



Onward & Upward

Investor Presentation

February 2017

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.

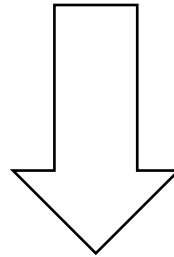
You are cautioned not to place undue reliance on our forward-looking statements. TransDigm Group Incorporated assumes no obligation to, and expressly disclaims any obligation to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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.

**“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

Company Overview

Business Snapshot

(\$ in millions)

	FY 2015	FY 2016	FY 2017 Guidance Mid-point ⁽²⁾
Revenue	\$2,707	\$3,171	\$ 3,545
EBITDA as Defined ⁽¹⁾	\$1,234	\$1,495	\$ 1,698
EBITDA as Defined margin	46%	47%	48%

Formed

1993

Enterprise Value ⁽³⁾ ≈ \$24 Billion

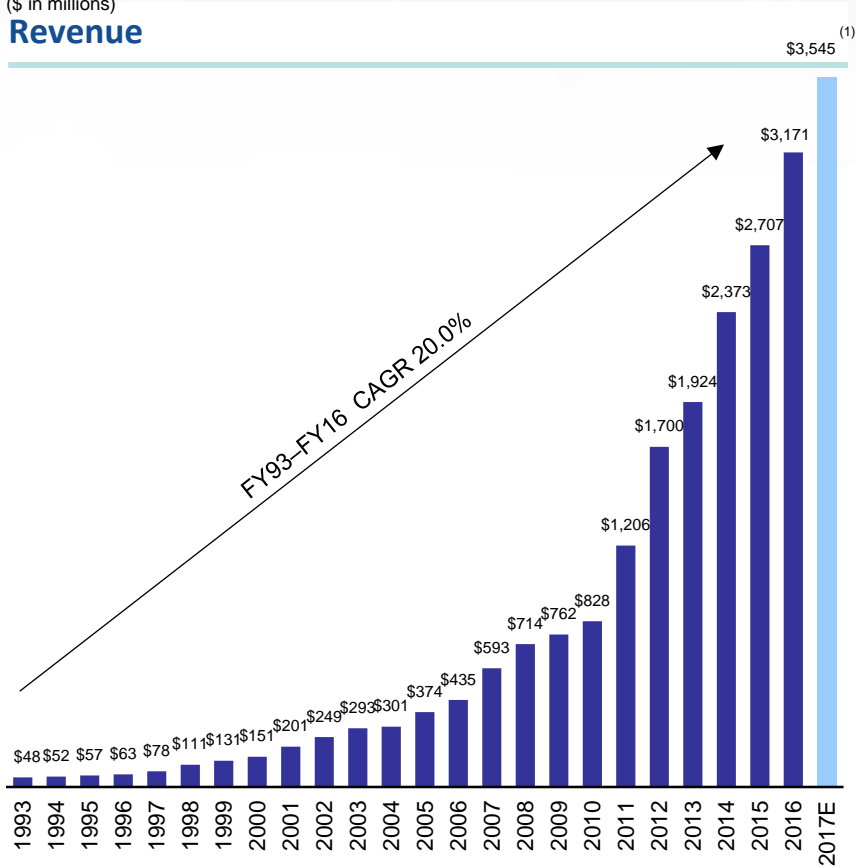
- (1) EBITDA as Defined is a non-GAAP financial measure. For a historical reconciliation of EBITDA as Defined to Net Income, please see the appendix.
- (2) Revenue and EBITDA As Defined information under FY17 Guidance Mid-point reflects the mid-point of the range for the fiscal year ending 9/30/17 that was issued on 2/07/17. The Company only updates guidance quarterly and this presentation does not confirm or update guidance now.
- (3) Enterprise value calculated as of 12/31/16 equals equity value (shares outstanding as of 12/31/16 multiplied by the TDG closing stock price on 2/07/17 plus pro forma total net debt (total debt less cash)).

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
												
												
												
												
												
												
												

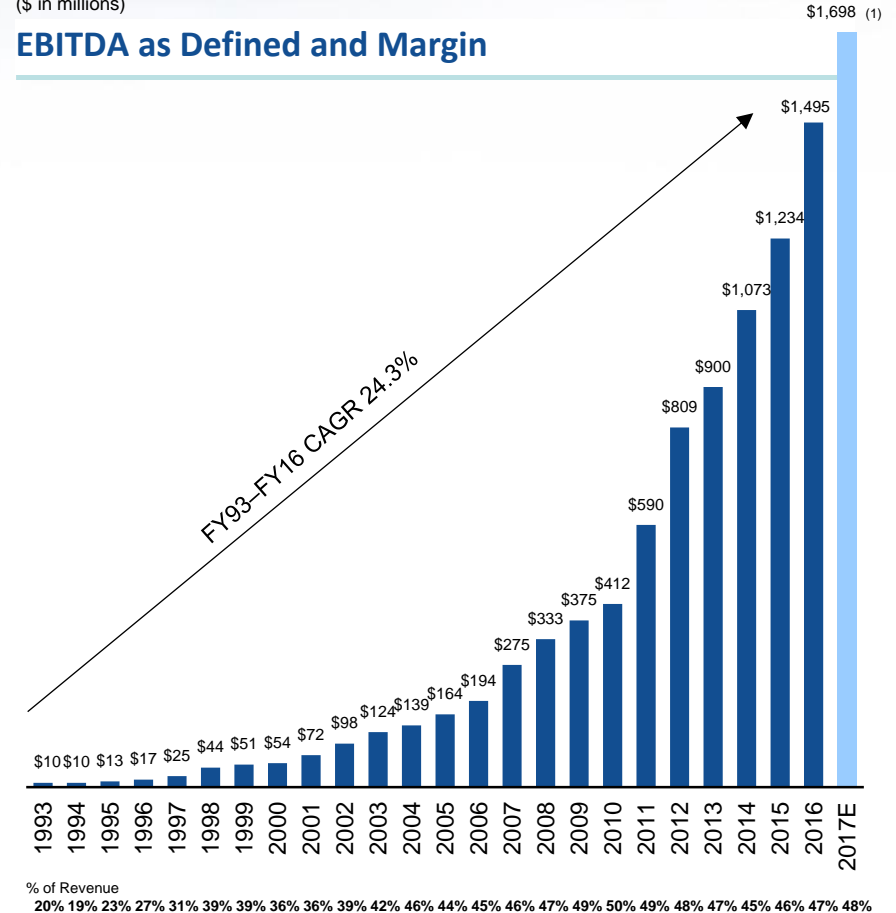
Consistent Record of Growth and Margin Expansion

(\$ in millions)
Revenue



(\$ in millions)

