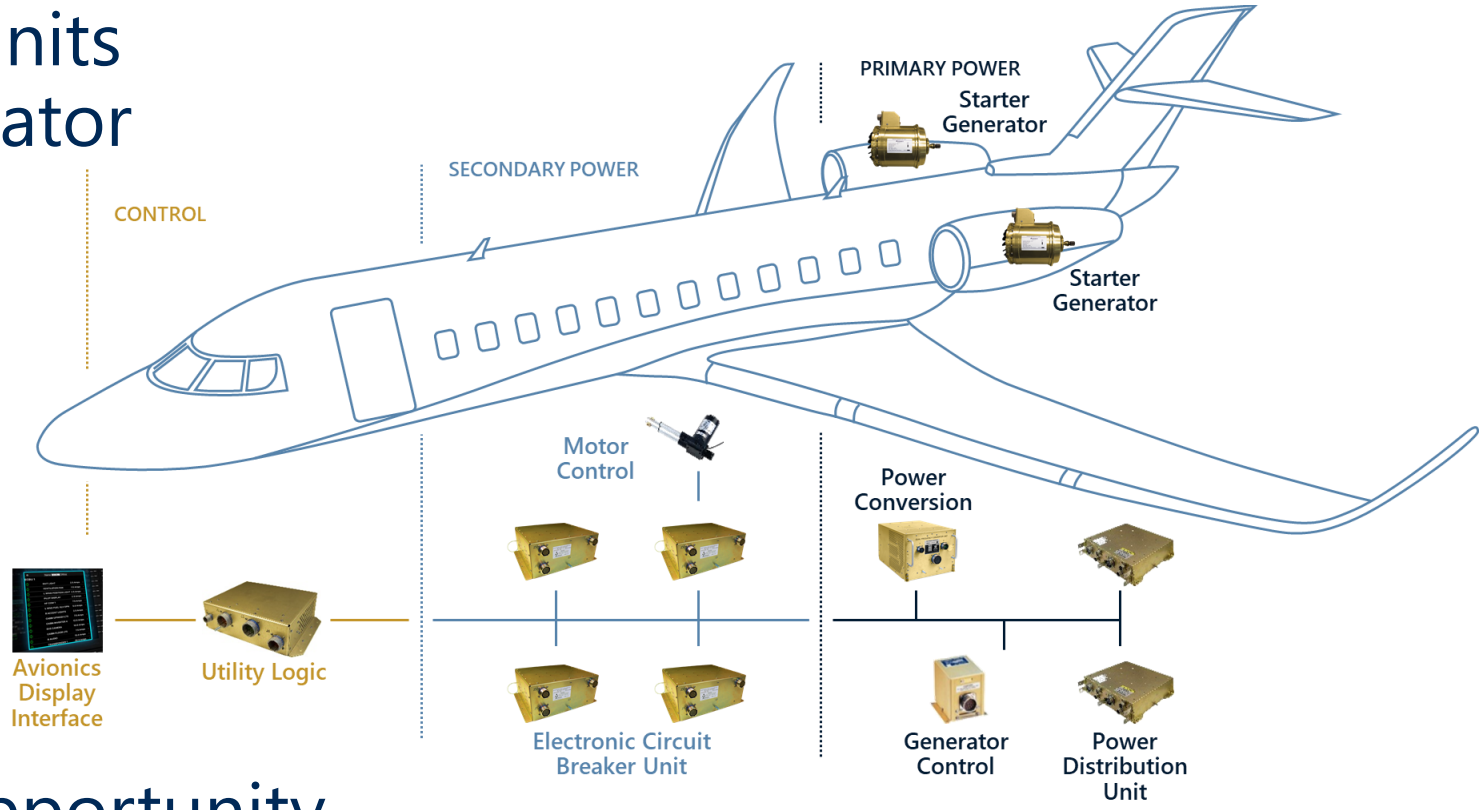
Electronic Power Distribution
PC-24

Flight Critical Electrical Power Addressable Market

Electronics Circuit Breaker Units and Long-Life Starter Generator

Program Wins to Date

- Eclipse 500, Lear 85
- Daher TBM 900
- Bell 505, 525 & V280
- Pilatus PC-24
- Cessna Denali
- Global 7000



