



CJS Securities 24th Annual "New Ideas for the New Year"
Conference
January 10, 2024



Nasdaq: ATRO

ELEVATING *innovation*

Peter J. Gundermann, Chairman, President & CEO

David C. Burney, Executive Vice President & CFO

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 achieving any revenue or profitability expectations, the rate of recovery of the commercial aerospace widebody/long haul markets, the improvement in the supply chain and reduction of spot buys, 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 rate of cash generation, the impact of volume on margins, the effectiveness of pricing in new or renewed contracts, and the expectations of demand by customers and markets. 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	\$556 million
Recent Price	\$15.72
52-Week Range	\$9.92 – \$22.44
Average Daily Volume (3 mos.)	164,580
Established/IPO	1968/1972

Shares Out – Common	28.1 million
Shares Out – Class B	6.0 million
Institutional ownership	59%
Insider ownership	10%
Index membership	Russell 3000 [®] /2000 [®]

DRAFT

Solid Franchise with Leading Market Positions

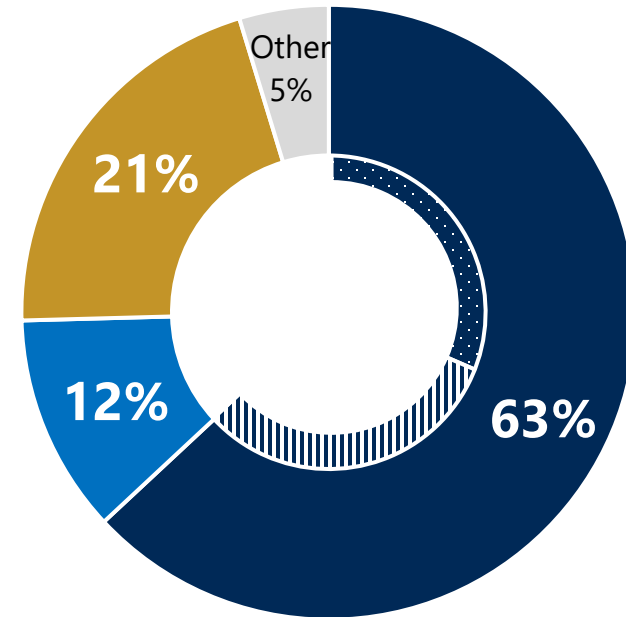
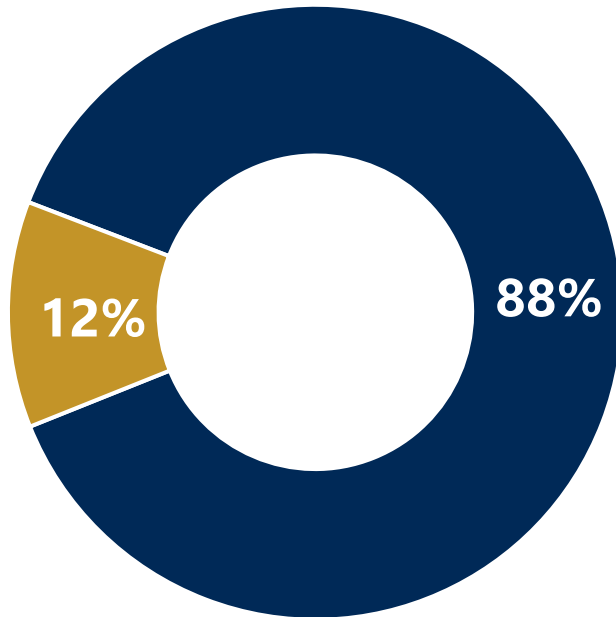
Aerospace