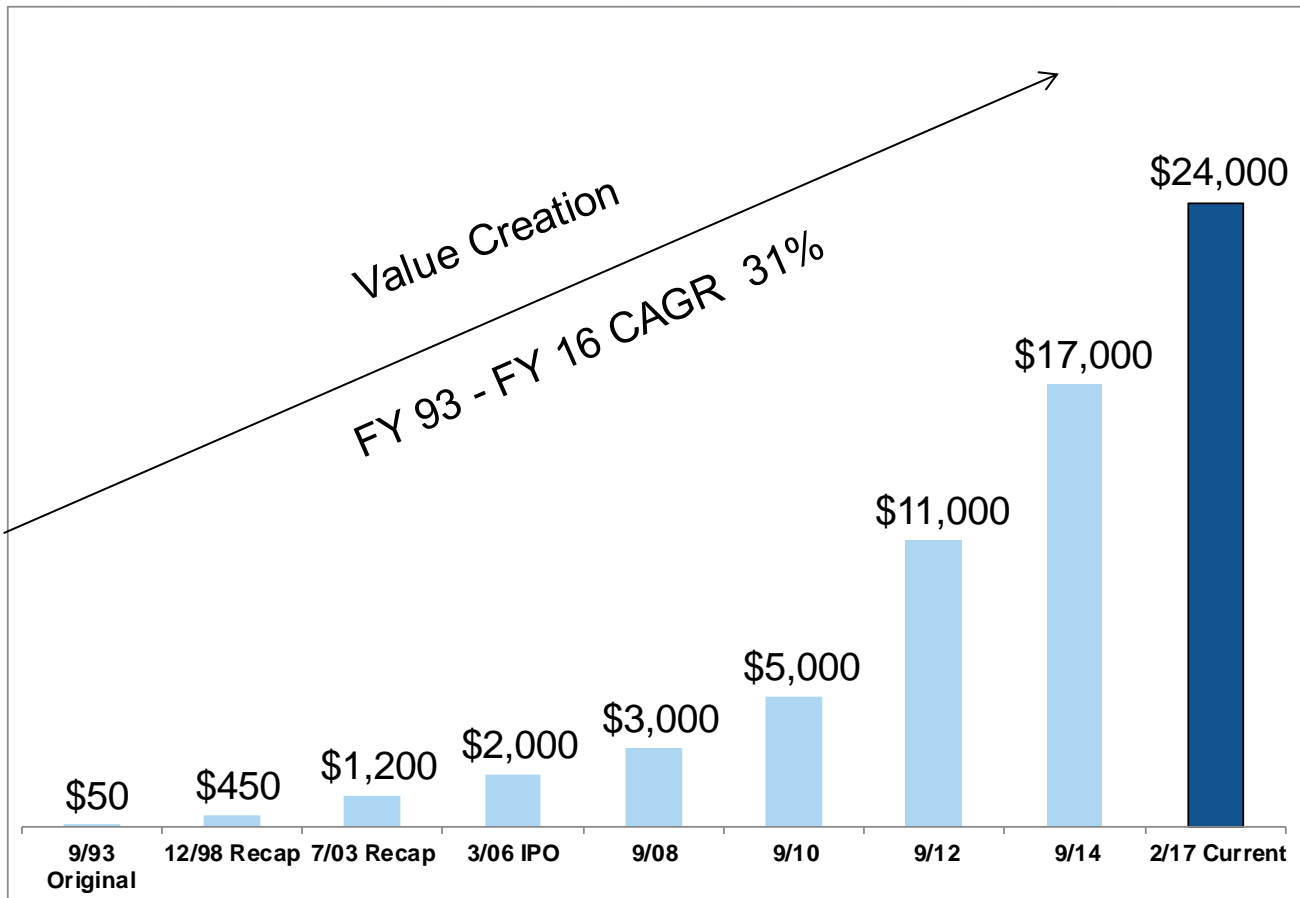
EBITDA as Defined and Margin



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) Revenue and EBITDA As Defined information under FY17 Guidance Mid-point reflects the mid-point of the range for the fiscal year ending 9/30/17 that was issued on 2/07/17. The Company only updates guidance quarterly and this presentation does not confirm or update guidance now

Steady Long Term Growth in Total Enterprise Value

(\$ in millions)



Note: Total Enterprise Value is an approximate value calculated as equity value plus total net debt.

Ownership History

Event	Date	Major Shareholders
Formation	1993	 & Management
Equity Recap	1998	 & Management
Equity Recap	2003	 & Management
IPO	2006	 /  / Management
NYSE	2007/2008	Public & Management
Current	2017	Public & Management

