

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 29, 2024

Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____
Commission File Number 001-32833

TransDigm Group Incorporated

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

41-2101738

(I.R.S. Employer Identification No.)

1350 Euclid Avenue, Suite 1600, Cleveland, Ohio

(Address of principal executive offices)

44115

(Zip Code)

(216) 706-2960

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, non-accelerated filer, smaller reporting company or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer

Non-Accelerated Filer Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol:	Name of each exchange on which registered:
Common Stock, \$0.01 par value	TDG	New York Stock Exchange

The number of shares outstanding of TransDigm Group Incorporated's common stock, par value \$.01 per share, was 56,111,393 as of July 31, 2024.

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PART I: FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS****(Amounts in millions, except share amounts)****(Unaudited)**

	June 29, 2024	September 30, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,360	\$ 3,472
Trade accounts receivable—Net	1,300	1,230
Inventories—Net	1,878	1,616
Prepaid expenses and other	523	420
Total current assets	7,061	6,738
PROPERTY, PLANT AND EQUIPMENT—NET	1,431	1,255
GOODWILL	10,018	8,988
OTHER INTANGIBLE ASSETS—NET	3,116	2,747
OTHER NON-CURRENT ASSETS	202	242
TOTAL ASSETS	\$ 21,828	\$ 19,970
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 78	\$ 71
Short-term borrowings—trade receivable securitization facility	450	349
Accounts payable	320	305
Accrued and other current liabilities	1,003	854
Total current liabilities	1,851	1,579
LONG-TERM DEBT	21,364	19,330
DEFERRED INCOME TAXES	708	627
OTHER NON-CURRENT LIABILITIES	415	412
Total liabilities	24,338	21,948
TD GROUP STOCKHOLDERS' DEFICIT:		
Common stock - \$.01 par value; authorized 224,400,000 shares; issued 61,774,108 and 60,995,513 at June 29, 2024 and September 30, 2023, respectively	1	1
Additional paid-in capital	2,749	2,440
Accumulated deficit	(3,416)	(2,621)
Accumulated other comprehensive loss	(146)	(98)
Treasury stock, at cost; 5,688,639 shares at June 29, 2024 and September 30, 2023, respectively	(1,706)	(1,706)
Total TD Group stockholders' deficit	(2,518)	(1,984)
NONCONTROLLING INTERESTS	8	6
Total stockholders' deficit	(2,510)	(1,978)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 21,828	\$ 19,970

See notes to condensed consolidated financial statements

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in millions, except per share amounts)
(Unaudited)

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
NET SALES	\$ 2,046	\$ 1,744	\$ 5,754	\$ 4,733
COST OF SALES	826	715	2,341	1,983
GROSS PROFIT	1,220	1,029	3,413	2,750
SELLING AND ADMINISTRATIVE EXPENSES	248	209	715	578
AMORTIZATION OF INTANGIBLE ASSETS	38	37	110	105
INCOME FROM OPERATIONS	934	783	2,588	2,067
INTEREST EXPENSE—NET	316	291	943	872
REFINANCING COSTS	30	32	59	41
OTHER INCOME	(14)	(9)	(24)	(12)
INCOME FROM OPERATIONS BEFORE INCOME TAXES	602	469	1,610	1,166
INCOME TAX PROVISION	141	117	362	281
NET INCOME	461	352	1,248	885
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	(1)	(2)	(2)
NET INCOME ATTRIBUTABLE TO TD GROUP	\$ 461	\$ 351	\$ 1,246	\$ 883
NET INCOME APPLICABLE TO TD GROUP COMMON STOCKHOLDERS	\$ 461	\$ 351	\$ 1,145	\$ 845
Earnings per share attributable to TD Group common stockholders:				
Basic and diluted	\$ 7.96	\$ 6.14	\$ 19.81	\$ 14.80
Cash dividends paid per common share	\$ —	\$ —	\$ 35.00	\$ —
Weighted-average shares outstanding:				
Basic and diluted	57.9	57.2	57.8	57.1

See notes to condensed consolidated financial statements

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**(Amounts in millions)****(Unaudited)**