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

Airbus A380
Cabin lighting & cabin electronics

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

Expanding test instrument business with next-gen PXI platform offerings

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:
  - Military aircraft, avionics, and vehicle systems
  - Weapons systems
  - Communications and radar systems
  - Engine systems
  - Military satellites
  - Shipboard systems

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

COVID-19 Demand Impact by Market

Three market drivers: Defense/Gov't, Aircraft production, Aftermarket

COVID-19 immediately impacted airlines and aircraft OEMs

Earlier headwind of 737MAX production halt resolved in March 2020

» Reinitiated production prior to aircraft production restarting

Defense and Government markets: ~20% of sales

» Includes majority of Test Systems

» Showing strength

New commercial and business jet aircraft production: ~55% of sales

» Majority related to commercial aircraft build rates

» Two global OEMs reduced production levels around 30% to 35%

Commercial aircraft aftermarket: ~25% of sales

» Primarily IFEC and passenger power systems

» Demand severely impacted from significant reduction in passenger traffic

RAPID ACTIONS TO ADDRESS CHALLENGING TIMES

Operational Adjustments for COVID-19 Impact on Business

Prioritized health and safety of employees

» New set of work rules for sanitation, hygiene and physical distancing

Adjusted cost structure to conserve cash

» 30% reduction in employee count

» Freeze on wages and elimination of cash bonus plans

» 50% reduction of capital expenditures

» Eliminated temporary labor, consultants, marketing trade shows, travel

» Restricted discretionary spend

Focus on cash generation

» Generate cash and deliver mid-to high single digit EBTIDA margins at 30% to 35% reduction in revenue

» Additional levers available if conditions worsen or duration is significant

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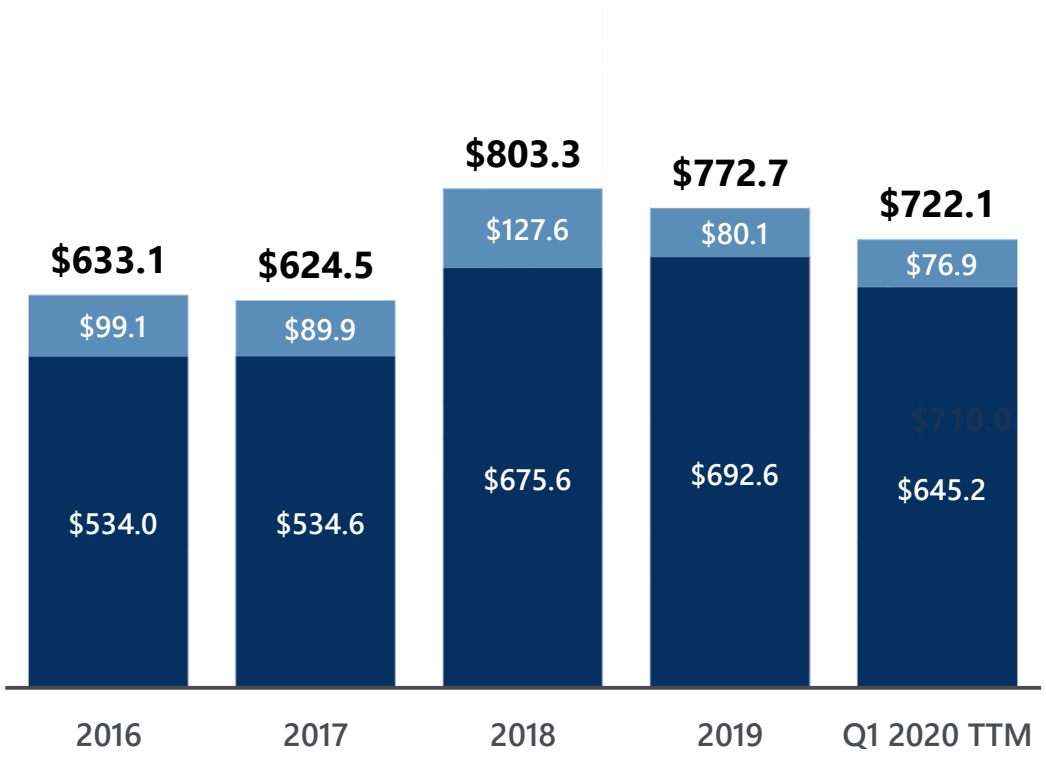
FINANCIALS

INNOVATION. COLLABORATION. SUCCESS.