TransDigm – Expanding Global Footprint



- TransDigm Global Headquarters
- TransDigm Locations



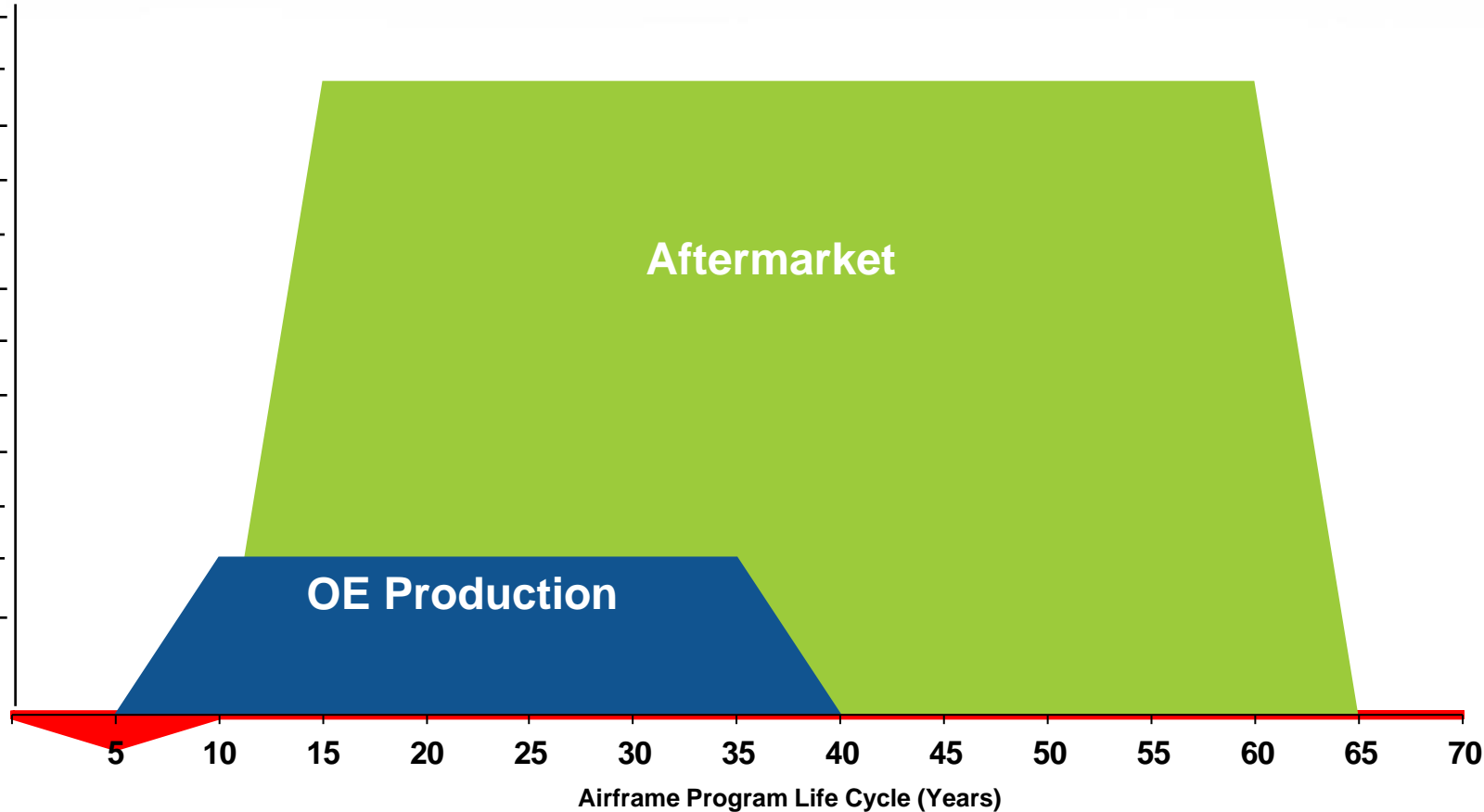
Significant Barriers to Entry



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

Recurring Stream of Profitable Aftermarket Revenue

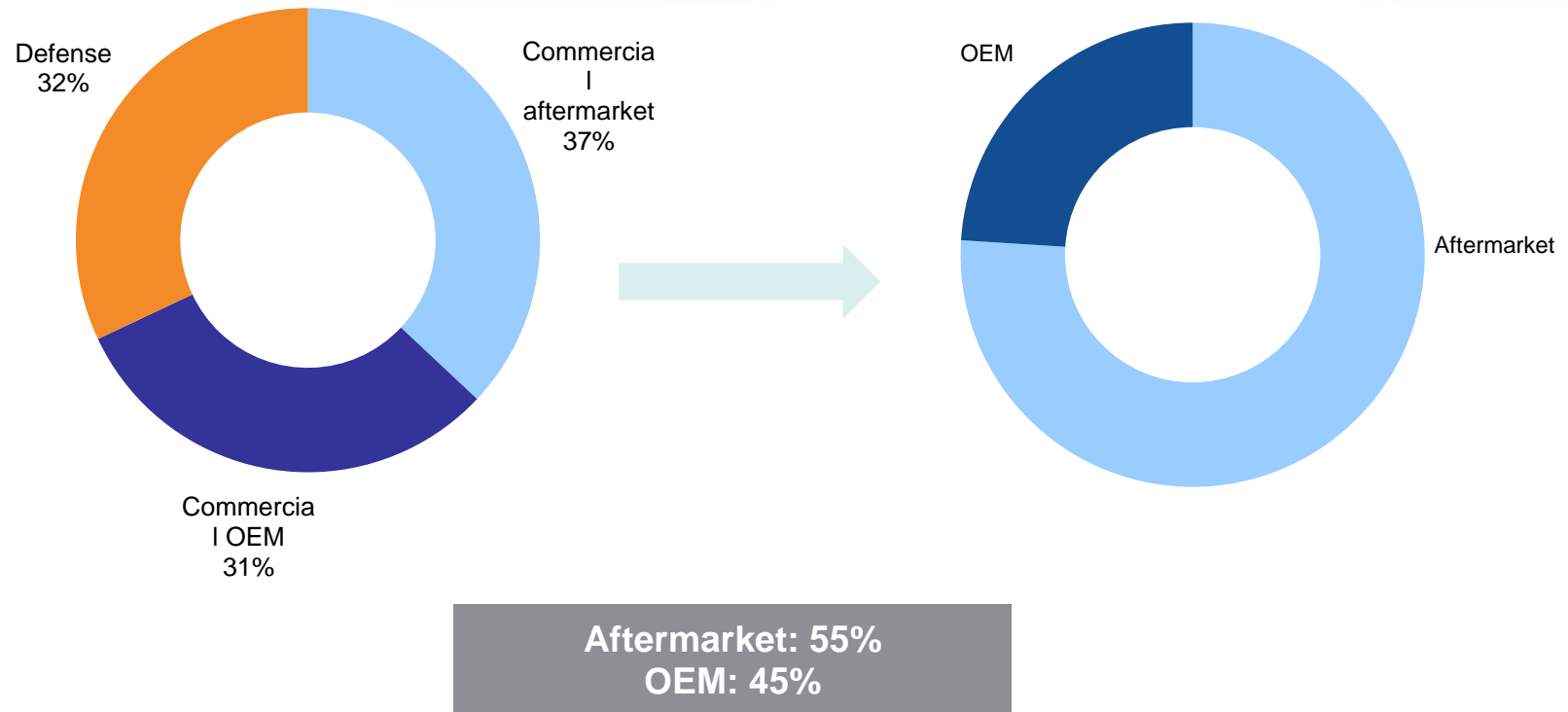
Profitability %



Strong Focus on High-margin Aftermarket Pro Forma with DDC

FY 2016 Pro Forma Revenues⁽¹⁾

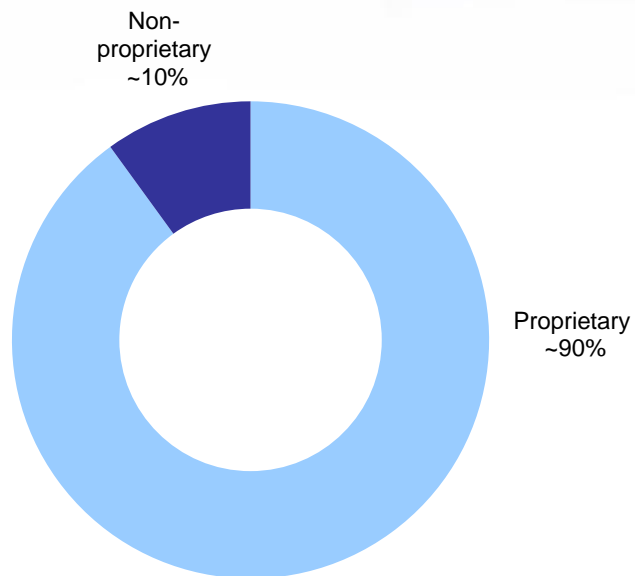
EBITDA As Defined ⁽¹⁾



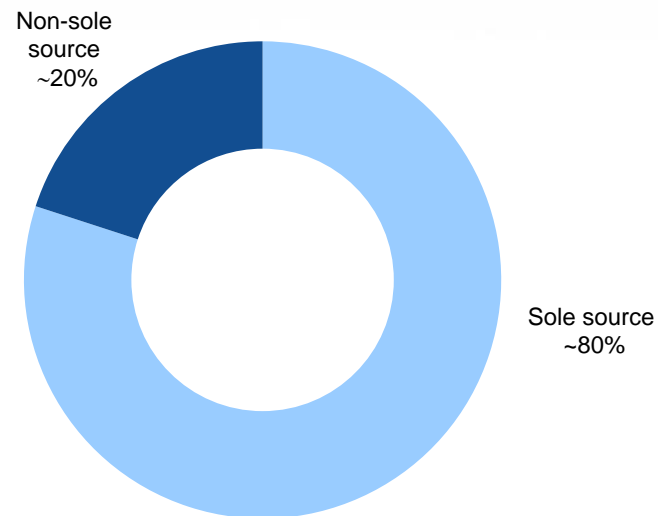
(1) Pro forma revenue is for the fiscal year ended 9/30/16. Includes the full year impact of Breeze-Eastern, DDC and Young & Franklin/Tactair. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

Significant Proprietary and Sole Source Revenue Base Pro Forma with DDC

Proprietary Revenue



Sole Source Revenue

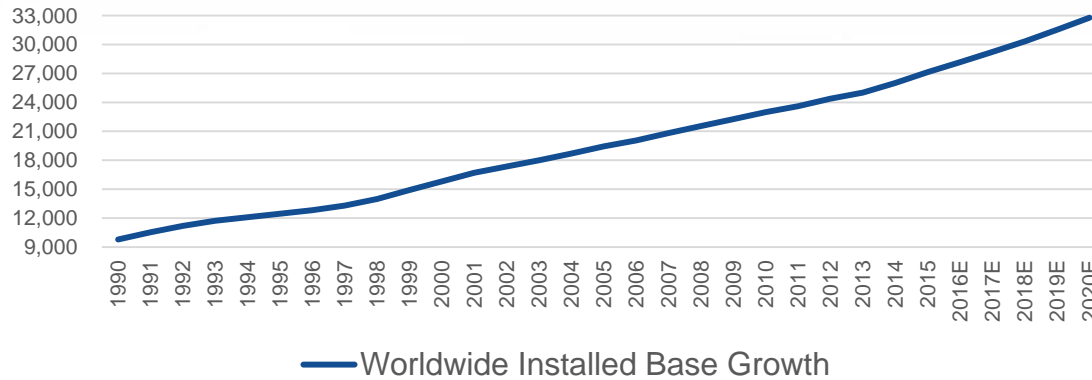


Results in strong market positions and a stable, recurring revenue stream

Note: Based on management estimates of pro forma TransDigm sales for the fiscal year ended 9/30/16. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

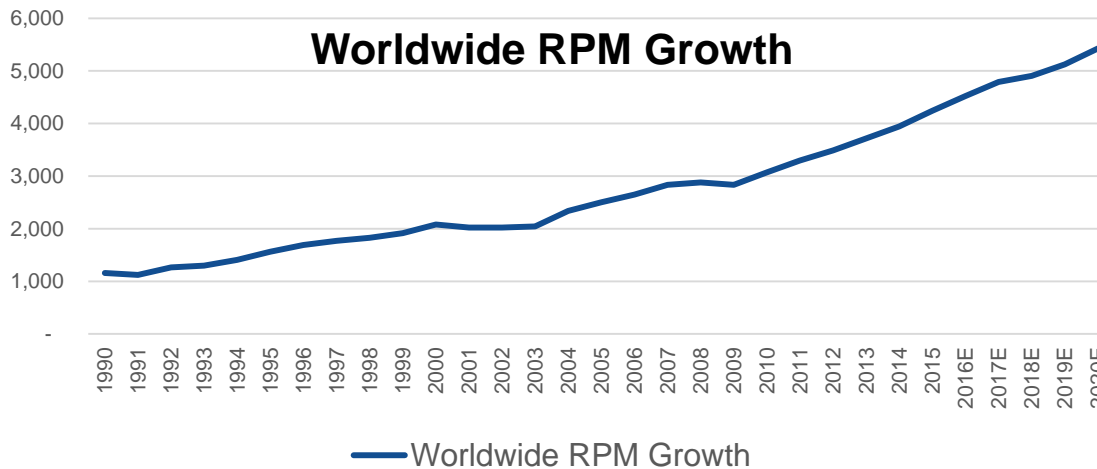
Steady Growth in Passenger Traffic and Installed Base Drives Stable Aftermarket Sales