Test Systems

Commercial Aerospace

General Aviation

Defense & Government*



Q3 23 TTM Sales:
\$652.1 million

- ~1/2 Line fit
- ~1/2 Aftermarket

*Includes Test and Aerospace sales

Aerospace Sales Rebounding

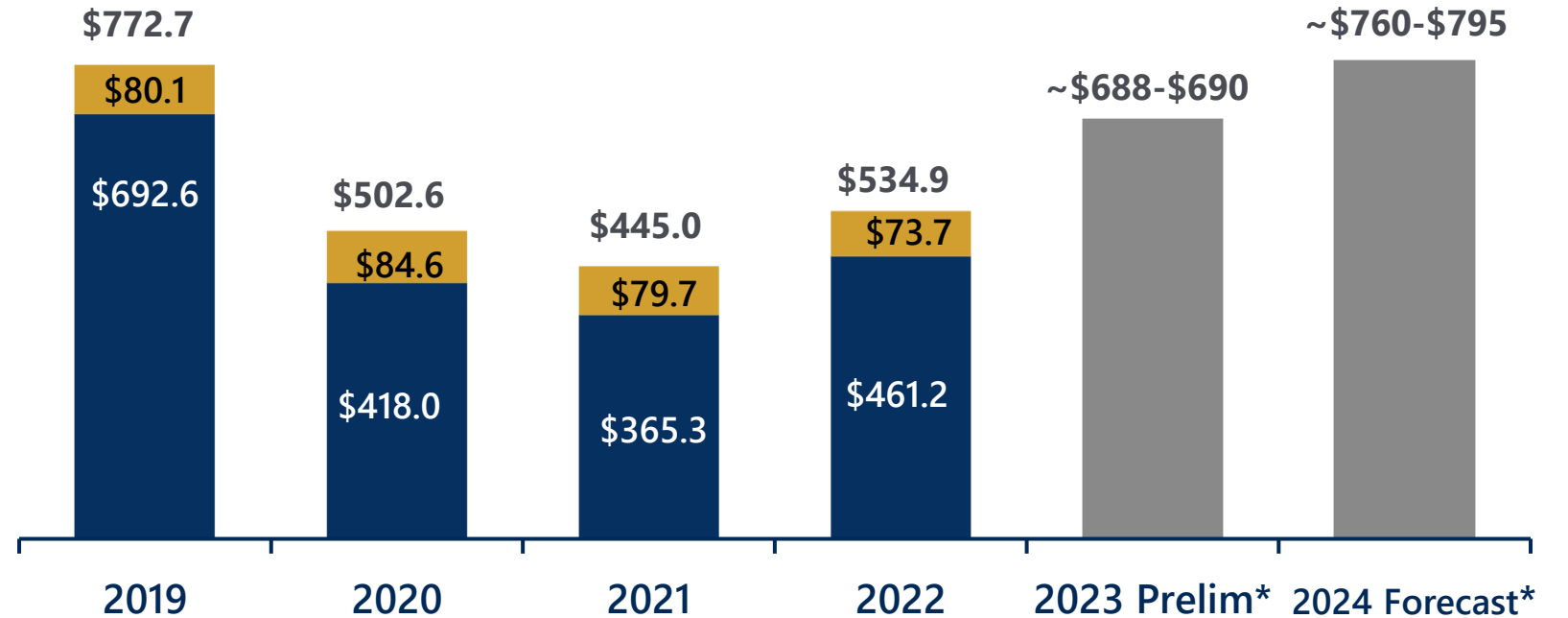
SALES

(\$ in millions)

Test Systems

Aerospace

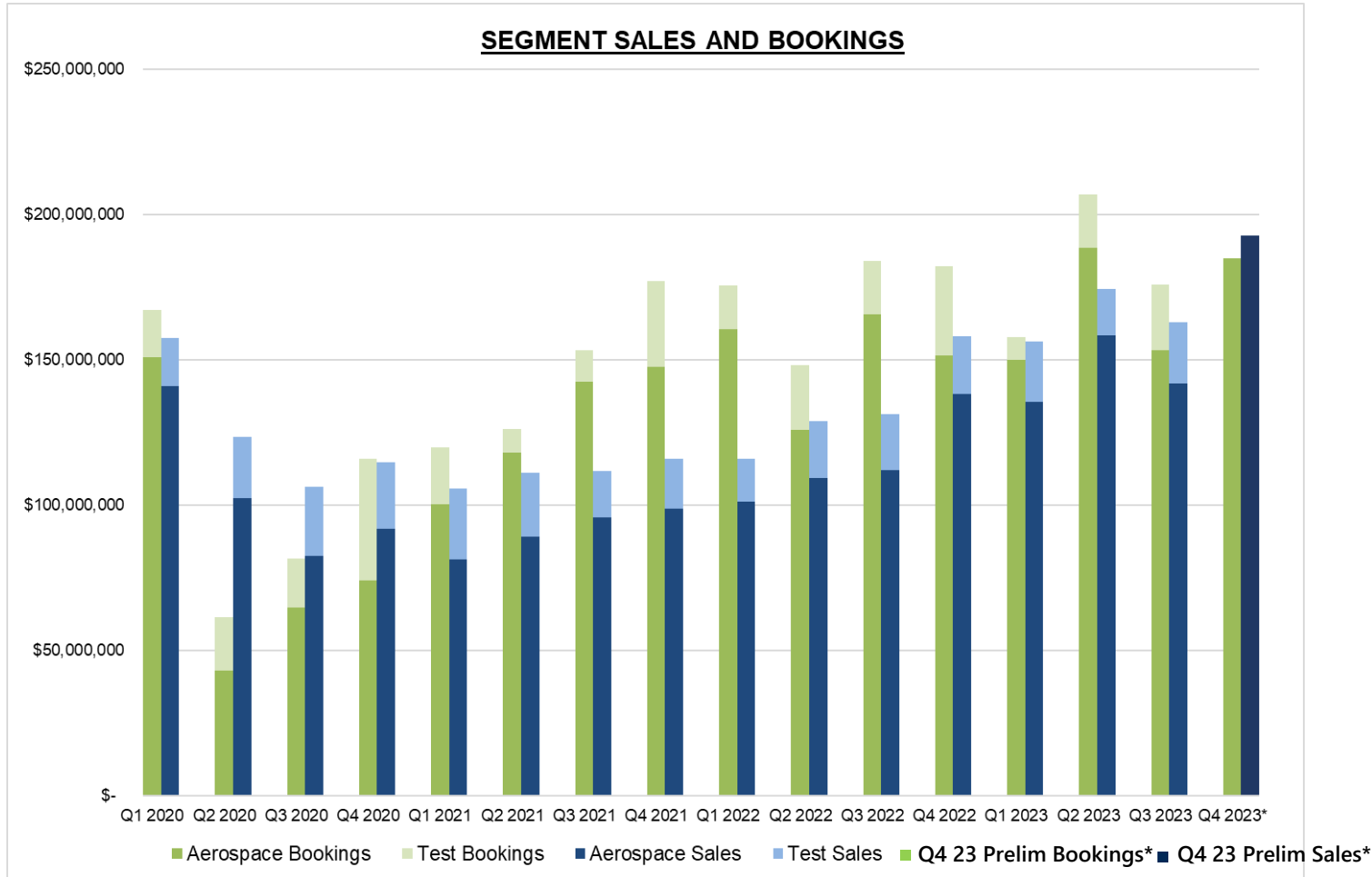
Prelim Guidance*



*Guidance provided January 9, 2024. Segment sales tally may differ due to rounding.

Significant Wins to Contribute Meaningful Revenue

Strong tailwinds and growth drivers



Growth Drivers

Commercial aerospace recovery

- Increasing traffic globally
 - *U.S. traffic approaching pre-pandemic levels*

- Widebody aircraft back in service

- Higher efficiency aircraft

- Increasing build rates NB and WB

Narrowbody adoption of IFEC

Business jet build rates

Radio test sets for Marines and U.S. Army

Electric power distribution system for FLRAA

Commercialization of eVTOLs

Rail transit test systems

*Guidance provided January 9, 2024.
Segment sales tally may differ due to rounding.

