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FY 2018 Third Quarter Earnings Conference Call

August 7, 2018

TRANSDIGM GROUP INC.

Agenda

TRANSDIGM GROUP INC.

■ TransDigm Overview, Highlights and Outlook	W. Nicholas Howley Executive Chairman
■ Operating Performance and Market Review	Kevin Stein President and CEO
■ Financial Results	James Skulina Senior Vice President of Finance
■ 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.

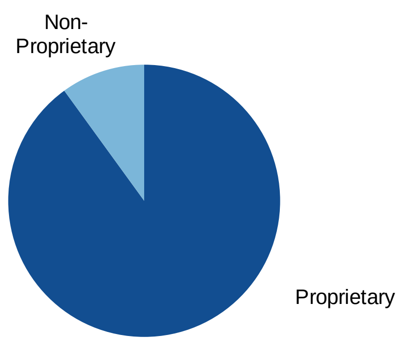
TransDigm Overview

TRANSDIGM GROUP INC.

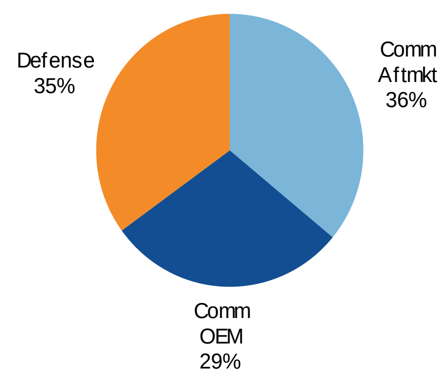
Distinguishing Characteristics

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

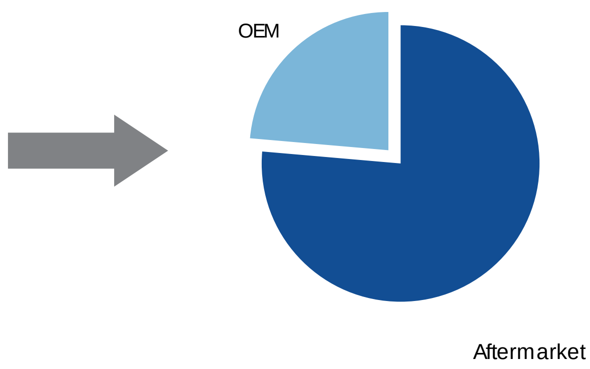
Proprietary Revenues (1)



Pro Forma Revenues (1)



Pro Forma EBITDA As Defined (1)



(1) Pro forma revenue is for the fiscal year ended 9/30/17. Includes the full year impact of acquisitions purchased in the third quarter of FY 2017 and Extant; excludes Kirkhill and Skandia. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

2018 Q3 Financial Performance by Markets – Pro Forma

TRANSDIGM GROUP INC.

Q3 Market Review – Pro Forma Revenues[1]

	Actual vs. Prior Year	
	Q3	**YTD**
Commercial OEM:	**Up 1%**	**Flat**
Commercial Aftermarket:	**Up 8%**	**Up 11%**
Defense:	**Up 4.5%**	**Up 3%**

(1) Information is on a pro forma basis versus the prior year period and includes the full year impacts of acquisitions purchased in the third quarter of FY 17,and Extant; excludes Kirkhill and Skandia. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

Fiscal 2018 Outlook

TRANSDIGM GROUP INC.

FY 2017 Pro Forma Sales Mix [1]	Market	FY 2018 Expected Growth - Updated
29%	Commercial OEM	≈ Flat
36%	Commercial Aftermarket	Up High-Single-Digit %
35%	Defense	Up Mid-Single-Digit %

Assumptions

- Full year interest expense ≈ $670 million
- Full year effective tax rate ≈ 9% adjusted net income; ≈ 4% GAAP net income
- Weighted average shares of 55.6 million

Guidance Summary

($ in millions)		Low		High
Revenues	$	3,780	$	3,820
EBITDA As Defined	$	1,860	$	1,880
% to sales		*49.2%*		*49.2%*
Net Income	$	928	$	946
GAAP EPS	$	15.68	$	16.00
Adj. EPS	$	17.45	$	17.77

(1) Pro forma revenue is for the fiscal year ended 9/30/17. Includes the full year impact of acquisitions purchased in the third quarter of FY 17 and Extant; excludes Kirkhill and Skandia. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

Third Quarter 2018 Results

TRANSDIGM GROUP INC.

