



2016 ANALYST DAY

JUNE 23, 2016

Growth, Innovation and Value Creation

NONSTOP

TRANSDIGM
GROUP INC.

Agenda

Time	Event	Presenter
8:30	Registration	
9:00	Start	
	TDG Overview	Nick Howley
	Management Process & Value Creation	Kevin Stein
	Business Unit Structure & Process	Jorge Valladares
	Mergers & Acquisitions	Bernie Iversen
	Recent Acquisitions & Integration	Bob Henderson
	Break	
	Product Presentations Breakout:	
	Recent Acquisitions - Telair International & Telair US Cargo Systems	Jim Skulina & Tim Dumbauld
	Recent Acquisitions - Breeze-Eastern, Pexco, PneuDraulics	Roger Jones, Herb Mardany, Pete Palmer
	Power & Conditioning Products - AeroFluid, AdelWiggins, Champion	Paula Wheeler, Jeff Zielinski, Jason Marlin
	Airframe & Interiors Products - AvtechTyee, Hartwell, Schneller	Harry Ray, Mike Couitt, John Kuss
	Lunch	
	New Business & Innovation	Joel Reiss
	Financial Review	Terry Paradie
	Q&A	Panel
2:00	End	

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. 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. 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; future terrorist attacks; cyber-security threats and natural disasters; our reliance on certain customers; the U.S. defense budget and risks associated with being a government supplier; failure to maintain government or industry approvals; failure to complete or successfully integrate acquisitions; our substantial indebtedness; potential environmental liabilities; increases in costs that cannot be recovered in product pricing; risks 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 Annual Report on Form 10-K and other reports that TransDigm Group or its subsidiaries have filed with the Securities and Exchange Commission.

You are cautioned not to place undue reliance on our forward-looking statements. TransDigm Group assumes no obligation to, and expressly disclaims any obligation to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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. 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.



TRANSDIGM OVERVIEW

NICK HOWLEY

Growth, Innovation and Value Creation

NONSTOP

TRANSDIGM
GROUP INC.

Experienced Senior Management Team with Proven Track Record

EXECUTIVE

Officers:

Nick Howley
Kevin Stein
Bob Henderson
Terry Paradie
Bernie Iversen
Roger Jones
Pete Palmer
Joel Reiss
Jim Skulina
Jorge Valladares

TITLE

Chairman & CEO
COO - Power
COO- Airframe
Executive VP – CFO
Executive VP – M&A
Executive VP
Executive VP
Executive VP
Executive VP
Executive VP
Executive VP
President, Adel Wiggins Group
President, AeroFluid Products
President, AvtechTyee
President, Champion Aerospace
President, Hartwell Corporation
President, Pexco Aerospace Inc.
Director of Operations, Schneller
President, Telair U.S. Cargo Systems

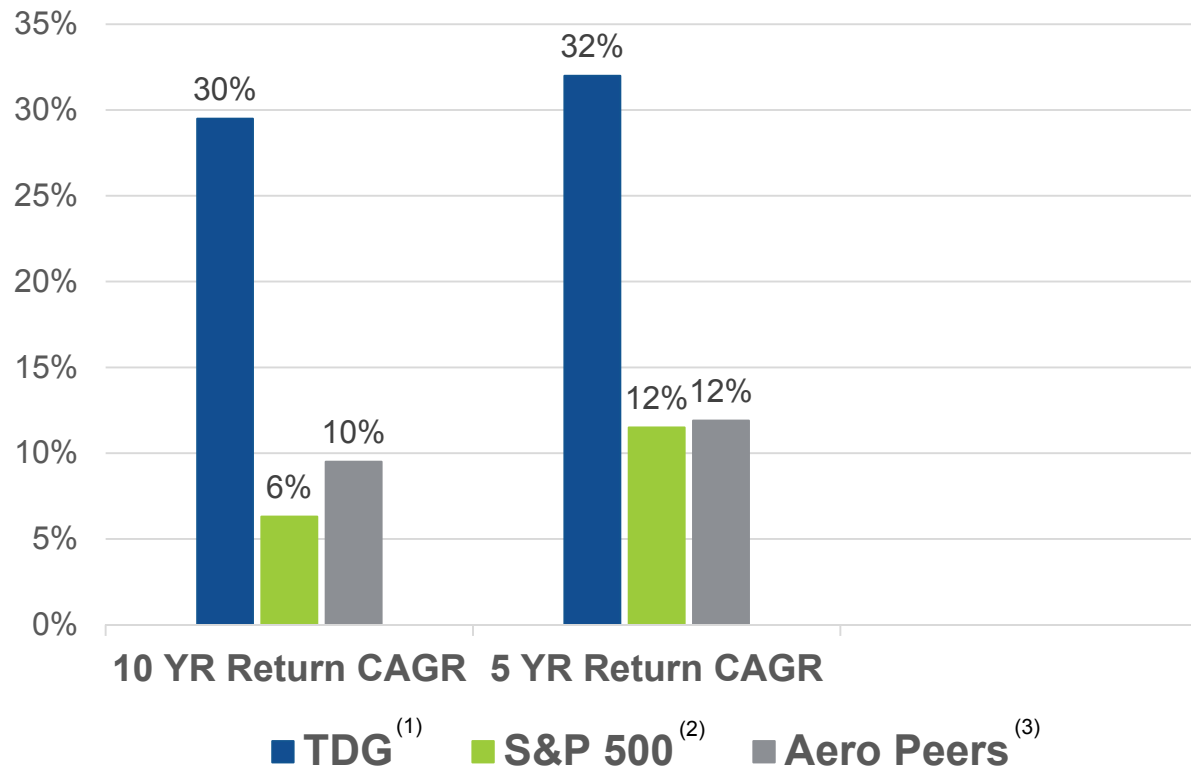
- Proven track record
- Managed the business through multiple cycles
- Experienced with a leveraged capital structure
- Deep bench
- Shared values and operating strategies
- Management is the largest stakeholder

Operating Unit Management Participating In Analyst Day:

Jeff Zielinski
Paula Wheeler
Harry Ray
Jason Marlin
Mike Couitt
Herb Mardany
John Kuss
Tim Dumbauld

Superior Stock Price Performance

TDG 5 YR & 10 YR Return CAGR $\approx 30\%$
Aero Peers 5 YR & 10 YR Return CAGR $\approx 10\%$



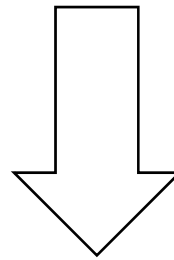
(1) TransDigm adjusted for dividends paid of \$67.50 in 10-year period and \$59.85 in 5-year period.

(2) S&P adjusted for dividends estimated to be 1%.

(3) Aerospace Peers include: BE Aerospace, Boeing, Esterline, Heico, Moog, Rockwell Collins, Triumph and United Technologies. Adjusted for dividends estimated to be 1%.

Our Objective

**“Private Equity-Like Growth in Value
with Liquidity of a Public Market”**



+ 15% - 20% /year on average

Unique & Consistent Business Strategy

Private & Public

TransDigm's Consistent Goal – “Private Equity-Like” Returns to Shareholders

- Proprietary Aerospace Products with Significant Aftermarket
- 3-Part Value-Based Operating Strategy
- Decentralized, Organization/ Aligned with Shareholders
- Focused Discipline Acquisition Strategy
- “Private Equity-Like” Capital Structure & Culture

Key Business Events Since Last Investor Day

Continued, Consistent Outstanding Value Creation

- Six Acquisitions for a Total Purchase Price of \approx \$3 Billion
- New Debt and/or Refinanced \approx \$5 Billion
- Purchased 1.5 Million TDG Shares
- Created \approx \$5 Billion of Shareholder Value

Company Overview

Business Snapshot

(\$ in millions)

	2014	2015	PF LTM 4/2/16 with DDC ⁽²⁾	% Change
Revenue	\$2,373	\$2,707	\$3,289	+ 39%
EBITDA as Defined ⁽¹⁾	\$1,073	\$1,234	\$1,477	+ 38%
EBITDA as Defined margin	45%	46%	45%	
FYE Share Price	\$184	\$212	\$259 ⁽⁴⁾	+ 41%

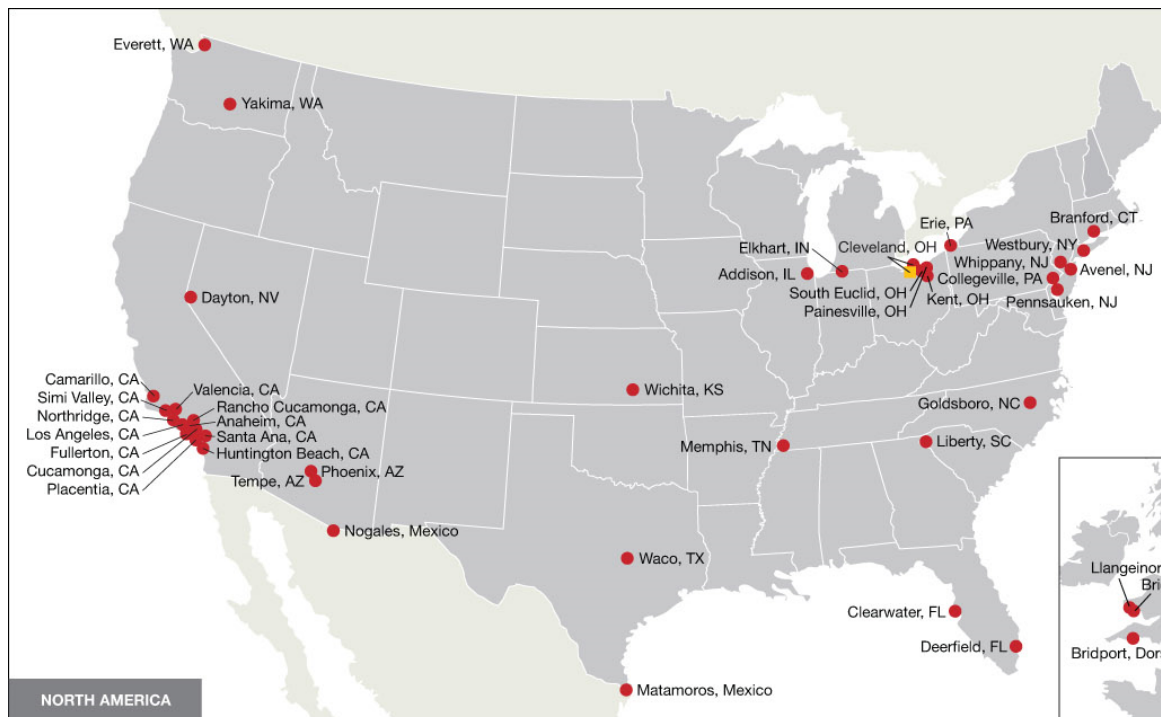
Enterprise Value ⁽³⁾ ≈ \$23 Billion

- (1) EBITDA as Defined is a non-GAAP financial measure. For a historical reconciliation of EBITDA as Defined to Net Income, please see the appendix.
- (2) PF LTM 4/2/16 Includes the full year impacts of the recently completed acquisitions of Pexco, PneuDrualics and Breeze, as well as the pending acquisition of DDC totaling \$289 million and \$113 million in revenue and EBITDA as Defined, respectively. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.
- (3) Enterprise value calculated as of 6/17/16 equals equity value (shares outstanding as of 5/01/16 multiplied by the TDG closing stock price on 6/17/16) plus pro forma total net debt (total debt less cash).
- (4) TDG closing stock price on 6/17/16.

Diverse Products, Platforms and Markets

Ignition Systems and Engine Sensors	Pumps	Valves	Motors, Actuators and Controls	Water Faucets and Systems	Quick Disconnects, Couplings and Rods	Batteries, Chargers and Power Conditioning	Aircraft Hardware and Cockpit Security Systems	Engineered Composites, Elastomers and Laminants	Audio Systems	Lighting and Instrumentation	Safety Restraints and Parachutes	Lifting Devices and Cargo Handling Systems
												
												
												
												
												
												
												

TransDigm – Expanding Global Footprint

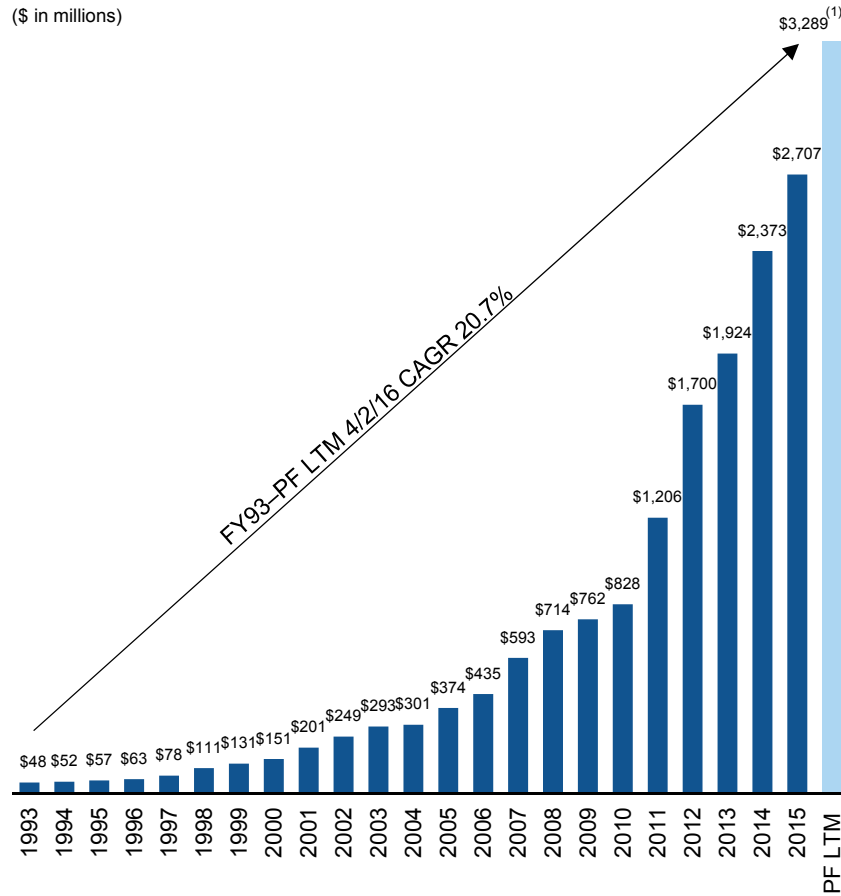


- TransDigm Global Headquarters
- TransDigm Locations

Consistent Record of Growth and Margin Expansion

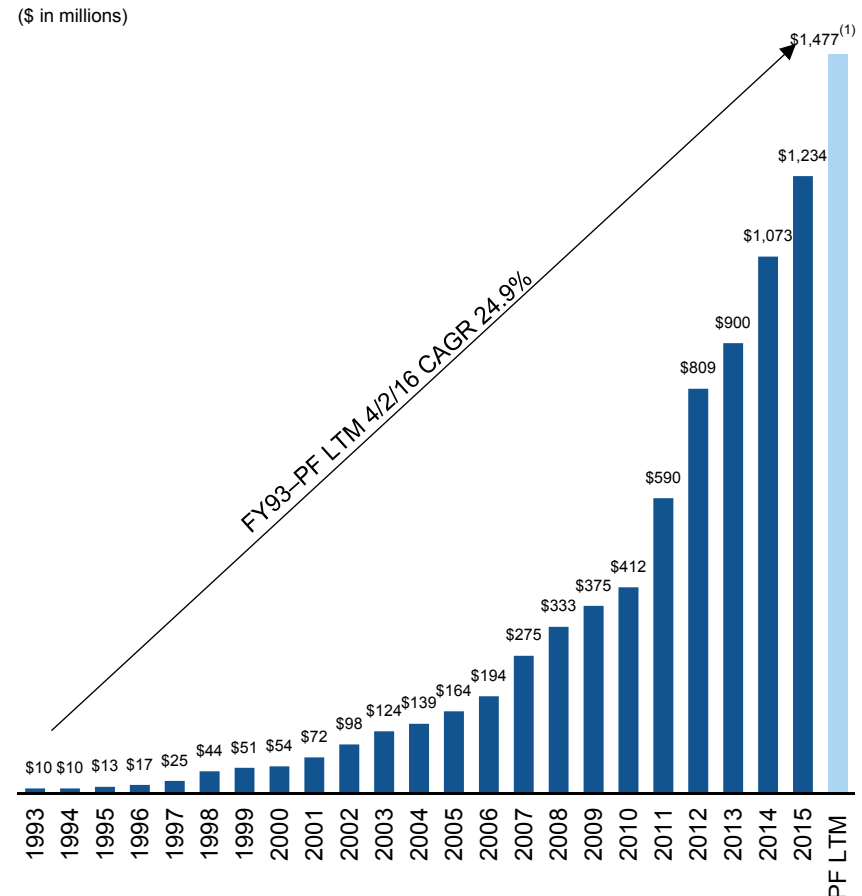
Revenue

(\$ in millions)



EBITDA as Defined and margin

(\$ in millions)



% of revenue:

20% 19% 23% 27% 31% 39% 39% 36% 36% 39% 42% 46% 44% 45% 46% 47% 49% 50% 49% 48% 47% 45% 46% 45%

Note: EBITDA as Defined is a non-GAAP financial measure. See the appendix for a historical reconciliation of EBITDA as Defined to Net Income.

(1) Pro Forma Revenue and EBITDA as Defined Include the full year impact of the recently completed acquisitions of Pexco, PneuDrualics an Breeze-Eastern, as well as the pending acquisition of DDC totaling \$289 million and \$113 million in revenue and EBITDA as Defined, respectively. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

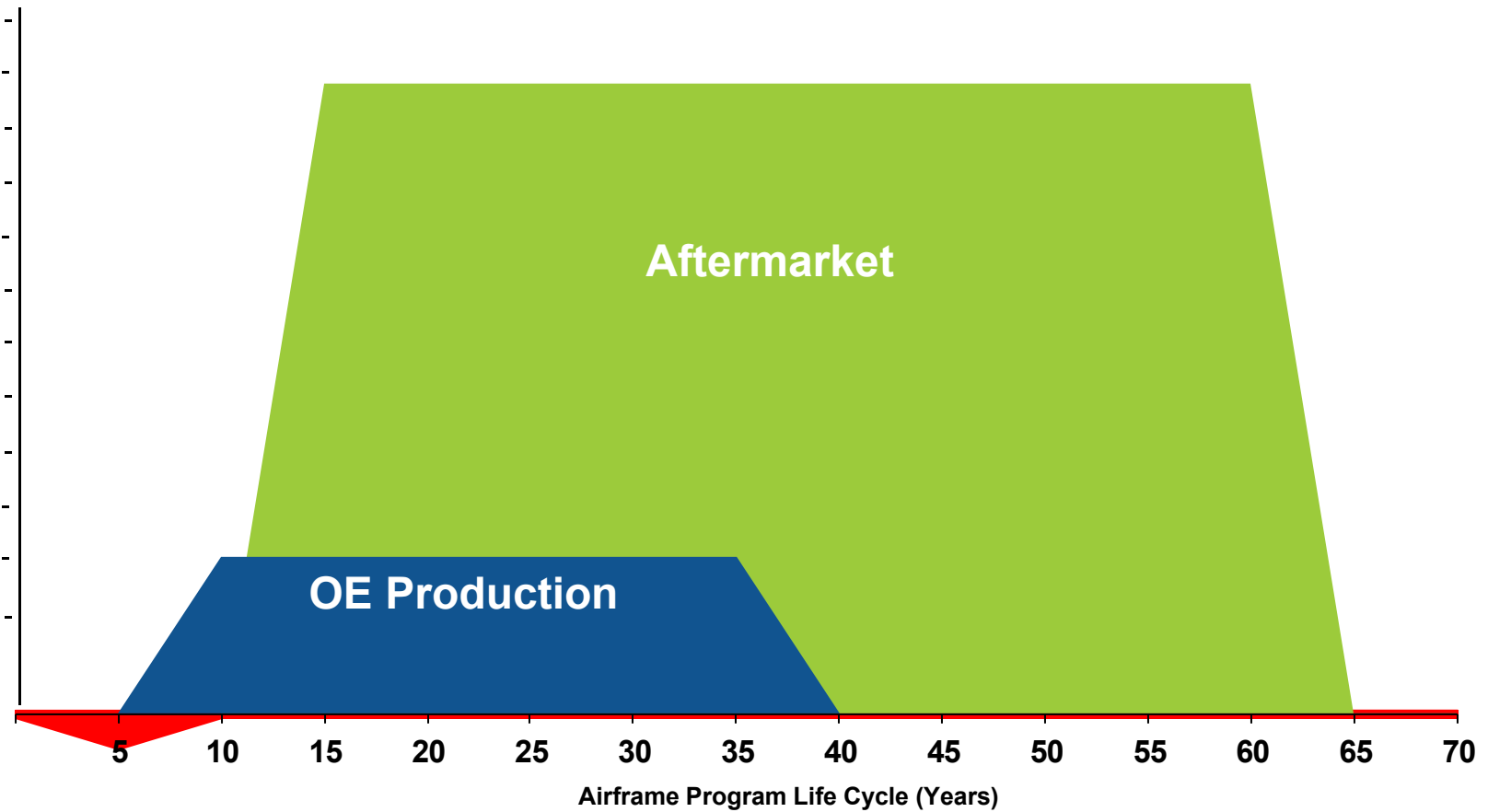
Significant Barriers to Entry



- Selection / Qualification Process
- FAA Certification
- Niche Markets
- Risk / Reward Trade-Off