Astronics Strategic Thrusts

Elevating Innovation

PRODUCT LINES

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

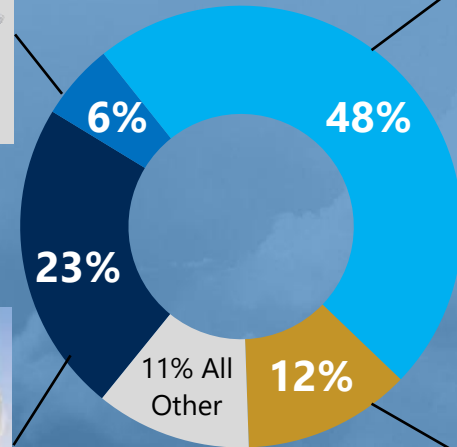
STRATEGIC THRUSTS



Flight Critical Electrical Power



Aircraft Lighting & Safety



Q3 23 TTM Sales: \$652 million



Inflight Entertainment & Connectivity (IFEC)



Test Solutions

Aircraft Inflight Entertainment & Connectivity



Aircraft Data Systems



IFC Antennas and Radome Systems



Power for Passengers and Crew

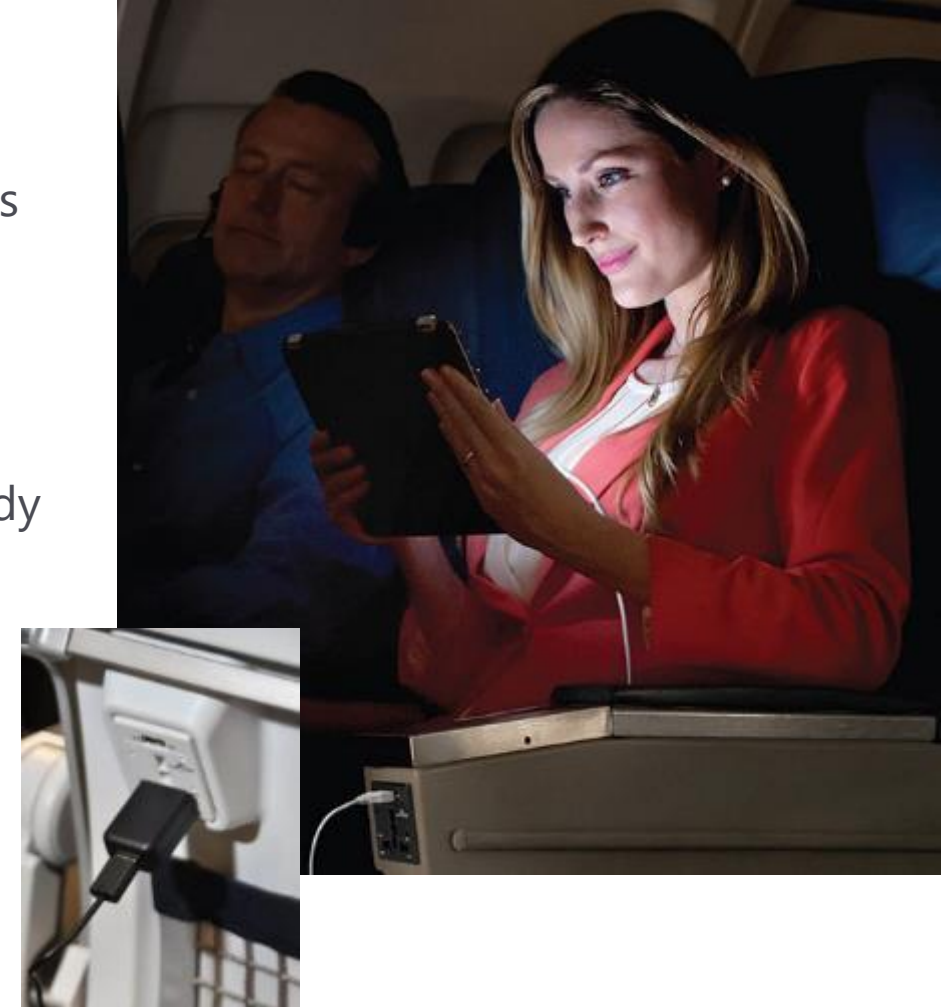


Inflight Entertainment Systems Hardware

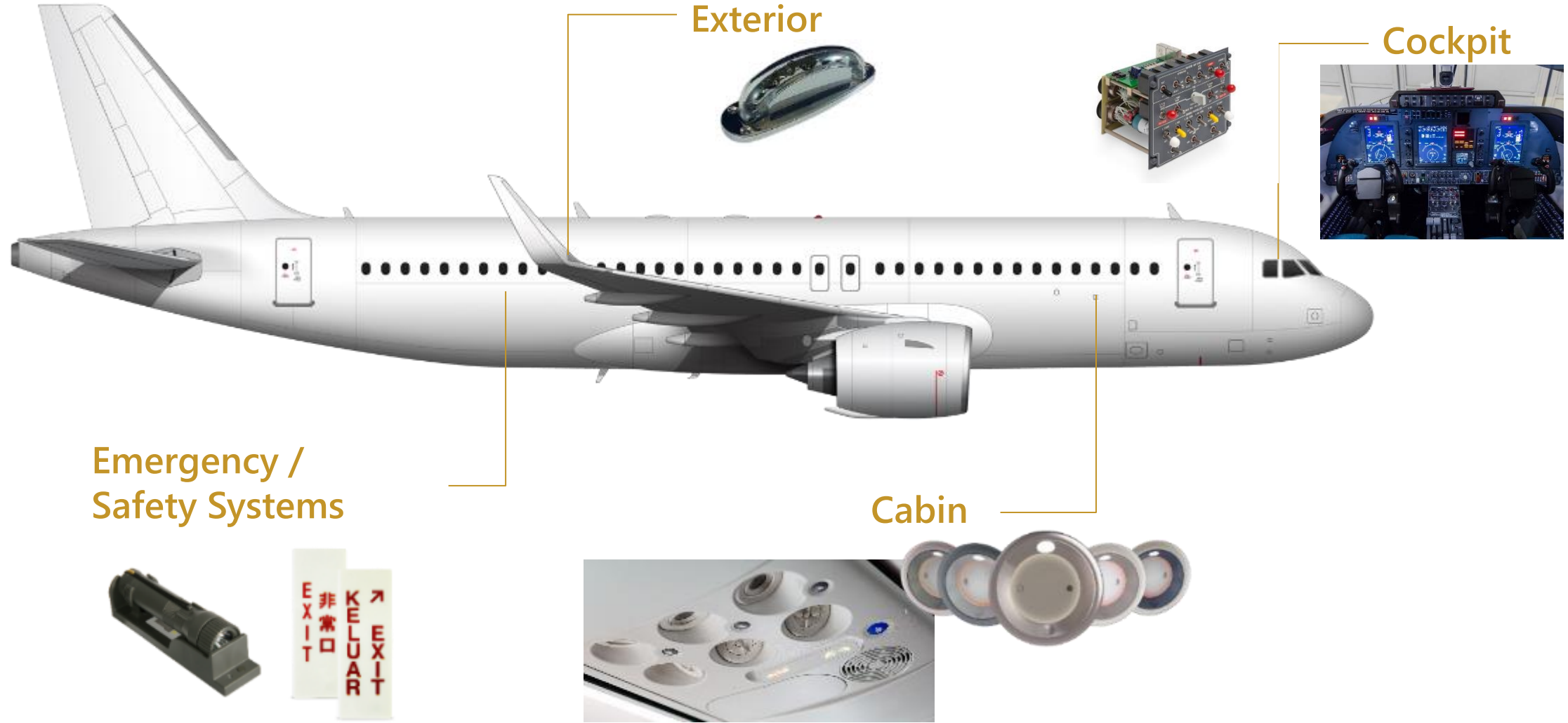