Worldwide Installed Base Growth



4.1% CAGR

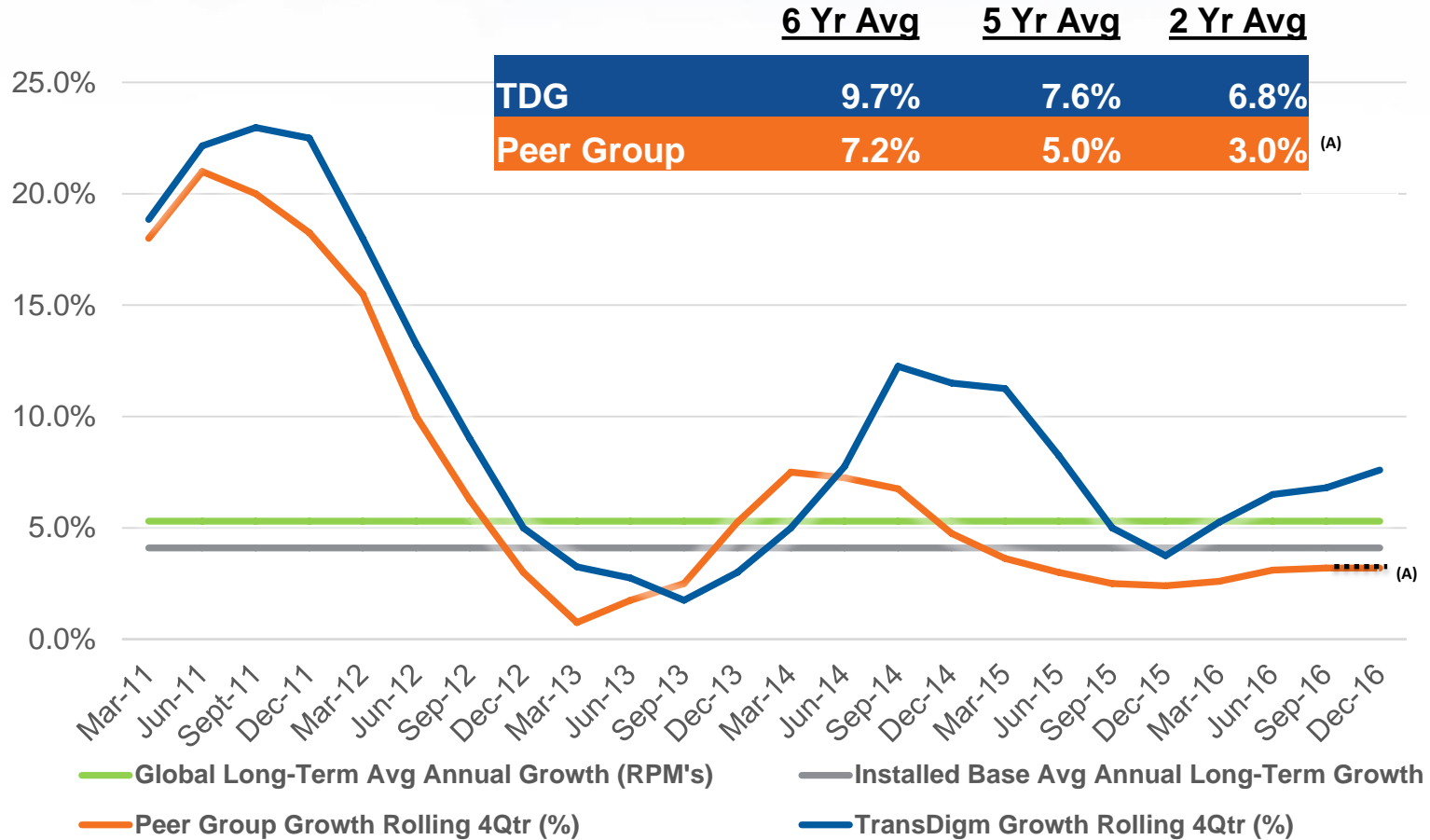
Worldwide RPM Growth



5.3% CAGR

Commercial Aftermarket Trends

Commercial Aftermarket Growth Last Six Years



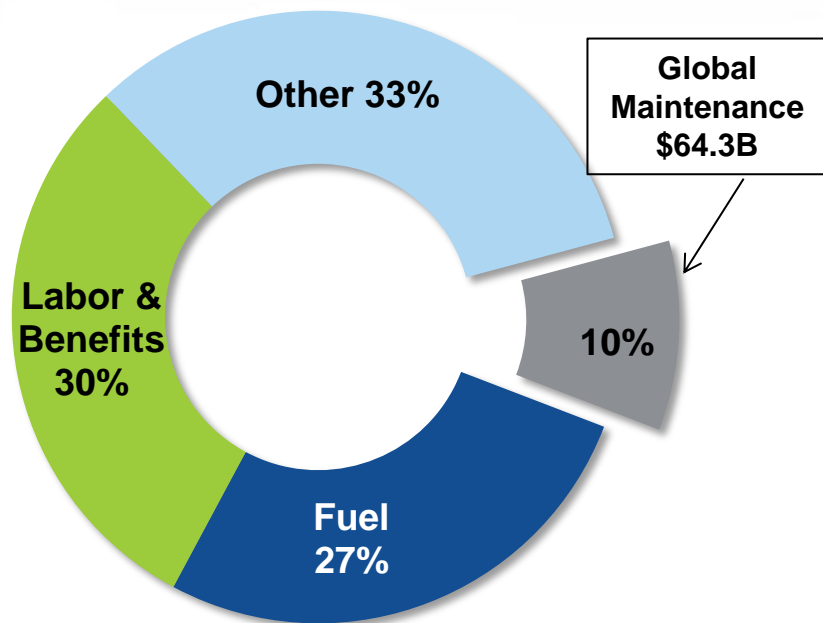
Sources:

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

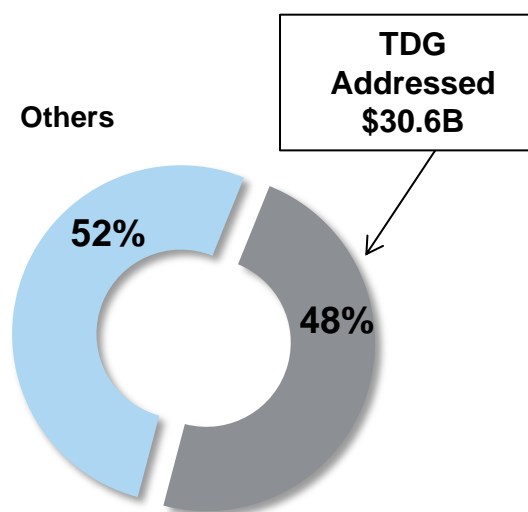
(A) Peer Group has not yet all reported December 2016 results as of 2/17/17. Represents estimate based on prior quarter.

TransDigm's Addressed Market for Commercial Aftermarket

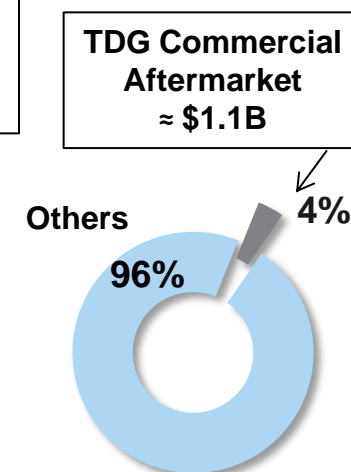
Global Airline Operating Expenses
2015 Total = \$660B



Global Maintenance Spend
2015 Total = \$64.3B



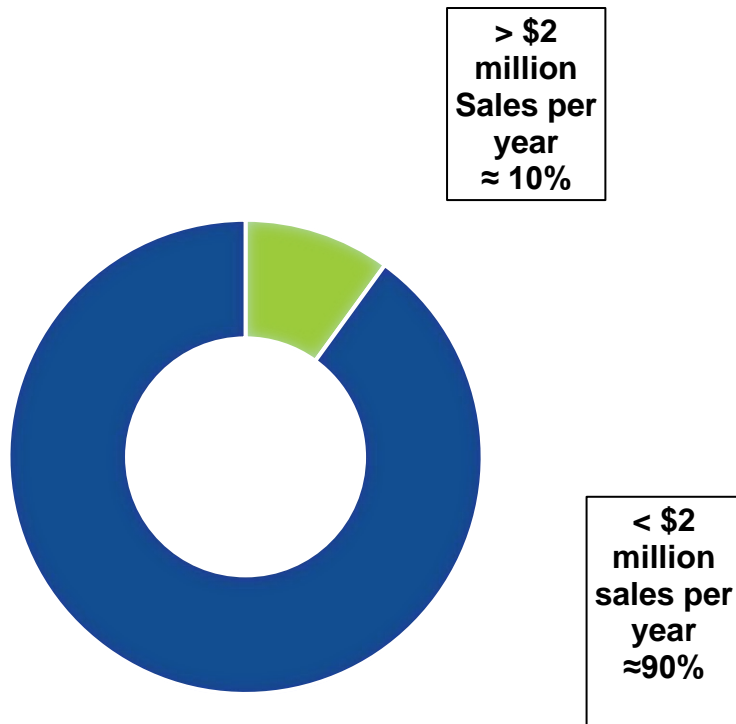
TDG Addressed Market
2015 Total = \$30.6B