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net income	\$ 461	\$ 352	\$ 1,248	\$ 885
Less: Net income attributable to noncontrolling interests	—	(1)	(2)	(2)
Net income attributable to TD Group	\$ 461	\$ 351	\$ 1,246	\$ 883
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustment	(7)	31	24	211
Unrealized (losses) gains on derivatives	(21)	35	(72)	26
Pension and post-retirement benefit plans adjustment	—	—	—	—
Other comprehensive (loss) income, net of tax, attributable to TD Group	(28)	66	(48)	237
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO TD GROUP	\$ 433	\$ 417	\$ 1,198	\$ 1,120

See notes to condensed consolidated financial statements

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(Amounts in millions, except share amounts)
(Unaudited)

	TD Group Stockholders									
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Noncontrolling Interests	Total	
	Number of Shares	Par Value				Number of Shares	Value			
BALANCE—September 30, 2022	60,049,685	\$ 1	\$ 2,113	\$ (3,914)	\$ (267)	(5,688,639)	\$ (1,706)	\$ 7	\$ (3,766)	
Changes in noncontrolling interest of consolidated subsidiaries, net	—	—	—	—	—	—	—	1	1	
Accrued unvested dividend equivalents and other	—	—	—	(1)	—	—	—	—	(1)	
Compensation expense recognized for employee stock options	—	—	24	—	—	—	—	—	24	
Exercise of employee stock options	121,490	—	27	—	—	—	—	—	27	
Net income attributable to TD Group	—	—	—	228	—	—	—	—	228	
Foreign currency translation adjustment, net of tax	—	—	—	—	137	—	—	—	137	
Unrealized gain on derivatives, net of tax	—	—	—	—	22	—	—	—	22	
Pension and postretirement benefit plans adjustment, net of tax	—	—	—	—	—	—	—	—	—	
BALANCE—December 31, 2022	60,171,175	\$ 1	\$ 2,164	\$ (3,687)	\$ (108)	(5,688,639)	\$ (1,706)	\$ 8	\$ (3,328)	
Accrued unvested dividend equivalents and other	—	—	—	(1)	—	—	—	—	(1)	
Compensation expense recognized for employee stock options	—	—	28	—	—	—	—	—	28	
Exercise of employee stock options	400,474	—	92	—	—	—	—	—	92	
Net income attributable to TD Group	—	—	—	304	—	—	—	—	304	
Foreign currency translation adjustment, net of tax	—	—	—	—	43	—	—	—	43	
Unrealized loss on derivatives, net of tax	—	—	—	—	(31)	—	—	—	(31)	
Pension and postretirement benefit plans adjustment, net of tax	—	—	—	—	—	—	—	—	—	
BALANCE—April 1, 2023	60,571,649	\$ 1	\$ 2,284	\$ (3,384)	\$ (96)	(5,688,639)	\$ (1,706)	\$ 8	\$ (2,893)	
Changes in noncontrolling interest of consolidated subsidiaries, net	—	—	—	—	—	—	—	(1)	(1)	
Accrued unvested dividend equivalents and other	—	—	—	(1)	—	—	—	—	(1)	
Compensation expense recognized for employee stock options	—	—	31	—	—	—	—	—	31	
Exercise of employee stock options	261,167	—	60	—	—	—	—	—	60	
Net income attributable to TD Group	—	—	—	351	—	—	—	—	351	
Foreign currency translation adjustment, net of tax	—	—	—	—	31	—	—	—	31	
Unrealized gain on derivatives, net of tax	—	—	—	—	35	—	—	—	35	
Pension and post-retirement benefit plans adjustment, net of tax	—	—	—	—	—	—	—	—	—	
BALANCE—July 1, 2023	60,832,816	\$ 1	\$ 2,375	\$ (3,034)	\$ (30)	(5,688,639)	\$ (1,706)	\$ 7	\$ (2,387)	

See notes to condensed consolidated financial statements

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(Amounts in millions, except share amounts)
(Unaudited)