IFEC: IN-SEAT POWER SYSTEM (ISPS)

- » 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 aircraft*: ~80% wide body and ~25% narrow body
- » Market penetration seats*: ~60% wide body and ~20% 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

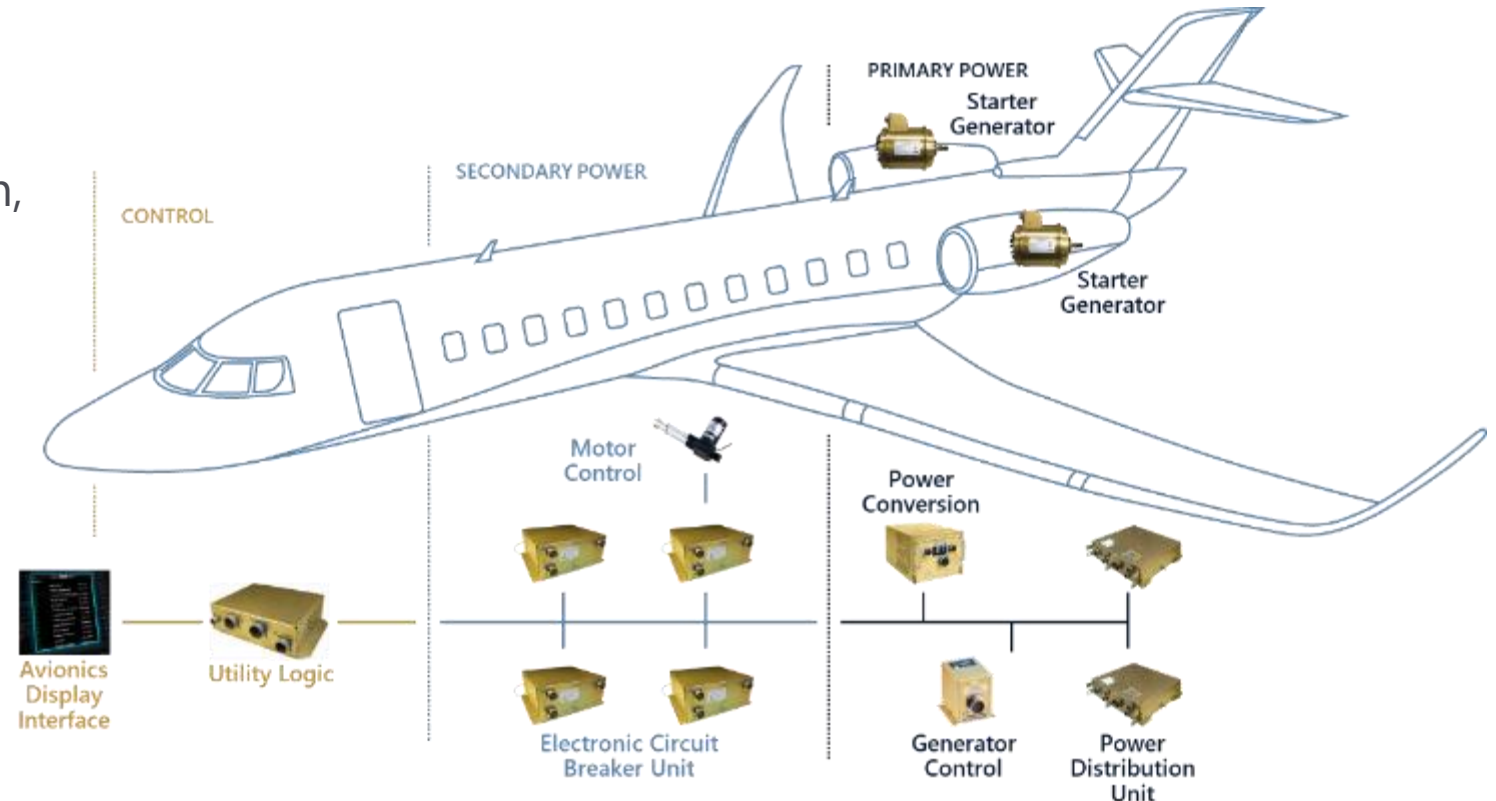
Flight Critical Electrical Power

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

Electronics Circuit Breaker Units and Long-Life Starter Generator

Program Wins to Date

- » Daher TBM 900
- » Bell 505, 525
- » Pilatus PC-24
- » Cessna Denali
- » FARA: Bell 360 Invictus*
- » FLRAA: Bell V-280 Valor**
- » Boeing MQ-25 Stingray
- » Lilium Jet