Recurring Stream of Profitable Aftermarket Revenue

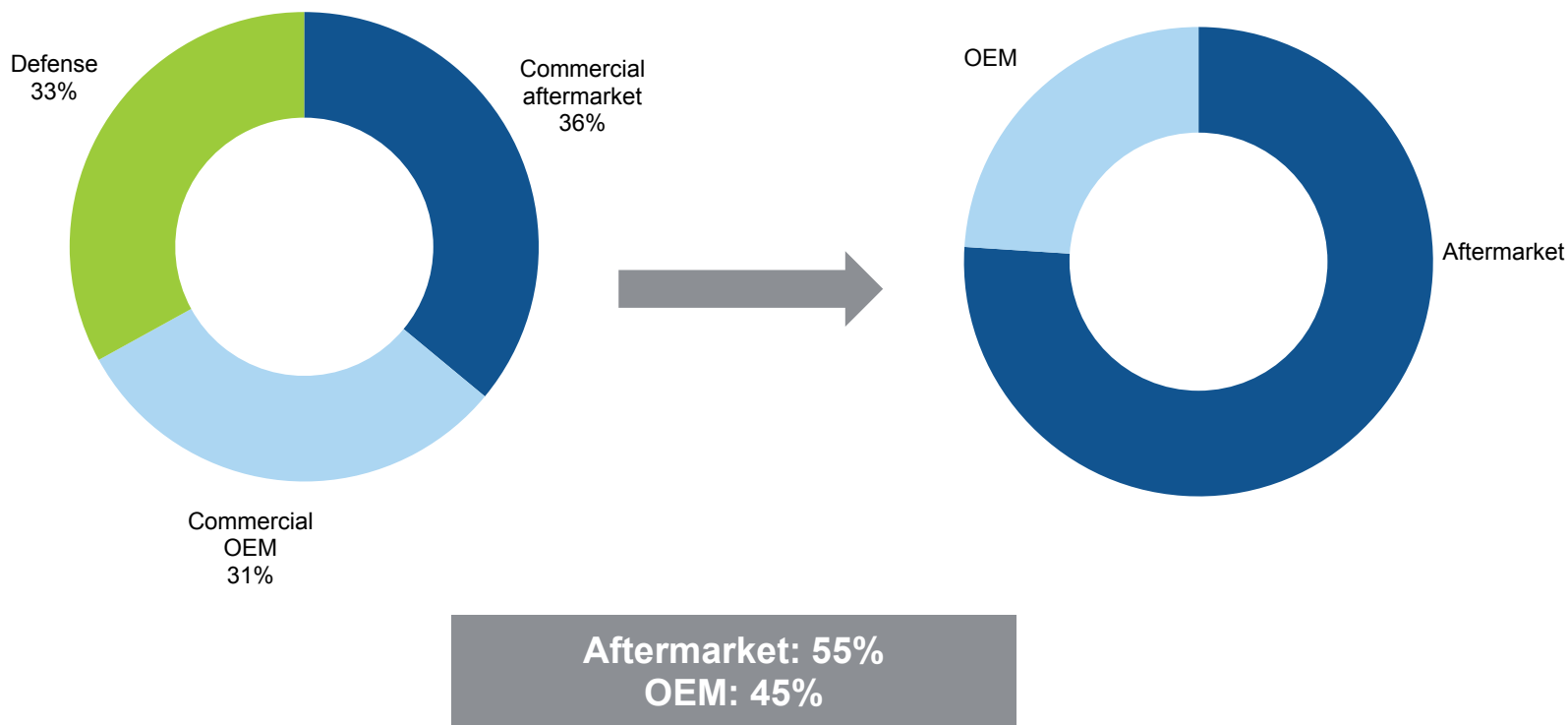
Profitability %



Strong Focus on High-margin Aftermarket Pro Forma with DDC

FY 2015 Pro Forma Revenues
(excluding the non-aviation segment)⁽¹⁾

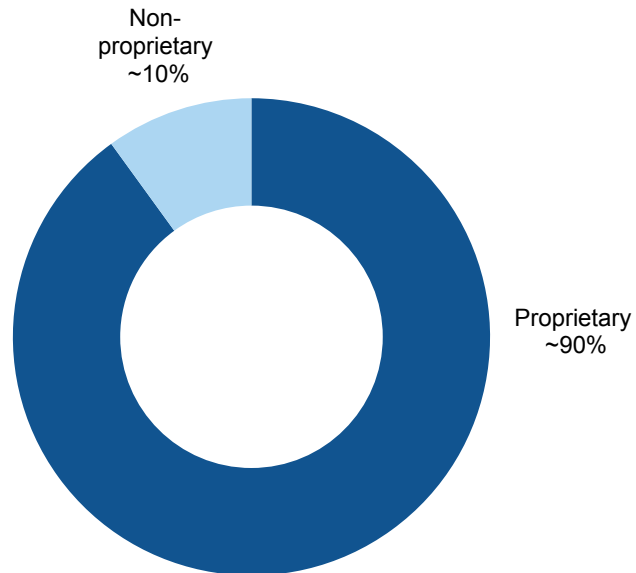
EBITDA As Defined ⁽¹⁾



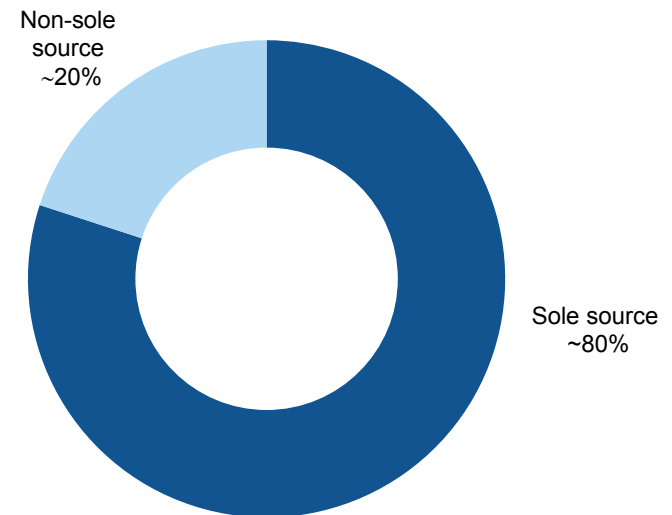
(1) Pro forma revenue is for the fiscal year ended 9/30/15 (excluding the Non-Aviation Segment sales of ~\$96 million or ~3% of total sales). Includes the full year impact of FY 15 and FY 16 acquisitions of Telair, Franke, Pexco, PneuDrualics, and Breeze-Eastern, as well as the pending acquisition of DDC. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

Significant Proprietary and Sole Source Revenue Base Pro Forma with DDC

Proprietary Revenue



Sole Source Revenue

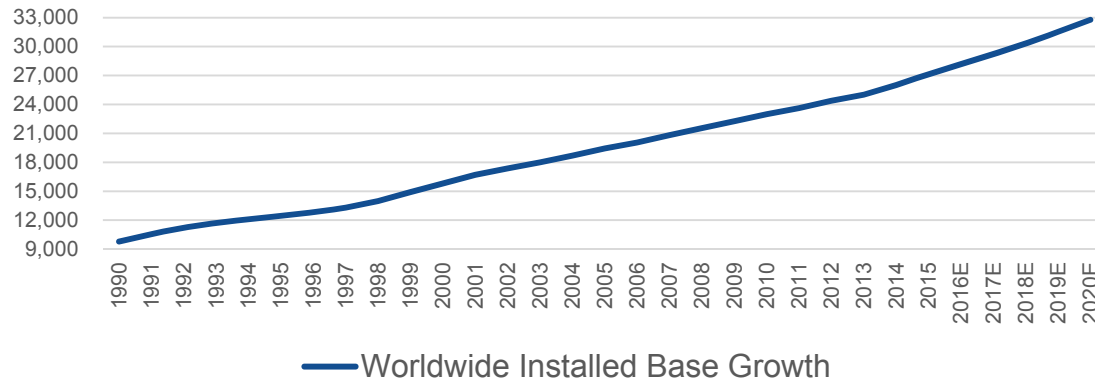


Results in strong market positions and a stable, recurring revenue stream

Note: Based on management estimates of pro forma TransDigm sales for the fiscal year ended 9/30/15. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

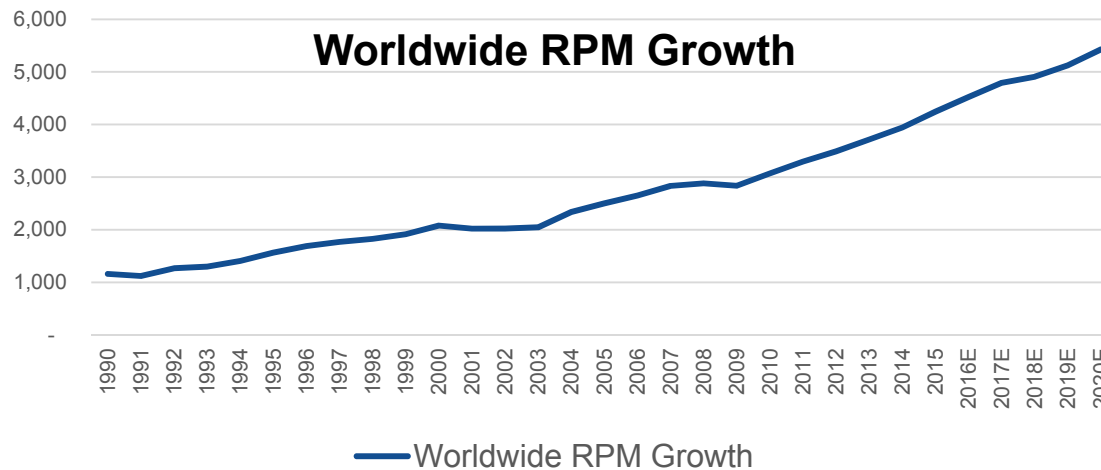
Steady Growth in Passenger Traffic and Installed Base Drives Stable Aftermarket Sales

Worldwide Installed Base Growth



4.1% CAGR

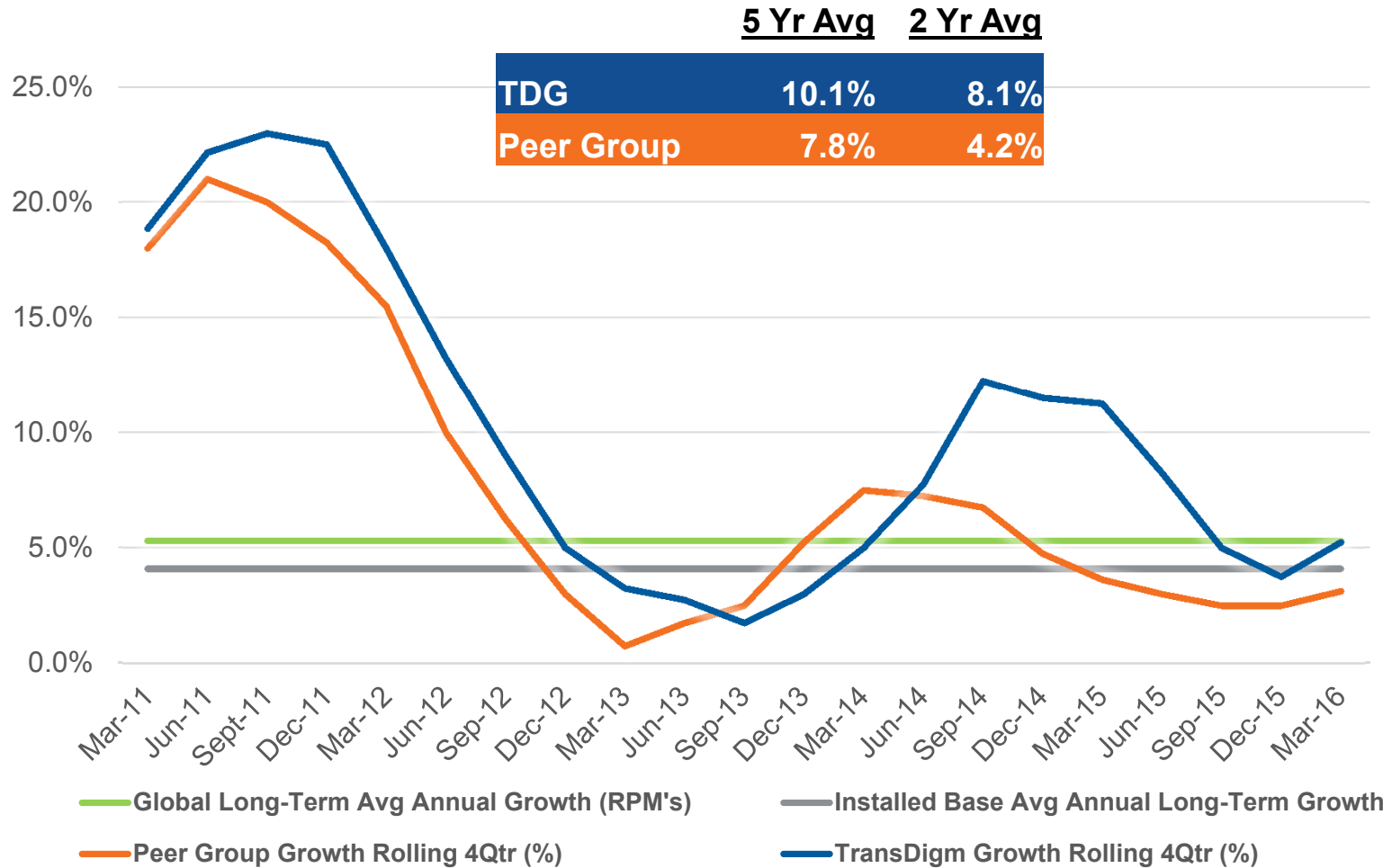
Worldwide RPM Growth



5.3% CAGR

Commercial Aftermarket Trends

Commercial Aftermarket Growth Last Five Years

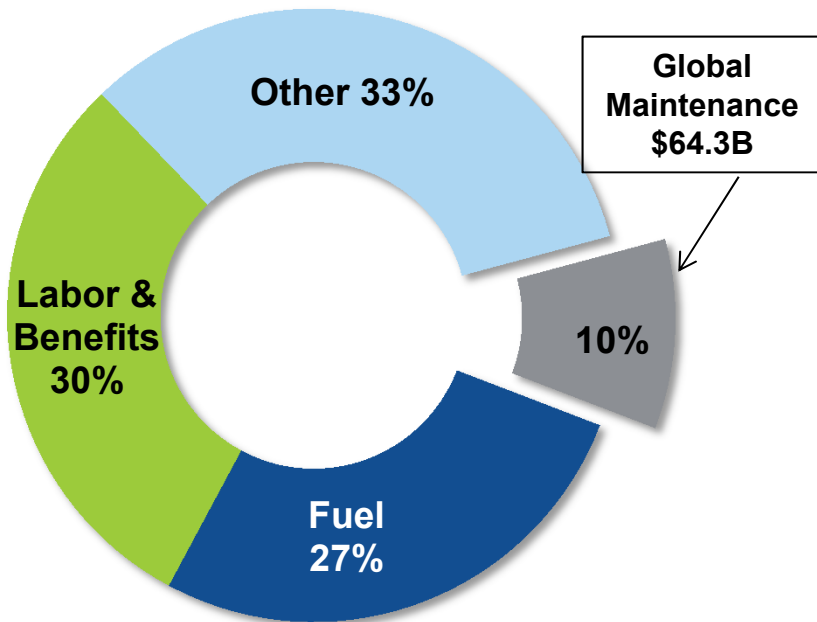


Sources:

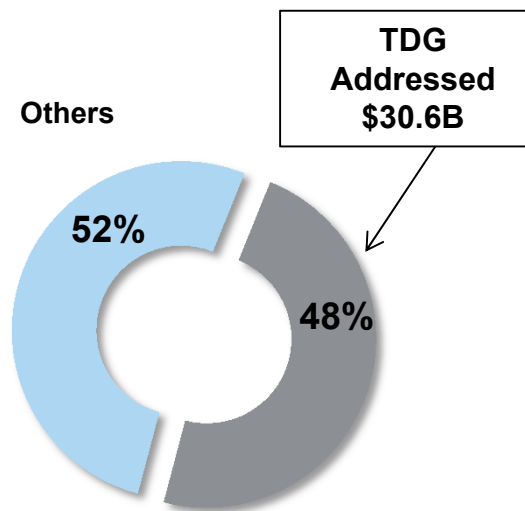
Peer Group: component parts growth rate from Canaccord Genuity (average of Crane CAM, HEICO FSG, Honeywell CAM, Meggitt CAM, ROC CAM, UTC CAM)
 RPM growth and installed base as reported by Airline Monitor

TransDigm's Addressed Market for Commercial Aftermarket

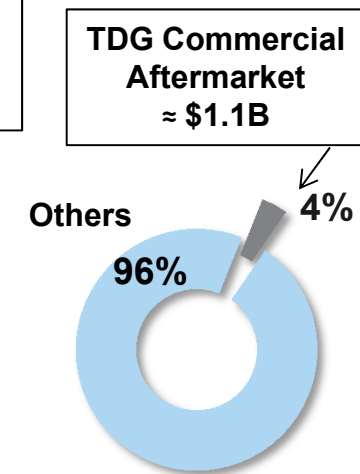
Global Airline Operating Expenses
2015 Total = \$660B



Global Maintenance Spend
2015 Total = \$64.3B



TDG Addressed Market
2015 Total = \$30.6B



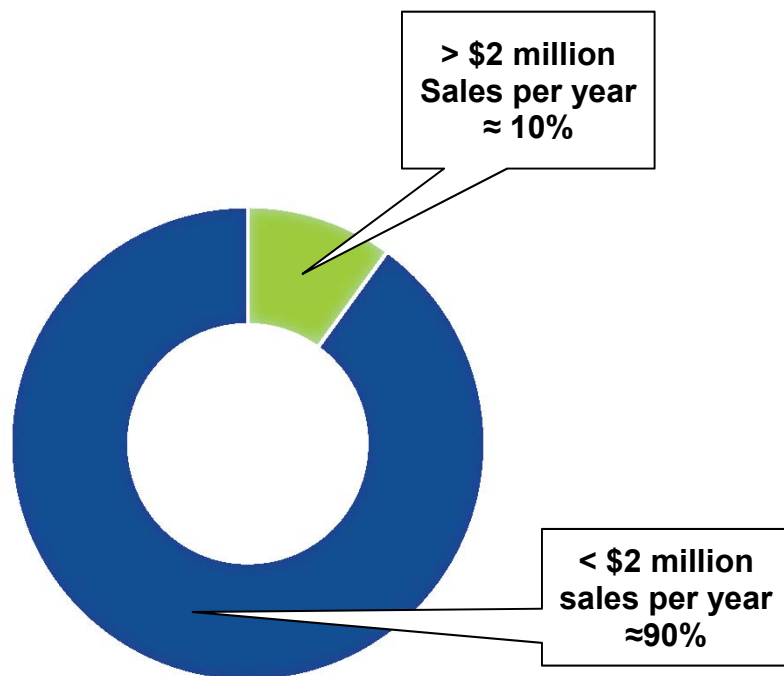
**TransDigm's Addressed Market for Commercial Aftermarket is \$30.6B
of Which We Hold a ≈ 4% Market Share**

Source: IATA June 2016 / ICF SH&E Analysis / TDG

Addressed market refers to the material market where TDG currently has content on by aircraft model and part type

TransDigm's Diverse Commercial Aftermarket Revenue Base

Total FY 2015 Commercial Aftermarket Worldwide Revenue by Annual Sales \$ Per Part



Top 15 Airlines

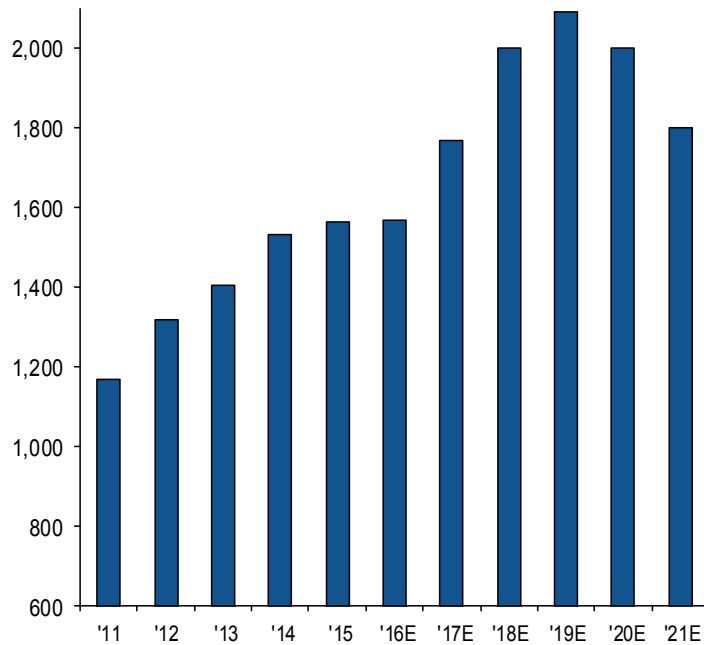
- American Airlines
- Delta Airlines
- United Continental
- Air France-KLM
- Emirates Airlines
- British Airways/Iberia
- Lufthansa (w/Swiss)
- China Southern Airlines
- Southwest Airlines
- Air China
- China Eastern Airlines
- Ryanair
- Cathay Pacific
- Turkish Airlines
- LATAM Airlines

≈ 50%
Worldwide
RPM's

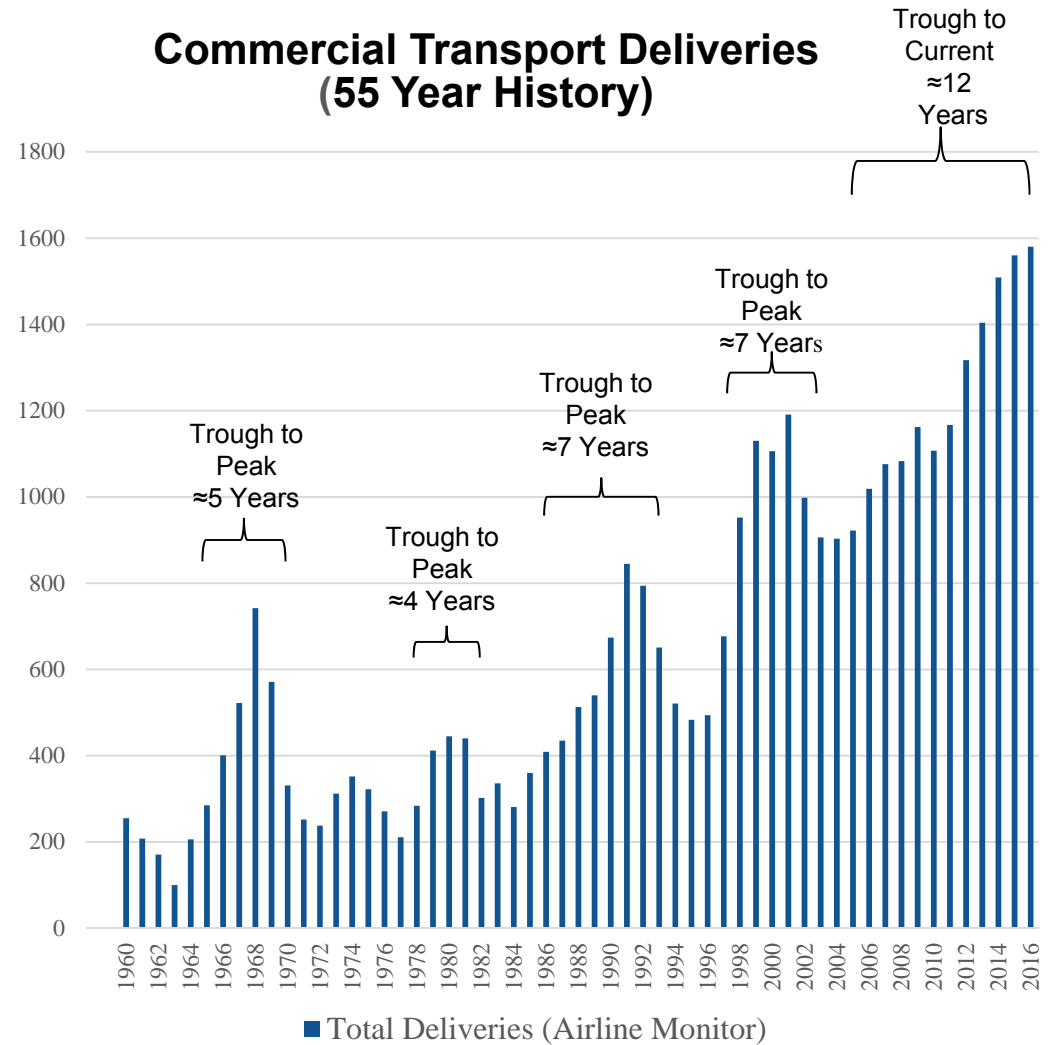
Commercial OEM Market

(units delivered)

Commercial Transport Deliveries (Boeing, Airbus & Regionals)



Commercial Transport Deliveries (55 Year History)

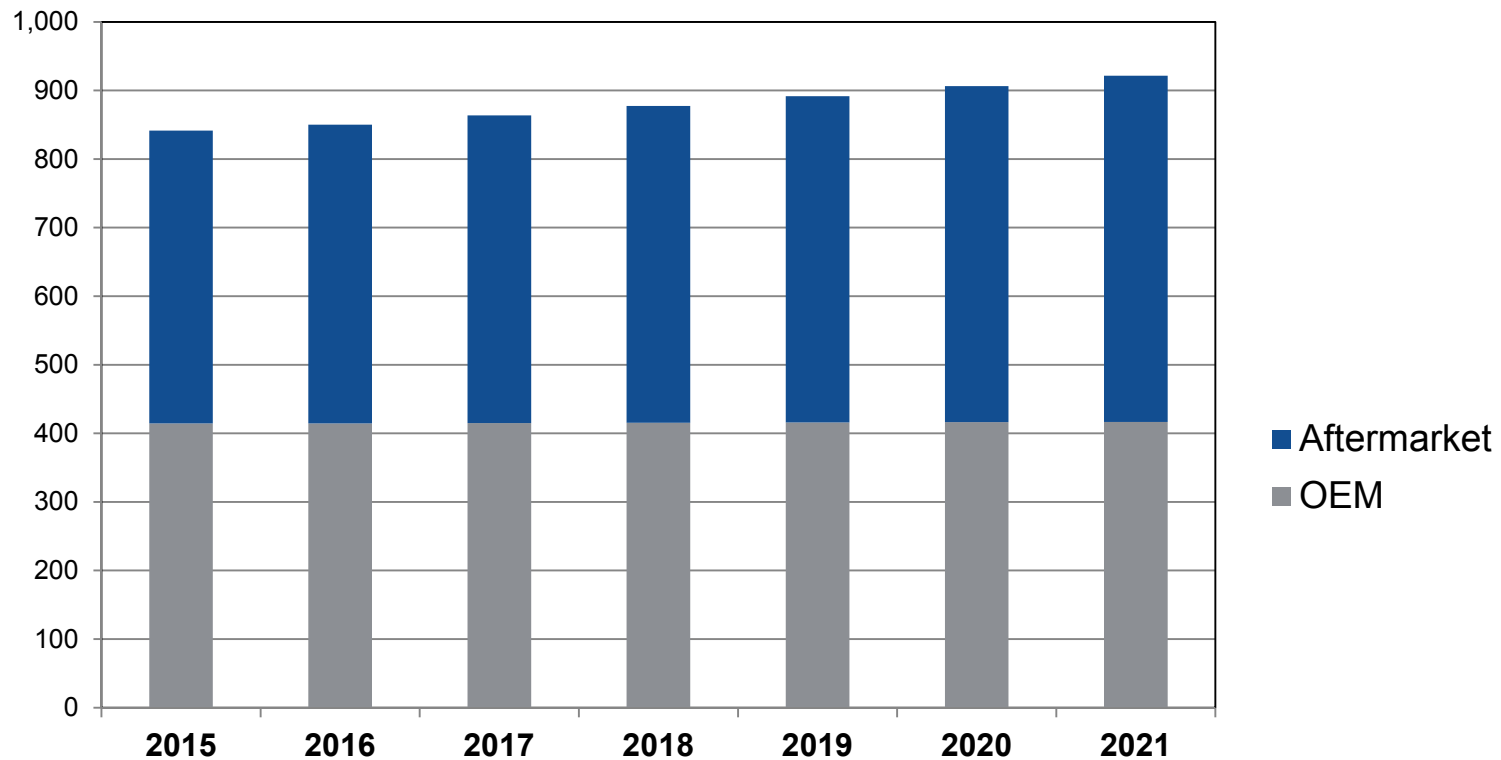


Source: June 2016 Airline Monitor

Military Outlook – Flat to Modestly Up

2016 - 2021 TransDigm Base Military Revenue Forecast*

\$ Millions (Constant \$)



A400M and F-35 are Major Military Growth Platforms

*Excludes price increase and initial provisioning; based on current products and platforms

Source: ICF SH&E analysis and management estimates

Strong Positions on Diverse and Growing Platforms

TOP PLATFORMS

BRITISH AIRWAYS 

 Delta Air Lines

 Lufthansa

UNITED 

AIRFRANCE 

B737
A320
B777
A330/A340
B787

} ≈30% Sales

 **BOEING**[®]

 **AIRBUS**

LOCKHEED MARTIN 

B757/B767
C130
Blackhawk
A350

A380
B747
A400M
Gulfstream Series

} ≈18% Sales

≈18% Sales

 **Sikorsky**
A United Technologies Company

BOMBARDIER

Note: Based on Management estimates of sales for 2015.