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

TransDigm's Diverse Commercial Aftermarket Revenue Base

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



Top 15 Airlines

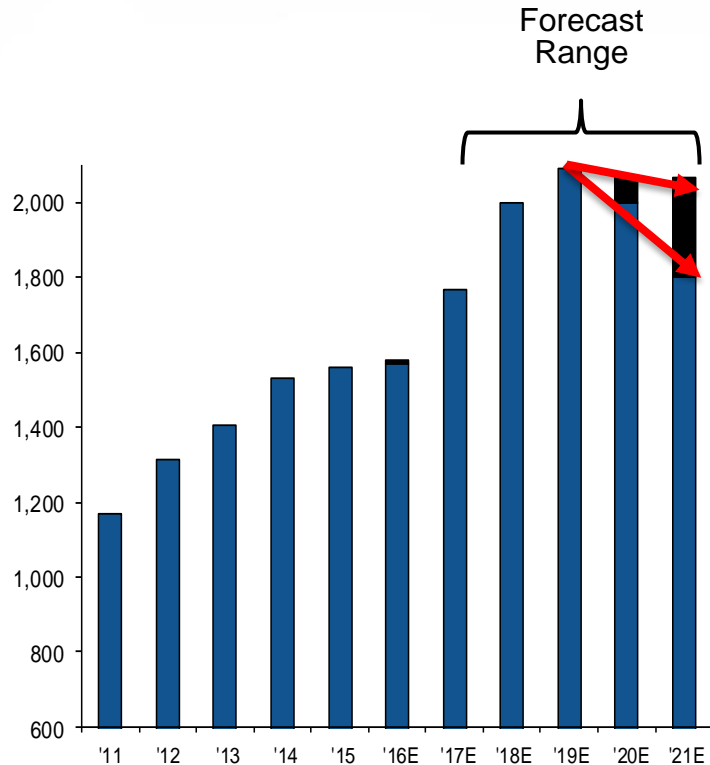
- American Airlines
- Delta Airlines
- United Continental
- Air France-KLM
- Emirates Airlines
- British Airways/Iberia
- Lufthansa (w/Swiss)
- China Southern Airlines
- Southwest Airlines
- Air China
- China Eastern Airlines
- Ryanair
- Cathay Pacific
- Turkish Airlines
- LATAM Airlines

≈ 50%
Worldwide
RPM's

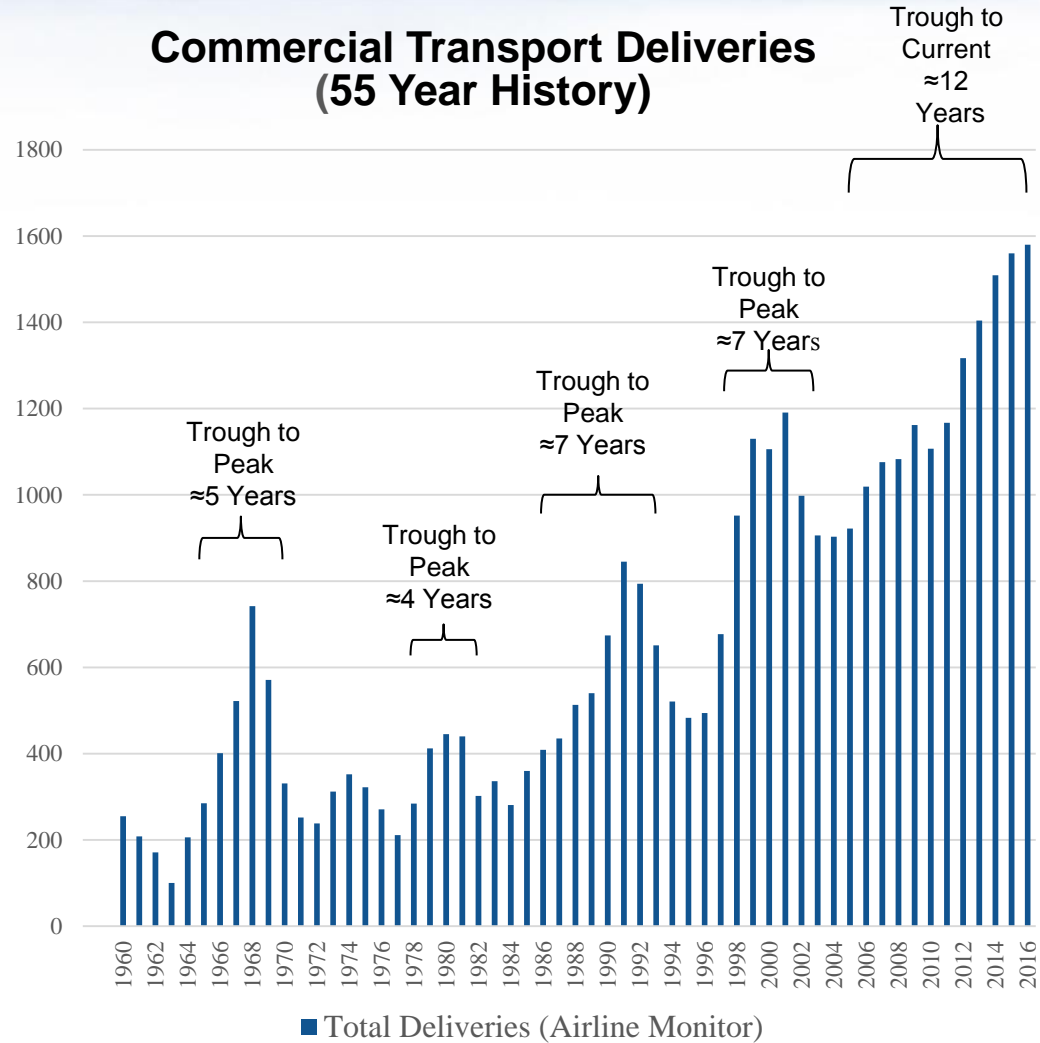
Commercial OEM Market

(units delivered)

Commercial Transport Deliveries (Boeing, Airbus & Regionals)