*Future Attack Reconnaissance Aircraft (FARA)

**Future Long-Range Assault Aircraft (FLRAA)

eVTOL Opportunity – Total Solutions Provider

First Mover Advantage: Establishing leadership as critical equipment supplier



Power, Connectivity, Lighting, and More for Your Program

Working in collaboration side-by-side with you, we deliver customized solutions to fit your program's unique requirements. In addition to products, we offer complete design, integration, and certification services.

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"> ~\$95K 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 	Bell V360 <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

- » Integrated logistics support
- » 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

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
- » Expanding into metro rail test system support:
 - › MARTA and NYCT
 - Stadler and Kawasaki
 - › AutoPoint Multi-Axis Robotic System (AP-MARS)

Solutions Designed for the Unique Requirements of Mass Transit

Testing the Functional Railcar

- » HVAC systems
- » Braking systems
- » High power propulsion systems
- » High power inverter controllers
- » IGBTs
- » Additional systems

Testing the Connected Railcar

- » Command and telemetry systems
- » Communications systems
- » Computer-Based Train Control (CTBC) systems
- » Positive Train Control (PTC) systems



Freedom 2 Universal Functional Tester



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

ASTRONICS

FINANCIALS

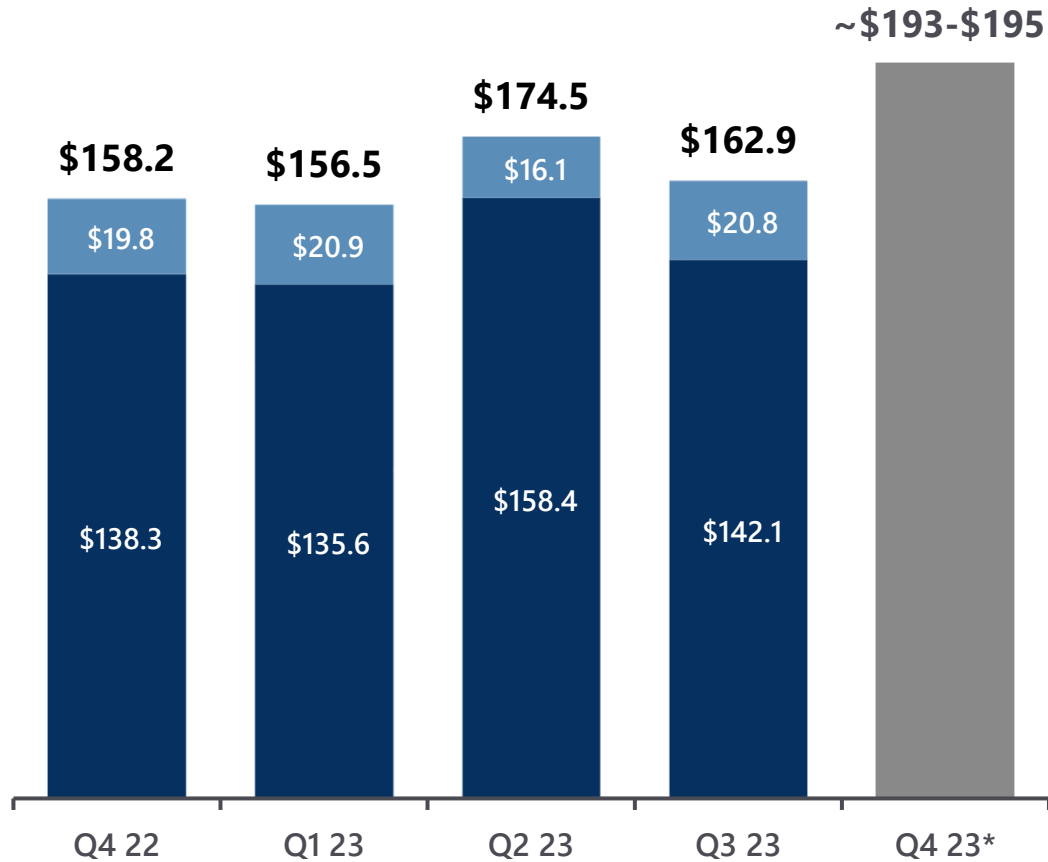


INNOVATION. COLLABORATION. SUCCESS.

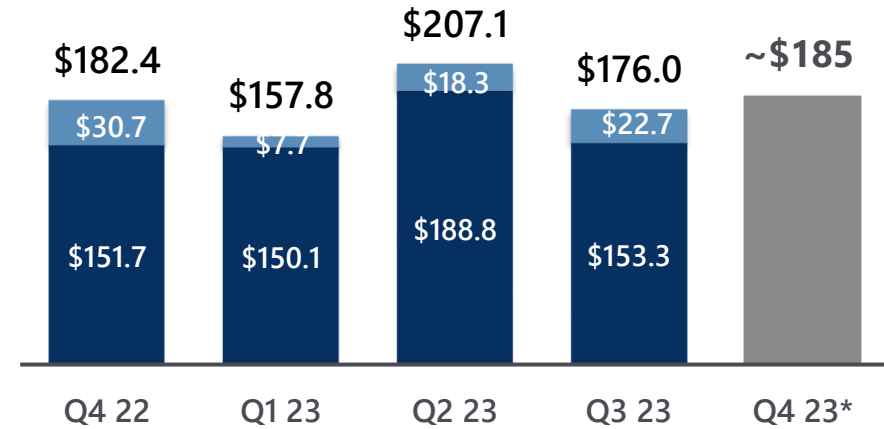
Quarterly Sales, Bookings & Backlog

(\$ in millions)