($ in millions, except per share amounts)

	Q3 FY 2018	Q3 FY 2017	
Revenue	$980.7	$897.7	9.2% Increase
Gross Profit	$569.5	$519.7	0.2% Margin Point Increase
Margin %	*58.1%*	*57.9%*	• Dilutive impact from acquisitions • Strength of our proprietary products and productivity improvements
SG&A	$113.0	$108.1	
% to Sales	*11.5%*	*12.0%*	
Interest Expense- Net	$167.6	$152.1	10.1% Increase • Weighted average outstanding borrowings increased
Pre-tax Income from Continuing Operations	$265.5	$235.8	12.6% Increase
% to Sales	*27.1%*	*26.3%*	
Net Income from Continuing Operations	$217.4	$169.8	28.0% Increase
% to Sales	*22.2%*	*18.9%*	
Adjusted EPS	$4.01	$3.37	19.0% Increase

Liquidity & Taxes

TRANSDIGM GROUP INC.

Cash

($ in millions)	YTD Q3 FY 2018	FY 9/30/2017
Net Cash Provided by Operating Activities	**$690.9**	**$788.7**
Capital Expenditures	**($50.1)**	**($71.0)**
Free Cash Flow	**$640.8**	**$717.7**
Cash on the Balance Sheet	**$1,853.4**	**$650.6**

Taxes

- YTD FY 18 GAAP ETR: (3.9%)
- YTD FY 18 Adjusted ETR: 2.9%

Capitalization

	6/30/18	Net Debt to Pro Forma EBITDA As Defined Multiple	Rate
Cash	$1,853		
$600m revolver	–		L + 3.00%
$350m AR securitization facility	300		L + 0.90%
First lien term loan E due 2022	2,249		L + 2.50%
First lien term loan F due 2023	3,569		L + 2.50%
First lien term loan G due 2024	1,801		L + 2.50%
Total senior secured debt	**$7,919**	**3.3x**	
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	750		6.50%
Senior sub notes due 2026	950		6.375%
Senior sub notes due 2026 (UK)	500		6.875%
Total debt	**$13,019**	**6.1x**	

Reconciliation of GAAP to Adjusted EPS - Guidance

TRANSDIGM GROUP INC.

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended		Full Year Guidance Mid-Point
	June 30, 2018	July 1, 2017	June 30. 2018	July 1, 2017	September 30, 2018
Earnings per share from continuing operations	$ 3.91	$ 3.09	$ 12.14	$ 6.25	$ 15.84
Adjustments to earnings per share:					
Dividend equivalent payment	-	-	1.01	1.72	1.01
Non-cash stock compensation expense	0.19	0.15	0.64	0.41	0.85
Acquisition-related expenses / other	0.05	0.24	0.41	0.72	0.67
Refinancing costs	0.06	-	0.10	0.45	0.10
Reduction in income tax provision due to excess tax benefits on stock compensation	(0.20)	(0.11)	(0.86)	(0.61)	(0.86)
Adjusted earnings per share	$ 4.01	$ 3.37	$ 13.44	$ 8.94	$ 17.61
Weighted-average shares outstanding	55,597	54,890	55,598	55,773	55,600

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

TRANSDIGM GROUP INC.

($ in thousands)

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Net income	$ 217,246	$ 169,053	$ 728,299	$ 443,429
Less: Loss from Discontinued Operations, net of tax [1]	(145)	(779)	(2,943)	(965)
Income from Continuing Operations	217,391	169,832	731,242	444,394
Adjustments:				
Depreciation and amortization expense	33,925	36,367	95,534	109,076
Interest expense - net	167,577	152,141	489,776	445,986
Income tax provision	48,150	66,015	(27,550)	145,573
EBITDA	467,043	424,355	1,289,002	1,145,029
Adjustments:				
Acquisition-related expenses and adjustments [2]	10,381	4,484	16,940	30,804
Non-cash stock compensation expense [3]	13,708	11,580	36,411	32,707
Refinancing costs [4]	4,159	345	5,910	35,936
Other - net [5]	(8,150)	6,824	3,534	5,982
Gross Adjustments to EBITDA	20,098	23,233	62,795	105,429
EBITDA As Defined	$ 487,141	$ 447,588	$ 1,351,797	$ 1,250,458
EBITDA As Defined, Margin [6]	49.7%	49.9%	48.9%	48.5%

[1] During the fourth quarter of 2017, the Company committed to disposing of Schroth in connection with the settlement of a Department of Justice investigation into the competitive effects of the acquisition. Therefore, Schroth was classified as a held-for-sale and as discontinued operations beginning September 30, 2017 for all periods presented. The Company acquired Schroth in February 2017. On January 26, 2018, the Company completed the sale of Schroth in a management buyout to a private equity fund and certain members of Schroth management for approximately $61.4 million in cash, which includes a working capital adjustment of $0.3 million that was settled in July 2018.