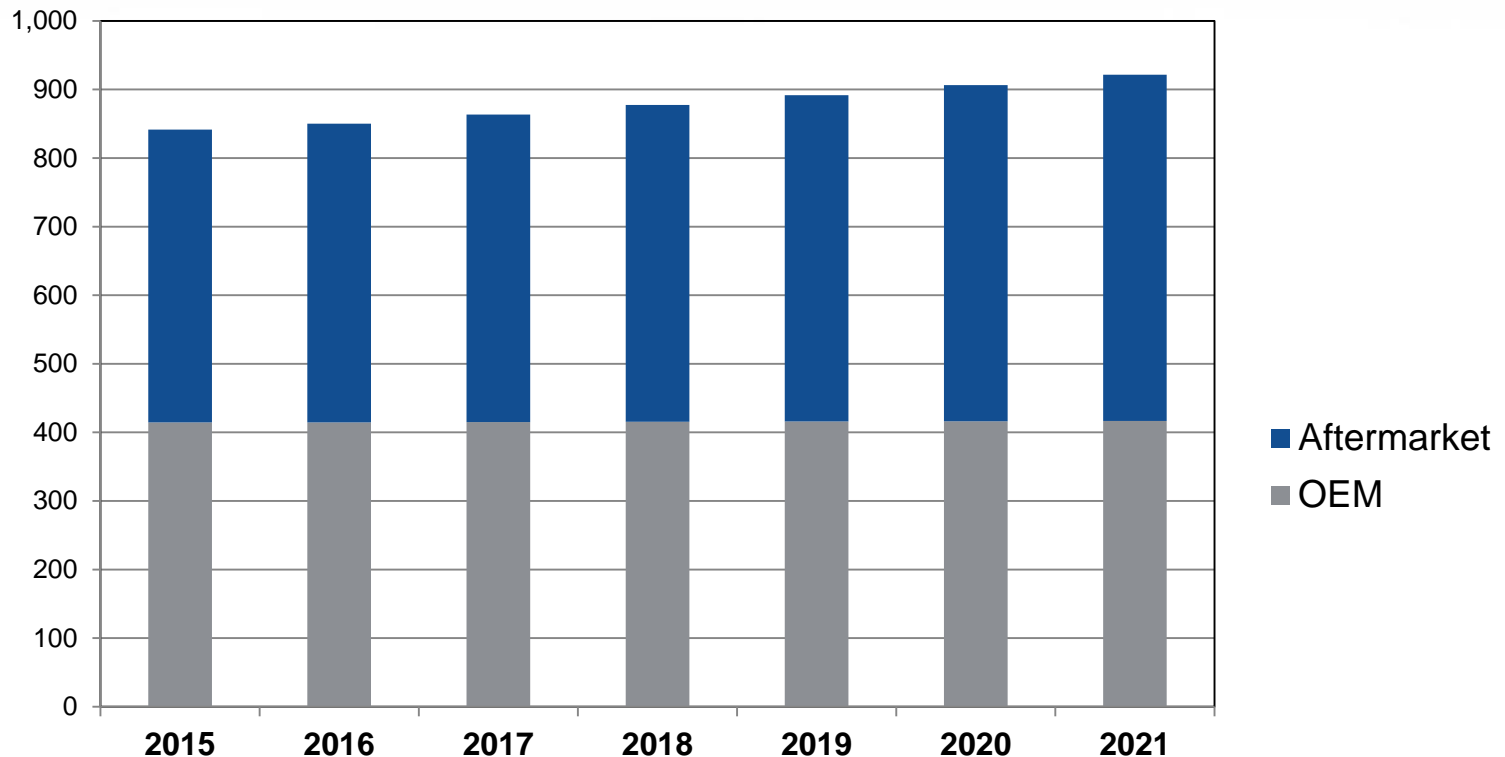
Commercial Transport Deliveries (55 Year History)



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



B737
A320
B777
A330/A340
B787

} ≈30% Sales

B757/B767
C130
Blackhawk
A350

A380
B747
A400M
Gulfstream Series

} ≈18% Sales



Note: Based on Management estimates of sales for 2015.

Major New Business Content: Commercial New Aircraft

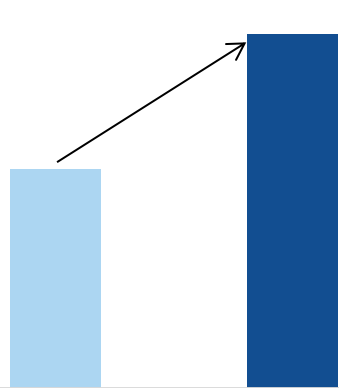
\$ / Shipset Growth Over Prior Platforms

B787

A350

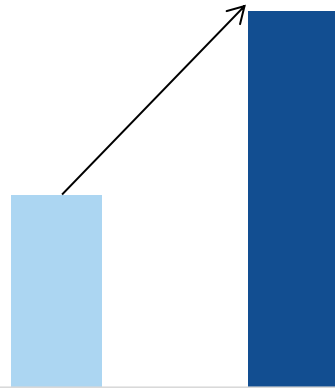
A380

C-Series



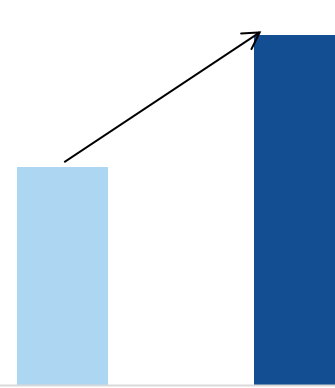
Prior Platforms

B787



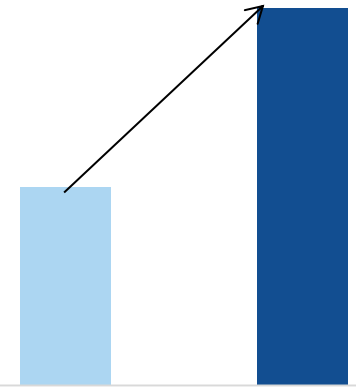
Prior Platforms

A350



Prior Platforms

A380



Prior Platforms

C-Series

Major New Business Content: Commercial Re-Engining

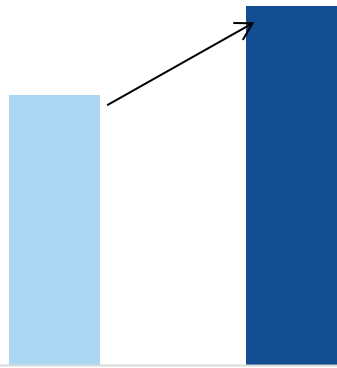
\$ / Shipset Growth Over Prior Platforms

B777X

A320neo

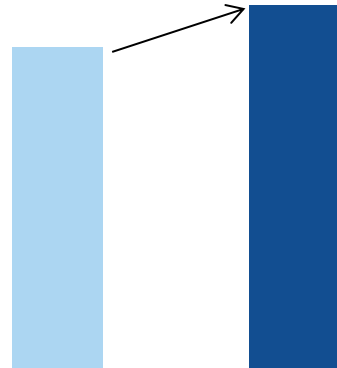
B737Max

E2



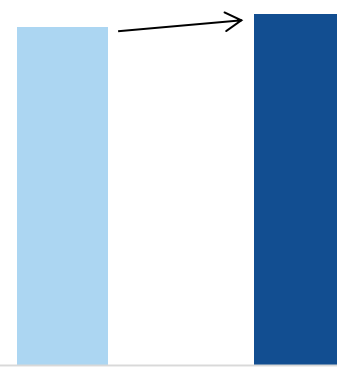
Prior Platforms

B777X



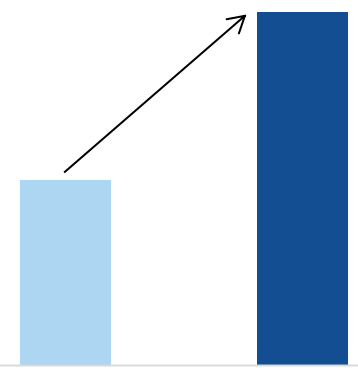
Prior Platforms

A320neo



Prior Platforms

B737max



Prior Platforms

E2

Proven Operating Strategy



**Profitable
New
Business**



**Productivity
and Cost
Improvements**



**Value Based
Pricing**

3 Value Drivers

Organizational Philosophy

CORPORATE

Corporate
Control



Local
Autonomy

Value Generation Strategy

OPERATING UNIT

Economy
of Scale



Mgmt
Resources

Central
Control



Local
Autonomy

Emp-
loyees



Owners

Structure

Execution

Motivation

Proven Record of Acquisition & Integration

Privately Held

1993 – 2006

- Adel
- Aeroproducts
- Wiggins
- Controlex
- Marathon
- Adams Rite Aerospace
- Christie
- Champion
- Honeywell Lube Pump
- Fuelcom
- Norco
- Avionic Instruments
- Skurka
- Fluid Regulators
- Eaton Motors

2006 – 2010

- Sweeney
- Electra-Motion
- CDA InterCorp.
- Avtech
- ADS/Transicoil
- Bruce
- CEF
- Unison/GE
- APC/GE
- Acme
- Woodward HRT
- Dukes
- Semco

NYSE

2011 – 2012

- Hartwell
- Electromech
- Tyee
- TAC
- Linread⁽¹⁾
- Valley-Todeco⁽¹⁾
- AQS⁽¹⁾
- Talley Actuation
- Schneller
- Harco
- AmSafe Passenger Restraints
- AmSafe Commercial Products
- AmSafe Cargo Restraints & Specialty Devices
- Aero-Instruments

McKechnie

AmSafe

2013 - 2016

- Beams
- Aerosonic
- Arkwin
- Whippany Actuation
- Airborne Systems – North America
- Airborne Systems – Europe
- Elektro-Metall Export
- Telair International
- AAR Cargo Systems
- Nordisk Aviation
- Franke Aquarotter
- Pexco
- PneuDraulics
- Breeze-Eastern
- DDC
- Young & Franklin (Tactair)