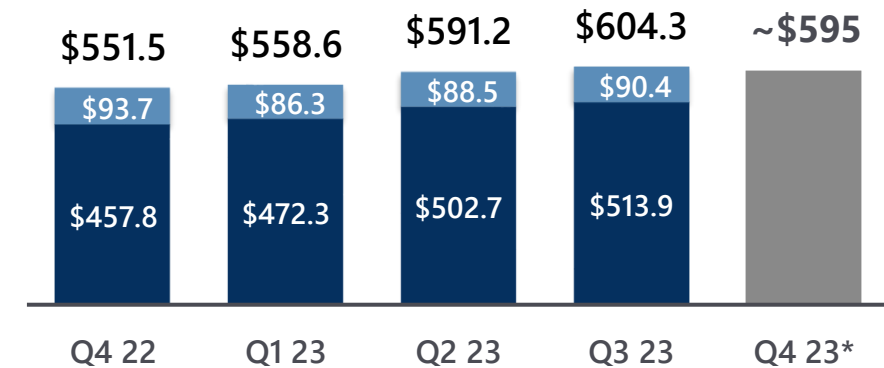
Sales



Bookings



Backlog



■ Test ■ Aerospace ■ Prelim Guidance*

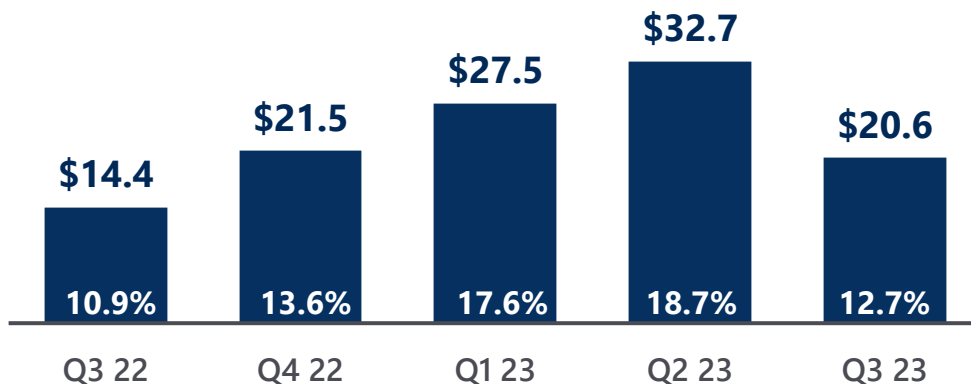


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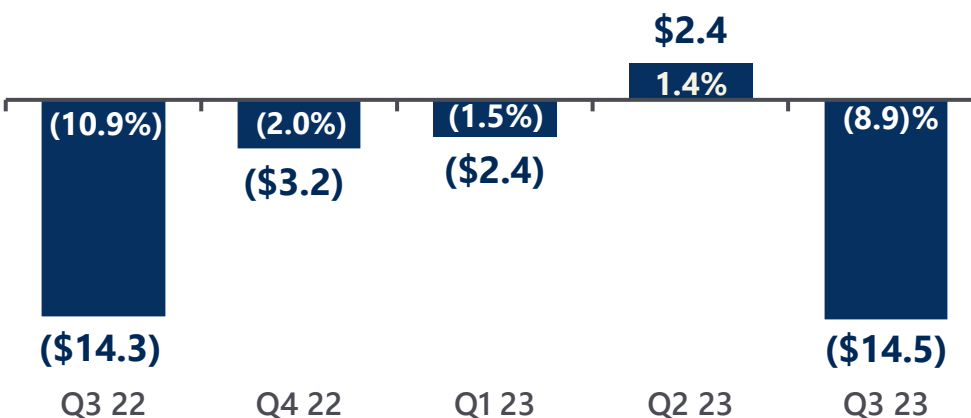
Profit and Margins

(\$ in millions)

