FLYING HIGHER

FY 2018 First Quarter Earnings Conference Call

February 6, 2018

Agenda

TRANSDIGM GROUP INC.

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

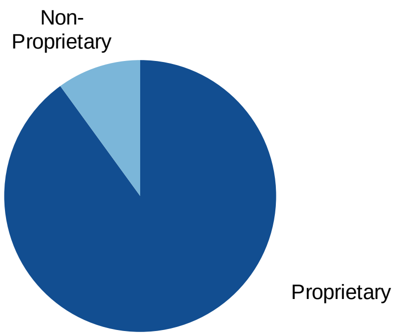
This presentation also sets forth certain non-GAAP financial measures. A presentation of the most directly comparable GAAP measures and a reconciliation to such measures are set forth in the appendix.

TransDigm Overview

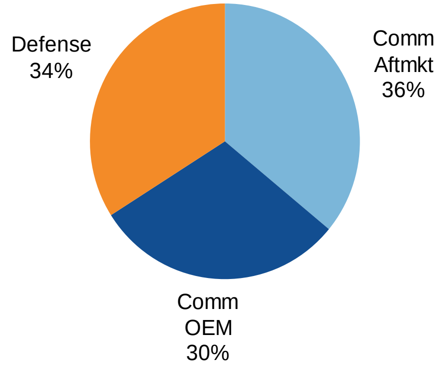
Distinguishing Characteristics

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

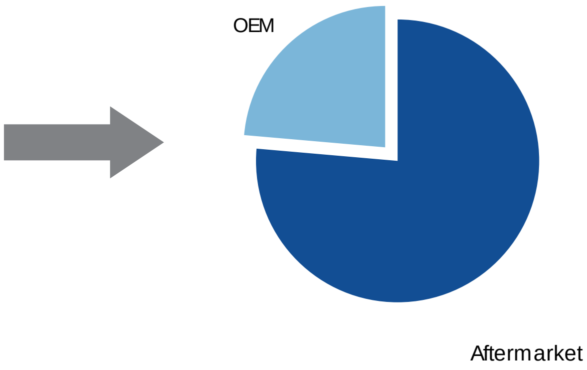
Proprietary Revenues (1)



Pro Forma Revenues (1)



Pro Forma EBITDA As Defined (1)



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(1) Pro forma revenue is for the fiscal year ended 9/30/17. Includes the full year impact of acquisitions. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

2018 Q1 Financial Performance by Markets – Pro Forma

TRANSDIGM GROUP INC.

Q1 Market Review – Pro Forma Revenues(1)

	Actual vs. Prior Year Q1
Commercial OEM:	Flat
Commercial Aftermarket:	Up 10%
Defense:	Flat

(1) Information is on a pro forma basis versus the prior year period and includes the full year impacts of acquisitions. 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 - Unchanged
30%	Commercial OEM	Up Mid-Single-Digit %
36%	Commercial Aftermarket	Up Mid-Single-Digit %
34%	Defense	Up Low to Mid-Single-Digit %

Assumptions

- Full year interest expense ≈ $650 million
- Full year effective tax rate ≈ 9-10% adjusted net income; ≈ 6-7% GAAP net income
- Weighted average shares of 55.6 million

Guidance Summary

($ in millions)		Low		High
Revenues	$	3,645	$	3,725
EBITDA As Defined	$	1,805	$	1,855
% to sales		*49.5%*		*49.8%*
Net Income	$	906	$	942
GAAP EPS	$	15.29	$	15.93
Adj. EPS	$	16.95	$	17.59

(1) Pro forma revenue is for the fiscal year ended 9/30/17. Includes the full year impact of acquisitions. Please see the Special Notice Regarding Pro Forma and Non-GAAP Information.

First Quarter 2018 Results

TRANSDIGM GROUP INC.

($ in millions, except per share amounts)

	Q1 FY 2018	Q1 FY 2017	
Revenue	$848.0	$814.0	4.2% Increase
Gross Profit	$476.7	$444.3	1.6 Margin Point Increase
Margin %	*56.2%*	*54.6%*	● Strength of our proprietary products and productivity improvements ● Lower non-operating acquisition related costs
SG&A	$106.5	$101.7	
% to Sales	*12.6%*	*12.5%*	
Interest Expense- Net	$160.9	$146.0	10.2% Increase ● Weighted average outstanding borrowings increased
Refinancing Expense	$1.1	$32.1	(96.5%) Decrease
Pre-tax Income from Continuing Operations	$191.0	$138.9	37.5% Increase
% to Sales	*22.5%*	*17.1%*	
Income from Discontinued Operations	$2.8	$0.0	
Net Income	$314.8	$118.9	164.8% Increase
% to Sales	*37.1%*	*14.6%*	
Adjusted EPS	$5.58	$2.52	121.4% Increase

Liquidity & Taxes

($ in millions)

Cash

	Q1 18 12/30/2017	FY 9/30/2017
Net Cash Provided by Operating Activities	**$292.8**	**$788.7**
Capital Expenditures	**($15.3)**	**($71.0)**
Free Cash Flow	**$277.5**	**$717.7**
Cash on the Balance Sheet	**$857.9**	**$650.6**

Taxes

- Q1 FY 18 GAAP ETR: (63.4%)
- Q1 FY 18 Adjusted ETR: (47.4%)

Capitalization

	12/30/17	Net Debt to Pro Forma EBITDA As Defined Multiple	Rate
Cash	$858		
$600m revolver	–		L + 3.00%
$350m AR securitization facility	300		L + 0.90%
First lien term loan E due 2022	1,500		L + 2.75%
First lien term loan F due 2023	3,646		L + 2.75%
First lien term loan G due 2024	1,810		L + 3.00%
Total senior secured debt	**$7,256**	**3.7x**	
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%
Total debt	**$11,856**	**6.3x**	

Interest Rate Sensitivity Analysis

TRANSDIGM GROUP INC.