Telair

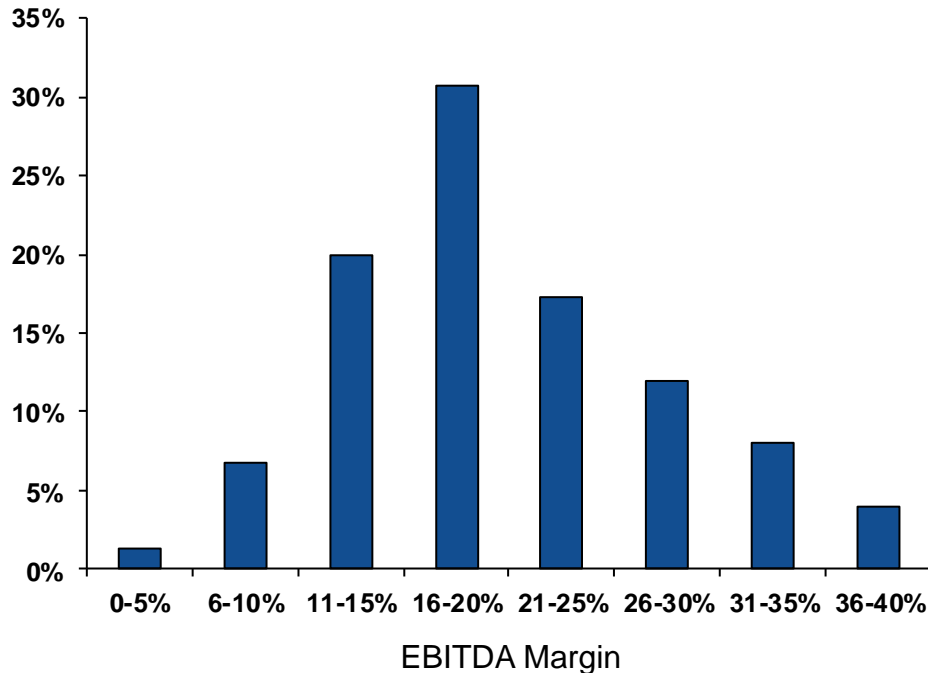
TransDigm has acquired 58 businesses since 1993, including 43 since its IPO.

(1) Divested in Q2 and Q3 of FY2011.

Significant Opportunities to Complete Accretive Acquisitions

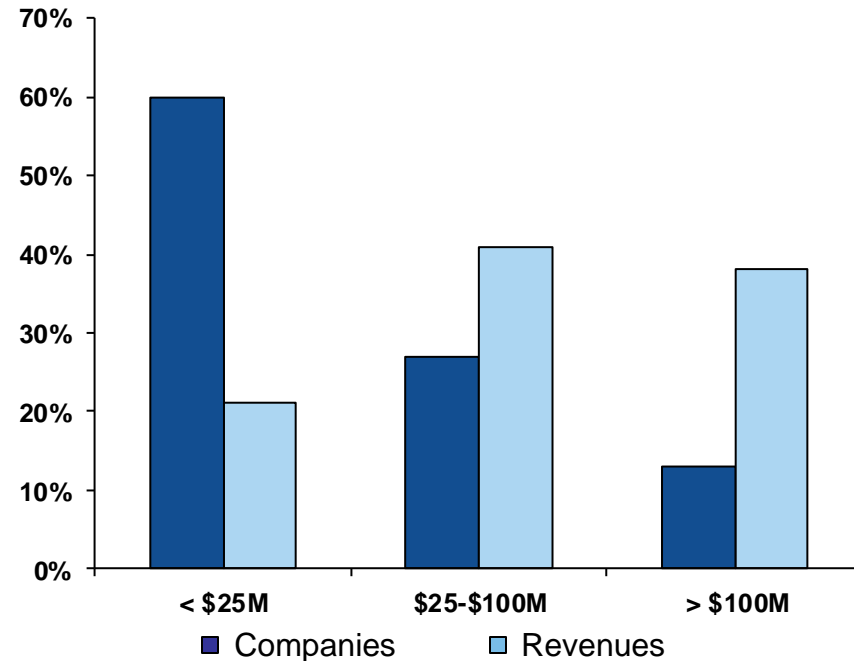
OPPORTUNITY TO CREATE VALUE⁽¹⁾

Distribution



FRAGMENTED BASE⁽²⁾

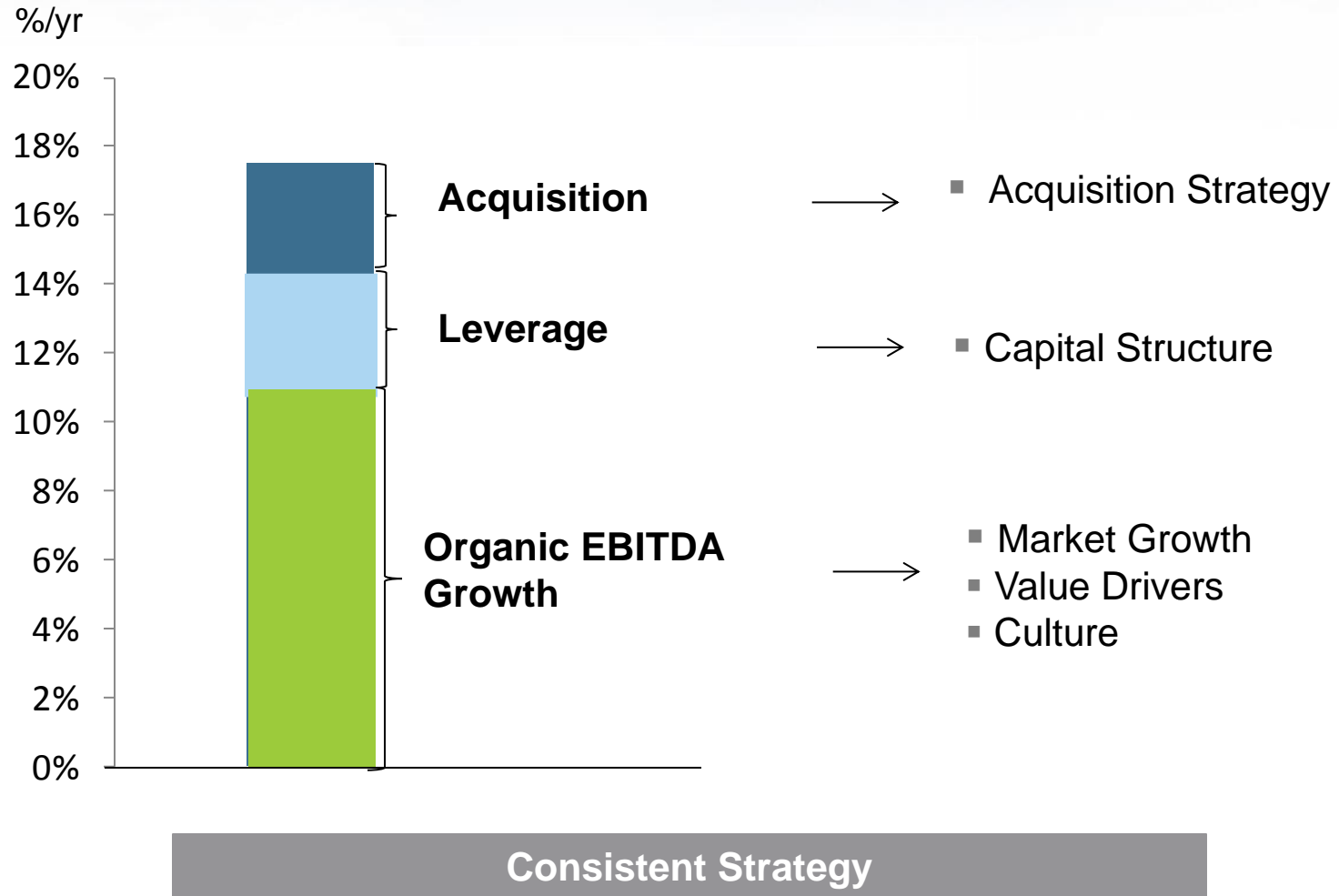
Distribution



(1) Percentages are management estimates.

(2) Frost & Sullivan study estimates a population of 1,600 businesses.

How Do We Get 15% - 20% /yr Return?