Gross Profit and Margin



Operating Profit (Loss) and Margin

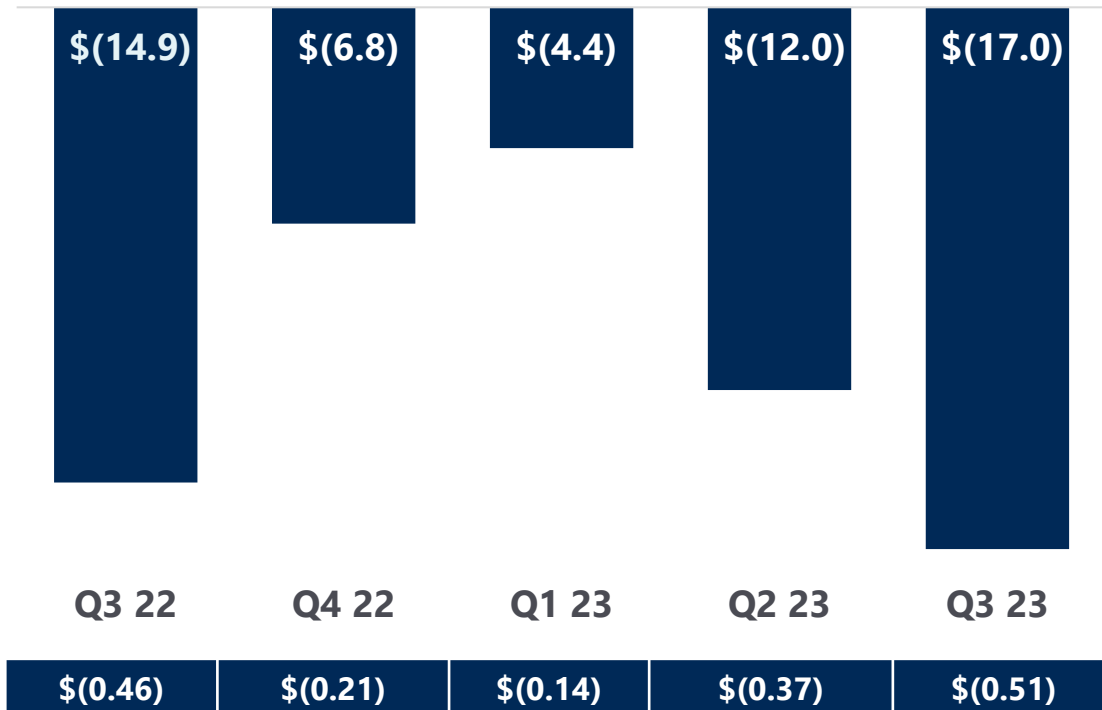


- » Margins expanding and expected to continue to improve
 - » Higher volume
 - » Improving supply chain
 - » Lower cost inputs (reducing spot market purchases)
 - » New contracts' pricing beginning to rolling on
- » Q3 2023 reserves related to customer bankruptcy:
 - » \$3.6 million inventory reserve impacted cost of sales
 - » \$7.5 million reserve for outstanding receivables impacted SG&A
- » Continued elevated legal fees of \$4.6 million in Q3 23 and \$14.0 million YTD

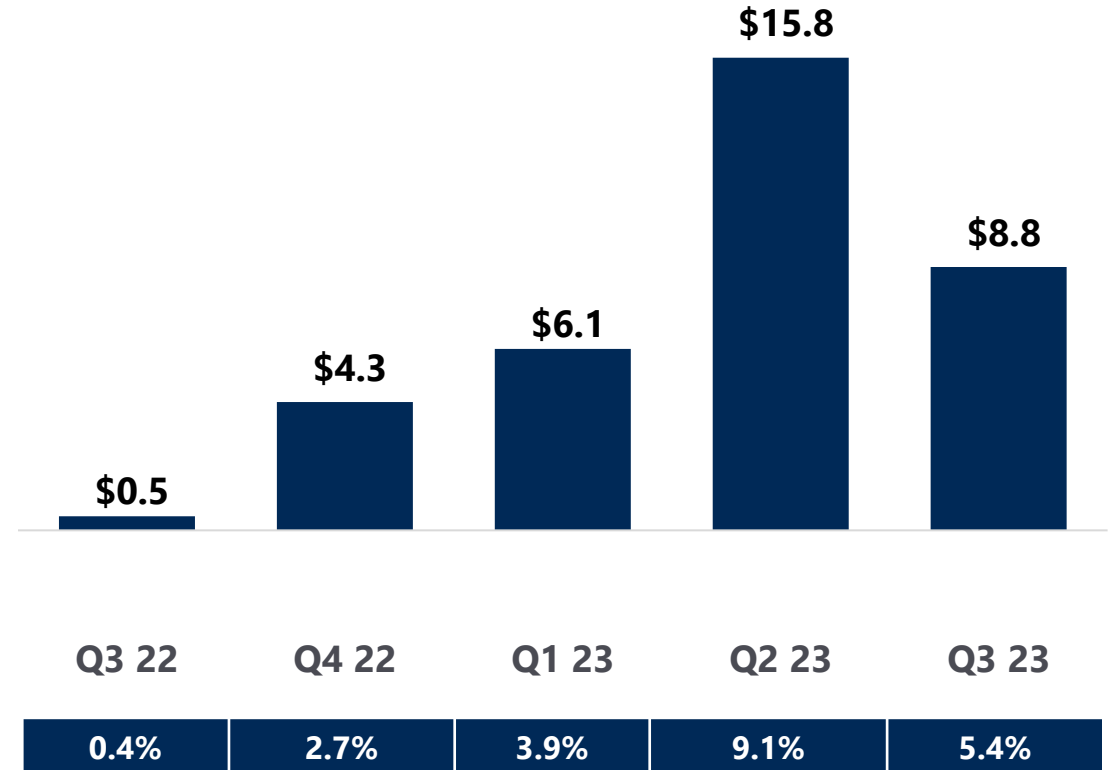
EPS and EBITDA

(\$ in millions; except EPS)

Net Income and Diluted EPS



Adjusted EBITDA⁽¹⁾ and Margin

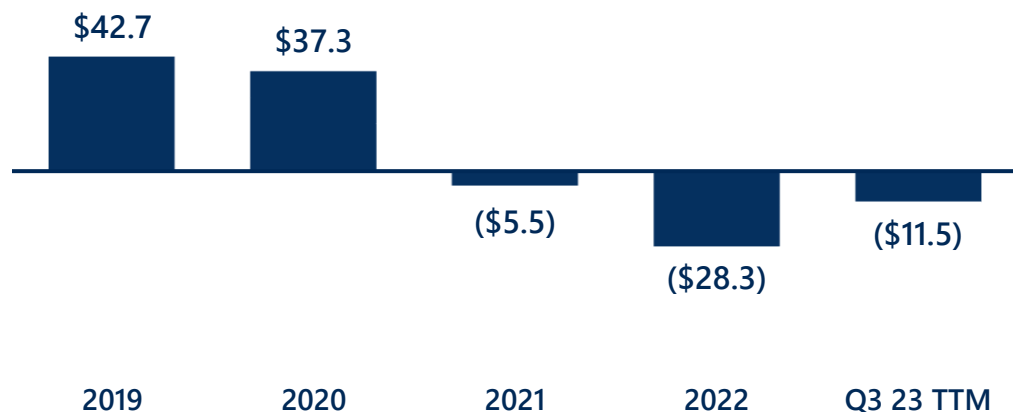


⁽¹⁾ Adjusted EBITDA is a non-GAAP financial measure. Please see supplemental slides for a reconciliation of net income (loss) to non-GAAP adjusted EBITDA and other important disclosures regarding the use of non-GAAP financial measures.

