



FY 2026 Q3 Earnings Call

August 4, 2026

- TransDigm Overview, Highlights and Outlook
Mike Lisman
CEO
- Market Review
Patrick Murphy
Co-COO
- Operating Performance and Financial Results
Sarah Wynne
CFO
- Q&A

Forward Looking Statements & Special Notice Regarding Pro Forma and Non-GAAP Information



FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including information regarding our guidance for future periods. These forward-looking statements are based on management's current expectations and beliefs, as well as a number of assumptions concerning future events, many of which are outside of our control. Consequently, such forward looking statements should be regarded solely as our current plans, estimates and beliefs. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statement. 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. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. These risks and uncertainties include but are not limited to: the sensitivity of our business to the number of flight hours that our customers' planes spend aloft and our customers' profitability, both of which are affected by general economic conditions; supply chain constraints; increases in raw material costs, taxes and labor costs that cannot be recovered in product pricing; failure to complete or successfully integrate acquisitions; our indebtedness; current and future geopolitical or other worldwide events, including, without limitation, wars or conflicts and public health crises; cybersecurity threats; risks related to the transition or physical impacts of climate change and other natural disasters or meeting regulatory requirements; our reliance on certain customers; the United States ("U.S.") defense budget and risks associated with being a government supplier including government audits and investigations; failure to maintain government or industry approvals; risks related to changes in laws and regulations, including increases in compliance costs and potential changes in trade policies and tariffs; potential environmental liabilities; liabilities arising in connection with litigation; risks and costs associated with our international sales and operations; and other factors. Further information regarding the important factors that could cause actual results to differ materially from projected results can be found in TransDigm Group's most recent Annual Report on Form 10-K and other reports that TransDigm Group or its subsidiaries have filed with the Securities and Exchange Commission.

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SPECIAL NOTICE REGARDING PRO FORMA AND NON-GAAP INFORMATION

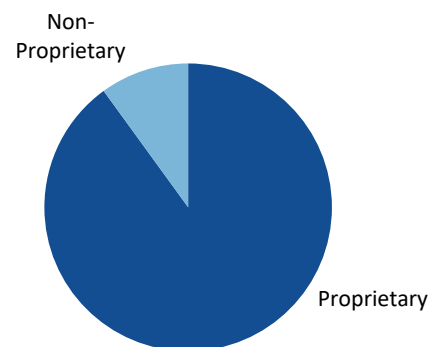
This presentation sets forth certain pro forma financial information. This pro forma financial information gives effect to certain recently completed acquisitions and divestitures. Such pro forma information is based on certain assumptions and adjustments and does not purport to present TransDigm's actual results of operations or financial condition had the transactions reflected in such pro forma financial information occurred at the beginning of the relevant period, in the case of income statement information, or at the end of such period, in the case of balance sheet information, nor is it necessarily indicative of the results of operations that may be achieved in the future.

This presentation also sets forth certain non-GAAP financial measures. A presentation of the most directly comparable GAAP measures and a reconciliation to such measures are set forth in the appendix.

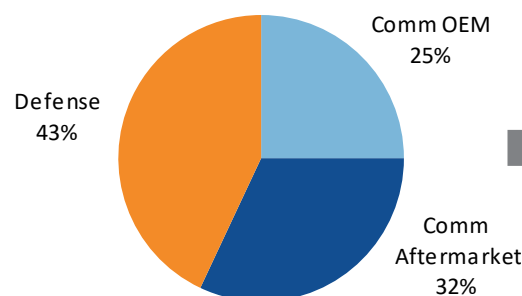
Distinguishing Characteristics

- Highly engineered aerospace components
- Significant aftermarket content
- Proprietary products
- High free cash flow