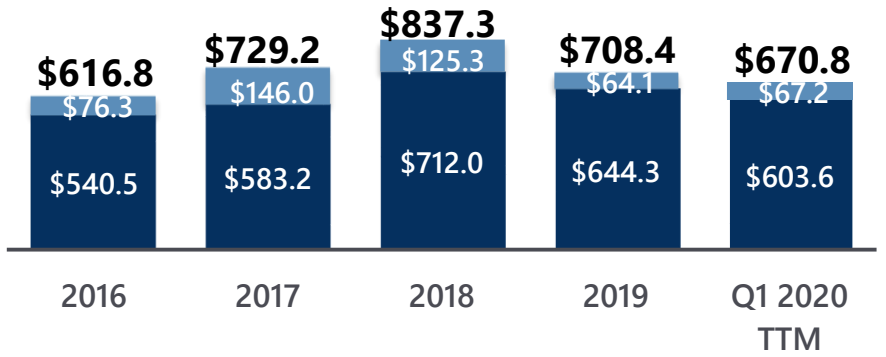
Sales, Bookings & Backlog

(US$ in millions; except EPS)

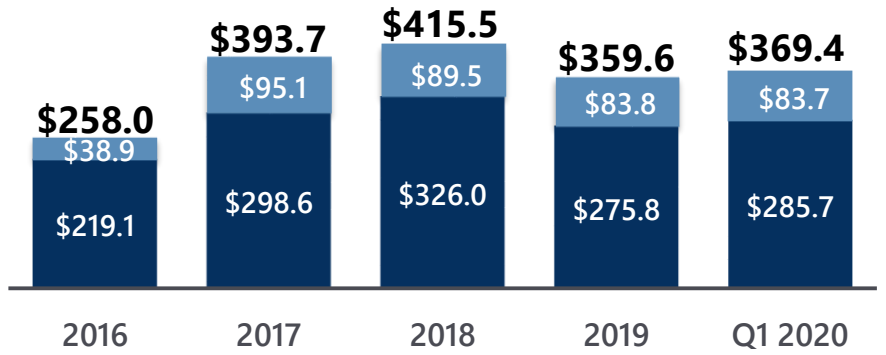
Sales



Annual Bookings



Backlog

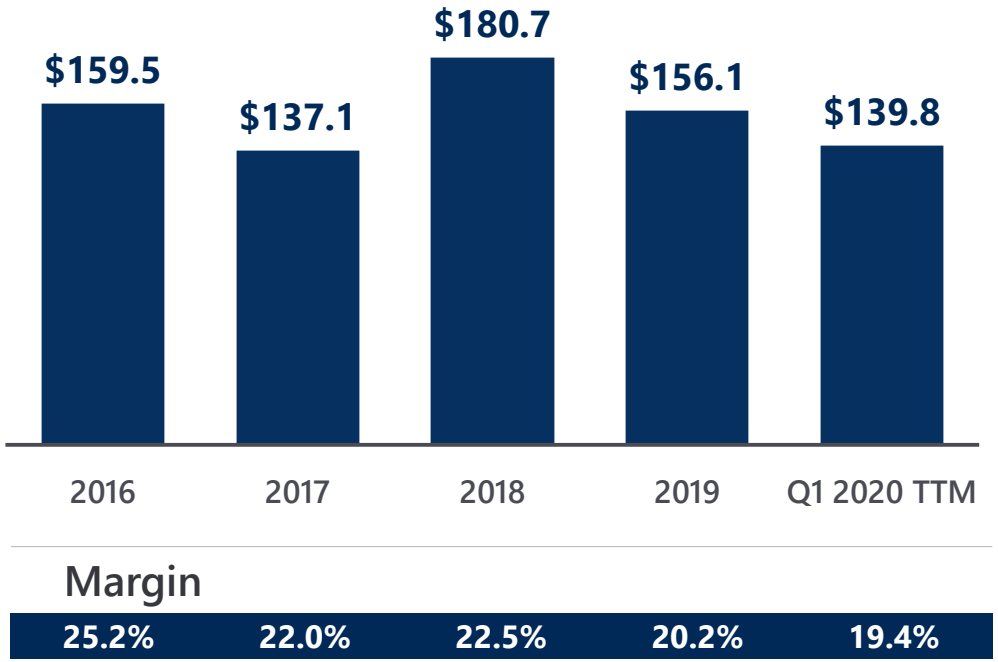


Aerospace Test

Profit and Margins

(US$ in millions)