Balance Sheet and Cash Flow

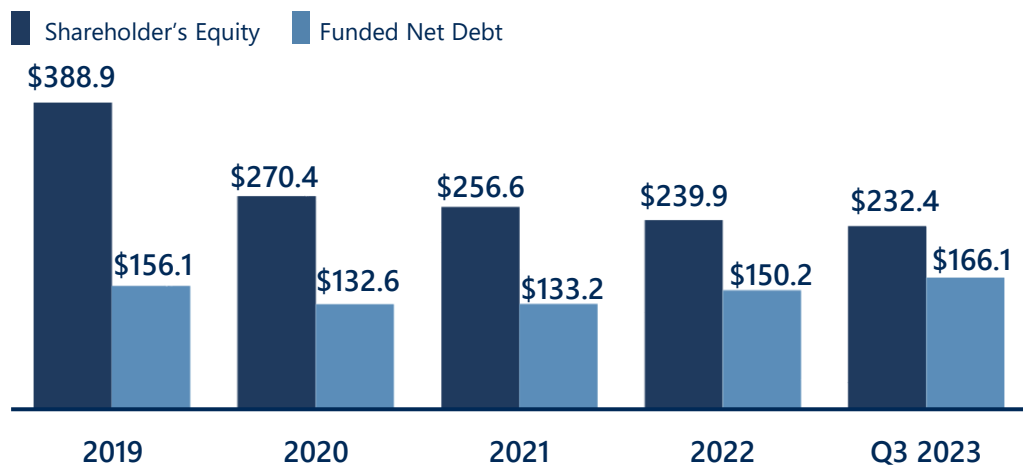
(\$ in millions)

Cash from Operations

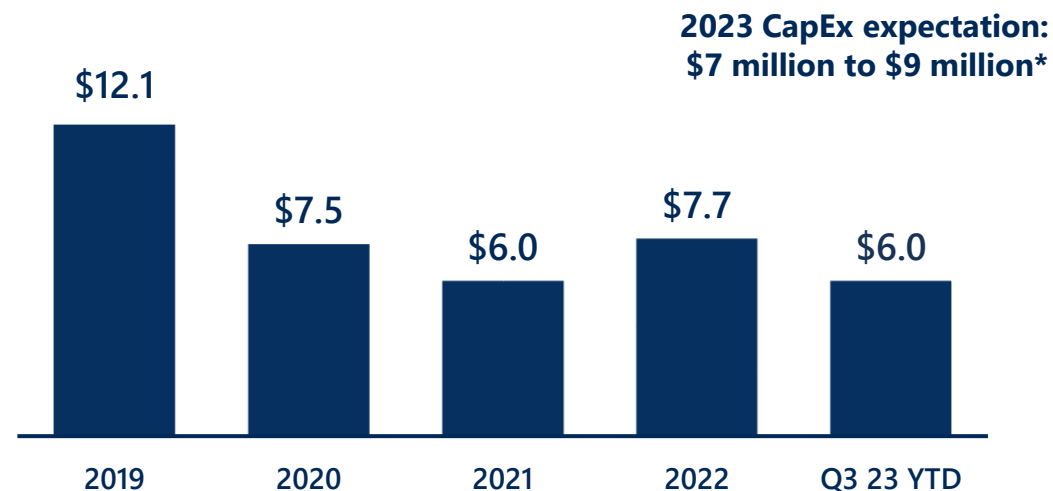


- » Completed \$205 million refinancing in January 2023 including \$90 million asset-based term loan and \$115 million asset-based revolver
 - » Exercised accordion on October 31, 2023 to expand revolver to \$120 million
- » Exercised ATM for net \$13.6 million in proceeds in Q3 23
- » Expect to remain in compliance with covenants for the duration of the agreement
- » Expects to be cash flow to improve measurably through 2024

Funded Net Debt & Shareholders' Equity



Capital Expenditures





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Astronics Corporation

SUPPLEMENTAL
INFORMATION



INNOVATION. COLLABORATION. SUCCESS.

Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
GAAP Consolidated Net (Loss) Income	\$ (14,857)	\$ (6,779)	\$ (4,415)	\$ (11,999)	\$ (16,983)
Interest expense	2,519	3,610	5,470	5,920	5,991
Income tax (benefit) expense	(2,403)	(429)	1,290	8,097	(3,835)
Depreciation and amortization	6,817	6,872	6,662	6,711	6,385
Equity-based compensation expense	1,457	1,319	2,399	1,593	1,611
Restructuring-related charges including severance	25	-	-	564	-
Legal reserve, settlements and recoveries	2,000	(1,500)	-	(1,305)	(1,227)
Customer accommodation settlement	2,100	-	-	-	-
Lease termination settlement	450	-	-	-	-
Non-cash accrued 401K contribution	1,103	1,212	1,208	1,328	1,237
Litigation related legal expenses	1,266	-	4,515	4,935	4,574
Equity investment accrued payable write-off	-	-	(1,800)	-	-
Net gain on sale of business	-	-	(3,427)	-	-
Non-cash reserves for customer bankruptcy	-	-	-	-	11,074
Deferred liability recovery	-	-	(5,824)	-	-
Adjusted EBITDA	\$ 477	\$ 4,305	\$ 6,078	\$ 15,844	\$ 8,827

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, gains or losses associated with the sale of businesses and grant benefits recorded related to the AMJP program), 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, fair value adjustments to the valuation of contingent consideration liabilities, gains or losses associated with the sale of businesses and grant benefits recorded related to the AMJP program, 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

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



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

2013

2014

2015

2016

2017

2018

2019

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

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
-

ASTRONICS

For more
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