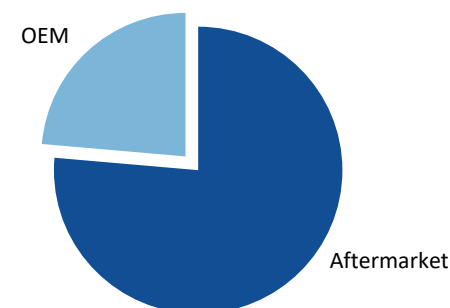
Proprietary Revenues ⁽¹⁾



Pro Forma Revenues ⁽¹⁾



Pro Forma EBITDA As Defined ⁽¹⁾



(1) Pro forma revenue is for the fiscal year ended 9/30/2025. Includes full year impact of the Simmonds Precision Products, Inc. acquisition completed October 2025 and Servotronics, Inc. acquisition completed July 2025. Excludes Jet Parts Engineering and Victor Sierra Aviation Holdings acquisition completed April 2026. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

2026 Q3 Financial Performance by Markets – Pro Forma

TRANSDIGM
GROUP INC.

Highlights

Commercial OEM:

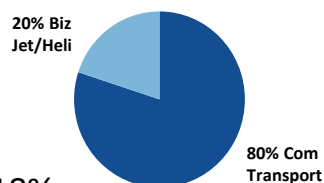
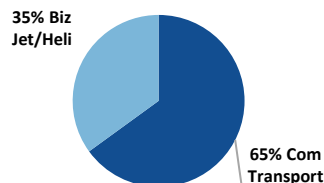
- Q3 '26 Commercial Transport Revenue Up 25%
- Q3 '26 Business Jet/Helicopter Revenue Up 3%

Commercial Aftermarket:

- Q3 '26 Commercial Transport Revenue Up 18%
- Q3 '26 Business Jet/Helicopter Revenue Up 13%

Defense:

- Q3 '26 Defense Aftermarket Growth Outpaced Defense OEM
- Revenue Growth Well Distributed Across Businesses



Q3 Review – Pro Forma Revenues⁽¹⁾

	Actual vs. Prior Year	
	Q3	YTD
Commercial OEM:	Up 17%	Up 15%
Commercial Aftermarket:	Up 17%	Up 13%
Defense:	Up 11%	Up 10%

(1) Pro forma revenue for all periods. Includes full year impact of the Simmonds Precision Products, Inc. acquisition completed October 2025 and Servotronics, Inc. acquisition completed July 2025. Excludes Jet Parts Engineering and Victor Sierra Aviation Holdings acquisition completed April 2026. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

Third Quarter 2026 Select Financial Results

(\$ in millions, except per share amounts)

	<u>Q3 FY 2026</u>	<u>Q3 FY 2025</u>		
Revenue	\$2,741	\$2,237	22.5%	Increase
Gross Profit	\$1,628	\$1,332		
	59.4%	59.5%	-0.1%	
SG&A	\$332	\$242		
% to Sales	12.1%	10.8%	1.3%	
Interest Expense - Net	\$514	\$397	29.5%	Increase
EBITDA As Defined	\$1,447	\$1,217	18.9%	Increase
Margin %	52.8%	54.4%		
Adjusted EPS	\$10.87	\$9.60	13.2%	Increase
GAAP Tax Rate	24.3%	22.4%		
Adjusted Tax Rate	24.0%	24.2%		

Organic growth 13%

- Driven by double-digit growth in all 3 major market channels
- Offset by lower Non-Aero growth

- Interest on the debt raised

- Application of our value-driven operating strategy
- Acquisition dilution



Fiscal 2026 Outlook

Market Growth Assumptions⁽¹⁾

FY 2025 Pro Forma Revenue Mix	Market	FY 2026 Expected Growth
25%	Commercial OEM	Mid-Teens % Range
32%	Commercial Aftermarket	Low Double-Digit % Range
43%	Defense	High Single-Digit to Low Double-Digit % Range

Guidance Summary

(\$ in millions, except per share amounts)

	FY 26 Guidance			FY 26 Guidance Midpoint Change		
	Low	High		Current	Prior	Δ
Revenues	\$ 10,470	\$ 10,550	Revenues	\$ 10,510	\$ 10,360	\$ 150
Net Income	\$ 2,102	\$ 2,150				
GAAP EPS	\$ 35.38	\$ 36.21				
EBITDA As Defined	\$ 5,490	\$ 5,550	EBITDA As Defined	\$ 5,520	\$ 5,420	\$ 100
<i>% of sales</i>	52.4%	52.6%	<i>% of sales</i>	52.5%	52.3%	
Adj. EPS	\$ 40.62	\$ 41.46	Adj. EPS	\$ 41.04	\$ 39.52	\$ 1.52