Organizational Philosophy

CORPORATE

Corporate Control



Local Autonomy

Value Generation Strategy

OPERATING UNIT

Economy of Scale



Mgmt Resources

Central Control



Local Autonomy

Employees



Owners

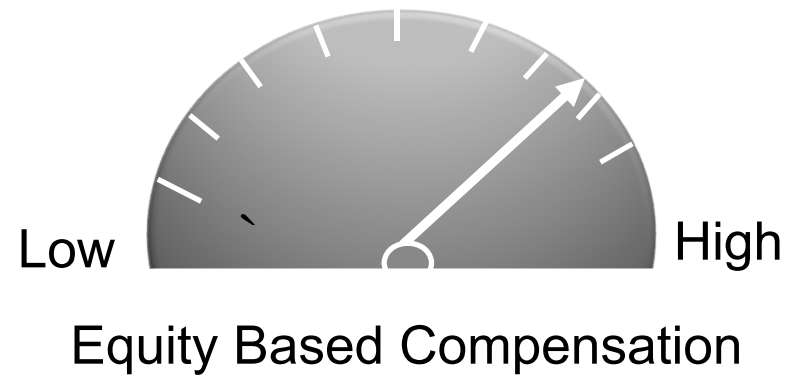
Structure

Execution

Motivation

Unique Compensation Concept – “Think/act like an owner”

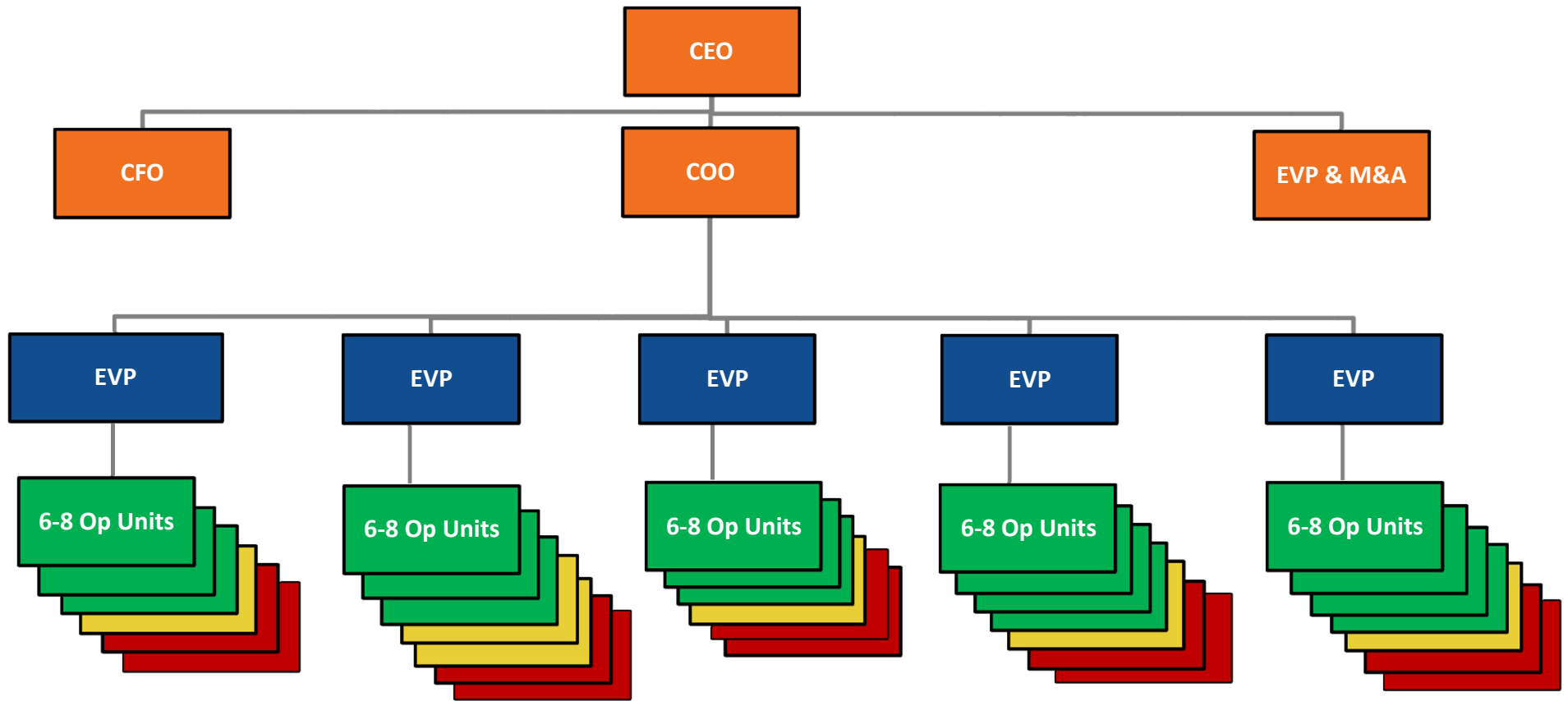
TDG Ownership



100% Performance Vesting

Very High Shareholder Alignment

Reproducible Corporate Structure



Proven Operating Strategy



**Profitable
New
Business**



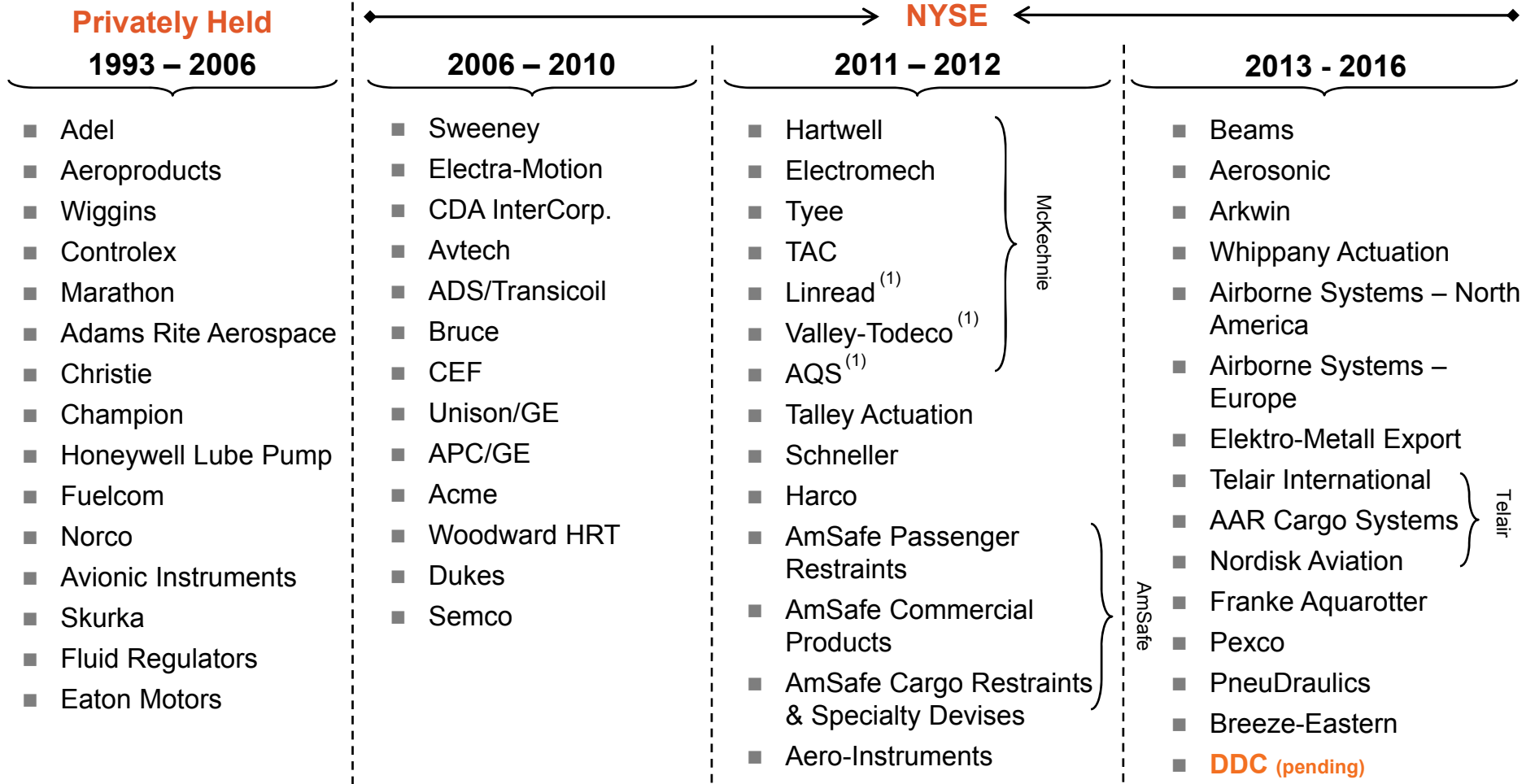
**Productivity
and Cost
Improvements**



**Value Based
Pricing**

3 Value Drivers

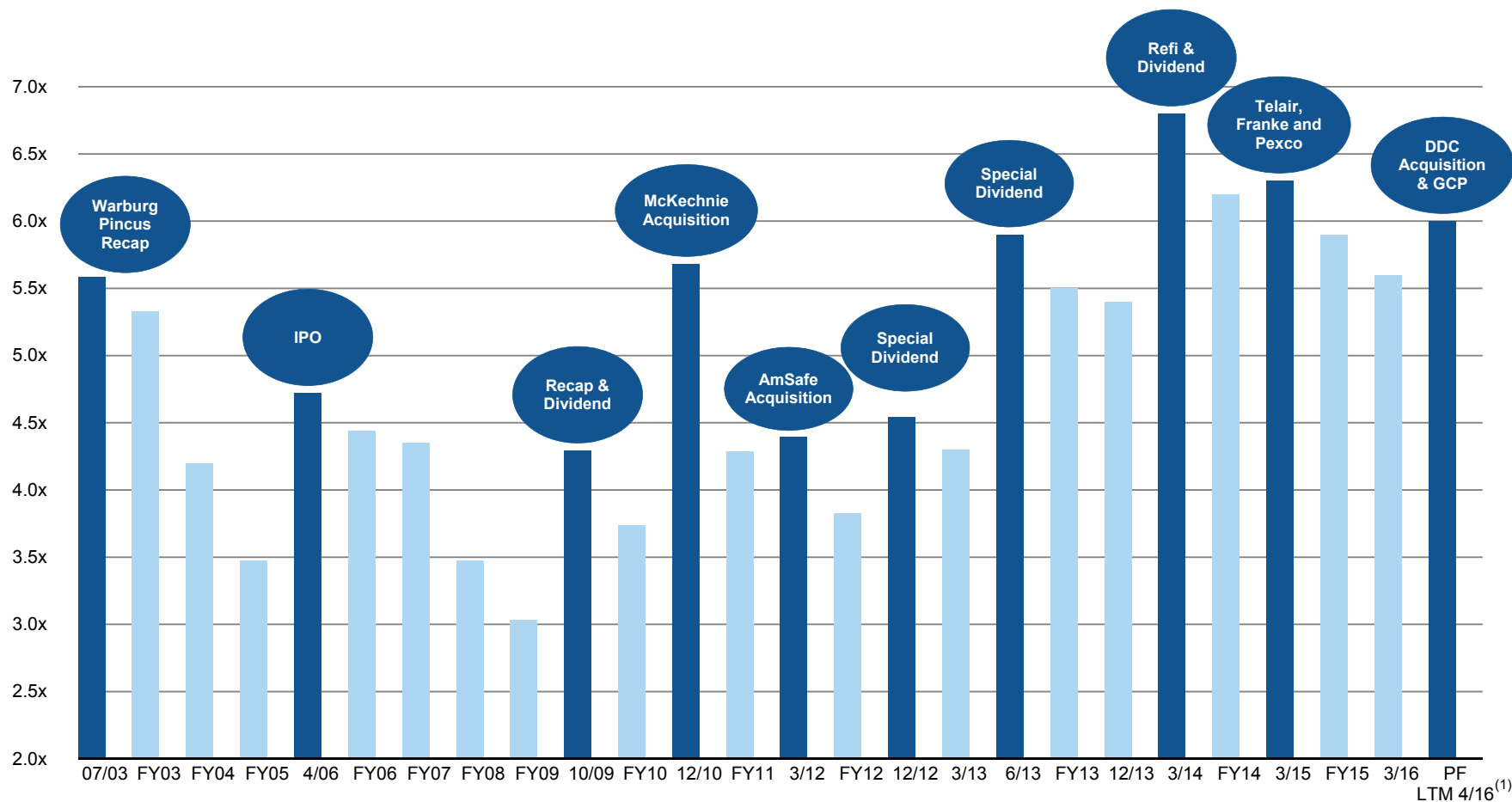
Proven Record of Acquisition & Integration



Including DDC, TransDigm has acquired 57 businesses since 1993, including 42 since its IPO.

(1) Divested in Q2 and Q3 of FY2011.

TransDigm Delevering Profile (Net Debt / PF EBITDA As Defined)



Note: EBITDA as Defined is a non-GAAP financial measure. For a historical reconciliation of EBITDA as Defined to Net Income, please see the appendix.

(1) PF LTM period includes the full year impact of the recently completed acquisitions of Pexco, PneuDrualics, and Breeze Eastern, as well as the pending acquisition of DDC and the recently completed financing in June 2016.

Consistent Strategy & Value Creation

Proprietary Aerospace and Aftermarket

Value Based Operating Strategy

Decentralized Organization / Aligned with Shareholders

Disciplined Acquisition Strategy

Efficient Capital Structure

**“Private Equity-
Like” Returns
with
Public Liquidity**



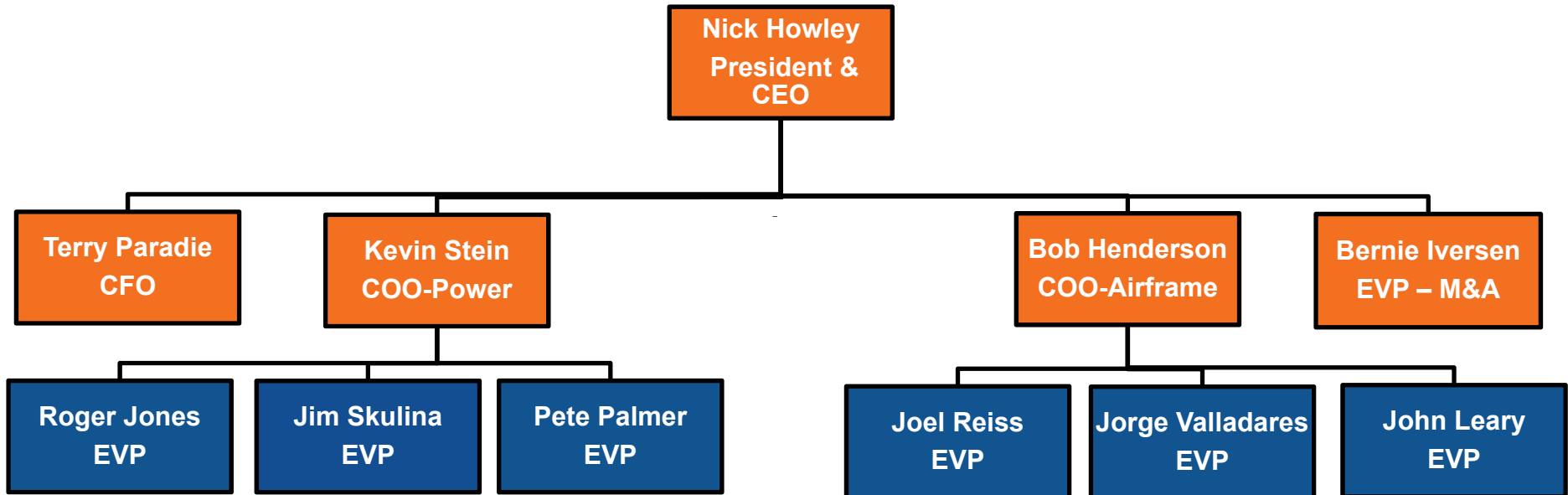
MANAGEMENT PROCESS &
VALUE CREATION
KEVIN STEIN

Growth, Innovation and Value Creation

NONSTOP

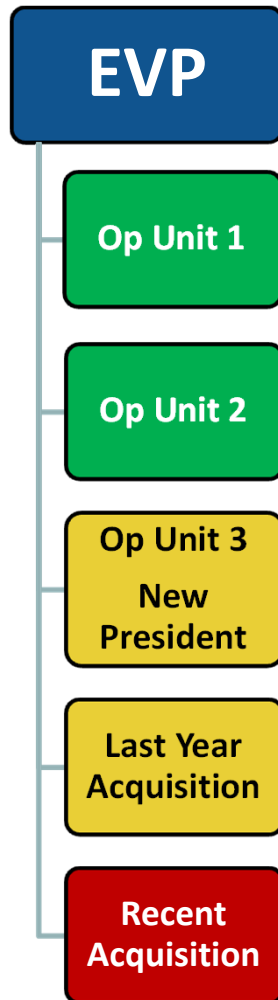
TRANSDIGM
GROUP INC.