Gross Profit and Margin

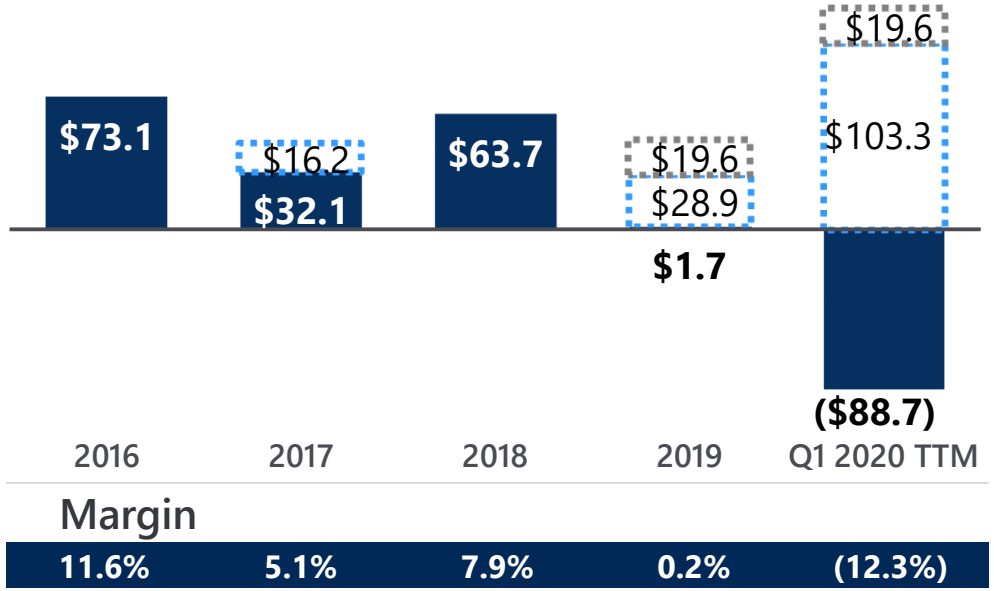


Operating Profit and Margin*

Operating profit in 2017,2018 and 2019 impacted by three aerospace businesses' operating losses of $30.9 million, $34.8 million and $32.7 million, respectively.

Q417 Impairment charge :$16.2 million
Q419 Impairment & restructuring charges: $28.9 million
Q120 Asset impairment and goodwill charges: $74.4 million

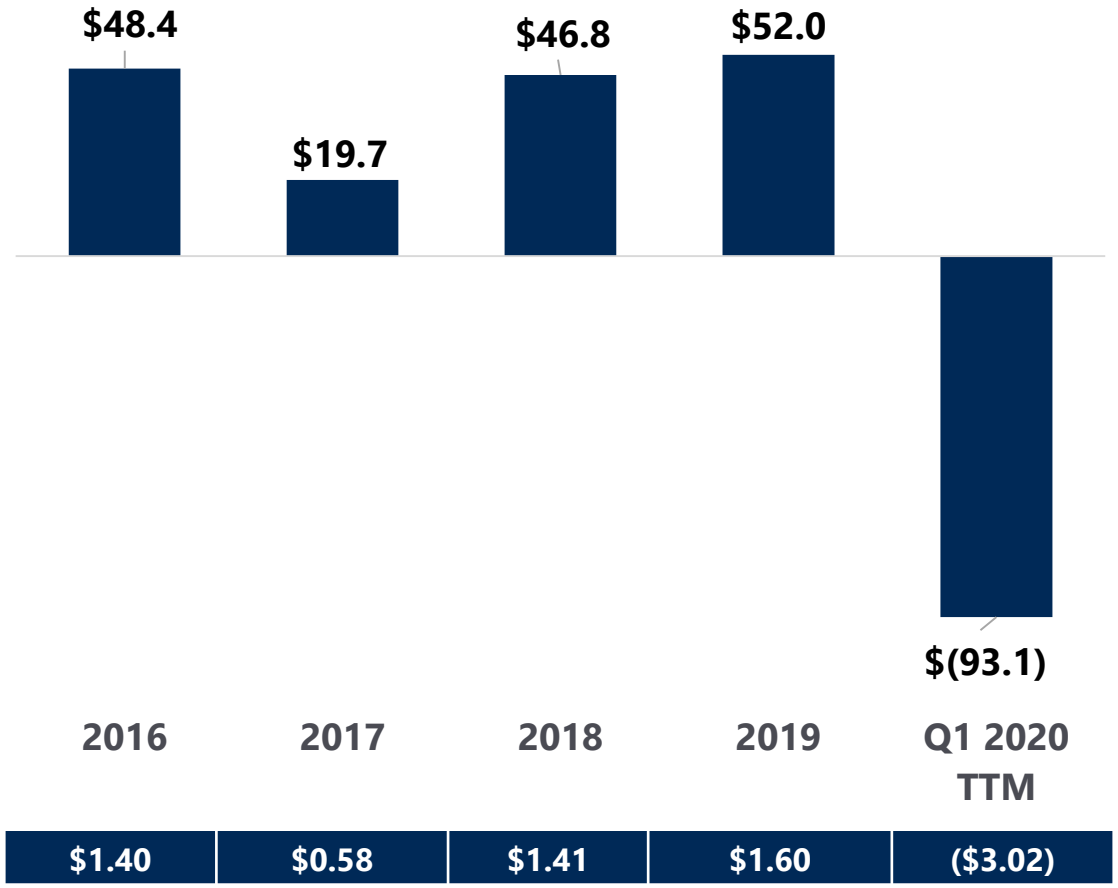
Legal reserve for patent dispute of $19.6 million in Q4 2019