(1) Pro forma revenue is for the fiscal year ended 9/30/2025. Includes full year impact of the Simmonds Precision Products, Inc. acquisition completed October 2025 and Servotronics, Inc. acquisition completed July 2025. Excludes Jet Parts Engineering and Victor Sierra Aviation Holdings acquisition completed April 2026. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

Fiscal 2026 Select Financial Assumptions

Select Financial Assumptions for Fiscal 2026		
	Prior Assumptions (Issued May 2026)	Updated Assumptions
Capital Expenditures	\$280 to \$310 million	No change
Full Year Net Interest Expense	≈ \$2.02 billion (includes \$60 million of interest income)	No change
Full Year Effective Tax Rate	≈ 22% to 24% for GAAP EPS, Adjusted EPS and Cash Taxes	No change
Depreciation & Amortization Expense (ex backlog)	\$395 to \$405 million	No change
Backlog Amortization	\$35 to \$40 million	No change
Non-Cash Stock Compensation and Deferred Compensation Expense	\$160 to \$180 million	No change
Other EBITDA As Defined Add-Backs ⁽¹⁾	\$85 to \$95 million	\$105 to \$115 million
Weighted Average Shares	58.0 million	57.7 million

(1) Other EBITDA As Defined Add-Backs primarily include estimates for refinancing costs, foreign currency gains or losses, employer withholding taxes on stock option exercises, acquisition-related expenses and adjustments and other, net.

Reconciliation of Fiscal 2026 Outlook

(\$ in millions, except per share amounts)

	FY 2026 Guidance Midpoint
Net income	\$ 2,126
Adjustments:	
Depreciation and amortization expense	438
Interest expense - net	2,020
Income tax provision	653
EBITDA	5,237
Adjustments:	
Acquisition transaction and integration-related expenses ⁽¹⁾	90
Non-cash stock and deferred compensation expense ⁽¹⁾	170
Other, net ⁽¹⁾	23
Gross Adjustments to EBITDA	283
EBITDA As Defined	\$5,520
<i>EBITDA As Defined Margin ⁽¹⁾</i>	52.5%
GAAP earnings per share	\$35.80
Adjustments to earnings per share:	
Inclusion of the dividend equivalent payments	1.03
Acquisition transaction and integration-related expenses	1.65
Non-cash stock and deferred compensation expense	2.33
Other, net	0.23
Adjusted earnings per share	\$41.04
Weighted-average shares outstanding	57.7
GAAP & Adj Tax Rate	22% - 24%

Includes approx. \$38m of backlog amortization

(1) Refer to tables in Appendix for definitions of Non-GAAP measurement adjustments.

Reconciliation of GAAP EPS to Adjusted EPS - Guidance

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended		Full Year Guidance Mid-Point
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025	September 30, 2026
GAAP earnings per share	\$ 9.39	\$ 8.47	\$ 25.20	\$ 24.31	\$ 35.80
Adjustments to earnings per share:					
Dividend equivalent payments	-	-	1.02	0.83	1.03
Acquisition transaction and integration-related expenses	0.54	0.20	1.16	0.60	1.65
Non-cash stock and deferred compensation expense	0.87	0.67	1.55	1.62	2.33
Tax adjustment on income from continuing operations before taxes	0.04	(0.19)	(0.20)	(0.67)	-
Other, net	0.03	0.45	0.21	(0.16)	0.23
Adjusted earnings per share	\$ 10.87	\$ 9.60	\$ 28.94	\$ 26.53	\$ 41.04

Capital Structure

Capital Structure

(\$ in millions)