Corporate Structure



Target EVP to Have 6-8 Businesses

Executive Vice President Role



EVP - Value Creation Driver/Culture Carrier

Op Unit Business Guidance

- Quarterly Reviews
- Presidential “coaching”
- Value Driver Emphasis

Talent Development

- President/Staff
- Weed & Feed

Acquisition Value Creation

- Assist Due Diligence
- Guide Integration Process
- Assess Revise Management



Operating Unit Philosophy

Structure

Small Operating Units

Focus on Products and Customers

Few Management Layers

Product Line Discipline

Price
Productivity
New Business



VALUE CREATION

Execution

Significant Local
Autonomy

Local Decisions

Front Line Value
Generation



Motivation

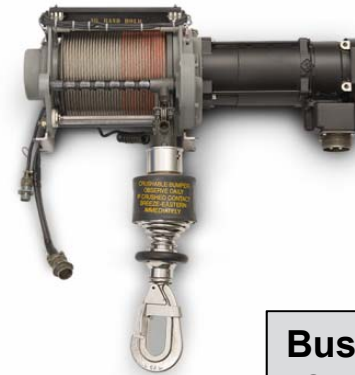
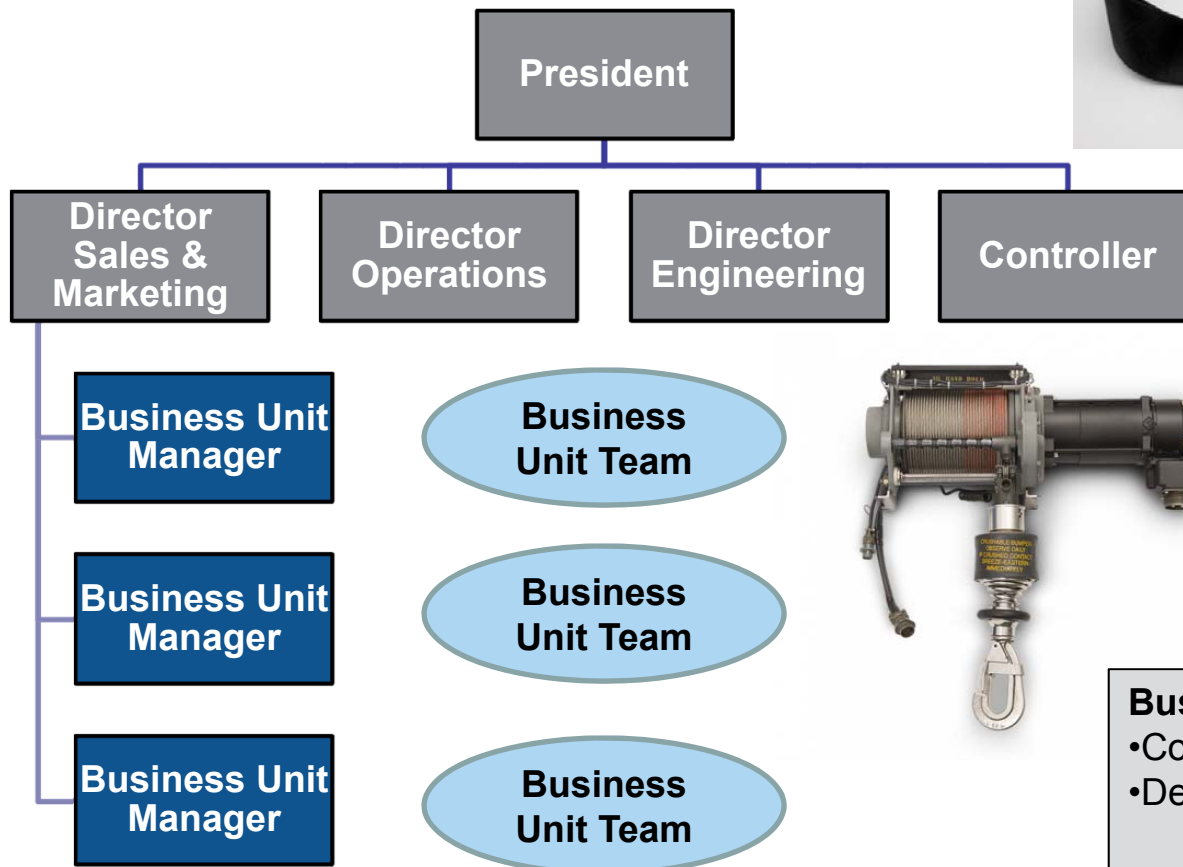
Think Like Owner

Create Value

Lower Cash Comp &
Higher Equity



Division Organizational Structure



- Business Unit Teams**
- Co-Located
 - Detail Value Focused
 - New Business Development
 - Pricing and Contracting
 - Productivity

Business Unit Value Focus

Business Unit Value Focus



31+ Operating Units



80+ Business Units



Proven Operation Strategy

3 Value Drivers



- Profitable new business



- Productivity and cost improvement



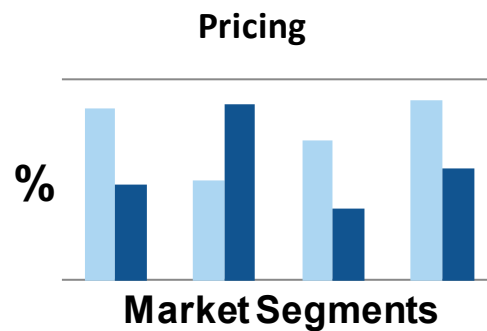
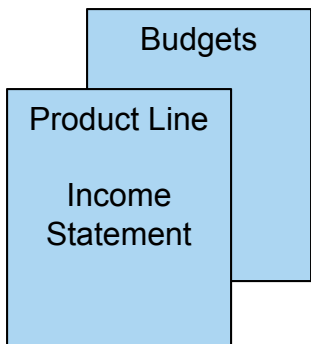
- Value-based pricing

Operating Unit Accountability

- Value driven down through each Business Unit
- Mid-quarter and quarter-end reporting
- Emphasize value creation, ownership and accountability

Management Focus – Product Line Value Reporting Tools

Consistent Product Line Metrics



<u>Projects</u>	<u>Savings</u>
Machinery	\$
Outsourcing	\$
Automation	\$
	\$\$

Productivity Progress

Accountability



Quarterly
Reviews

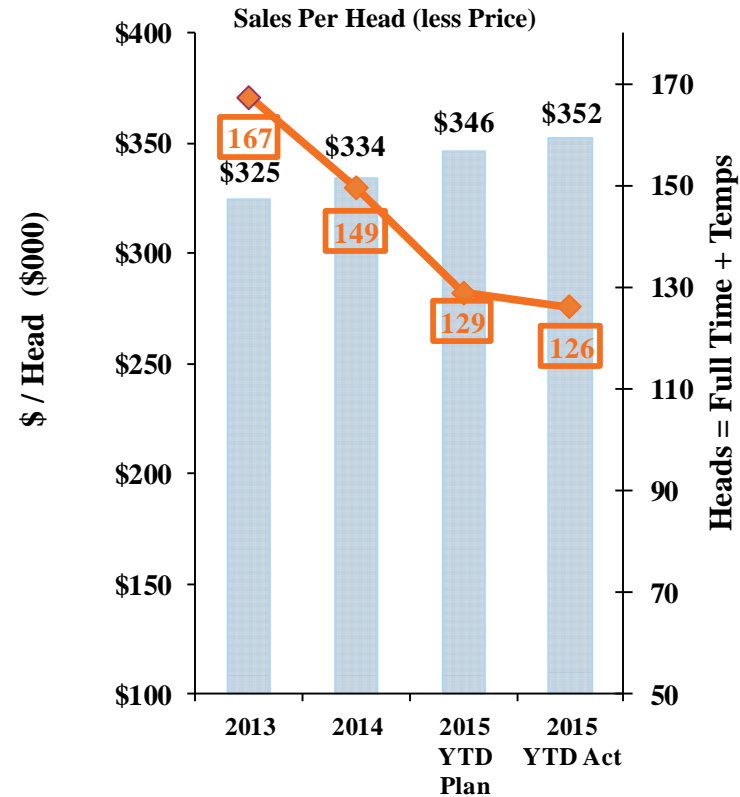
Mid-Year
Site Visits



Productivity

PROJECTS	YTD Enacted	YTD Plan	Full Yr Forecast	Full Yr Plan
2nd Source Motors	29	54	58	108
Titanium Purchase	47	35	70	71
Volume Discount	5	5	10	12
Vendor LTAs	10	0	25	0
Outside Processing (OSP)				
Purchasing Savings	91	94	163	191
PCBA Offshore (China)	58	108	116	217
Machine Components	11	19	19	30
Outsourcing/ Offshore Savings	69	127	135	247
Prod Redesigns	0	17	20	35
RIF	152	114	288	228
Transfer to Mexico plant	76	57	144	144
CNC Milling Cells	89	87	180	174
Tooling / Fixture				
New equipment		10	72	57
Labor Savings	316	285	704	638
Scrap Reduction	130	110	250	220
OT Reduction	50	60	120	116
Rent Savings	25	25	100	100
Repairs Projects	10	20	25	40
Energy Savings	30	30	60	60
Reduce tooling & supply expense	8	0	15	0
Quality Projects	16	0	18	0
VIP Ideas	13	6	13	13
Other Spending Reduction	152	141	351	329
Total Productivity Savings	628	648	1,352	1,404
Product Line 1 Savings	253	203	472	399
Product Line 2 Savings	375	445	881	1,006

Product Line



New Business Modeling

Analytical Approach

- Data Driven
- Realistic OEM Production Rates
- Historical NRE Investment Estimates
- Actual-cost Production Cost Estimates
- Cumulative Cash Flow Analysis
- Takes Emotion out of Decisions



EXAMPLE ONLY

New Business Model Excerpt

	2016	2017	2018	2019	2020	2021
<i>Annual Data</i>						
Production Sales	NRE	\$494	\$740	\$987	\$1,234	\$1,481
Production COS	(\$422)	(\$435)	(\$640)	(\$830)	(\$1,010)	(\$1,150)
Product Margin		\$58	\$100	\$157	\$224	\$331
EBITDA Margin		0%	2%	4%	6%	10%
Spares Sales		\$109	\$271	\$813	\$1,243	\$2,660
Spares COS		(\$52)	(\$125)	(\$350)	(\$497)	(\$1,011)
Spares Margin		\$56	\$147	\$464	\$746	\$1,649
EBITDA Margin		40%	42%	45%	48%	50%
Total Sales		\$602	\$1,012	\$1,800	\$2,477	\$4,141
Total COS		(\$487)	(\$765)	(\$1,180)	(\$1,507)	(\$2,161)
Product Margin		\$115	\$247	\$621	\$970	\$1,980
EBITDA Margin		7%	12%	22%	27%	36%
Net Cash flow	(\$422)	\$43	\$125	\$404	\$672	\$1,483
Cum Cash flow	(\$422)	(\$379)	(\$254)	\$151	\$823	\$2,306

Return on Investment 6 yrs 60%

Focus: Profitable New Business

Value Creation Focus - Acquisitions

Narrow Acquisition Target Yields Strong Potential Value Creation



- Proprietary, Sole Source Aerospace Businesses with Significant Aftermarket
- Analyze Target & Model Value
- Negotiate Purchase & Raise Cash
- Acquire & Create Value
 - Restructure into Product Lines
 - Maximize Pricing
 - Improve Productivity
 - Grow New Business

Talent Development



Growing Value Requires Growing Talent

Talent Demand



Organic Growth
& Mgt. Turnover

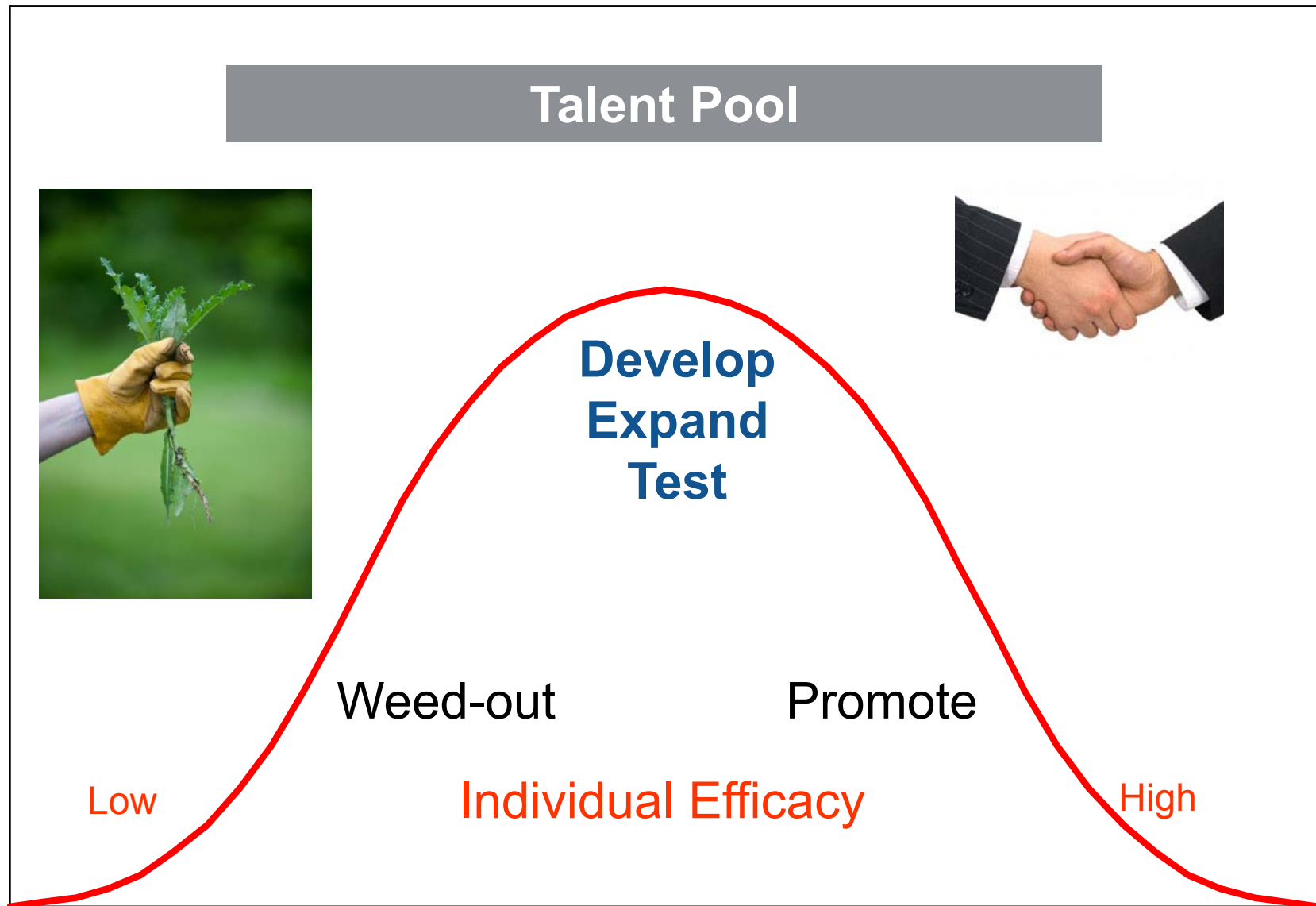


Acquired Growth
& Mgt. Transitions

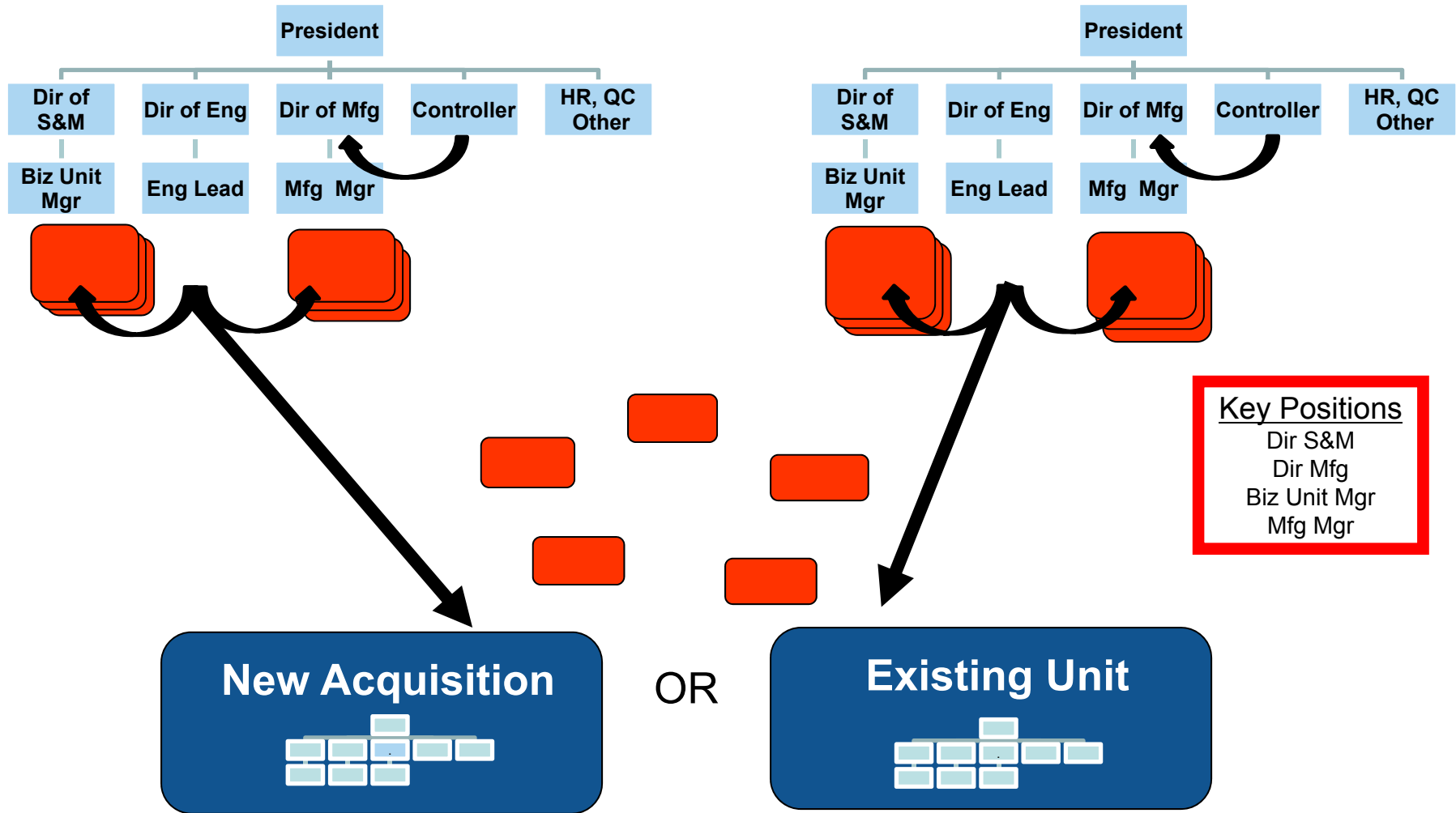


Growth Requires Talent

Talent Distribution

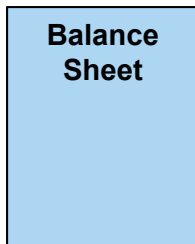
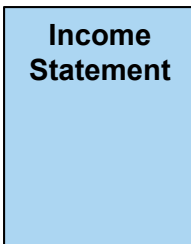


Succession, Development, Promotion



Talent Development- Structured

Financial Competency



Value Creation



Value Pricing **New Business Modeling** **Productivity Management**

Planning & Leadership



Forecasting Tools



Leadership Skills

Contracting & Negotiations



Risk Management
I.P. Protection
Aftermarket Access
Pricing

Talent Development- Operational

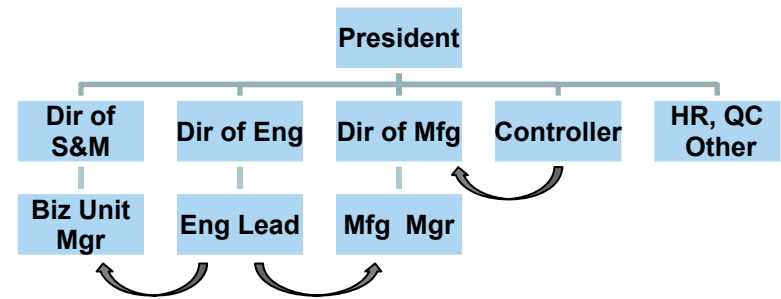
Quarterly Business Unit Reviews & Forums



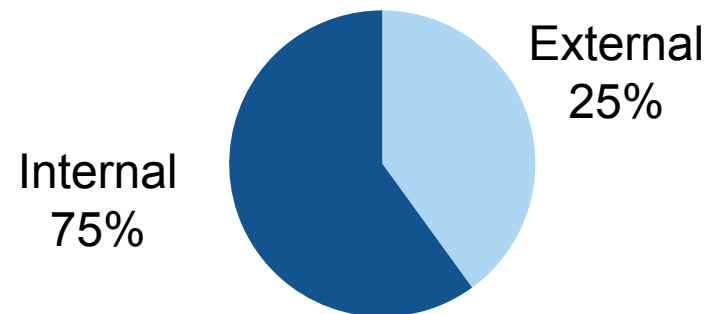
Site Visits & Operational Reviews



Job Rotations & Promotions



LTM Promotions Source



Performance Stability



Solid Value Growth Process

- Consistent Value Creation Strategy
- Product Line Detail Focus
- Active Talent Growth
- Disciplined Acquisition Integration



BUSINESS UNIT STRUCTURE AND
PROCESS

JORGE VALLADARES

Growth, Innovation and Value Creation

NONSTOP

TRANSDIGM
GROUP INC.

Business Unit Value Focus



31+ Operating Units



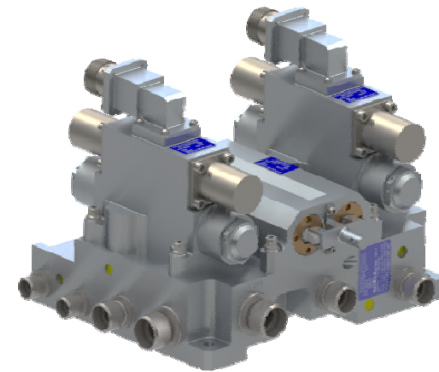
80+ Business Units



Business Unit Value Creation

Business Unit Teams

- Grouping of Related Products
- Integrated Cross Functional Team
- Business Unit Manager Drives Performance



Value Driver Focus

- Profitable New Business
- Productivity and Cost Improvement
- Value-based Pricing



Accountability

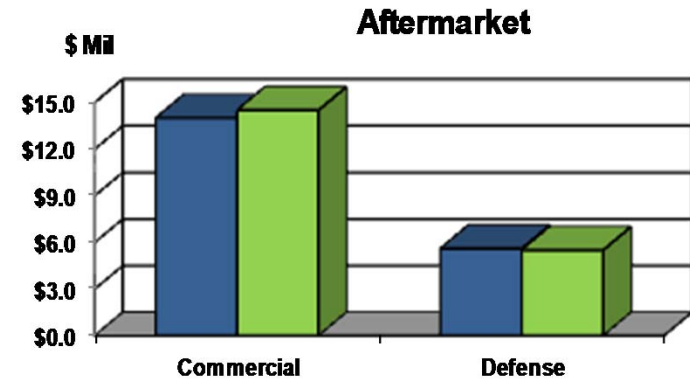
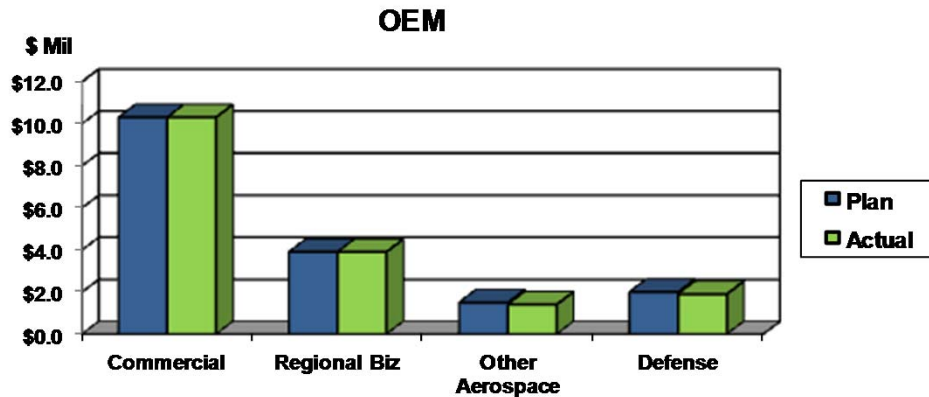
- Standardized Business Metrics Across Operating Units
- Quarterly Reviews and Mid-Year Reviews
- Ownership of Results



Business Unit – Income Statement

Prior Year Actual	% to SIs		Q3 Actual	% to SIs	YTD Actual	% to SIs	YTD Plan	% to SIs
36,814	100.0%	Sales	9,819	100%	26,216	100%	25,974	100%
		<u>Product Costs:</u>						
8,870	24.1%	Material	2,326	23.7%	6,229	23.8%	6,284	24.2%
2,812	7.6%	Direct Labor	730	7.4%	1,984	7.6%	1,924	7.4%
7,000	19.0%	Overhead	1,801	18.3%	4,865	18.6%	4,932	19.0%
947	2.6%	<i>Depreciation</i>	215	2.2%	623	2.4%	628	2.4%
-	0.0%	<i>Other</i>	-	0.0%	-	0.0%	-	0.0%
19,629	53.3%	Total Product Costs	5,072	51.7%	13,701	52.3%	13,768	53.0%
17,185	46.7%	Gross Profit	4,746	48.3%	12,515	47.7%	12,206	47.0%
		<u>G&A Costs:</u>						
61	0.2%	Engineering	16	0.2%	46	0.2%	40	0.2%
681	1.9%	Sales	188	1.9%	549	2.1%	562	2.2%
1,249	3.4%	Admin	273	2.8%	637	2.4%	641	2.5%
(41)	-0.1%	<i>Other</i>	-	0.0%	-	0.0%	-	0.0%
64	0.2%	<i>Depreciation</i>	17	0.2%	50	0.2%	20	0.1%
2,015	5.5%	Total G&A Costs	494	5.0%	1,282	4.9%	1,263	4.9%
16,181	44.0%	Product Line EBITDA	4,485	45.7%	11,906	45.4%	11,591	44.6%