($ in millions)

TDG Weighted Average

	Pre-Tax		After-Tax [1]	
LIBOR %	Cash Interest Exp $	Cash Interest Rate %	Cash Interest Exp $	Cash Interest Rate %
Current → 1.7% (Full Yr Est.)	$ 630	5.3%	$ 475	4.0%
2%	$ 645	5.5%	$ 485	4.2%
3%	$ 675	5.8%	$ 510	4.4%
4%	$ 700	6.1%	$ 530	4.6%

(1) After tax calculations assume a 24.5% blended effective tax rate, the same statutory rate assumed in the FY 2018 guidance.

Reconciliation of GAAP to Adjusted EPS - Guidance

TRANSDIGM GROUP INC.

	Thirteen Week Periods Ended		Full Year Guidance Mid-Point
	December 30, 2017	December 31, 2016	September 30, 2018
Earnings per share	$ 4.60	$ 0.41	$ 15.61
Adjustments to earnings per share:			
Dividend equivalent payments	1.01	1.70	1.01
Non-cash stock compensation expense	0.29	0.12	0.78
Acquisition-related expenses / other	0.20	0.31	0.26
Refinancing costs	0.03	0.39	0.02
Reduction in income tax provision net income per common share related to ASU 2016-09	(0.55)	(0.41)	(0.41)
Adjusted earnings per share	$ 5.58	$ 2.52	$ 17.27
Weighted-average shares outstanding	55,600	56,524	55,600

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

TRANSDIGM GROUP INC.

($ in thousands)

	Thirteen Week Periods Ended	
	December 30, 2017	December 31, 2016
Net income	$ 314,775	$ 118,871
Less: Income from Discontinued Operations, net of tax [1]	(2,764)	-
Income from Continuing Operations	312,011	118,871
Adjustments:		
Depreciation and amortization expense	30,639	38,048
Interest expense - net	160,933	146,004
Income tax provision	(121,047)	20,050
EBITDA	382,536	322,973
Adjustments:		
Acquisition-related expenses and adjustments[2]	2,074	18,568
Non-cash stock compensation expense[3]	11,113	10,020
Refinancing costs [4]	1,113	32,084
Other - net [5]	4,697	(2,450)
Gross Adjustments to EBITDA	18,997	58,222
EBITDA As Defined	$ 401,533	$ 381,195
EBITDA As Defined, Margin [6]	47.4%	46.8%

[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. 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 million in cash. Income this quarter was a result of income from operations and a benefit from the deferred tax remeasurement in connection with the U.S. Tax Reform.

[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.

[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	
Reported Earnings Per Share	**December 30, 2017**	**December 31, 2016**
Net income from continuing operations	$ 312,011	$ 118,871
Less: dividends on participating securities	(56,148)	(95,971)
Net income applicable to common stock - basic and diluted	255,863	22,900
Net income from discontinued operations	2,764	-
Net income applicable to common stock - basic and diluted	$ 258,627	$ 22,900
Weighted-average shares outstanding under the two-class method:		
Weighted-average common shares outstanding	52,024	53,365
Vested options deemed participating securities	3,576	3,159
Total shares for basic and diluted earnings per share	55,600	56,524
Net earnings per share from continuing operations -- basic and diluted	$ 4.60	$ 0.41
Net earnings per share from discontinued operations -- basic and diluted	0.05	-
Basic and diluted earnings per share	$ 4.65	$ 0.41
Adjusted Earnings Per Share		
Net income from continuing operations	$ 312,011	$ 118,871
Gross adjustments to EBITDA	18,997	58,222
Purchase accounting backlog amortization	409	9,147
Tax adjustment	(21,332)	(43,570)
Adjusted net income	$ 310,085	$ 142,670
Adjusted diluted earnings per share under the two-class method	$ 5.58	$ 2.52

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

TRANSDIGM GROUP INC.

($ in thousands)

	Thirteen Week Periods Ended	
	December 30, 2017	December 31, 2016
Net cash provided by operating activities	$ 292,811	$ 225,791
Adjustments:		
Changes in assets and liabilities, net of effects from acquisitions of businesses	(101,926)	(22,641)
Interest expense - net [(1)]	155,614	141,384
Income tax provision - current	49,090	20,543
Non-cash stock compensation expense [(2)]	(11,113)	(10,020)
Refinancing costs [(4)]	(1,113)	(32,084)
EBITDA from discontinued operations [(6)]	(827)	-
EBITDA	382,536	322,973
Adjustments:		
Acquisition-related expenses and adjustments [(3)]	2,074	18,568
Non-cash stock compensation expense [(2)]	11,113	10,020
Refinancing costs [(4)]	1,113	32,084
Other, net [(5)]	4,697	(2,450)
EBITDA As Defined	$ 401,533	$ 381,195

(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.

(4) Represents costs expenses 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.

(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 held-for-sale and has discontiuned operations beginning September 30, 2017. 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 managment for approximately $61 million in cash. Income this quarter was a result of income from operations and a benefit from the deferred tax remeasurement in connection with the U.S. Tax Reform.