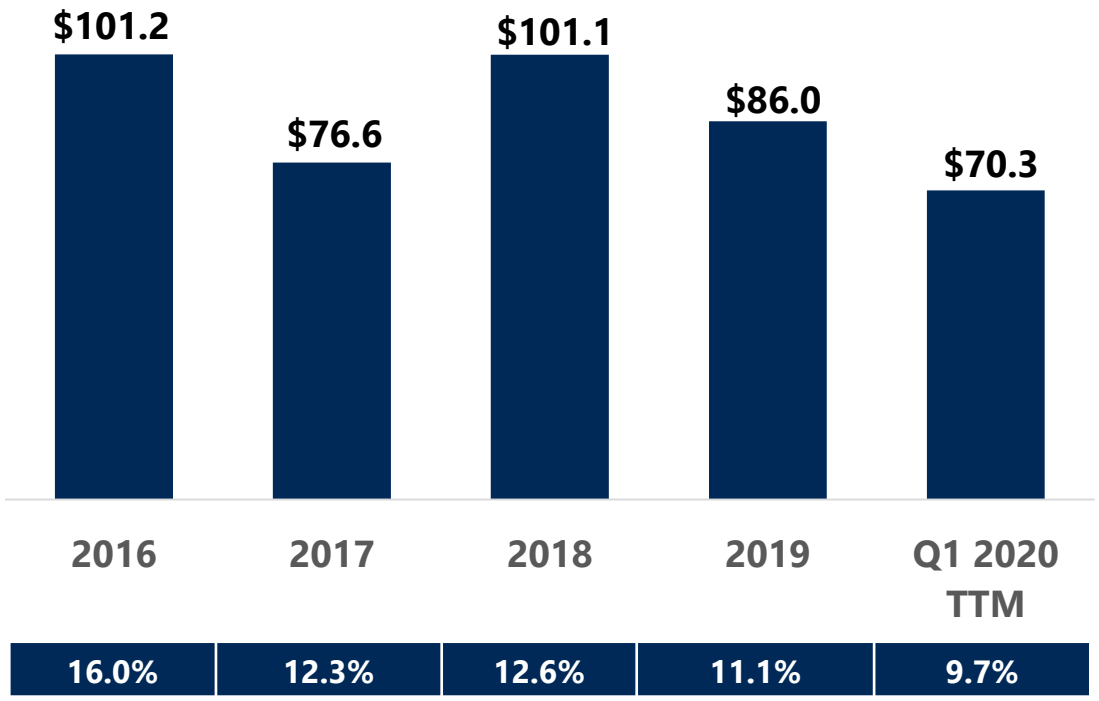
*As reported

Restructured Business to Drive Earnings

Net Income and Diluted EPS



Adjusted EBITDA and Margin

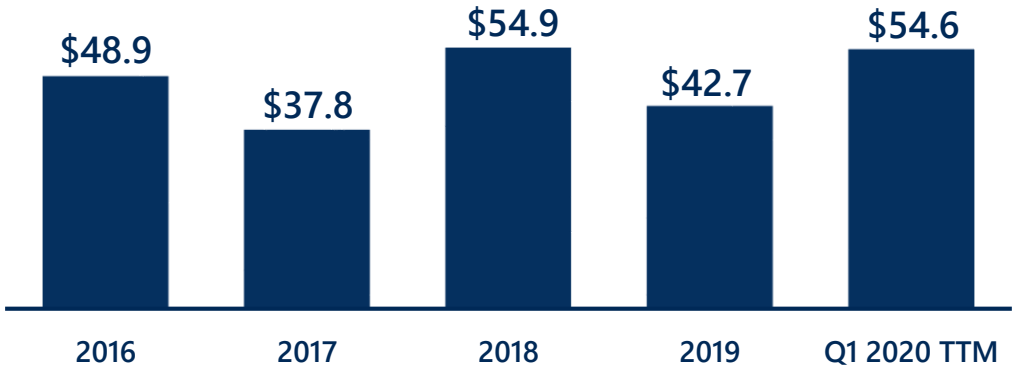


(1) Adjusted Net Income and Adjusted EBITDA are non-GAAP financial measures. Please see supplemental slides for a reconciliation of GAAP net income to non-GAAP adjusted net income and a reconciliation of net income (loss) to non-GAAP adjusted EBITDA and other important disclosures regarding the use of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