Business Unit – YTD Sales

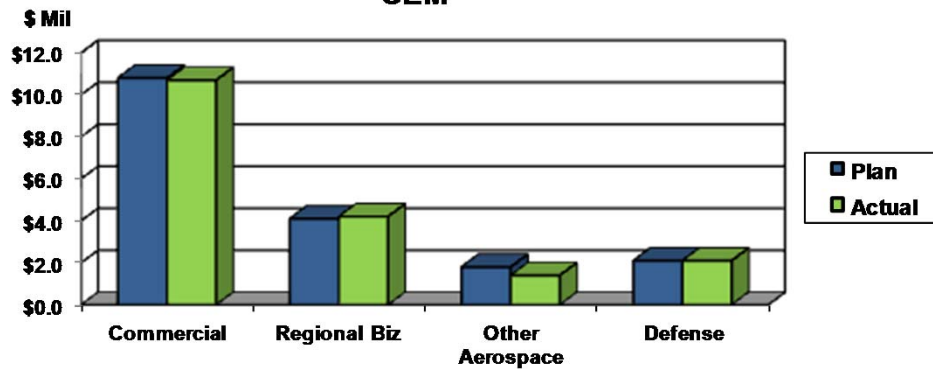


OEM	Prior Year	Plan	Actual	Actual vs Plan	Actual vs Plan	Actual vs PY
Commercial	10.0	10.3	10.3	0.0	0%	3%
Reg/Biz Jet	3.7	3.9	3.9	0.0	0%	5%
Other Aerospace	1.8	1.5	1.4	(0.1)	-7%	-22%
Defense	2.0	2.0	1.9	(0.1)	-5%	-5%
Total	17.5	17.7	17.5	(0.2)	-1%	0%

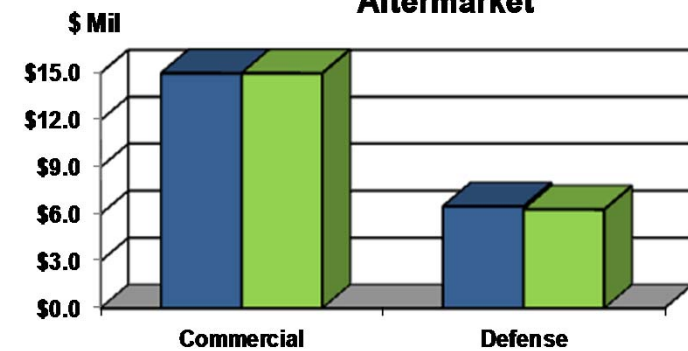
Aftermarket	Prior Year	Plan	Actual	Actual vs Plan	Actual vs Plan	Actual vs PY
Commercial	13.5	14.0	14.5	0.5	4%	7%
Defense	5.8	5.6	5.5	(0.1)	-2%	-5%
Total	19.3	19.6	20.0	0.4	2%	4%
Grand Total	36.8	37.3	37.5	0.2	1%	2%

Business Unit – YTD Bookings

OEM



Aftermarket



<u>OEM</u>	<u>Prior Year</u>	<u>Plan</u>	<u>Actual</u>	<u>Actual vs Plan</u>	<u>Actual vs Plan</u>	<u>Actual vs PY</u>
Commercial	10.5	10.8	10.7	(0.1)	-1%	2%
Reg/Biz Jet	4.0	4.1	4.2	0.1	2%	5%
Other Aerospace	2.0	1.8	1.4	(0.4)	-22%	-30%
Defense	2.0	2.1	2.1	0.0	0%	5%
Total	18.5	18.8	18.4	(0.4)	-2%	-1%

<u>Aftermarket</u>	<u>Prior Year</u>	<u>Plan</u>	<u>Actual</u>	<u>Actual vs Plan</u>	<u>Actual vs Plan</u>	<u>Actual vs PY</u>
Commercial	14.0	15.0	15.2	0.2	1%	9%
Defense	6.2	6.5	6.3	(0.2)	-3%	2%
Total	20.2	21.5	21.5	0.0	0%	6%
Grand Total	38.7	40.3	39.9	(0.4)	-1%	3%

YTD Booking Margins

YTD Bookings	PLAN	ACTUAL
Base Business	51%	53%
New Business	32%	35%
Total YTD	45%	47%
	PLAN	FORECAST
Full Yr Forecast	46%	48%

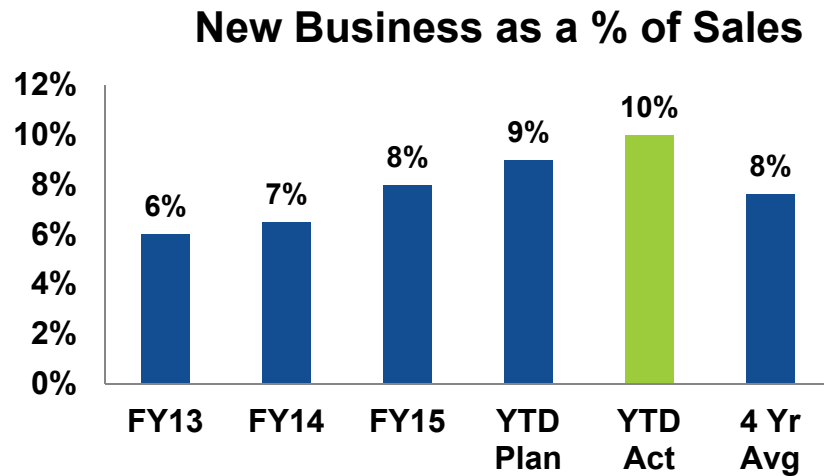
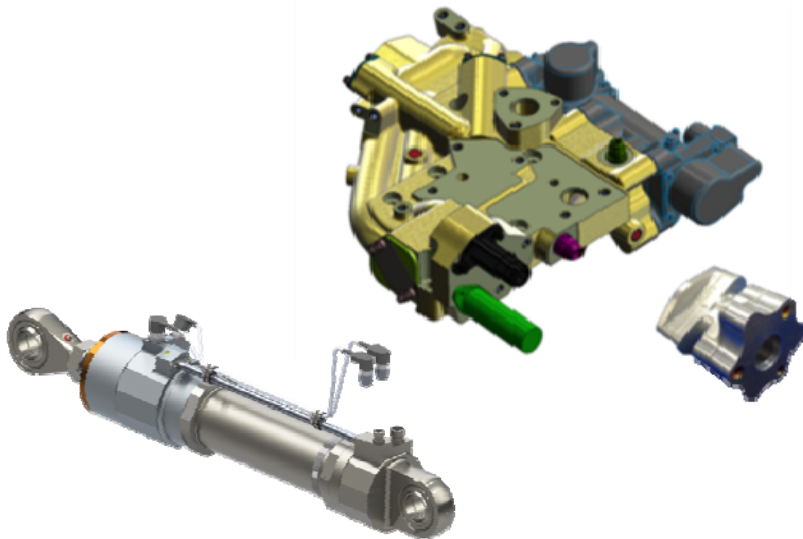
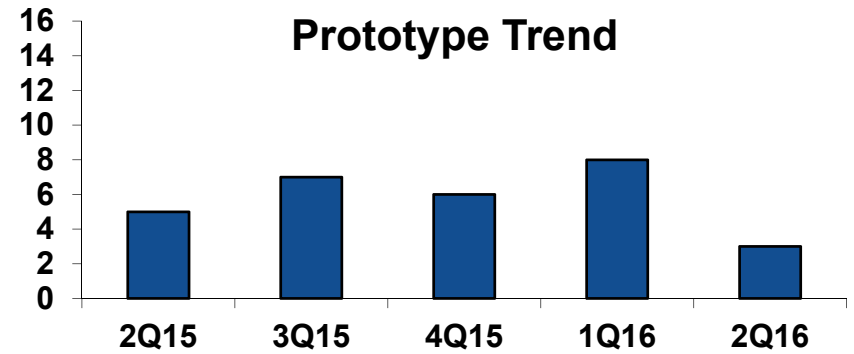
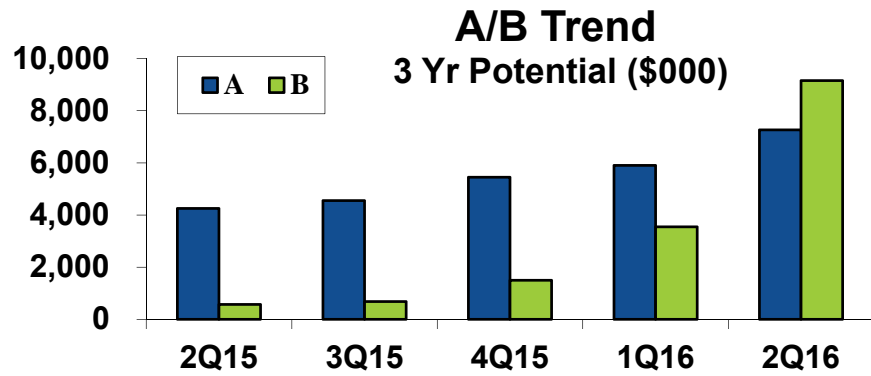
Margin Comments

- Product Z strong YTD bookings
- Q1-Q3 New Business bookings light on high margin product X

Business Unit – A/B List

Status	Customer	Platform	Program Description	Sponsor Name	3 Year	Current Year	
					Potential \$	Plan \$	YTD Act \$
A	Customer A		Audio Product		3,326	1,854	1,236
A	Customer B		Lavatory Product		768	432	440
A	Customer C		Cargo Product		673	75	55
A	Customer D		Engine Product		576	213	185
A	Customer E		Waste System Product		382	66	25
	Other				1,540	678	265
Sub-Total products available for sale					7,265	3,318	2,206
Status	Customer	Platform	Program Description	Sponsor Name	3 Yr.	Current Yr.	
					Potential \$	Plan \$	YTD Act \$
B	Customer F		Fuel System Product		3,158	0	0
B	Customer G		Airframe Product		2,167	375	425
B	Customer H		Interior Product		1,984	145	126
B	Customer I		Engine Product		376	50	25
B	Customer J		Water System Product		318	62	125
B	Customer K		Avionics Product		0	0	87
B	Customer L		Actuation Product		0	215	96
	Other				1,147	235	113
Sub-Total Products in development					9,150	1,082	997
Grand Total					16,415	4,400	3,203

Business Unit – New Business Bookings

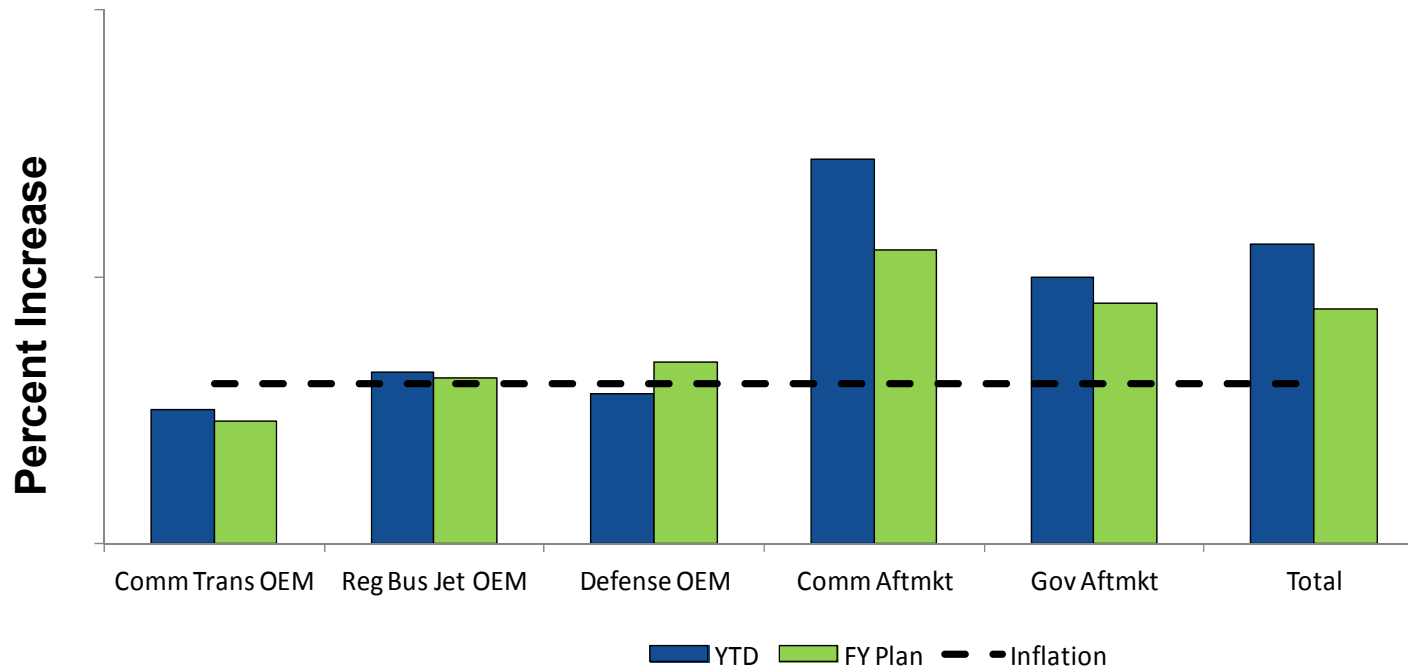


Productivity Summary (\$000)

Project Description	YTD Enacted	YTD Plan	Full Yr Forecast	Full Yr Plan
Raw Material LTA	\$688	\$600	\$688	\$600
PCBA second source	\$420	\$420	\$420	\$420
Connector LTA	\$64	\$24	\$64	\$24
S92 Housing casting second source	\$166	-	\$166	\$166
Spring multi-year buy	-	-	\$50	\$50
Other purchasing projects	\$84	\$75	\$115	\$100
Purchasing Savings	\$1,422	\$1,119	\$1,503	\$1,360
Switch outsource	\$170	\$139	\$170	\$139
Anodize second source	\$20	\$25	\$30	\$25
Buckle outsource	-	\$15	\$15	\$15
Outsourcing Savings	\$190	\$179	\$215	\$179
Machine set-up reduction	\$218	\$200	\$300	\$300
Assembly projects	\$174	\$142	\$286	\$229
Overhaul projects	\$22	\$20	\$32	\$42
Labor Savings	\$414	\$362	\$618	\$571
IT projects	\$385	\$126	\$385	\$126
Facility projects	\$62	\$50	\$86	\$75
Finance process improvements	\$10	-	\$10	-
Other Spending Reductions	\$457	\$176	\$481	\$201
Total	\$2,483	\$1,836	\$2,817	\$2,311

Business Unit – Pricing

YTD Product Line “A” Pricing Results



Business Unit – Forecast

	(\$000's)					
	<u>QTR</u> <u>Fcst</u>	<u>QTR</u> <u>Plan</u>	<u>Δ</u>	<u>FY</u> <u>Fcst</u>	<u>FY</u> <u>Plan</u>	<u>Δ</u>
Bookings	12,300	12,000	300	40,850	40,000	850
Sales	10,750	10,500	250	40,125	39,375	750
EBITDA	5,075	4,800	275	18,535	18,400	135
EBITDA %	47%	46%	1%	47%	46%	1%

Business Unit Structure – Driving Value Creation





MERGERS & ACQUISITIONS
BERNIE IVERSEN

Growth, Innovation and Value Creation

NONSTOP

TRANSDIGM
GROUP INC.

FY15 and FY16 in Review...

Invested almost \$3B in acquiring ~ \$760M in Revenue and ~ \$230M in EBITDA
Stayed within Acquisition Criteria



March 2015
Price: \$725 M
Seller: Strategic



March 2015
Price: \$75 M
Seller: Strategic



May 2015
Price: \$496 M
Seller: Private Equity



August 2015
Price: \$325 M
Seller: Privately Held



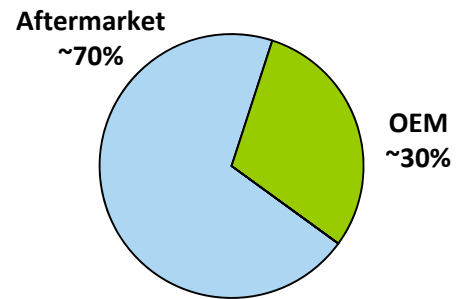
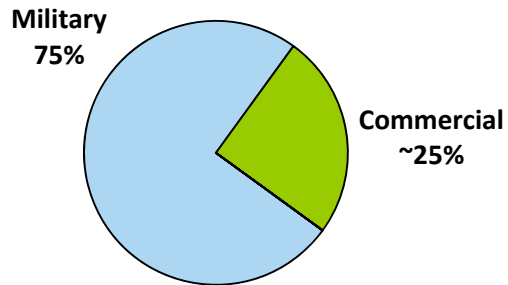
January 2016
Price: \$206 M
Seller: Public Company



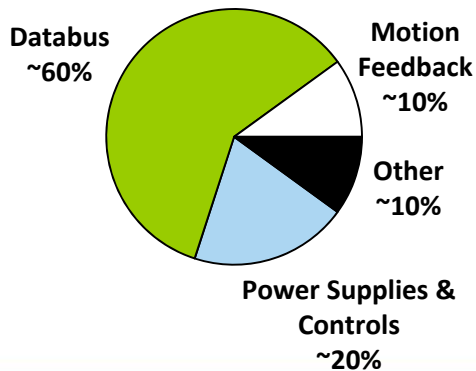
FY16
Price: \$1.0 B
Seller: Private Equity



DDC Overview



Product Line Breakdown








~650 employees

HQ/Main plant in Bohemia, NY.



- Announced signing of Merger Agreement on 5/24/16
- Market leader in providing proprietary data bus components
- Dominant worldwide standard for military avionics
- New platforms including A350, A400M, JSF and 777X
- Large installed base, with upgrades to existing platforms driving aftermarket sales
- Little program concentration and large installed base minimizes risk to specific programs
- Long-standing relationships with top-tier prime contractors and leading military subsystem suppliers

DDC Applications

	Large Installed Base of Existing Applications		Emerging Applications		
Where	 <p>Military Aircraft</p>	 <p>Commercial Aircraft</p>	 <p>Weapons Systems</p>	 <p>Military Vehicles</p>	 <p>Space</p>
What it Does	<p>Prioritizes, delivers and manages data from connected onboard systems</p> <p>Recent Selections: JSF; A400M; 777X A350XWB</p>		<p>Coordinates information flow during flight of the weapon.</p>	<p>Forms data links between the vehicle's electrical subsystems.</p>	<p>Forms a common data link and protocol.</p>

Very large installed base *with new opportunities* for growth

Products are on Hundreds of Different Platforms

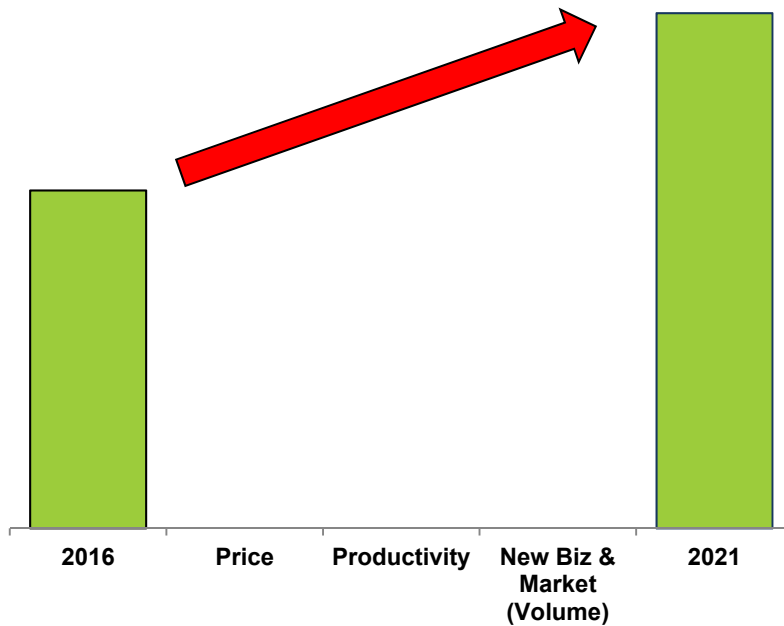
Platform	Company Products			
	Data Bus	SSPC/Power Supply	Motion Feedback	Other
A320		✓	✓	✓
A330		✓		
A330	✓			
A340		✓	✓	✓
A350XWB	✓	✓		
A380			✓	✓
A400M	✓	✓	✓	✓
A400M		✓		
AEHF	✓			
AH-64	✓			✓
AIM-9X	✓		✓	✓
AMPV		✓		
AMRAAM	✓			✓
APACHE/LONGBOW	✓		✓	✓
B-2	✓		✓	✓
B737	✓	✓		✓
B747		✓		
B767 Tanker	✓		✓	✓
B777	✓			✓
B787	✓		✓	✓
BLACK HAWK	✓		✓	✓
BRADLEY	✓	✓	✓	✓
Brimstone		✓		
C-130	✓		✓	✓
C130J		✓		
C-17	✓		✓	✓
CH-47	✓		✓	✓
EFA Typhoon		✓		
EHF	✓			
EUROFIGHTER	✓	✓	✓	✓



Platform	Company Products			
	Data Bus	Power Supplies & Controllers	Motion Feedback	Other
F-15	✓		✓	✓
F-16	✓		✓	✓
F-18	✓		✓	✓
F-22	✓			✓
F-35	✓		✓	✓
GALILEO	✓			
GLOBAL HAWK	✓		✓	✓
GULFSTREAM			✓	
Harrier		✓		
Hawk		✓		
JAGM	✓			
JLTV		✓		
KC-135	✓			
LPPV		✓		
Lynx		✓		
M1A2	✓	✓	✓	✓
MATV		✓		
Meteor		✓		
MRAP		✓		
NH-90	✓			✓
PAC-3	✓		✓	
Paladin		✓		
PREDATOR	✓		✓	✓
SBIRS		✓	✓	
SCOUT		✓		
Spear		✓		
STORM SHADOW	✓			✓
STRYKER		✓	✓	✓
SU-27	✓		✓	
V-22	✓		✓	✓

DDC Value Creation Plan

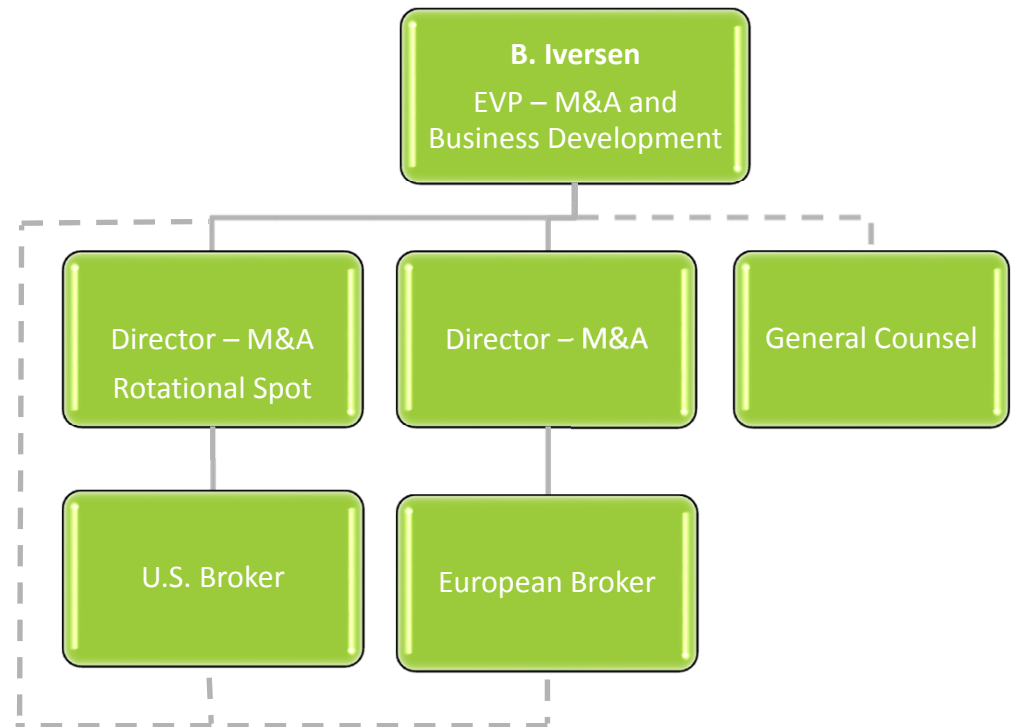
Target EBITDA Bridge



- High aftermarket content
- Revise Spares and R&O Pricing
- Productivity – Plant consolidations & Restructuring
- Good New Business Growth
- Push the TDG Value Transition

M&A Organizational Structure

- Exceptionally strong and stable team
- Rotational Director role
- Utilize Brokers for US & Europe