[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] Represents cost expensed related to debt financing activities, including new issuances, extinguishments, refinancings and amendments to existing agreements.

[5] Primarily represents foreign currency transaction gain or loss, payroll withholding taxes related to dividend equivalent payments and gain or loss on sale of fixed assets. Prior to the fourth quarter of fiscal 2017, foregin currency transaction gain or loss other than related to intercompany loans was not included in the adjustements to EBITDA, as the foreign currency transaction gain or loss was immaterial during those periods. Therefore, the prior periods presented herein were adjusted to conform to the current year presentation.

[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

TRANSDIGM GROUP INC.

($ in thousands, except per share amounts)	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
Reported Earnings Per Share	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Net income from continuing operations	$ 217,391	$ 169,832	$ 731,242	$ 444,394
Less: dividends on participating securities	-	-	(56,148)	(95,971)
Net income applicable to common stock - basic and diluted	217,391	169,832	675,094	348,423
Net loss from discontinued operations	(145)	(779)	(2,943)	(965)
Net income applicable to common stock - basic and diluted	$ 217,246	$ 169,053	$ 672,151	$ 347,458
Weighted-average shares outstanding under the two-class method:				
Weighted-average common shares outstanding	52,470	51,932	52,241	52,718
Vested options deemed participating securities	3,127	2,958	3,357	3,055
Total shares for basic and diluted earnings per share	55,597	54,890	55,598	55,773
Net earnings per share from continuing operations -- basic and diluted	$ 3.91	$ 3.09	$ 12.14	$ 6.25
Net loss per share from discontinued operations -- basic and diluted	-	(0.01)	(0.05)	(0.02)
Basic and diluted earnings per share	$ 3.91	$ 3.08	$ 12.09	$ 6.23
Adjusted Earnings Per Share				
Net income from continuing operations	$ 217,391	$ 169,832	$ 731,242	$ 444,394
Gross adjustments to EBITDA	20,098	23,233	62,795	105,429
Purchase accounting backlog amortization	2,024	6,667	3,108	21,162
Tax adjustment	(16,292)	(14,985)	(49,998)	(72,404)
Adjusted net income	$ 223,221	$ 184,747	$ 747,147	$ 498,581
Adjusted diluted earnings per share under the two-class method	$ 4.01	$ 3.37	$ 13.44	$ 8.94

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

TRANSDIGM GROUP INC.

($ in thousands)

	Thirty-Nine Week Periods Ended	
	June 30, 2018	July 1, 2017
Net cash provided by operating activities	$ 690,910	$ 555,216
Adjustments:		
Changes in assets and liabilities, net of effects from acquisitions of businesses	27,947	82,594
Interest expense - net [1]	473,597	430,456
Income tax provision - current	139,233	145,303
Non-cash stock compensation expense [2]	(36,411)	(32,707)
Refinancing costs [4]	(5,910)	(35,936)
EBITDA from discontinued operations [6]	(364)	103
EBITDA	1,289,002	1,145,029
Adjustments:		
Acquisition-related expenses and adjustments [3]	16,940	30,804
Non-cash stock compensation expense [2]	36,411	32,707
Refinancing costs [4]	5,910	35,936
Other, net [5]	3,534	5,982
EBITDA As Defined	$ 1,351,797	$ 1,250,458

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

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

(3) 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.

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(6) During the fourth quarter of 2017, the Company committed to disposing of Schroth in connection with the settlement of a Department of Justice investigation into the competitive effects of the acquisition. Therefore, Schroth was classified as a held-for-sale and as discontinued operations beginning September 30, 2017 for all periods presented. The Company acquired Schroth in February 2017. On January 26, 2018, the Company completed the sale of Schroth in a management buyout to a private equity fund and certain members of Schroth management for approximately $61.4 million in cash, which includes a working capital adjustment of $0.3 million that was settled in July 2018.