(\$ in millions)	Actual 6/27/26	Rate
Cash	<u>\$2,773</u>	
\$910mm revolver	—	S + 2.250%
\$1,000mm AR securitization facility ⁽¹⁾	725	S + 1.350%
First lien term loan J due 2031	3,578	S + 2.500%
First lien term loan K due 2030	3,526	S + 2.250%
First lien term loan L due 2032	1,477	S + 2.500%
First lien term loan M due 2032	2,488	S + 2.500%
First lien term loan N due 2033	1,800	S + 2.500%
Senior secured notes due 2028	2,100	6.750%
Senior secured notes due 2029	2,750	6.375%
Senior secured notes due 2030	1,450	6.875%
Senior secured notes due 2031	1,000	7.125%
Senior secured notes due 2032	2,200	6.625%
Senior secured notes due 2033	1,500	6.000%
Senior secured notes due 2034	500	6.250%
Total secured debt	\$25,094	4.7x
Total net secured debt	\$22,321	4.2x
Senior subordinated notes due 2029	1,200	4.625%
Senior subordinated notes due 2029	750	4.875%
Senior subordinated notes due 2033	2,650	6.375%
Senior subordinated notes due 2034	2,000	6.750%
Senior subordinated notes due 2034	1,700	6.125%
Finance Lease Obligations (Gross)	312	
Total debt	\$33,706	6.4x
Total net debt	\$30,933	5.8x

**FY26 Forecasted
Weighted Average
Interest Rate
6.2%**

(1) On July 10, 2026, the Company amended the AR securitization facility to increase the borrowing capacity from \$725 million to \$1,000 million at an interest rate of Term SOFR plus 1.350%.

- Interest rates on TDG's \$33.7Bn of gross Debt is ~ 75% hedged/fixed rate through fiscal year 2029
- Achieved via a combination of interest rate caps, swaps and collars
- Significantly reduces near-term exposure to any variable rate increases

\$ in millions

	Current FY 26 Assumptions			
Average Variable Rate ⁽¹⁾	~ 3.8%	5.0%	6.0%	7.0%
Interest Expense - Pre-Tax ⁽²⁾	\$2,020	\$2,130	\$2,205	\$2,280
Interest Rate - Pre-Tax	6.2%	6.7%	6.9%	7.1%