	TD Group Stockholders								
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Noncontrolling Interests	Total
	Number of Shares	Par Value				Number of Shares	Value		
BALANCE—September 30, 2023	60,995,513	\$ 1	\$ 2,440	\$ (2,621)	\$ (98)	(5,688,639)	\$ (1,706)	\$ 6	\$ (1,978)
Changes in noncontrolling interest of consolidated subsidiaries, net	—	—	—	—	—	—	—	1	1
Special dividends (\$35 per share) and dividend equivalents	—	—	—	(2,020)	—	—	—	—	(2,020)
Accrued unvested dividend equivalents and other	—	—	—	(7)	—	—	—	—	(7)
Compensation expense recognized for employee stock options	—	—	26	—	—	—	—	—	26
Exercise of employee stock options	216,150	—	52	—	—	—	—	—	52
Net income attributable to TD Group	—	—	—	382	—	—	—	—	382
Foreign currency translation adjustment, net of tax	—	—	—	—	91	—	—	—	91
Unrealized loss on derivatives, net of tax	—	—	—	—	(53)	—	—	—	(53)
Pension and postretirement benefit plans adjustment, net of tax	—	—	—	—	—	—	—	—	—
BALANCE—December 30, 2023	61,211,663	\$ 1	\$ 2,518	\$ (4,266)	\$ (60)	(5,688,639)	\$ (1,706)	\$ 7	\$ (3,506)
Accrued unvested dividend equivalents and other	—	—	—	(7)	—	—	—	—	(7)
Compensation expense recognized for employee stock options	—	—	33	—	—	—	—	—	33
Exercise of employee stock options	410,748	—	113	—	—	—	—	—	113
Net income attributable to TD Group	—	—	—	403	—	—	—	—	403
Foreign currency translation adjustment, net of tax	—	—	—	—	(60)	—	—	—	(60)
Unrealized gain on derivatives, net of tax	—	—	—	—	2	—	—	—	2
Pension and postretirement benefit plans adjustment, net of tax	—	—	—	—	—	—	—	—	—
BALANCE—March 30, 2024	61,622,411	\$ 1	\$ 2,664	\$ (3,870)	\$ (118)	(5,688,639)	\$ (1,706)	\$ 7	\$ (3,022)
Changes in noncontrolling interest of consolidated subsidiaries, net	—	—	—	—	—	—	—	1	1
Accrued unvested dividend equivalents and other	—	—	—	(7)	—	—	—	—	(7)
Compensation expense recognized for employee stock options	—	—	37	—	—	—	—	—	37
Exercise of employee stock options	151,697	—	48	—	—	—	—	—	48
Net income attributable to TD Group	—	—	—	461	—	—	—	—	461
Foreign currency translation adjustment, net of tax	—	—	—	—	(7)	—	—	—	(7)
Unrealized loss on derivatives, net of tax	—	—	—	—	(21)	—	—	—	(21)
Pension and post-retirement benefit plans adjustment, net of tax	—	—	—	—	—	—	—	—	—
BALANCE—June 29, 2024	61,774,108	\$ 1	\$ 2,749	\$ (3,416)	\$ (146)	(5,688,639)	\$ (1,706)	\$ 8	\$ (2,510)

See notes to condensed consolidated financial statements

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in millions)
(Unaudited)

	Thirty-Nine Week Periods Ended	
	June 29, 2024	July 1, 2023
OPERATING ACTIVITIES:		
Net income	\$ 1,248	\$ 885
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	108	93
Amortization of intangible assets and product certification costs	111	106
Amortization of debt issuance costs, original issue discount and premium	31	30
Amortization of inventory step-up	8	2
Amortization of loss contract reserves	(24)	(27)
Refinancing costs	59	41
Gain on sale of businesses, net	(11)	—
Non-cash stock and deferred compensation expense	158	131
Deferred income taxes	—	(1)
Foreign currency exchange losses	3	21
Gain on settlement of the Esterline Retirement Plan (the “ERP”)	—	(8)
Cash refund for the ERP settlement, net	—	8
Changes in assets/liabilities, net of effects from acquisitions and sales of businesses:		
Trade accounts receivable	(22)	(134)
Inventories	(140)	(244)
Income taxes (receivable) payable	(120)	70
Other assets	(27)	(16)
Accounts payable	(9)	(4)
Accrued interest	118	29
Accrued and other liabilities	(18)	(69)
Net cash provided by operating activities	<u>1,473</u>	<u>913</u>
INVESTING ACTIVITIES:		
Capital expenditures	(124)	(102)
Acquisition of businesses, net of cash acquired	(1,686)	(750)
Other investing transactions	71	—
Net cash used in investing activities	<u>(1,739)</u>	<u>(852)</u>
FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	213	179
Dividends and dividend equivalent payments	(2,038)	(38)
Repayments of senior subordinated notes, net	(550)	—
Proceeds from issuance of senior secured notes, net	5,887	2,068
Repayments of senior secured notes	(4,400)	(1,122)
Proceeds from term loans, net	5,332	6,238
Proceeds from trade receivable securitization facility, net	100	—
Repayment on term loans	(4,385)	(7,318)
Financing costs and other, net	(7)	(18)
Net cash provided by (used in) financing activities	<u>152</u>	<u>(11)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>2</u>	<u>20</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(112)	70
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,472	3,001
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 3,360</u>	<u>\$ 3,071</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest, net	<u>\$ 777</u>	<u>\$ 808</u>
Cash paid during the period for income taxes, net of refunds	<u>\$ 472</u>	<u>\$ 231</u>