Balance Sheet and Cash Flow

(US$ in millions)

Cash from Operations



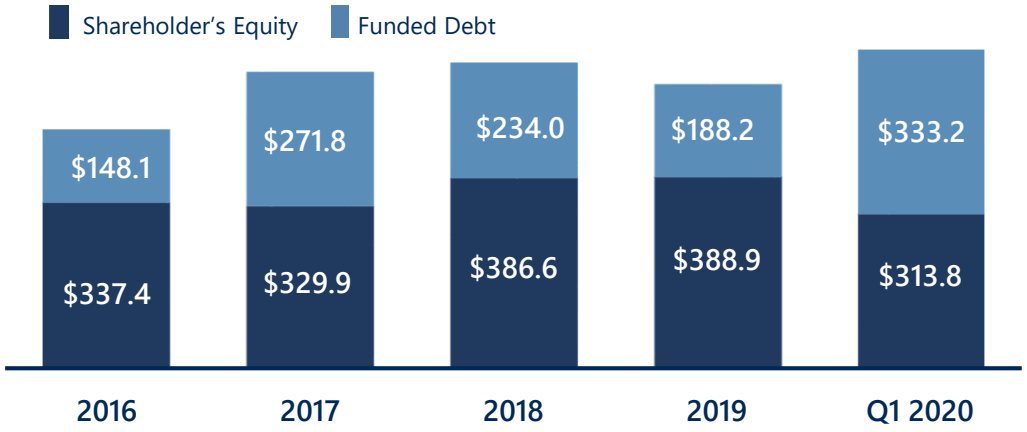
Capital allocation:

- Acquisitions
- Organic growth
- Opportunistic stock repurchases

Tolerance for debt:

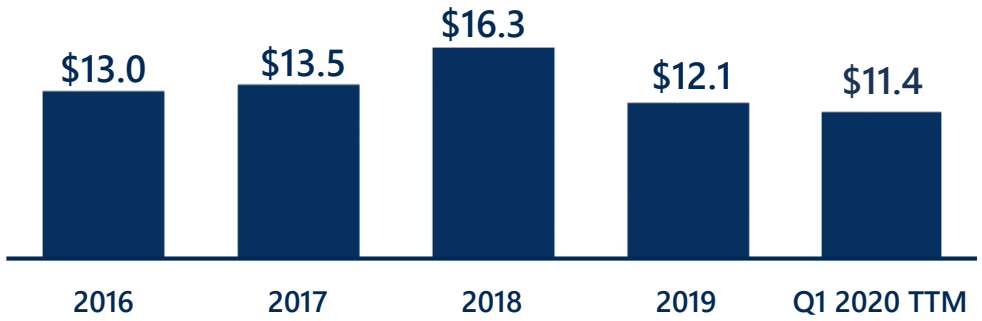
- 2x - 3x
- Willing to flex up

Funded Debt & Shareholders' Equity



Capital Expenditures

2020 CapEx expectation: $8 million*



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* Guidance provided as of May 6, 2020

