FY 2016
FOURTH QUARTER EARNINGS CONFERENCE CALL

November 14, 2016

Growth, Innovation and Value Creation NONSTOP

TRANSDIGM GROUP INC.

Agenda

■ TransDigm Overview	**W. Nicholas Howley** Chairman, President and CEO
■ Highlights, Market Review, Operating Performance and Outlook	**W. Nicholas Howley** Chairman, President and CEO
■ Operations and Value Creation	**Kevin Stein** COO – Power
■ Financial Results	**Terrance Paradie** Executive Vice President and CFO
■ Q&A	

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; geopolitical or worldwide events; 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 raw material 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.

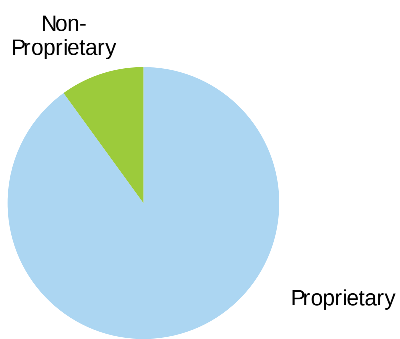
This presentation also sets forth certain non-GAAP financial measures. A presentation of the most directly comparable GAAP measures and a reconciliation to such measures are set forth in the appendix.

TransDigm Overview

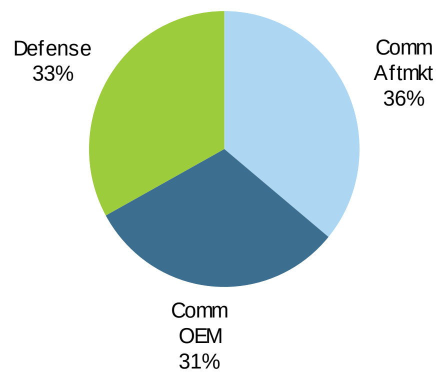
DISTINGUISHING CHARACTERISTICS

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

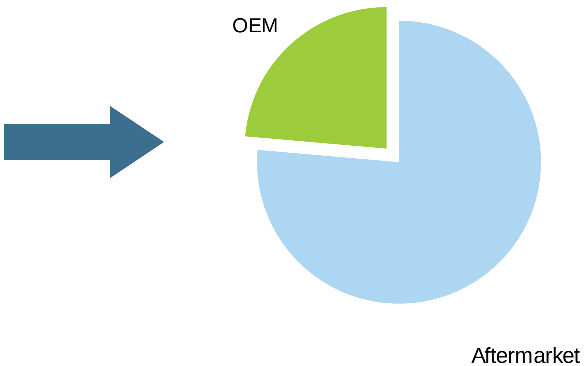
Proprietary Revenues (1)



Pro Forma Revenues (1)



Pro Forma EBITDA As Defined (1)



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

2016 Q4 Financial Performance by Markets – Pro Forma

Highlights[1]

Commercial OEM

- FY 16 commercial transport revenues up ≈ 2%

Commercial Aftermarket

- FY 16 commercial transport revenue up ≈ 9.5%

Defense

- Revenues modestly better than anticipated

Q4 Market Review – Pro Forma Revenues[1]

	Actual vs. Prior Year Q4	Actual vs. Prior Year YTD
Commercial OEM:	Down 4%	Flat
Commercial Aftermarket:	Up 6.5%	Up 6.5%
Defense:	Up 3%	Up 2%

(1) Information is on a pro forma basis versus the prior year period and includes the full year impacts of the acquisitions of Telair, Franke, Pexco, PneuDraulics, Breeze and DDC. Excludes the recently completed acquisition of Young & Franklin. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

Fiscal 2017 Outlook

FY 2017 Pro Forma Sales Mix (1)	Market	FY 2017 Expected Growth
31%	Commercial OEM	Up Low to Mid Single-Digit %
36%	Commercial Aftermarket	Up Mid to High Single-Digit %
33%	Defense	Flat to Slightly Up

Assumptions

- Full year interest expense ≈ $580 million
- Full year effective tax rate around 31% for both GAAP and adjusted net income
- Weighted average shares of 56.5 million

Guidance Summary

($ in millions)

		Low		High
Revenues	$	3,515	$	3,565
EBITDA As Defined	$	1,671	$	1,695
% to sales		*47.5%*		*47.5%*
Net Income	$	577	$	593
GAAP EPS	$	8.51	$	8.79
Adj. EPS	$	11.84	$	12.12

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

Fourth Quarter 2016 Results

($ in millions, except per share amounts)