European Expansion

2011



2016



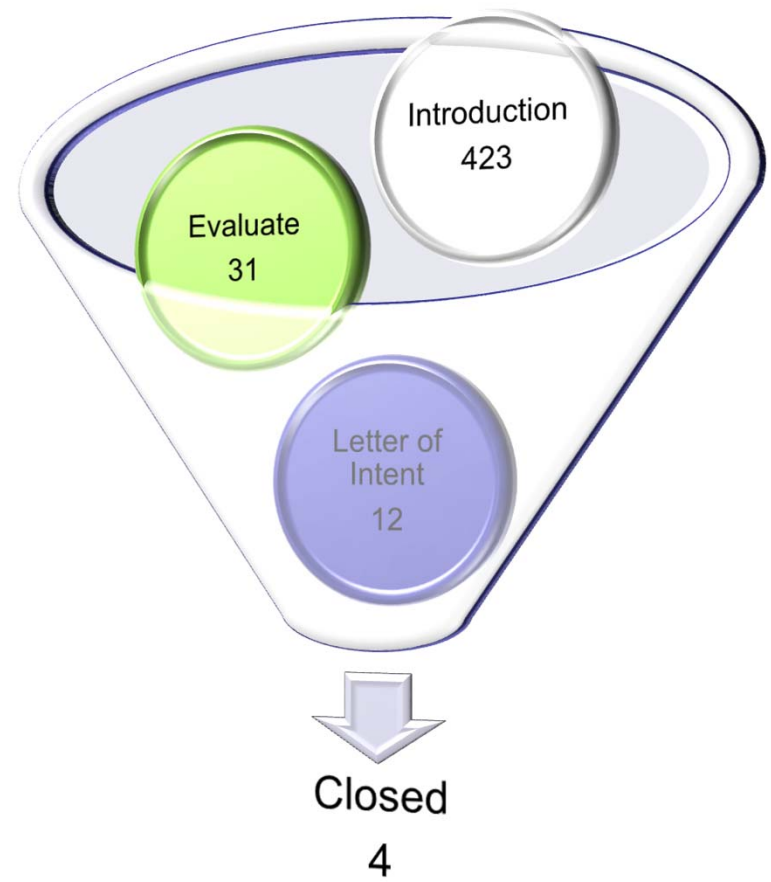
- European Broker
- Focus on United Kingdom and Germany
- Building relationships within other countries too

Active Acquisition Process

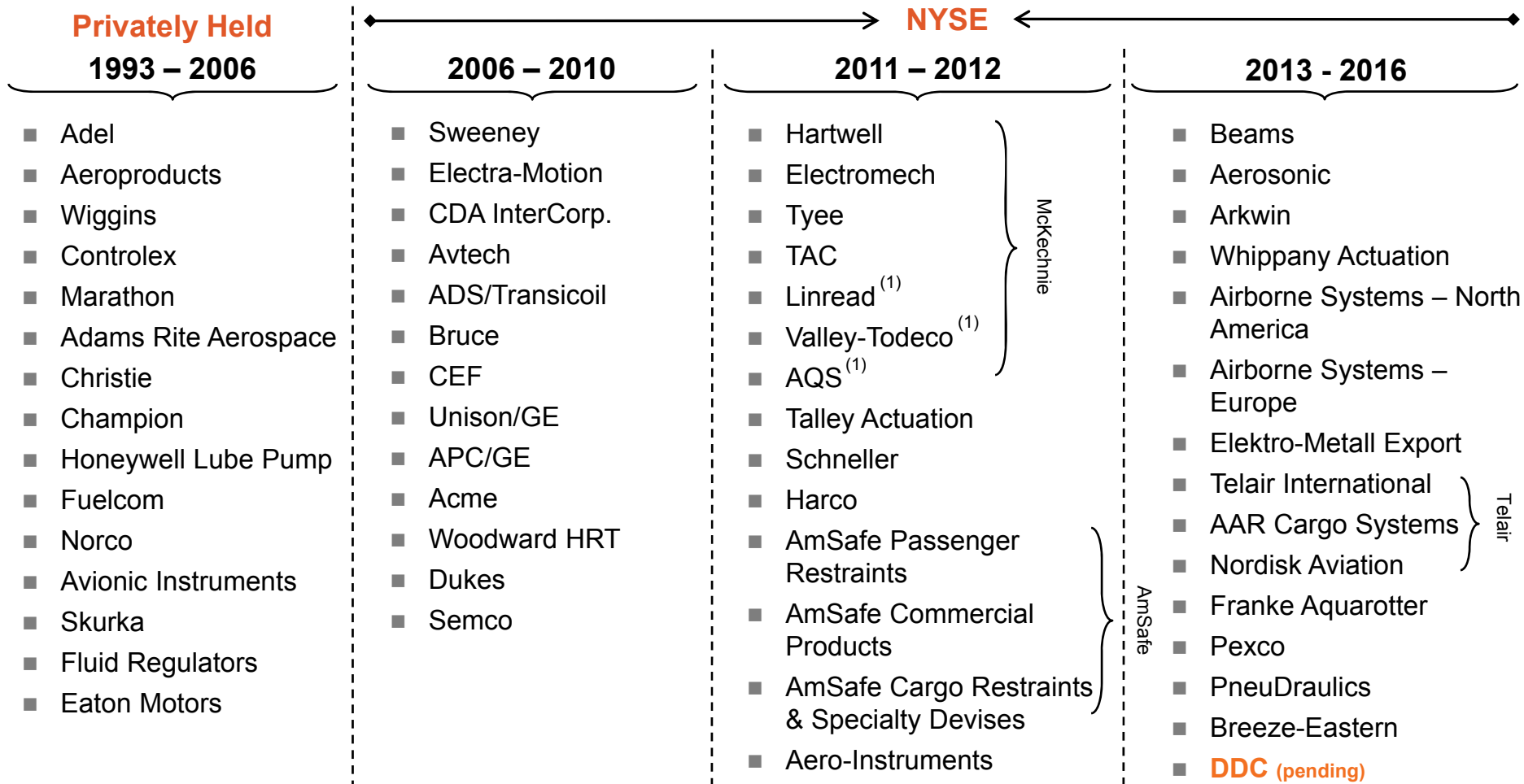
Typical Multiple:
9 – 12x EBITDA

Post Acquisition:
50%+ multiple reduction

Typical Results



Proven Record of Acquisition & Integration

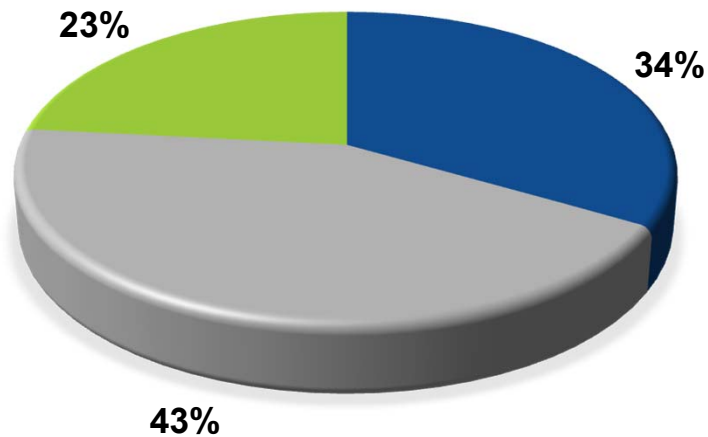


Including DDC, TransDigm has acquired 57 businesses since 1993, including 42 since its IPO.

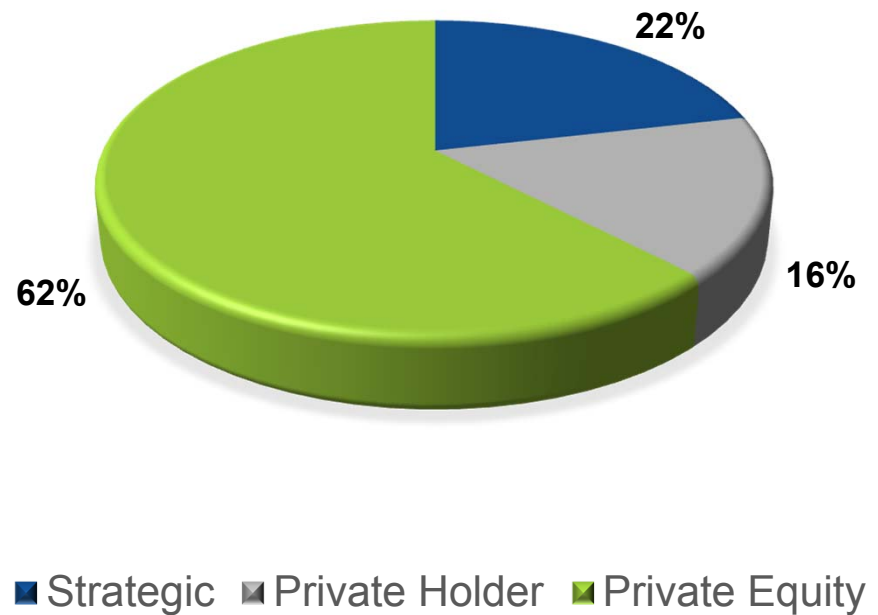
(1) Divested in Q2 and Q3 of FY2011.

Acquisition Sourcing – Since IPO

Number of Businesses



EBITDA at Time of Acquisition

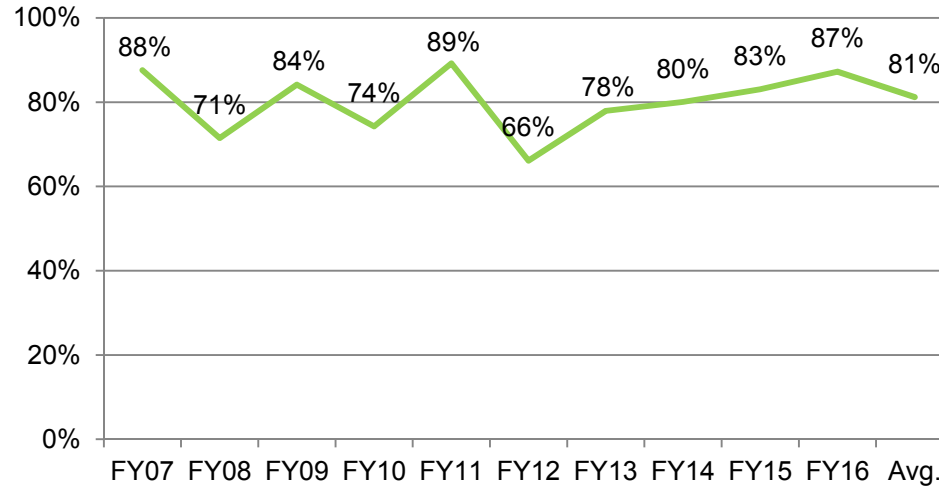


Note: Statistics include businesses acquired but later divested.

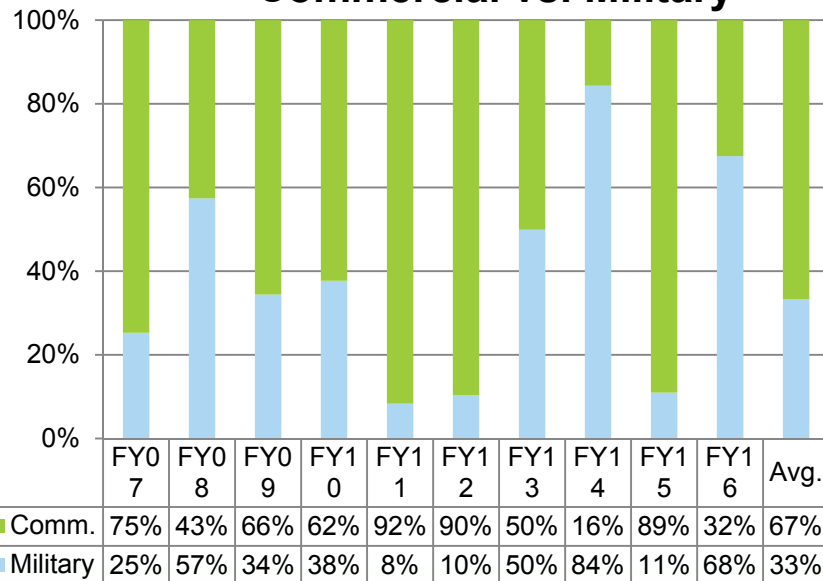
Acquisition Metrics – Weighted Historical Values

(Excluding Divestitures)

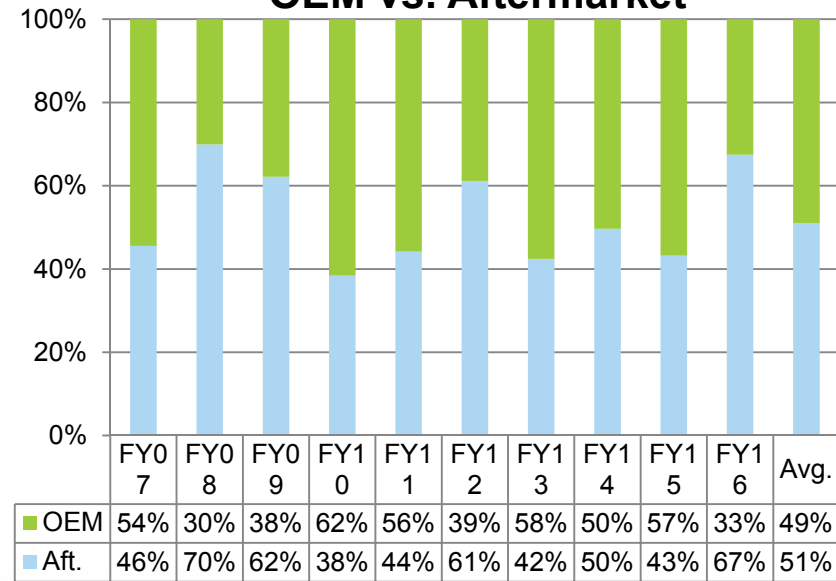
Sole Source



Commercial vs. Military



OEM vs. Aftermarket



What We Don't Look For

- Synergy
- Market share
- Fill out product line
- Excess capacity
- Access to markets
- Blah, Blah, blah

- Bigger is better
- Globalization
- Diversify
- Consolidating Industry
- Spend \$ to make \$
- Blah, Blah, blah

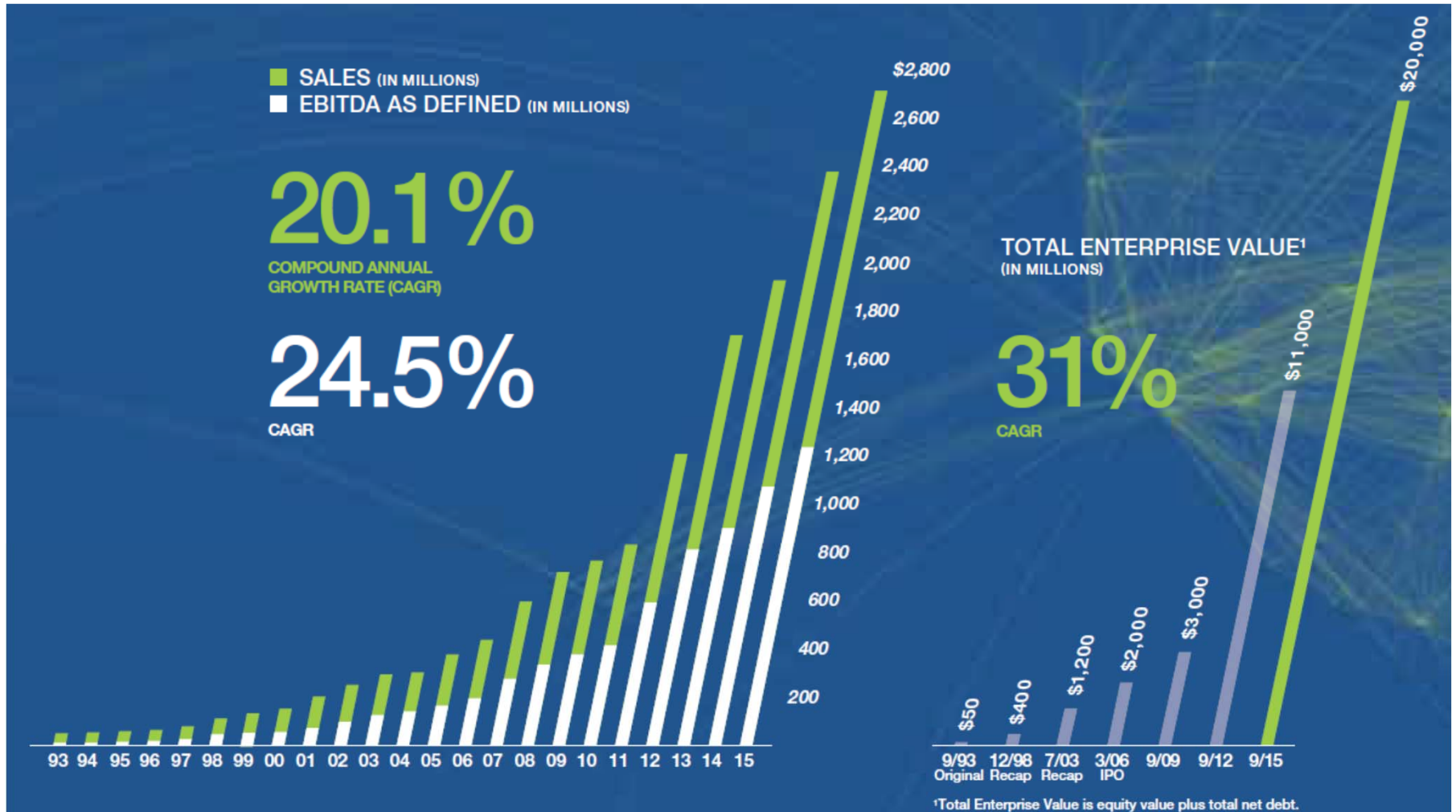
- Name in Paper
- Increase salary
- Get promoted
- Be fun
- Bigger Boss
- Bragging Rights

- Get fee
- Get promoted



What We DO Look For

Increase Shareholder Value

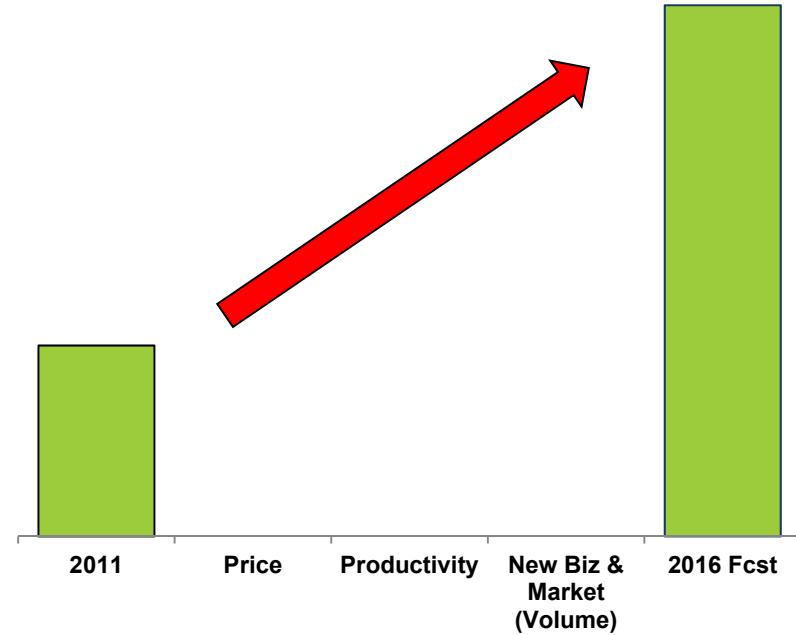


Actual Performance – Example 1

Acq. Target EBITDA Bridge



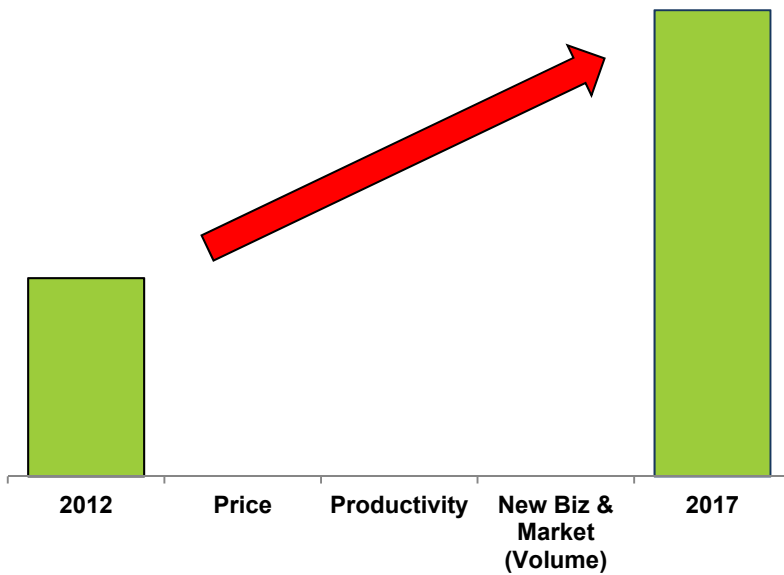
Act/Fcst EBITDA Bridge



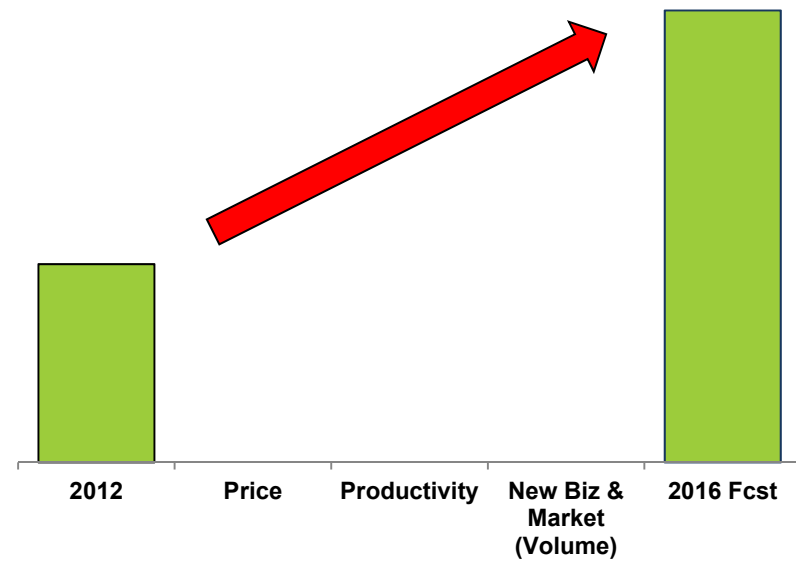
EBITDA considerably ahead of the model creating significant value

Actual Performance – Example 2

Acq. Target EBITDA Bridge



Act/Fcst EBITDA Bridge



EBITDA targeted to be just under the 5-year model in 4 years



ACQUISITION INTEGRATION PROCESS

BOB HENDERSON

Growth, Innovation and Value Creation

NONSTOP

TRANSDIGM
GROUP INC.

Now That We Own It

WHAT DO WE DO?!