See notes to condensed consolidated financial statements

TRANSDIGM GROUP INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THIRTY-NINE WEEK PERIODS ENDED JUNE 29, 2024 AND JULY 1, 2023
(UNAUDITED)

1. BASIS OF PRESENTATION

As used in this Quarterly Report on Form 10-Q, unless the context otherwise requires, the terms “Company”, “TD Group”, “TransDigm”, “we” or “us” refer to TransDigm Group Incorporated and its subsidiaries.

Principles of Consolidation

The financial information included herein is unaudited; however, the information reflects all adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of the Company’s condensed consolidated financial statements for the interim periods presented. These financial statements and notes should be read in conjunction with the financial statements and related notes for the fiscal year ended September 30, 2023 included in TD Group’s Annual Report on Form 10-K filed on November 9, 2023. As disclosed therein, the Company’s annual consolidated financial statements were prepared in conformity with generally accepted accounting principles in the United States (“U.S. GAAP”). The September 30, 2023 condensed consolidated balance sheet was derived from TD Group’s audited financial statements. The results of operations for the thirty-nine week period ended June 29, 2024 are not necessarily indicative of the results to be expected for the full year.

Reclassifications

Certain reclassifications have been made to the prior year amounts to conform to the current year presentation, none of which are material.

New Accounting Pronouncements Issued

In October 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-06, “Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative,” to amend certain disclosure and presentation requirements for a variety of topics within the ASC. These amendments align the requirements in the ASC to the removal of certain disclosure requirements set out in Regulation S-X and Regulation S-K, announced by the SEC. The effective date for each amended topic in the ASC is either the date on which the SEC’s removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, or on June 30, 2027, if the SEC has not removed the requirements by that date. Early adoption is prohibited. The Company does not expect that the application of this standard will have an impact on our condensed consolidated financial statements and disclosures.

In November 2023, the FASB issued ASU 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.” ASU 2023-07 expands disclosures about a public business entity’s reportable segments and provides for more detailed information about a reportable segment’s expenses. Additionally, ASU 2023-07 requires all segment profit or loss and assets disclosures to be provided on an annual and interim basis. This standard is effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning one year later. Early adoption is permitted. The Company is currently evaluating this standard to determine its impact on our disclosures.

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures,” which requires a public business entity to disclose specific categories in its annual effective tax rate reconciliation and disaggregated information about significant reconciling items by jurisdiction and by nature. The ASU also requires entities to disclose their income tax payments (net of refunds) to international, federal, and state and local jurisdictions. The standard makes several other changes to income tax disclosure requirements. This standard is effective for annual periods beginning after December 15, 2024, and requires prospective application with the option to apply it retrospectively. Early adoption is permitted. The Company is currently evaluating this standard to determine its impact on our disclosures.

2. ACQUISITIONS

Raptor Scientific – On May 24, 2024, the Company entered into a definitive agreement to acquire all the outstanding stock of Raptor Scientific for a total purchase price of approximately \$655 million in cash, including certain tax benefits. The acquisition was completed on July 31, 2024 and financed through existing cash on hand. Raptor Scientific is a leading global manufacturer of complex test and measurement solutions primarily serving the aerospace and defense end markets. Its products are highly engineered, proprietary components with significant aftermarket content and a strong presence across major aerospace and defense platforms.