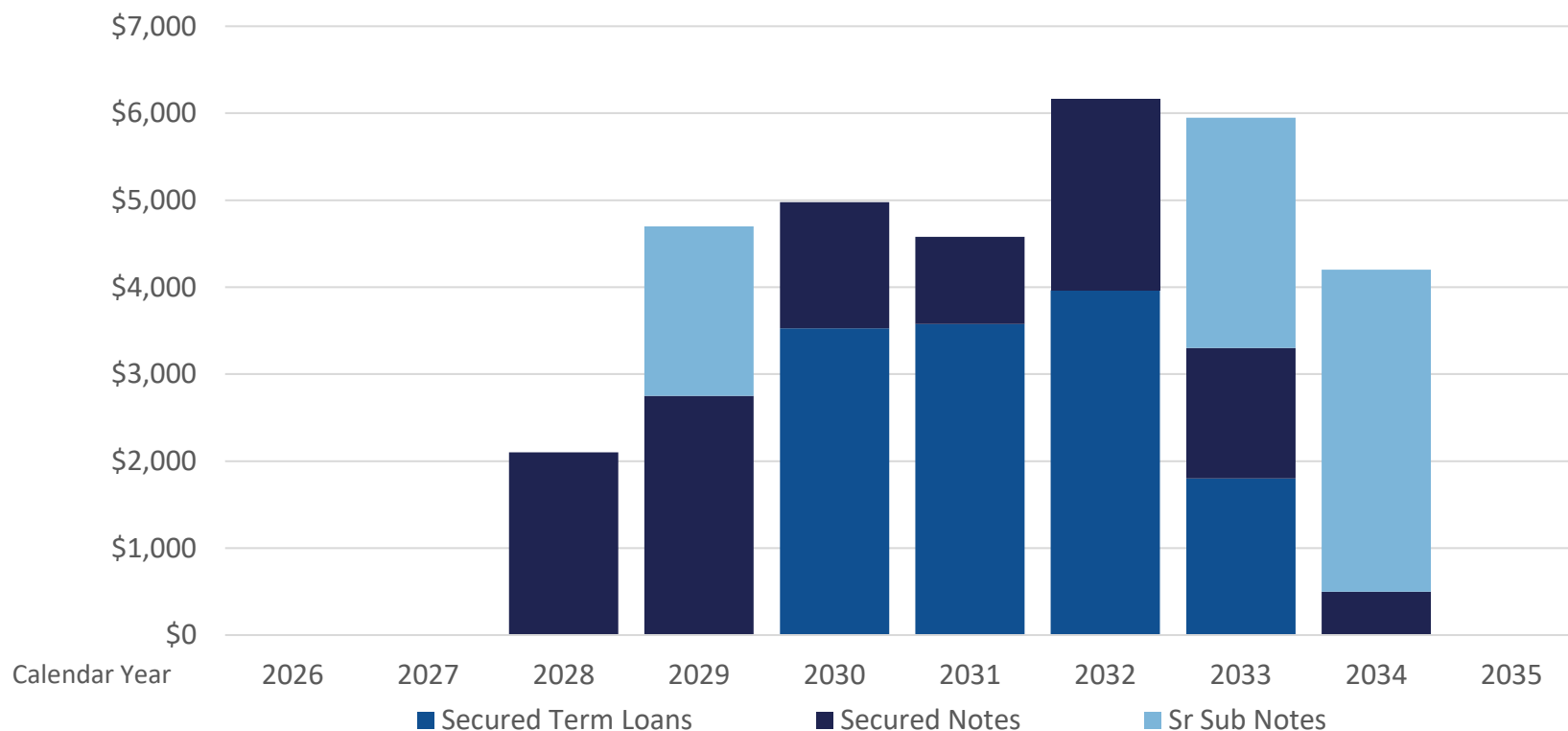
(1) FY 26 Weighted Average Variable rate is the average Term SOFR for TDG's 2026 fiscal year based on current consensus and management estimates.

(2) Interest expense shown includes \$60M amortization of debt issuance costs and fees and \$60M of Interest income.

Debt Maturity Profile

Debt Maturity Profile

(\$MM)



Note 1: \$910M Revolver matures in February 2029
Note 2: \$1B AR Securitization renews annually in July

Appendix: Reconciliation of Net Income to EBITDA and EBITDA As Defined

(\$ in millions)

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
Net Income	\$ 540	\$ 493	\$ 1,521	\$ 1,465
Adjustments:				
Depreciation and amortization expense	118	91	324	271
Interest expense - net	514	397	1,472	1,152
Income tax provision	173	142	464	411
EBITDA	1,345	1,123	3,781	3,299
Adjustments:				
Acquisition transaction and integration-related expenses ⁽¹⁾	35	9	66	32
Non-cash stock and deferred compensation expense ⁽²⁾	65	51	118	124
Other, net ⁽³⁾	2	34	16	(14)
Gross Adjustments to EBITDA	102	94	200	142
EBITDA As Defined	\$ 1,447	\$ 1,217	\$ 3,981	\$ 3,441
EBITDA As Defined, Margin ⁽⁴⁾	52.8%	54.4%	52.6%	53.8%

⁽¹⁾ Represents costs incurred to integrate acquired businesses into our operations; facility relocation costs and other acquisition-related costs; transaction and valuation-related costs for acquisitions comprising deal fees, legal, financial and tax due diligence expenses; and amortization expense of inventory step-up recorded in connection with the purchase accounting of acquired businesses.

⁽²⁾ Represents the compensation expense recognized under our stock option plans and deferred compensation plans.

⁽³⁾ Primarily represents foreign currency transaction gains or losses, costs expensed related to debt financing activities, including new issuances, extinguishments, refinancings and amendments to existing agreements, payroll withholding taxes related to dividend equivalent payments and stock option exercises, non-service related pension costs, deferred compensation payments and other miscellaneous income or expense, such as gain on sale of business.

⁽⁴⁾ The EBITDA As Defined Margin represents the amount of EBITDA As Defined as a percentage of net sales.