Acquisition Integration Process - General

Basics – All Acquisitions are Different

- Past Operating History Impacts Model and Integration Needs/Process
- Different Value Generation Approaches in Acquisition Model
 - Consolidate or Stand Alone – Productivity Opportunities
 - Contractual Opportunities & Constraints
 - New Business Pipeline
- Strength in Senior Management Varies Wildly

However, There is Significant Commonality in Our Actions

Acquisition Integration Process - Timeline

<u>Actions - General</u>	<u>Time After Acquisition (days)</u>
➤ Present TransDigm, Our Culture and Value Generation Strategy	0 - 15
➤ Control Working Capital and Establish Financial Plan	0 - 90
➤ Evaluate Key Staff Personnel Competency	0 - 30
➤ Review OE/AM Contracts and Effect Actions	15 - 45
➤ Implement Productivity Plan (Business Wide) and Ongoing Production Improvement Processes	0 - 90
➤ Organize Company into Business Units	30 - 180
➤ Review New Business Projects – Weed & Focus	30 - 60
➤ Various HR, Legal & Accounting Reviews/Activities	0 - 120



Telair Cargo Group



March 2015
Price: \$725 M
Main Locations: Miesbach, Germany,
Goldsboro, NC and Holmstrand , Norway
Employees: Just over 600
Seller: Strategic



Aerospace Business of Franke Aquarotter



FRANKE

March 2015
Price: \$75 M
Main Location: Ludwigsfelde, Germany
Employees: ~ 50
Seller: Strategic



Aerospace Business of Pexco

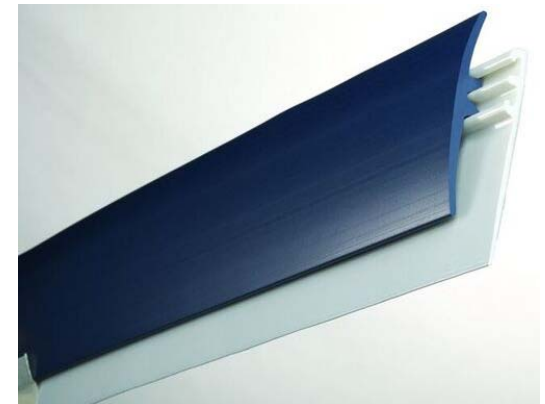
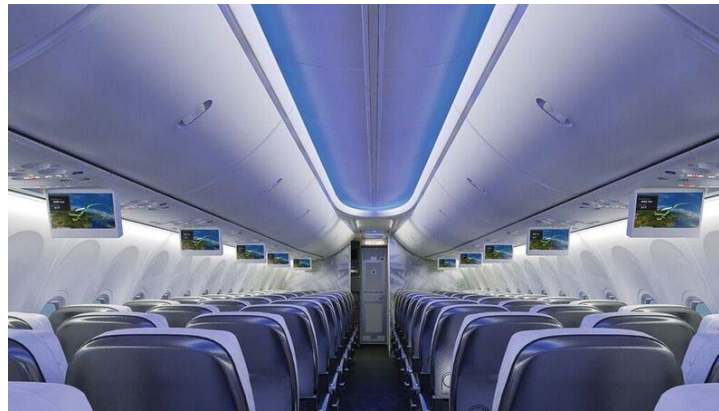


PEXCO

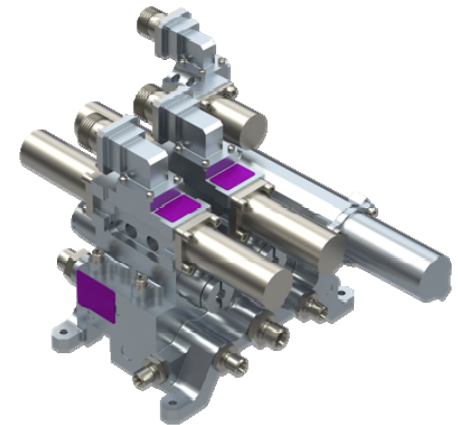
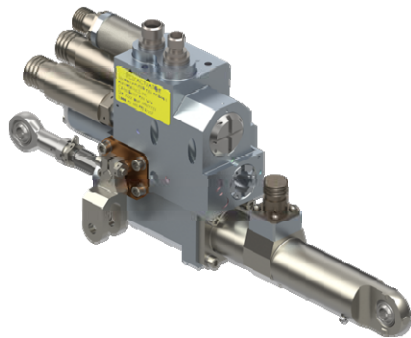
AEROSPACE



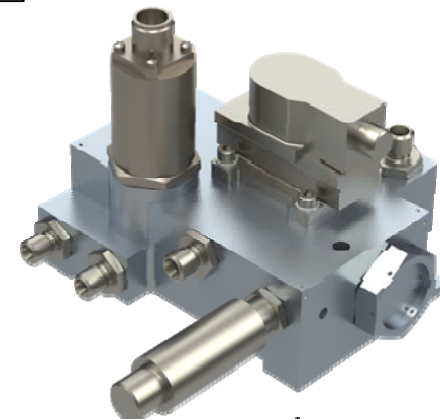
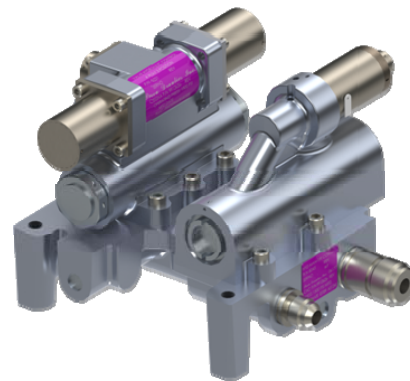
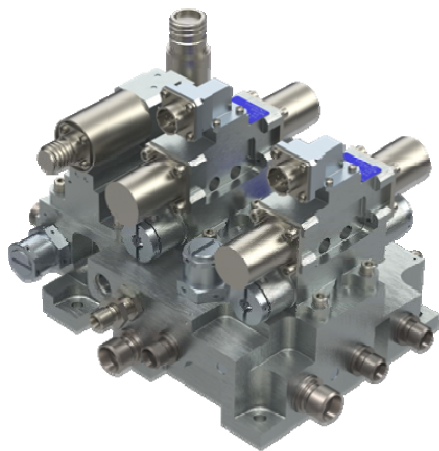
May 2015
Price: \$496 M
Main Location: Yakima, WA
Employees: ~ 300
Seller: Private Equity



PneuDrraulics, Inc.



August 2015
Price: \$325 M
Main Location: Rancho Cucamonga, CA
Employees: ~ 275
Seller: Privately Held



Breeze-Eastern Corporation



(+)
January 2016
Price: \$206 M
Main Location: Whippany, NJ
Employees: ~ 175
Seller: Public Company



Product Presentation Breakout

Presentations

Starting Location

<p>Roger Jones Herb Mardany Pete Palmer</p>	<p>Breeze-Eastern Pexco Aerospace PneuDraulics</p>	<p>EVP President, Pexco Aerospace EVP</p>	<p>Group – A Ballroom</p>
<p>Harry Ray Mike Couitt John Kuss</p>	<p>AvtechTye Hartwell Schneller</p>	<p>President, AvtechTye President, Hartwell Director of Operations, Schneller</p>	<p>Group – B Ballroom</p>
<p>Jim Skulina Tim Dumbauld</p>	<p>Telair International Telair U.S. Cargo Systems</p>	<p>EVP President, Telair U.S. Cargo Systems</p>	<p>Group – C Arcade</p>
<p>Jeff Zielinski Paula Wheeler Jason Marlin</p>	<p>AdelWiggins Group Aero Fluid Products Champion Aerospace</p>	<p>President, AdelWiggins Group President, Aero Fluid Products President, Champion Aerospace</p>	<p>Group – D Arcade</p>

Hold Non-Presentation Related Questions for the Panel Q&A



NEW BUSINESS &
INNOVATION
JOEL REISS

Growth, Innovation and Value Creation

NONSTOP

TRANSDIGM
GROUP INC.

New Business Overview

Drives Organic Growth

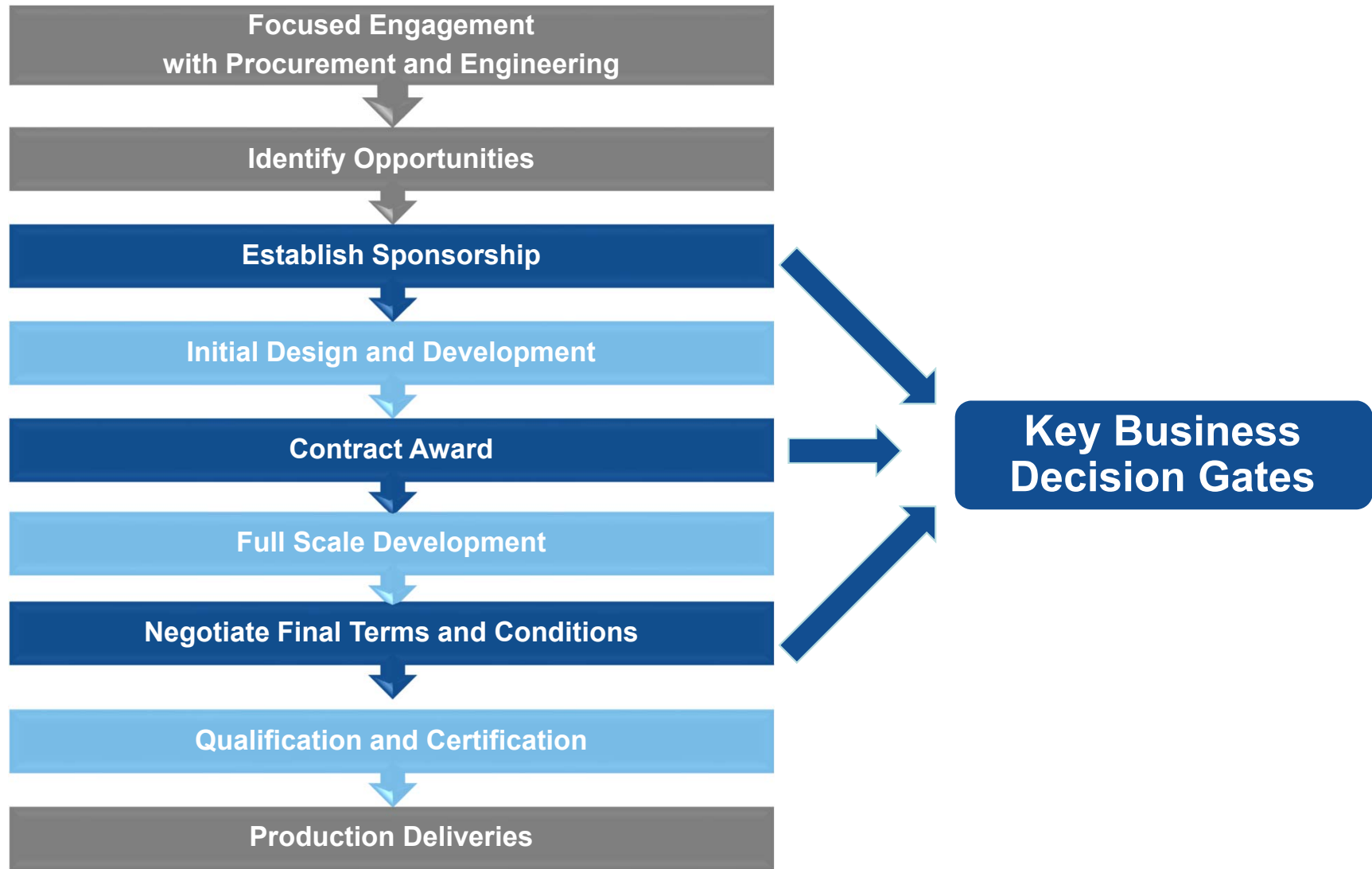
Focus on *Profitable*
New Business

Customer-Driven Business Opportunities

Innovative State of the Art Solutions

Responsive and Agile Development

New Business “How We Do It”



New Business “How We Do It”

Customer Relationships

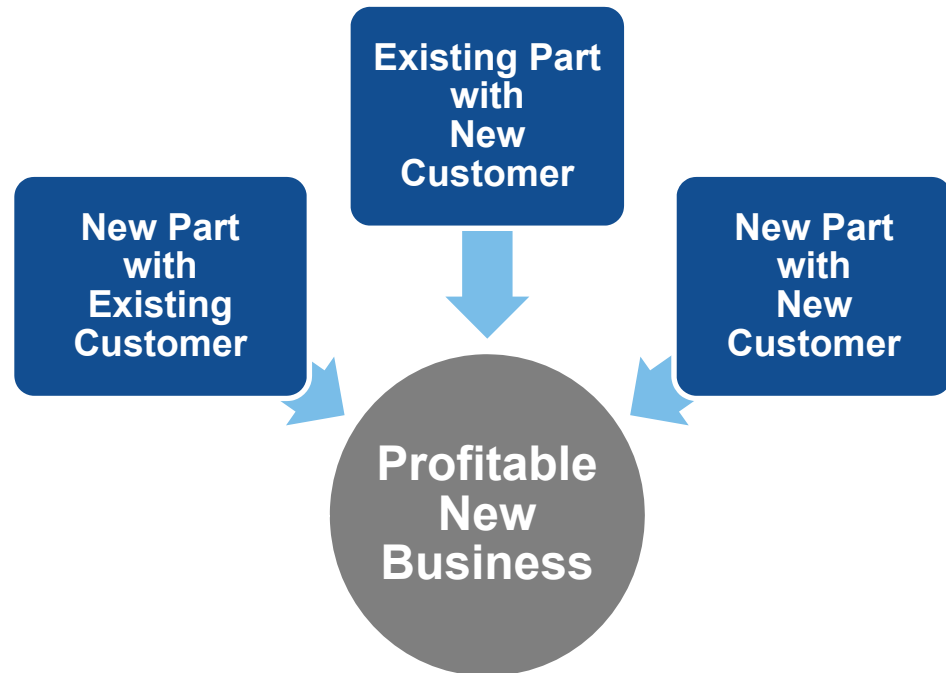
- Strong Operational Performance
- Engineer to Engineer Selling
- Solve Customer Technical Issues

Contracting Focus

- Strong Attention to Detail
- Control IP/Aftermarket

Manage Scope Creep

- Establish Technical Baseline
- Track Engineering Changes
- Proactive Communication



New Business “How We Do It”

Team Based Development

- Business Unit Teams
- Cross-functional
- Partner with Suppliers

Design Reviews

- Informal Meetings
- Formal Gate Process

New Business Focus

- Rapid Prototype Development
- New Technologies
- New Processes



New Business Modeling

Analytical Approach

- Data Driven
- Realistic OEM Production Rates
- Historical NRE Investment Estimates
- Actual-cost Production Cost Estimates
- Cumulative Cash Flow Analysis
- Takes Emotion out of Decisions



EXAMPLE ONLY

New Business Model Excerpt

	2016	2017	2018	2019	2020	2021
<i>Annual Data</i>						
Production Sales	NRE	\$494	\$740	\$987	\$1,234	\$1,481
Production COS	(\$422)	(\$435)	(\$640)	(\$830)	(\$1,010)	(\$1,150)
Product Margin		\$58	\$100	\$157	\$224	\$331
Margin %		12%	14%	16%	18%	22%
SG&A %		-12%	-12%	-12%	-12%	-12%
EBITDA Margin		0%	2%	4%	6%	10%
Spares Sales		\$109	\$271	\$813	\$1,243	\$2,660
Spares COS		(\$52)	(\$125)	(\$350)	(\$497)	(\$1,011)
Spares Margin		\$56	\$147	\$464	\$746	\$1,649
Spare Margin %		52%	54%	57%	60%	62%
SG&A %		-12%	-12%	-12%	-12%	-12%
EBITDA Margin		40%	42%	45%	48%	50%
Total Sales		\$602	\$1,012	\$1,800	\$2,477	\$4,141
Total COS		(\$487)	(\$765)	(\$1,180)	(\$1,507)	(\$2,161)
Product Margin		\$115	\$247	\$621	\$970	\$1,980
Margin %		19%	24%	34%	39%	48%
SG&A %		-12%	-12%	-12%	-12%	-12%
EBITDA Margin		7%	12%	22%	27%	36%
Net Cash flow	(\$422)	\$43	\$125	\$404	\$672	\$1,483
Cum Cash flow	(\$422)	(\$379)	(\$254)	\$151	\$823	\$2,306

Focus: Profitable New Business

Return on Investment 6 yrs 60%

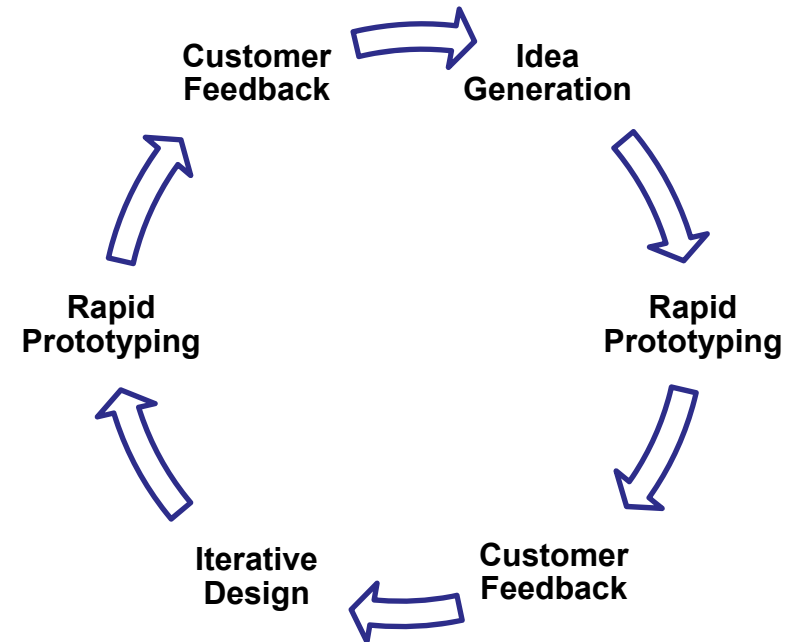
New Business Innovation

People

- Strong Engineering Talent
- Cross-functional Teams
- Management Focus

Design Approach

- Solution Focused
- Iterative Design Approach
- Multiple Alternative Designs
- Incorporate Customer Feedback



Major New Business Content: Commercial New Aircraft

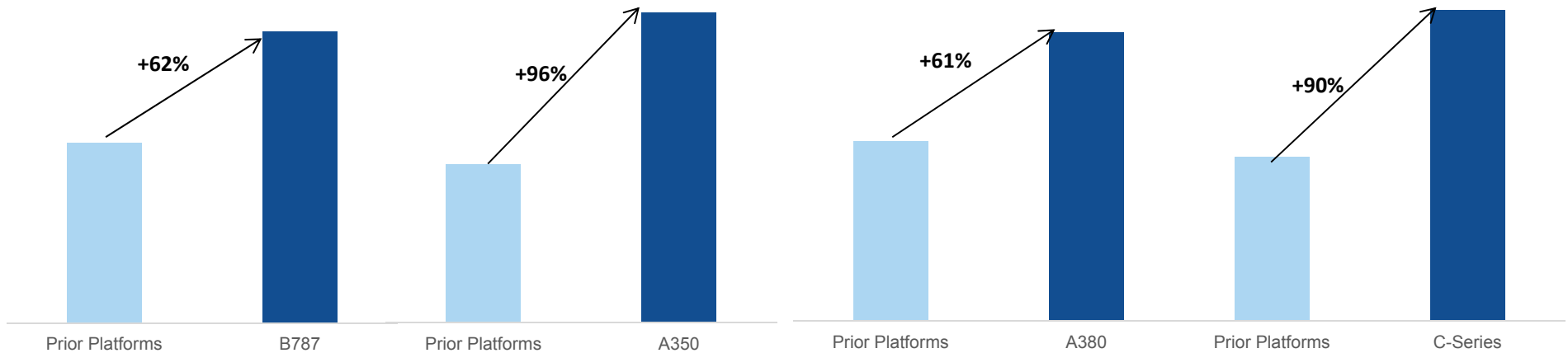
\$ / Shipset Growth Over Prior Platforms

B787

A350

A380

C-Series



Major New Business Content: Commercial Re-Engining

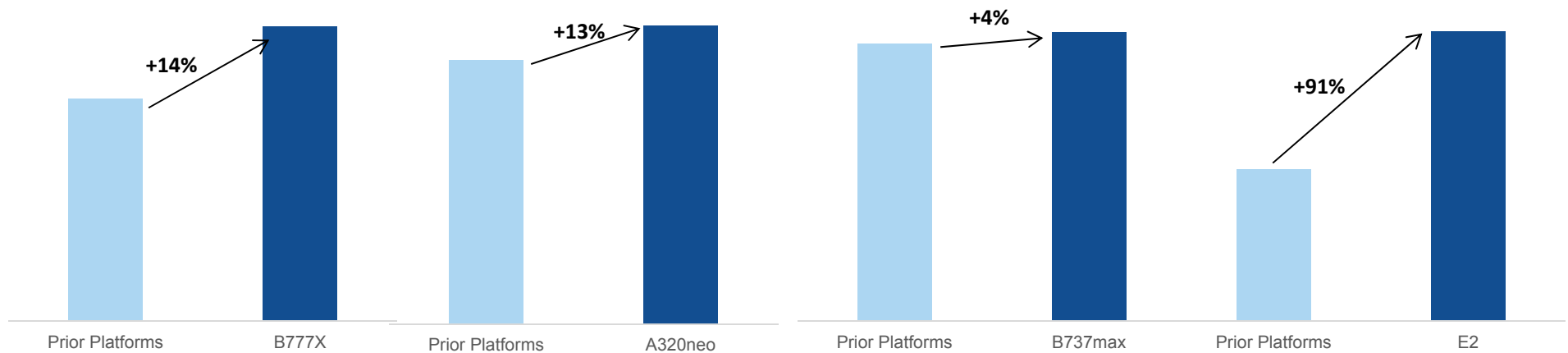
\$ / Shipset Growth Over Prior Platforms

B777X

A320neo

B737Max

E2



Airbus 350 Content



- Composite dielectric isolators
- Composite dielectric isolator tubes
- Fuel system flexible tube connectors
- Water waste system flexible tube connectors
- Engine and electrical system elastomeric high temp/high vibration clamps
- Water/waste system anti freeze heaters
- Cockpit door lock controller
- Wing structure exterior latches and hinges
- Belly structure exterior latches and hinges
- Passenger seat belts
- Airbag seat belts
- Flight attendant restraint systems
- Door barrier straps
- Life line straps
- Cabin harnesses
- Bulkhead finish surfaces
- Sidewall finish surfaces
- Lav finish surfaces
- Galley finish surfaces
- Premium seats
- Thermoplastics flooring for galley
- Lavatory flooring
- Belly hold net assemblies
- Trent XWB engine ignition system
- APU Hamilton Sundstrand igniter
- Trent 1000 engine valve
- Hydraulic system , landing gear valves
- Water/Waste system valves
- Fuel system pump valves
- Passenger door mechanism structural and spring rods
- Main landing gear door rods
- Cabinet support rods
- Spoiler EBHA rotor/stator assemblies
- Cabin thermoplastics
- Interior thermoplastics
- Aileron EHA rotor/stator assemblies
- Cockpit door module
- Interior bin latches
- Lavatory mechanical decompression latch
- Lavatory latch override mechanism
- Emergency ram air actuator
- APU door actuator
- APU data memory module
- eGDOS-electric ground door Opening valve actuators
- Hydraulic priority valves
- Brake control valves
- On board cargo loading system

Boeing 787 Content



- Composite dielectric isolators
- Engine and electrical system elastomeric high temp/high vibration clamps
- Water/waste system anti freeze heaters
- Interior composite structural rods
- Aluminum door rods
- Audio control panel and jack boxes
- Audio gateway units, speakers and headsets
- Nacelle/fan cowl latches
- Thrust reverser latches
- Crew escape and cargo door latches
- Electrical panel door latches
- Passenger seat belts
- Airbag seat belts
- Flight attendant restraint systems
- Pilot/co-pilot restrain systems
- Door darrier straps
- Life line straps
- Bulkhead finish surfaces
- Sidewall finish surfaces
- Lav finish surfaces
- Galley finish surfaces
- Premium seats
- Thermoplastics
- Fan cowl and thrust reverser tel. rods
- Cargo hold bilge barriers
- Cargo hold endwall panels
- Baggage restraint barrier nets
- Thermal barrier nets
- Medical outlet frequency converter
- Trent 1000 ignition system
- Main engine lube system
- Hydraulic filtration manifold
- UV water system power supply
- Hydraulic valves and pump
- EMU backup flat/slat
- APU door actuators
- Cockpit stick actuator

C-Series Content



- Fuel system composite lightning isolators
- Hydraulic system composite lightning isolators
- Fuel system flexible tube connectors
- Block, loop, saddle clamps
- Tail cone exterior latches
- Fuselage exterior latches and hinges
- Passenger seat belts
- Airbag seat belts
- Flight attendant restraint systems
- Life line straps
- Bulkhead finish surfaces
- Sidewall finish surfaces
- Galley finish surfaces
- Ceiling finish surfaces
- Thermoplastics Flooring for galley
- Lavatory flooring
- PW engine ignition system
- APU ignition system
- Fuel system pump valves
- Nacelle latches
- Pre-Cooler exhaust door
- Hold open rods
- Bleed air valves
- Pneumatic check valves
- Cargo nets
- Bifurcation latch actuator
- Main hydraulics priority valves
- PTU select valve
- Heat exchanger bypass valve
- Flight deck controls reversion switching panels
- nacelles temperature sensors
- environmental systems RTDs

Consistent Value Creation

Profitable New Business

- Technical Innovation
- Engineered Solutions
- Grow Faster Than The Markets We Serve
- Disciplined Data Driven Approach
- Business Team Ownership
- High Sense of Urgency and Responsiveness
- Key Operating Value Driver





FINANCIAL OVERVIEW

TERRY PARADIE

Growth, Innovation and Value Creation

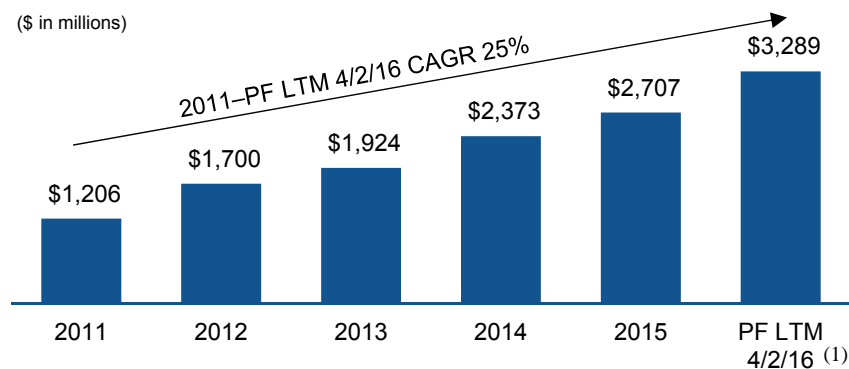
NONSTOP

TRANSDIGM
GROUP INC.