CPI's Electron Device Business – On June 6, 2024, the Company completed the acquisition of all the outstanding stock of the Electron Device Business of Communications & Power Industries (“CPI's Electron Device Business”) for approximately \$1,385 million in cash. The acquisition was financed through existing cash on hand, inclusive of a portion of the cash proceeds from the new long-term debt issued during the first quarter of fiscal 2024 (refer to Note 7, “Debt,” for further disclosure of the aforementioned debt issuances). CPI's Electron Device Business is a leading global manufacturer of electronic components and subsystems primarily serving the aerospace and defense market. Its products are highly engineered, proprietary components with significant aftermarket content and a strong presence across major aerospace and defense platforms. The operating results of CPI's Electron Device Business are included within TransDigm's Power & Control segment as of the June 6, 2024 acquisition date.

As of June 29, 2024, the measurement period (not to exceed one year) is open; therefore, the assets acquired and liabilities assumed related to the acquisition of CPI's Electron Device Business are subject to adjustment until the end of the respective measurement period.

The Company accounted for the acquisition of CPI's Electron Device Business using the acquisition method of accounting and included the results of operations of the acquisition in its condensed consolidated financial statements from the effective date of the acquisition. The purchase price was allocated to identifiable assets and liabilities based on information available at the date of acquisition. The allocation of the purchase price is preliminary and will likely change in future periods, perhaps materially, as fair value estimates of the assets acquired, particularly intangible assets and property, plant and equipment, and liabilities assumed are finalized. The Company is in the process of obtaining a third-party valuation of certain intangible assets and property, plant and equipment of CPI's Electron Device Business. Pro forma net sales and results of operations for the acquisition, had it occurred at the beginning of the thirty-nine week periods ended June 29, 2024 or July 1, 2023 are not material and, accordingly, are not provided.

The allocation of the estimated fair value of assets acquired and liabilities assumed in the acquisition of CPI's Electron Device Business as of the June 6, 2024 acquisition date is summarized in the table below (in millions):

Assets acquired (excluding cash):	
Trade accounts receivable	\$ 40
Inventories	81
Prepaid expenses and other	64
Property, plant and equipment	137
Goodwill	844 ⁽¹⁾
Other intangible assets	368 ⁽¹⁾
Other non-current assets	15
Total assets acquired (excluding cash)	1,549
Liabilities assumed:	
Accounts payable	18
Accrued and other current liabilities	45
Deferred income taxes	89
Other non-current liabilities	12
Total liabilities assumed	164
Net assets acquired	\$ 1,385

⁽¹⁾ Based on the preliminary allocation of the net assets acquired, the Company expects that the \$844 million of goodwill and \$368 million of other intangible assets recognized for the acquisition will not be deductible for tax purposes.

SEI Industries LTD – On May 21, 2024, the Company acquired all the outstanding stock of SEI Industries LTD (“SEI”) for approximately \$170 million in cash, including certain tax benefits. The acquisition was financed through existing cash on hand. SEI, located in Delta, British Columbia, Canada, is a leading provider of highly engineered products for aerial firefighting and other liquid transportation solutions, such as remote refueling, for both the commercial and defense aerospace end markets. The products are primarily proprietary with significant aftermarket content. SEI’s operating results are presented within TransDigm’s Airframe segment as of the May 21, 2024 acquisition date.

The Company accounted for the SEI acquisition using the acquisition method of accounting and included the results of operations of the acquisition in its condensed consolidated financial statements from the effective date of the acquisition. The purchase price was allocated to identifiable assets and liabilities based on information available at the date of acquisition. The allocation of the purchase price is preliminary and will likely change in future periods, perhaps materially, as fair value estimates of the assets acquired, particularly intangible assets, and liabilities assumed are finalized. The Company is in the process of obtaining a third-party valuation of certain intangible assets of SEI. Pro forma net sales and results of operations for the acquisition, had it occurred at the beginning of the thirty-nine week periods ended June 29, 2024 or July 1, 2023 are not material and, accordingly, are not provided.

The allocation of the estimated fair value of assets acquired and liabilities assumed in the SEI acquisition as of the May 21, 2024 acquisition date is summarized in the table below (in millions):

Assets acquired (excluding cash):	
Trade accounts receivable	\$ 2
Inventories	11
Prepaid expenses and other	—
Property, plant and equipment	1
Goodwill	109 ⁽¹⁾
Other intangible assets	68 ⁽¹⁾
Other non-current assets	—
Total assets acquired (excluding cash)	191
Liabilities assumed:	
Accounts payable	1
Accrued and other current liabilities	1
Deferred income taxes	19
Other non-current liabilities	—
Total liabilities assumed	21
Net assets acquired	\$ 170

⁽¹⁾ Based on the preliminary allocation of the net assets acquired, the Company expects that the \$109 million of goodwill and \$68 million of other intangible assets recognized for the acquisition will not be deductible for tax purposes.