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Benchmark Industrial Early Cyclicals Conference

June 2, 2020



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Astronics Corporation

SUPPLEMENTAL INFORMATION

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Reconciliation Adjusted EBITDA

Reconciliation of GAAP Net Income to Adjusted Net Income and Adjusted EBITDA

	FY 2016	FY 2017	FY 2018	FY 2019	Q1 FY2020 TTM
GAAP Consolidated Net Income	**$ 48,424**	**$ 19,679**	**$ 46,803**	**$ 52,017**	**$ (93,092)**
Interest Expense	4,354	5,369	9,710	6,141	5,670
Income Tax Expense	20,361	5,312	5,479	16,286	(8,877)
Depreciation and Amortization	25,790	27,063	35,032	33,049	32,944
Equity-based Compensation	2,281	2,973	-	3,843	4,353
Goodwill and Other Asset Impairments	-	16,237	-	11,083	85,491
Restructuring Charges	-	-	-	17,753	17,753
Equity Investment Impairment	-	-	-	5,000	5,000
Equity Investment Loss	-	-	-	-	107
(Gain) Loss on Sale of Business	-	-	-	(78,801)	1,332
Legal Reseve Increases	-	-	1,000	19,619	19,619
Adjusted EBITDA	**$ 101,210**	**$ 76,633**	**$ 101,122**	**$ 85,990**	**$ 70,300**

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
Cirrus Aircraft
Collins Aerospace
Comlux
Dassault Aviation
Embraer
General Dynamics
Gogo
Gulfstream
Hughes
Jet Aviation
L3 Technologies
Leonardo
Lockheed Martin
NASA
Panasonic Avionics
Raytheon Company
Sikorsky
Textron
Thales
Thompson Aero Seating
U.S. Army/Navy/Air Force/Marines
Zodiac Aerospace




A Global Presence to Support Your Needs

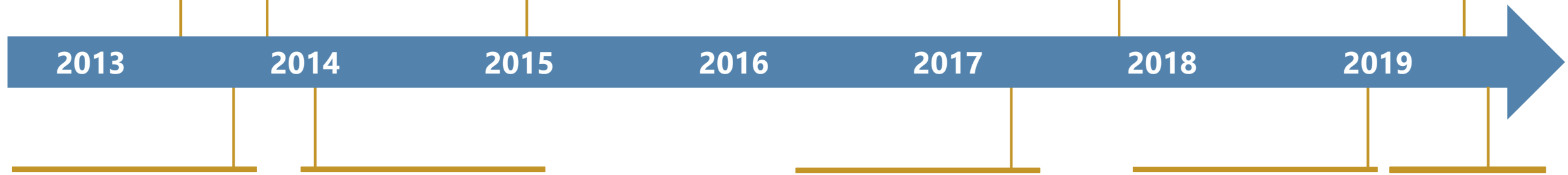
Worldwide Manufacturing, Sales and Support

1.2M Square Feet of Manufacturing Strength

2,650+ Employees

24/7/365 Customer Service & Support

Building a Portfolio for Growth



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

Freedom Communication Technologies
- July 2019
- A&D Test

AeroSat
- October 2013
- Aerospace: Connectivity

EADS N.A. Test
- February 2014
- Semiconductor and A&D Test

Custom Control Concepts
- April 2017
- Aerospace: Executive

Sale of Semi Test Business
- February 2019
- Semiconductor Test

Diagnosys Test Systems
- October 2019
- A&D Test

Commercial Aircraft Content

Serving commercial, business jet and military

- **777/777X** - approximately $240K* in content
  (PSUs, fuel access doors)
- **737** - approximately $95K* in content
  (PSUs, fuel access doors, cockpit lighting)
- **787** - approximately $45K* in content
  (fuel access doors)
- **747** - approximately $30K* in content
  (PSUs, fuel access doors)
- **A350** - approximately $30K* in content
  (Emergency exit lighting)
- **Embraer E2**
  (PSUs, emergency lighting)

- **Exterior Lighting Systems**

- **Cabin Lighting & Safety Systems**

- **Cockpit Lighting Systems**

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* Values shown per plane represent potential content, and exclude buyer-furnished equipment.

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	

ASTRONICS

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