	Q4 FY 2016	Q4 FY 2015	
Revenue	**$875.2**	**$809.8**	**8.1% Increase**
Gross Profit	**$484.3**	**$427.6**	**2.5 Margin Point Increase**
Margin %	*55.3%*	*52.8%*	● Higher acquisition-related inventory step-up and integration costs ⬇ ● Strength of our proprietary products and productivity improvements ⬆ ● Favorable product mix ⬆
SG&A	**$111.3**	**$98.3**	
% to Sales	*12.7%*	*12.1%*	
Interest Expense- Net	**$139.8**	**$113.2**	**23.5% Increase** ● Outstanding borrowings increased
Net Income	**$154.7**	**$141.7**	**9.2% Increase**
% to Sales	*17.7%*	*17.5%*	
Adjusted EPS	**$3.29**	**$2.83**	**16.3% Increase**

Liquidity & Taxes

($ in millions)

Cash

	FY 9/30/2016	FY 9/30/2015
Net Cash Provided by Operating Activities	**$668.9**	**$520.9**
Capital Expenditures	**($44.0)**	**($54.9)**
Free Cash Flow	**$624.9**	**$466.0**
Cash on the Balance Sheet	**$1,587.0**	**$714.0**

Taxes

- FY 16 Full Year GAAP ETR: 23.7%
- FY 16 Full Year Adjusted ETR: 29.0%

Capitalization

	Actual 9/30/16	Net Debt to Pro Forma EBITDA As Defined Multiple	Pro Forma 9/30/16	Net Debt to Pro Forma EBITDA As Defined Multiple	Rate
Cash	$1,587		$835		
$600m revolver	–		–		L + 3.00%
$250m AR securitization facility	200		200		L + 0.80%
First lien term loan C due 2020	1,228		1,228		L + 3.00%
First lien term loan D due 2021	806		806		L + 3.00%
First lien term loan E due 2022	1,518		1,518		L + 3.00%
First lien term loan F due 2023	1,736		2,886		L + 3.00%
Total senior secured debt	**$5,488**	**2.5x**	**$6,638**	**3.7x**	
Senior sub notes due 2020	550		550		5.50%
Senior sub notes due 2021	500		–		7.50%
Senior sub notes due 2022	1,150		1,150		6.00%
Senior sub notes due 2024	1,200		1,200		6.50%
Senior sub notes due 2025	450		450		6.50%
Senior sub notes due 2026	950		950		6.375%
Total debt	**$10,288**	**5.5x**	**$10,938**	**6.4x**	

Reconciliation of GAAP to Adjusted EPS - Guidance

	Thirteen Week Periods Ended		Fifty-Two Week Periods Ended		Full Year Guidance Mid-Point
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	September 30, 2017
Earnings per share	$ 2.77	$ 2.50	$ 10.39	$ 7.84	$ 8.65
Adjustments to earnings per share:					
Dividend equivalent payment	-	-	0.05	0.06	1.71
Non-cash stock compensation expense	0.19	0.10	0.61	0.39	0.62
Acquisition-related expenses / other	0.40	0.23	0.97	0.49	0.60
Refinancing costs	-	-	0.20	0.23	0.40
Reduction in income tax provision related to adoption of new accounting standard	(0.07)	-	(0.73)	-	-
Adjusted earnings per share	$ 3.29	$ 2.83	$ 11.49	$ 9.01	$ 11.98
Weighted-average shares outstanding	55,832	56,610	56,157	56,606	56,500

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

($ in thousands)

	Thirteen Week Periods Ended		Fifty-Two Week Periods Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Net income	$ 154,668	$ 141,673	$ 586,414	$ 447,212
Adjustments:				
Depreciation and amortization expense	36,569	25,896	121,670	93,663
Interest expense - net	139,767	113,162	483,850	418,785
Income tax provision (1)	54,426	58,008	181,702	189,612
EBITDA	385,430	338,739	1,373,636	1,149,272
Adjustments:				
Acquisition-related expenses and adjustments (2)	23,003	17,865	57,699	36,205
Non-cash stock compensation expense (3)	14,487	8,065	48,306	31,500
Refinancing costs (4)	140	234	15,794	18,393
Other - net (5)	241	(1,901)	(239)	(1,716)
Gross Adjustments to EBITDA	37,871	24,263	121,560	84,382
EBITDA As Defined	$ 423,301	$ 363,002	$ 1,495,196	$ 1,233,654
EBITDA As Defined, Margin (6)	48.4%	44.8%	47.1%	45.6%

(1) For the fiscal year ended September 30, 2016, the income tax provision was impacted by the adoption of Accounting Standards Update ("ASU") 2016-09, "Improvements to Employee Share-Based Payment Accounting."