FPT Industries LLC – On March 1, 2024, the Company acquired all the outstanding stock of FPT Industries LLC (“FPT”) for approximately \$57 million in cash. The acquisition was financed through existing cash on hand. FPT, which has facilities in the United Kingdom and Alabama, designs and manufactures an extensive range of specialist fuel tanks and flotation systems for both the commercial and defense aerospace end markets. The products are primarily proprietary with significant aftermarket content. FPT’s operating results are presented within TransDigm’s Airframe segment as of the March 1, 2024 acquisition date.

The Company accounted for the FPT acquisition using the acquisition method of accounting and included the results of operations of the acquisition in its condensed consolidated financial statements from the effective date of the acquisition. The allocation of the purchase price remains preliminary and will likely change, though not materially, in future periods up to the expiration of the respective one year measurement period as fair value estimates of the assets acquired and liabilities assumed are finalized. The Company expects that \$9 million of the approximately \$35 million of goodwill recognized for the acquisition will be deductible for tax purposes over 15 years. The Company expects that none of the approximately \$19 million of other intangible assets recognized for the acquisition will be deductible for tax purposes.

Pro forma net sales and results of operations for the acquisition, had it occurred at the beginning of the thirty-nine week periods ended June 29, 2024 or July 1, 2023 are not material and, accordingly, are not provided.

Calspan Corporation – On May 8, 2023, the Company acquired all the outstanding stock of Calspan Corporation (“Calspan”) for approximately \$730 million in cash, which includes a \$1 million working capital settlement paid in the first quarter of fiscal 2024 and certain tax benefits. The acquisition was financed through existing cash on hand. Calspan is a leading independent provider of proprietary highly engineered testing and technology development services and systems primarily for the aerospace and defense industry. Calspan’s state of the art transonic wind tunnel is used across a range of important aftermarket-focused development activities for both the commercial and defense aerospace end markets. The services and systems are primarily proprietary with significant aftermarket content. Calspan's operating results are included within TransDigm's Airframe segment.

The Company accounted for the Calspan acquisition using the acquisition method of accounting and third-party valuation appraisals and included the results of operations of the acquisition in its condensed consolidated financial statements from the effective date of the acquisition. The total purchase price of Calspan was allocated to the underlying assets acquired and liabilities assumed based upon the respective fair value at the date of acquisition. To the extent the purchase price exceeded the fair value of the net identifiable tangible and intangible assets acquired, such excess was allocated to goodwill.

The Company utilized both the cost and market approaches to value property, plant and equipment, which consider external transactions and other comparable transactions, estimated replacement and reproduction costs, and estimated useful lives and consideration for physical, functional and economic obsolescence. The fair values of acquired intangibles are determined based on an income approach, using estimates and assumptions that are deemed reasonable by the Company. Significant assumptions include the discount rates and certain assumptions that form the basis of the forecasted results of the acquired business including revenue, earnings before interest, taxes, depreciation and amortization (“EBITDA”), growth rates, royalty rates and technology obsolescence rates. These assumptions are forward looking and could be affected by future economic and market conditions.

Pro forma net sales and results of operations for the Calspan acquisition had it occurred at the beginning of the thirty-nine week period ended July 1, 2023 are not material and, accordingly, are not provided.

The final allocation of the fair value of assets acquired and liabilities assumed in the Calspan acquisition as of the May 8, 2023 acquisition date, as well as measurement period adjustments recorded within the permissible one year measurement period, are summarized in the table below (in millions):

	Preliminary Allocation	Measurement Period Adjustments ⁽²⁾	Final Allocation
Assets acquired (excluding cash):			
Trade accounts receivable	\$ 39	\$ —	\$ 39
Inventories	2	—	2
Prepaid expenses and other	40	(3)	37
Property, plant and equipment	105	234	339
Goodwill	367	(87)	280 ⁽¹⁾
Other intangible assets	243	(142)	101 ⁽¹⁾
Other non-current assets	7	—	7
Total assets acquired (excluding cash)	803	2	805
Liabilities assumed:			
Accounts payable	10	(1)	9
Accrued and other current liabilities	50	4	54
Deferred income taxes	8	(3)	5
Other non-current liabilities	6	1	7
Total liabilities assumed	74	1	75
Net assets acquired	\$ 729	\$ 1	\$ 730

⁽¹⁾ Of the approximately \$280 million of goodwill recognized for the acquisition, approximately \$222 million is deductible for tax purposes. Of the approximately \$101 million of other intangible assets recognized for the acquisition, approximately \$86 million is deductible for tax purposes. The goodwill and intangible assets are deductible over 15 years.