Performance Vesting Formula – EXAMPLE ONLY

		<u>Year 0</u>	<u>Year 1</u>
	Pro Forma EBITDA	\$ 600	\$ 700
x	<u>Adjusted Multiple</u> ^(A)	<u>10</u>	<u>10</u>
	Total Enterprise Value	6,000	7,000
Less:	<u>Net Debt</u>	<u>1,000</u>	<u>975</u>
	Intrinsic Equity Value ^(B)	5,000	6,025
	<u>Fully Diluted Shares</u>	<u>50</u>	<u>51</u>
	Share Value (Intrinsic Share Price)	\$100 / share	\$118 / share

(A) Adjusted for Acquisitions
(B) Private Equity/TDG Definition

Supplemental Information

2017 Q1 Financial Performance by Markets – Pro Forma

Highlights⁽¹⁾

Commercial OEM

- Commercial transport bookings up modestly

Commercial Aftermarket

- Commercial transport bookings strong and ran well above shipments

Defense

- Strong aftermarket revenue partially offset by OEM revenue decline

Q1 Market Review – Pro Forma Revenues⁽¹⁾

**Actual vs.
Prior Year Q1**

Commercial OEM:

Down 4%

Commercial Aftermarket:

Up 3.5%

Defense:

Up 2.5%

(1) Information is on a pro forma basis versus the prior year period and includes the full year impacts of the acquisitions Breeze-Eastern, DDC and Young & Franklin/Tactair. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

Fiscal 2017 Outlook

FY 2016 Pro Forma Sales Mix ⁽¹⁾	Market	FY 2017 Expected Growth
31%	Commercial OEM	Up Low to Mid Single-Digit %
37%	Commercial Aftermarket	Up Mid to High Single-Digit %
32%	Defense	Flat to Slightly Up

Assumptions

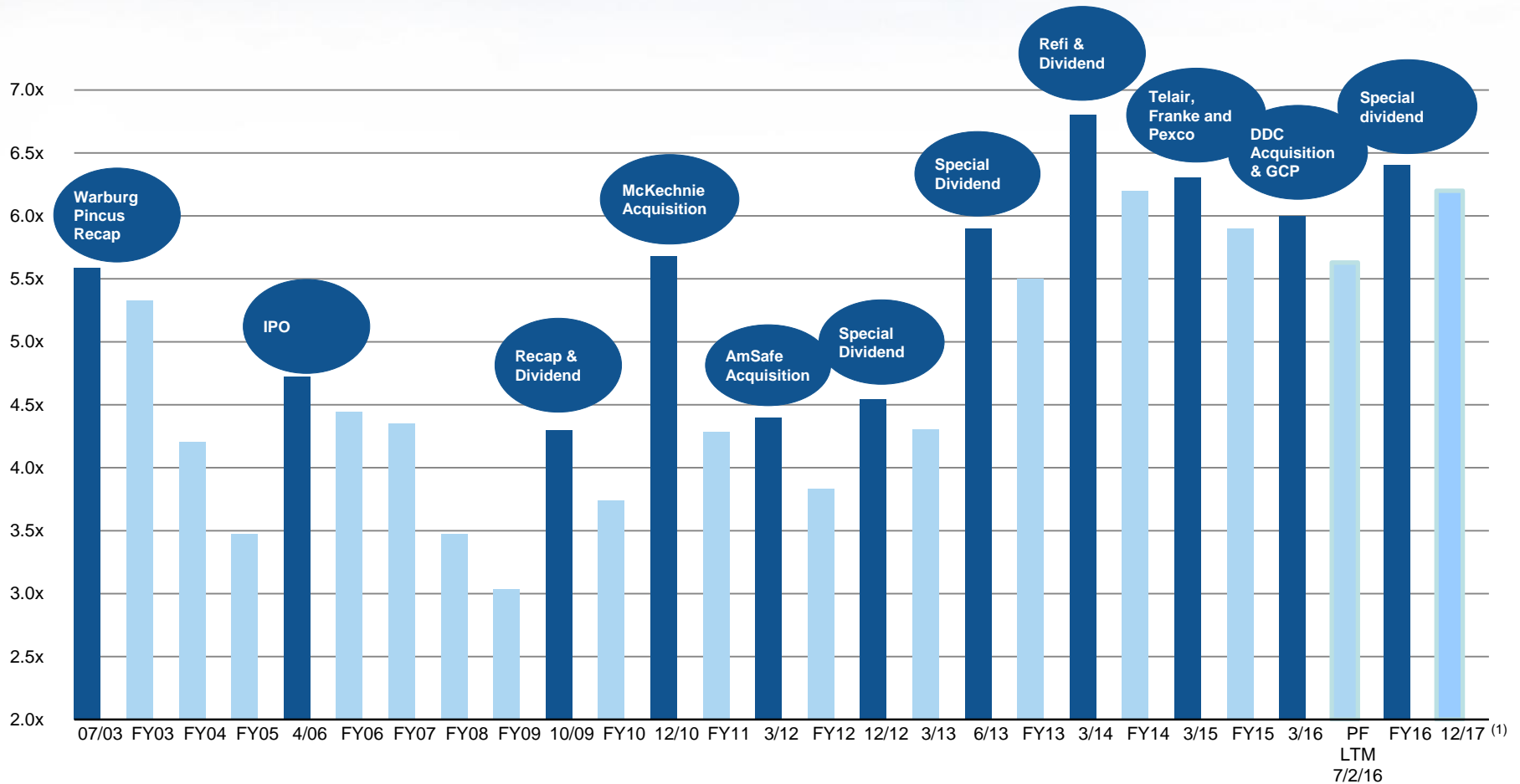
- Full year interest expense ≈ \$588 million
- Full year effective tax rate ≈ 31% adjusted net income; ≈ 28% GAAP net income
- Weighted average shares of 56.1 million

Guidance Summary

	(\$ in millions)	
	Low	High
Revenues	\$ 3,520	\$ 3,570
EBITDA As Defined	\$ 1,686	\$ 1,710
<i>% to sales</i>	47.9%	47.9%
Net Income	\$ 609	\$ 625
GAAP EPS	\$ 9.15	\$ 9.43
Adj. EPS	\$ 12.02	\$ 12.30

(1) Pro forma revenue is for the fiscal year ended 9/30/16. Includes the full year impact of the acquisitions Breeze, DDC and Young & Franklin/Tactair. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

TransDigm delevering profile (Net Debt / PF EBITDA as Defined)



Note: PF EBITDA as Defined is a non-GAAP financial measure. For a reconciliation of PF EBITDA as Defined to Net Income, please see the appendix.
(1) PF EBITDA as Defined includes the full year impact of the recently completed acquisitions..

Pro Forma Capitalization Structure

Capitalization

	Actual 12/31/16	Net Debt to Pro Forma EBITDA As Defined Multiple	Rate
Cash	\$972		
\$600m revolver	–		L + 3.00%
\$250m AR securitization facility	200		L + 0.90%
First lien term loan C due 2020	1,225		L + 3.00%
First lien term loan D due 2021	804		L + 3.00%
First lien term loan E due 2022	1,515		L + 3.00%
First lien term loan F due 2023	2,879		L + 3.00%
Total senior secured debt	\$6,623	3.5x	
Senior sub notes due 2020	550		5.50%
Senior sub notes due 2022	1,150		6.00%
Senior sub notes due 2024	1,200		6.50%
Senior sub notes due 2025	450		6.50%
Senior sub notes due 2026	950		6.375%
Total debt	\$10,923	6.2x	

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**

APPENDIX: Reconciliation of EBITDA and EBITDA As Defined to 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	2016
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	\$586
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	122
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	484
Income tax provision	(2)	-	2	5	13	(2)	8	9	17	(45)	6	23	16	53	74	88	88	77	163	146	142	189	182
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	\$1,374
Merger expense	-	-	-	-	-	40	-	-	-	176	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition-related costs	4	-	-	1	-	1	-	8	-	15	20	2	1	9	2	6	12	30	19	26	22	35	57
Non-cash compensation and deferred compensation costs	-	-	-	-	-	-	-	-	-	1	6	7	1	6	6	6	7	13	22	49	26	32	48
One-time special bonus	-	-	-	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-
Public offering costs	-	-	-	-	-	-	-	-	-	-	-	-	3	2	-	-	-	-	-	-	-	-	-
Refinancing costs	-	-	-	-	-	-	-	-	-	-	-	-	49	-	-	-	-	72	-	32	132	18	16
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	\$1,495