Historical Financial Highlights

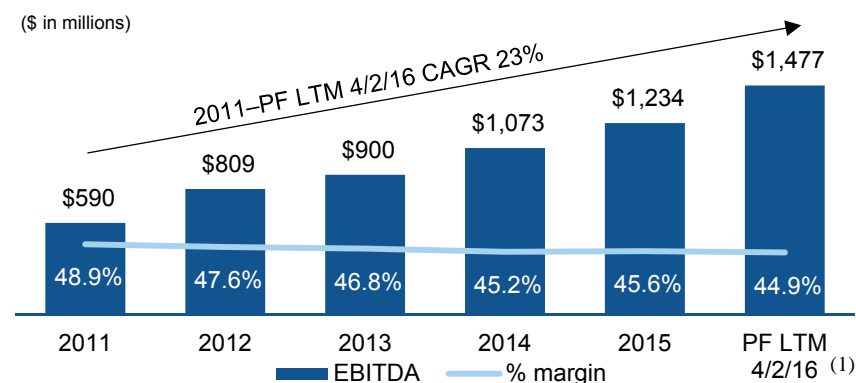
Revenue

(\$ in millions)

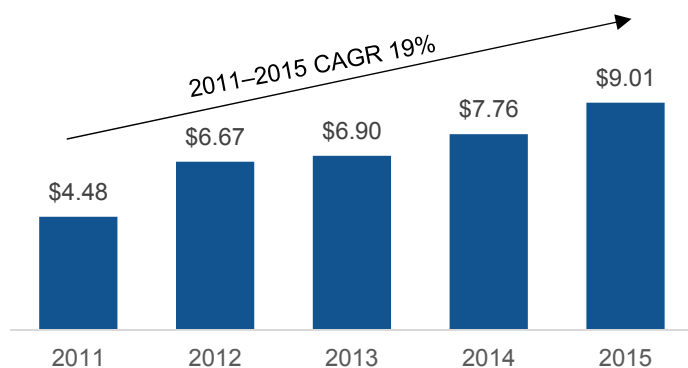


EBITDA as Defined

(\$ in millions)

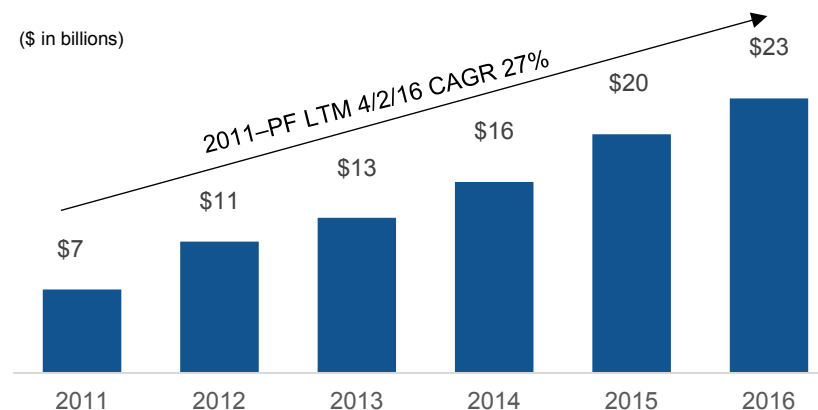


Adjusted Earnings Per Share



Enterprise Value

(\$ in billions)



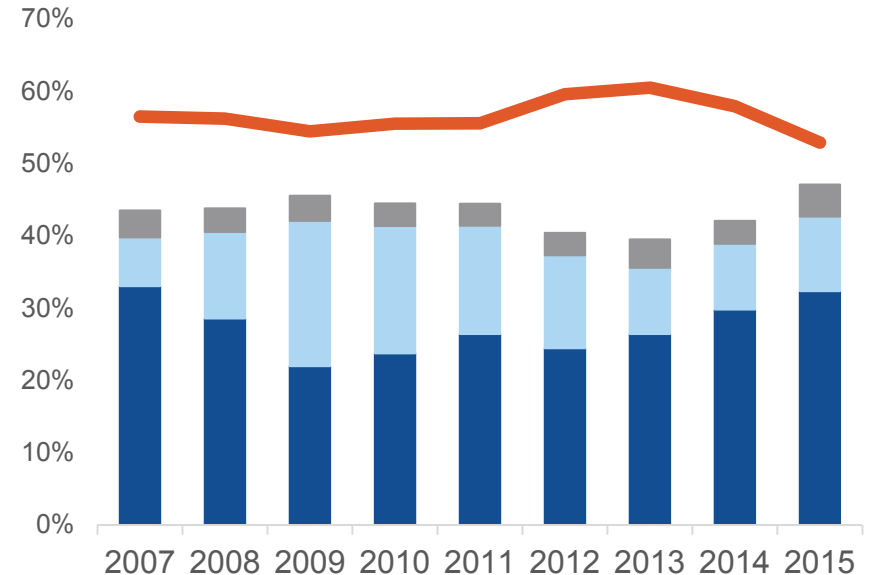
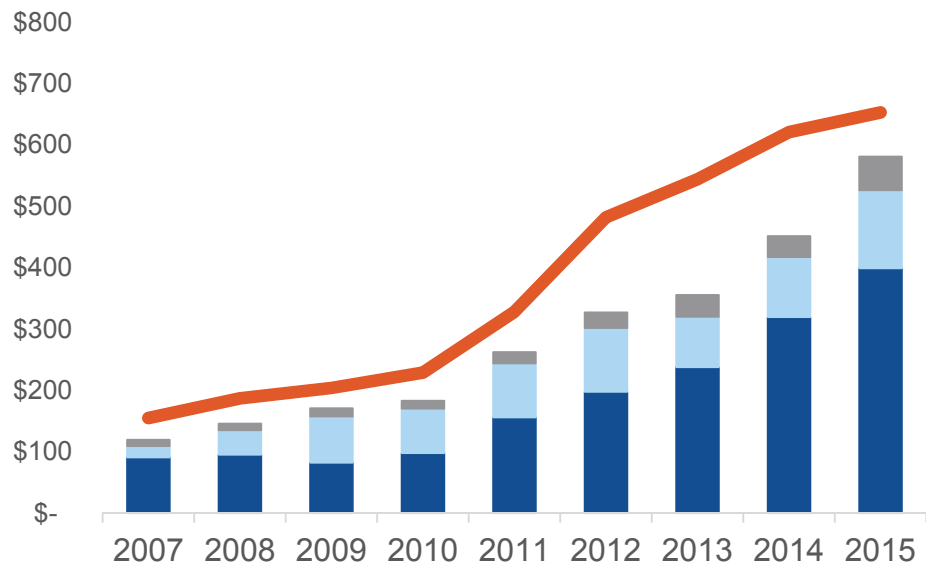
TransDigm Continues to Grow and Generate Significant Value

Note: EBITDA as Defined is a non-GAAP financial measure. For a historical reconciliation of EBITDA as Defined to Net Income, please see the appendix.

- (1) PF LTM 4/2/16 Includes the full year impacts of the recently completed acquisitions of Pexco, PneuDrualics and Breeze, as well as the pending acquisition of DDC totaling \$289 million and \$113 million in revenue and EBITDA as Defined, respectively. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.
- (2) Enterprise value calculated as of 6/17/16 equals equity value (shares outstanding as of 5/01/16 multiplied by the TDG closing stock price on 6/17/16) plus pro forma total net debt (total debt less cash).

Significant Free Cash Flow

Free Cash Flow Before WC Exceeds 50% of EBITDA As Defined



Free Cash Flow

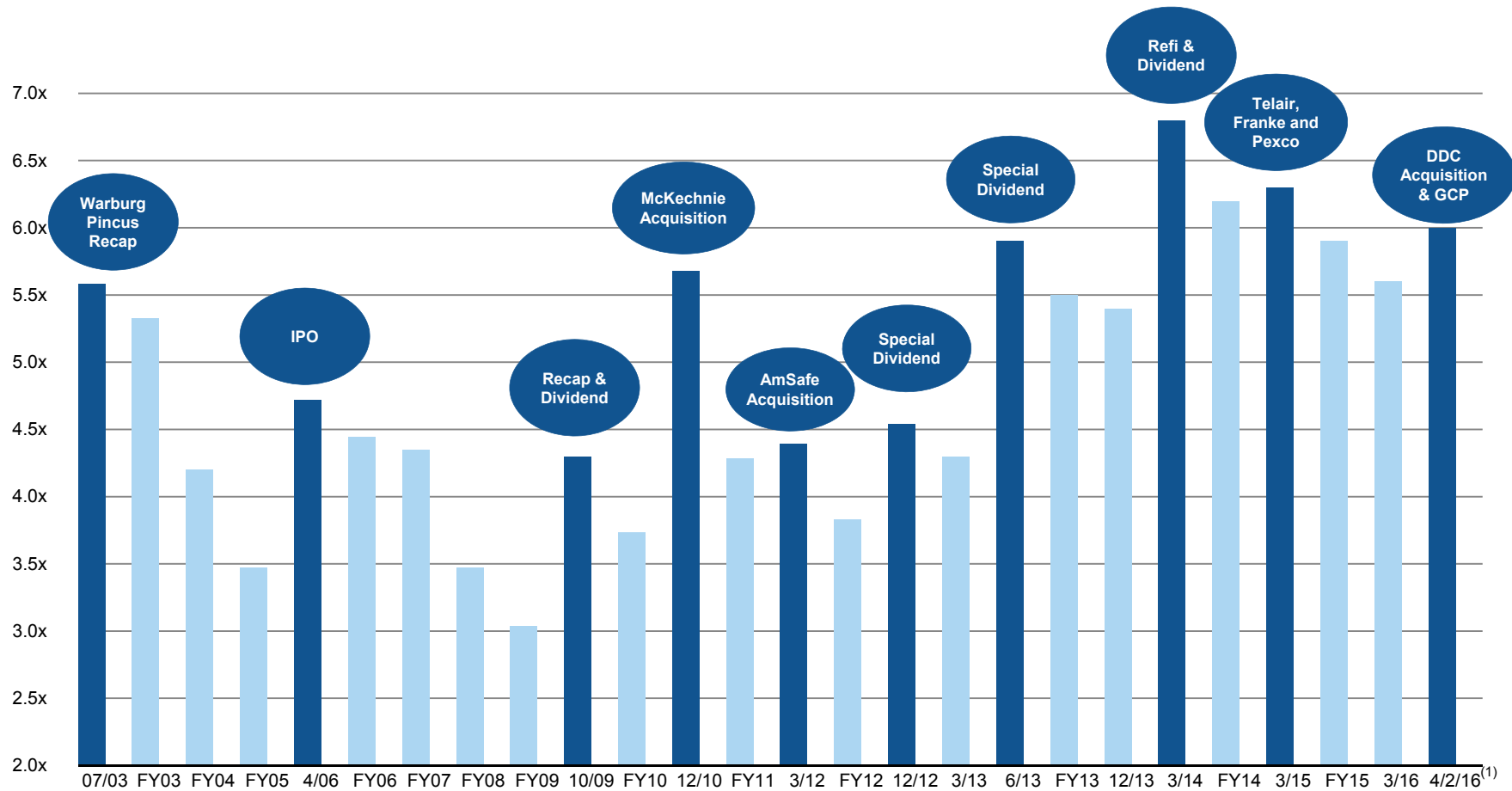
Cash Interest Expense

Cash Taxes

Capex

Note: Free Cash Flow before WC equals EBITDA less Capex, Cash Interest Expense and Cash Taxes. Free Cash Flow before WC IS a non-GAAP financial measure. Please see appendix for a reconciliation of Free Cash Flow before WC.

TransDigm Delevering Profile (Net Debt / PF EBITDA as Defined)



Note: EBITDA as Defined is a non-GAAP financial measure. For a historical reconciliation of EBITDA as Defined to Net Income, please see the appendix.
 (1) Pro forma includes the full year impacts of the recently completed acquisitions of Telair, Franke and Pexco, PneuDrualics and Breeze-Eastern, as well as the pending acquisition of DDC.

Pro Forma Capitalization Structure

Pro forma capitalization (\$ in millions)	Actual 4/2/16	Cum. net EBITDA (x)	Adj.	Pro forma 4/2/16	Cum. net EBITDA (x)	Rate
Cash	<u>\$612</u>		858	<u>\$1,470</u>		
\$600mm revolver	–		–	–		L + 3.00%
\$350mm A/R securitization facility	200		–	200		L + 0.80%
First lien term loan C due 2020	2,025		(790)	1,235		L + 3.00%
First lien term loan D due 2021	811		–	811		L + 3.00%
First lien term loan E due 2022	1,525		–	1,525		L + 3.00%
NEW - First lien term loan F due 2023	–		1,740	(1) 1,740		L + 3.00%
Total net secured debt	\$3,949	2.8x		\$4,041	2.7x	
Senior subordinated notes due 2020	550		–	550		5.50%
Senior subordinated notes due 2021	500		–	500		7.50%
Senior subordinated notes due 2022	1,150		–	1,150		6.00%
Senior subordinated notes due 2024	1,200		–	1,200		6.50%
Senior subordinated notes due 2025	450		–	450		6.50%
NEW - Senior subordinated notes due 2026	–		950	950		6.375%
Total net debt	\$7,799	5.6x		\$8,841	6.0x	
TDG PF LTM EBITDA as Defined				(1) \$1,477		

Note: EBITDA as Defined is a non-GAAP financial measure. For a historical reconciliation of EBITDA as Defined to Net Income, please see the appendix.
 (1) Assumes completion of the pending DDC acquisition. Includes the full year impact of the recently completed acquisitions of Pexco, PneuDrualics and Breeze-Eastern, as well as pending acquisition of DDC totaling \$113 million in EBITDA as Defined. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

Sources and Uses of Recent Financing

Sources & Uses

(\$ in millions)

Sources

Upsize RCF to \$600m and extend maturity	–
New first lien term loan due 2023	1,740
New senior subordinated notes due 2026	950
Total sources	\$2,690

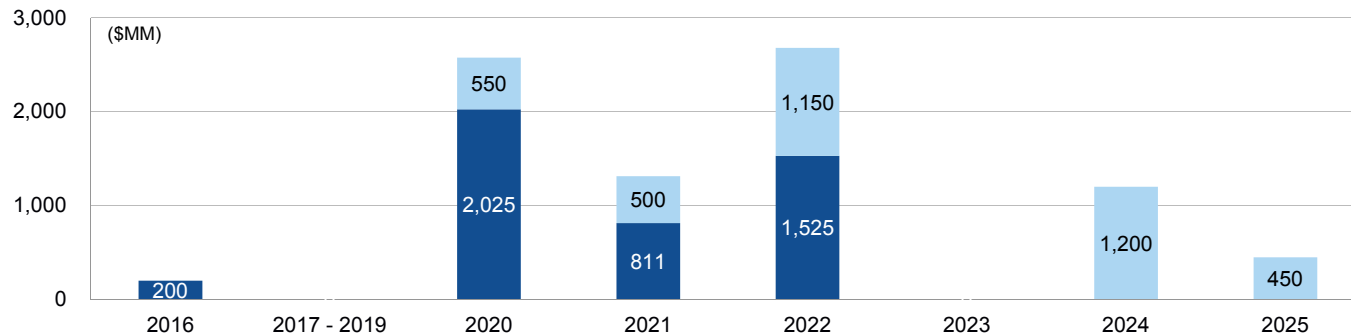
Uses

Pending Acquisition of DDC purchase price	\$1,000
Repay portion of existing term loan C	790
General corporate purposes and financing related fees	900
Total uses	\$2,690

(1) Assumes completion of the pending DDC acquisition.

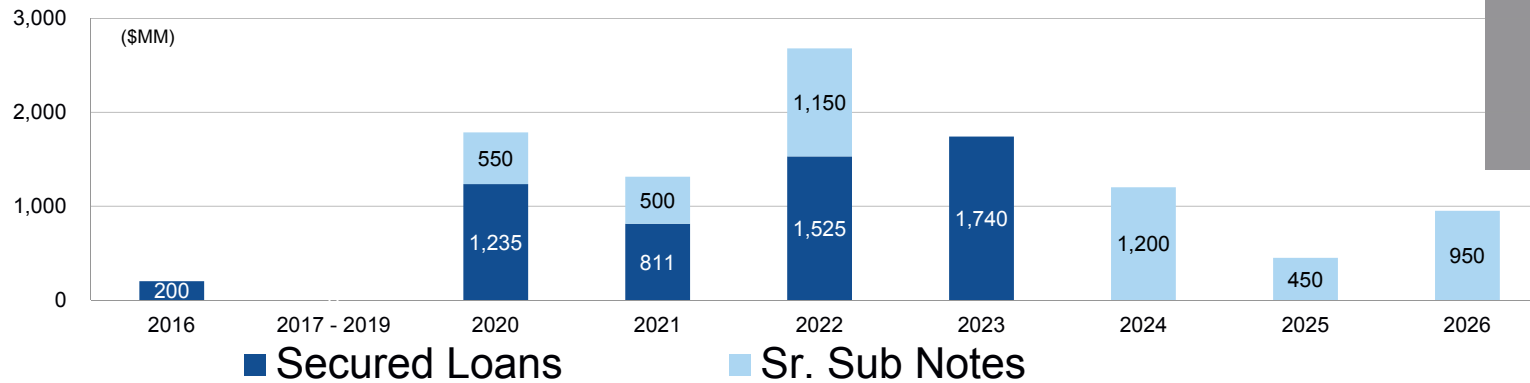
Debt Maturity Profile and Interest Rates

Old Debt Maturity Profile



Weighted Average Interest Rate
Pre-Financing
5.3%

New Pro Forma Debt Maturity Profile



Weighted Average Interest Rate
Post-Financing
5.3%

Fixed Debt 75% Post-Financing

Dry Powder Available for Acquisitions

Dry Powder in Excess of \$1.5 B Available Immediately After Recent Financing and Assuming Completion of DDC Acquisition

Pro Forma Cash 4/2/2016 \approx **\$1,450**

**Additional Borrowing Available
Under Credit Agreement** \approx **400**

Dry Powder Available for Acquisitions \approx **\$1,850**

APPENDIX: Reconciliation of EBITDA and EBITDA As Defined to Net Income and Net Income to Adjusted Net Income

(\$ in millions)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	LTM 4/12/16
Income from continuing ops.	(\$5)	\$0	\$1	\$3	\$14	(\$17)	\$11	\$14	\$31	(\$76)	\$14	\$35	\$25	\$89	\$133	\$163	\$163	\$152	\$325	\$303	\$307	\$447	\$495
Depreciation and amortization	7	7	7	6	7	6	7	9	13	10	18	17	16	24	25	28	30	61	68	73	96	94	109
Interest expense, net	5	5	5	3	3	23	28	32	37	43	75	80	77	92	93	84	112	185	212	271	348	419	443
Income tax provision	(2)	-	2	5	13	(2)	8	9	17	(45)	6	23	16	53	74	88	88	77	163	146	142	189	208
Warrant put value adjustment	1	1	2	5	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extraordinary item	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA, excluding discontinued operations	6	13	17	24	44	10	54	64	98	(68)	113	155	134	258	325	\$363	\$393	\$475	\$768	\$793	\$893	\$1,149	\$1,255
Merger expense	-	-	-	-	-	40	-	-	-	176	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition-related costs	4	-	-	1	-	1	-	8	-	15	20	2	1	9	2	6	12	30	19	26	22	35	55
Non-cash compensation and deferred compensation costs	-	-	-	-	-	-	-	-	-	1	6	7	1	6	6	6	7	13	22	49	26	32	40
One-time special bonus	-	-	-	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-
Public offering costs	-	-	-	-	-	-	-	-	-	-	-	-	3	2	-	-	-	-	-	-	-	-	-
Refinancing costs	-	-	-	-	-	-	-	-	-	-	-	-	49	-	-	-	-	72	-	32	132	18	18
EBITDA As Defined	\$10	\$13	\$17	\$25	\$44	\$51	\$54	\$72	\$98	\$124	\$139	\$164	\$194	\$275	\$333	\$375	\$412	\$590	\$809	\$900	\$1,073	\$1,234	\$1,364
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	113
PF EBITDA As Defined ⁽¹⁾																							\$1,477

(in millions)

	2011	2012	2013	2014	2015
Net income from continuing operations	\$ 152	\$ 325	\$ 303	\$ 307	\$ 447
Gross adjustments from EBITDA to EBITDA as Defined	115	41	107	181	84
Purchase accounting backlog amortization	16	11	7	17	5
Tax adjustment	(44)	(17)	(37)	(63)	(26)
Adjusted net income	\$ 239	\$ 360	\$ 380	\$ 442	\$ 510

(1) Includes the full year impacts of the recently completed acquisitions of Pexco, Pneudraulics and Breeze Eastern, as well as the pending acquisition of DDC. Please see the Special Notice Regarding Pro Forma and Non – GAAP Information.

APPENDIX: Reconciliation of Significant Free Cash Flow

(\$ in millions)

	Fiscal Year Ended September 30,				
	2011	2012	2013	2014	2015
EBITDA As Defined	\$590	\$809	\$900	\$1,073	\$1,234
CapEx	(\$18)	(\$25)	(\$36)	(\$34)	(\$55)
Cash Interest Expense	(\$156)	(\$198)	(\$238)	(\$320)	(\$399)
Cash Taxes	(\$88)	(\$104)	(\$82)	(\$98)	(\$127)
Free Cash Flow before WC	\$328	\$482	\$544	\$621	\$653
<i>% of EBITDA As Defined</i>	56%	60%	60%	58%	53%