(2) Represents accounting adjustments to inventory associated with acquisitions of businesses and product lines that were charged to cost of sales when the inventory was sold: costs incurred to integrate acquired businesses and product lines into TD Group's operations, facility relocation costs and other acquisition-related costs; transaction-related costs comprising deal fees; legal, financial and tax due diligence expenses; and valuation costs that are required to be expensed as incurred.

(3) Represents the compensation expense recognized by TD Group under our stock incentive plans.

(4) For the periods ended September 30, 2016, represents debt issuance costs expensed in conjunction with the refinancing or our tranche C term loans in June 2016. For the periods ended September 30, 2015, represents debt issuance costs expensed in conjunction with the refinancing of our tranche B term loans in May 2015.

(5) Primarily represents foreign currency transaction gain or loss on interompany loans to be settled and gain or loss on sale of fixed assets.

(6) The EBITDA As Defined margin represents the amount of EBITDA As Defined as a percentage of sales.

Appendix - Reconciliation of Reported EPS to Adjusted EPS

($ in thousands, except per share amounts)

	Thirteen Week Periods Ended		Fifty-Two Week Periods Ended	
Reported Earnings Per Share	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Net income	$ 154,668	$ 141,673	$ 586,414	$ 447,212
Less: dividends on participating securities	-	-	(3,000)	(3,365)
Net income applicable to common stock - basic and diluted	$ 154,668	$ 141,673	$ 583,414	$ 443,847
Weighted-average shares outstanding under the two-class method:				
Weighted-average common shares outstanding	53,289	53,609	53,326	53,112
Vested options deemed participating securities	2,543	3,001	2,831	3,494
Total shares for basic and diluted earnings per share	55,832	56,610	56,157	56,606
Basic and diluted earnings per share	$ 2.77	$ 2.50	$ 10.39	$ 7.84
Adjusted Earnings Per Share				
Net income	$ 154,668	$ 141,673	$ 586,414	$ 447,212
Gross adjustments to EBITDA	37,871	24,263	121,560	84,382
Purchase accounting backlog amortization	8,082	1,903	19,467	4,704
Tax adjustment	(16,987)	(7,583)	(82,131)	(26,525)
Adjusted net income	$ 183,634	$ 160,256	$ 645,310	$ 509,773
Adjusted diluted earnings per share under the two-class method	$ 3.29	$ 2.83	$ 11.49	$ 9.01

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

($ in thousands)

	Fifty-Two Week Periods Ended	
	September 30, 2016	September 30, 2015
Net cash provided by operating activities	$ 668,930	$ 520,938
Adjustments:		
Changes in assets and liabilities, net of effects from acquisitions of businesses	110,905	24,322
Interest expense - net (1)	467,639	402,988
Income tax provision - current (2)	175,894	188,952
Non-cash equity compensation (3)	(48,306)	(31,500)
Excess tax benefit from exercise of stock options (2)	-	61,965
Refinancing costs (5)	(1,426)	(18,393)
EBITDA	1,373,636	1,149,272
Adjustments:		
Acquisition-related expenses and adjustments (4)	57,699	36,205
Non-cash stock compensation expense (2)	48,306	31,500
Refinancing costs (5)	15,794	18,393
Other, net (6)	(239)	(1,716)
EBITDA As Defined	$ 1,495,196	$ 1,233,654

(1) Represents interest expense excluding the amortization of debt issue costs and premium and discount on debt.

(2) For the fiscal year ended September 30, 2016, the income tax provision was impacted by the adoption of Accounting Standards Update ("ASU") 2016-09, "Improvements to Employee Share-Based Payment Accounting."

(3) Represents the compensation expense recognized by TD Group under our stock incentive plans.

(4) Represents accounting adjustments to inventory associated with acquisitions of businesses and product lines that were charged to cost of sales when the inventory was sold; costs incurred to integrate acquired businesses and product lines into TD Group's operations, facility relocation costs and other acquisition-related costs; transaction-related costs comprising deal fees; legal, financial and tax due diligence expenses and valuation costs that are required to be expensed as incurred.

(5) For the periods ended September 30,2016, represents debt issuance costs expensed in conjunction with the refinancing or our tranche C term loans in June 2016. For the periods ended September 30,2015, represents debt issuance costs expensed in conjunction with the refinancing of our tranche B term loans in May 2015.

(6) Primarily represents foreign currency transaction gain or loss on intercompany loans to be settled and gain or loss on sale of fixed assets.