Appendix: Reconciliation of Reported EPS to Adjusted EPS

(\$ in millions, except per share amounts)

Reported Earnings Per Share	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
Net income	\$ 540	\$ 493	\$ 1,521	\$ 1,465
Less: Net income attributable to noncontrolling interests	(1)	(1)	(2)	(1)
Net income attributable to TD Group	539	492	1,519	1,464
Less: Dividends paid on participating securities	-	-	(59)	(49)
Net income applicable to TD Group common stockholders - basic and diluted	<u>\$ 539</u>	<u>\$ 492</u>	<u>\$ 1,460</u>	<u>\$ 1,415</u>
Weighted-average shares outstanding under the two-class method:				
Weighted-average common shares outstanding	55.7	56.2	56.1	56.2
Vested options deemed participating securities	1.7	1.9	1.8	2.0
Total shares for basic and diluted earnings per share	<u>57.4</u>	<u>58.1</u>	<u>57.9</u>	<u>58.2</u>
Earnings per share -- basic and diluted	\$ 9.39	\$ 8.47	\$ 25.20	\$ 24.31
Adjusted Earnings Per Share				
Net income	\$ 540	\$ 493	\$ 1,521	\$ 1,465
Gross adjustments to EBITDA	102	94	200	142
Purchase accounting backlog amortization	7	6	23	14
Tax adjustment ⁽¹⁾	(25)	(35)	(67)	(78)
Adjusted net income	<u>\$ 624</u>	<u>\$ 558</u>	<u>\$ 1,677</u>	<u>\$ 1,543</u>
Adjusted diluted earnings per share under the two-class method	<u>\$ 10.87</u>	<u>\$ 9.60</u>	<u>\$ 28.94</u>	<u>\$ 26.53</u>

(1) For the thirteen and thirty-nine week periods ended June 27, 2026 and June 28, 2025, the Tax adjustment represents the tax effect of the adjustments at the applicable effective tax rate, as well as the impact on the effective tax rate when excluding the excess tax benefits on stock option exercises. Stock compensation expense is excluded from adjusted net income and therefore we have excluded the impact that the excess tax benefits on stock option exercises have on the effective tax rate for determining adjusted net income.

Appendix: Reconciliation of Net Cash Provided by Operating Activities to EBITDA and EBITDA As Defined

(\$ in millions)

	Thirty-Nine Week Periods Ended	
	June 27, 2026	June 28, 2025
Net cash provided by operating activities	\$ 1,691	\$ 1,531
Adjustments:		
Changes in assets and liabilities, net of effects from acquisitions and sales of businesses	305	337
Interest expense - net ⁽¹⁾	1,437	1,124
Income tax provision - current	466	414
Gain on sale of businesses, net	-	17
Non-cash stock and deferred compensation expense ⁽²⁾	(118)	(124)
EBITDA	3,781	3,299
Adjustments:		
Acquisition transaction and integration-related expenses ⁽³⁾	66	32
Non-cash stock and deferred compensation expense ⁽²⁾	118	124
Other, net ⁽⁴⁾	16	(14)
EBITDA As Defined	\$ 3,981	\$ 3,441

⁽¹⁾ Represents interest expense, net of interest income, excluding the amortization of debt issuance costs and premium and discount on debt.

⁽²⁾ Represents the compensation expense recognized under our stock option plans and deferred compensation plans.

⁽³⁾ Represents costs incurred to integrate acquired businesses into our operations; facility relocation costs and other acquisition-related costs; transaction and valuation-related costs for acquisitions comprising deal fees, legal, financial and tax due diligence expenses; and amortization expense of inventory step-up recorded in connection with the purchase accounting of acquired businesses.

⁽⁴⁾ Primarily represents foreign currency transaction gains or losses, costs expensed related to debt financing activities, including new issuances, extinguishments, refinancings and amendments to existing agreements, payroll withholding taxes related to dividend equivalent payments and stock option exercises, non-service related pension costs, deferred compensation payments and other miscellaneous income or expense, such as gain on sale of business.