- (2) Measurement period adjustments primarily related to the adjustments in the fair values of the acquired property, plant and equipment and other intangible assets from the third-party valuation. A substantial portion of the measurement period adjustments to property, plant and equipment relates to the fair value of the transonic wind tunnel. The offset to the measurement period adjustments was to goodwill.

The fiscal 2024 acquisitions of CPI's Electron Device Business, SEI and FPT and fiscal 2023 acquisition of Calspan completed by the Company strengthen and expand the Company's position to design, produce and supply highly engineered proprietary aerospace components in niche markets with significant aftermarket content and provide opportunities to create value through the application of our three core value-driven operating strategy (obtaining profitable new business, continually improving our cost structure, and providing highly engineered value-added products to customers). The purchase prices paid reflect the current EBITDA As Defined and cash flows, as well as the future EBITDA As Defined and cash flows expected to be generated by the businesses, which are driven in most cases by the recurring aftermarket consumption over the life of a particular aircraft, estimated to be approximately 25 to 30 years.

Extant Aerospace Acquisitions – For the thirty-nine week period ended June 29, 2024, the Company's Extant Aerospace subsidiary, which is included within TransDigm's Power & Control segment, completed a series of acquisitions of substantially all of the assets and technical data rights of certain product lines (collectively, referred to herein as the "Extant Aerospace product line acquisitions"), each meeting the definition of a business, for a total purchase price of \$72 million. The Company accounted for the acquisitions using the acquisition method of accounting and included the results of operations of the acquisitions in its condensed consolidated financial statements from the effective date of each acquisition. The allocation of the purchase price remains preliminary and will likely change, though not materially, in future periods up to the expiration of the respective one year measurement period as fair value estimates of the assets acquired and liabilities assumed are finalized. The Company expects that all of the approximately \$32 million of goodwill and \$18 million of other intangible assets recognized for the acquisition will be deductible for tax purposes over 15 years.

For the fiscal year ended September 30, 2023, the Company's Extant Aerospace subsidiary, completed a series of acquisitions of substantially all of the assets and technical data rights of certain product lines, each meeting the definition of a business, for a total purchase price of \$24 million. The Company accounted for the acquisitions using the acquisition method of accounting and included the results of operations of the acquisitions in its condensed consolidated financial statements from the effective date of each acquisition. The Company expects that all of the approximately \$12 million of goodwill and \$6 million of other intangible assets recognized for the acquisitions is deductible for tax purposes over 15 years.

Pro forma net sales and results of operations for the Extant Aerospace product line acquisitions, had they occurred at the beginning of the thirty-nine week periods ended June 29, 2024 or July 1, 2023 are not material and, accordingly, are not provided.

3. REVENUE RECOGNITION

TransDigm's sales are concentrated in the aerospace and defense industry. The Company's customers include: distributors of aerospace components, commercial airlines, large commercial transport and regional and business aircraft original equipment manufacturers ("OEMs"), various armed forces of the U.S. and friendly foreign governments, defense OEMs, system suppliers, and various other industrial customers.

The Company recognizes revenue from contracts with customers using the five step model prescribed in ASC 606. A substantial portion of the Company's revenue is recorded at a point in time basis. Revenue is recognized from the sale of products or services when obligations under the terms of the contract are satisfied and control of promised goods or services have transferred to the customer. Control is transferred when the customer has the ability to direct the use of and obtain benefits from the goods or services. Revenue is measured at the amount of consideration the Company expects to be paid in exchange for goods or services.

In a limited number of contracts, control transfers to the customer over time, primarily in contracts where the customer is required to pay for the cost of both the finished and unfinished goods at the time of cancellation plus a reasonable profit relative to the work performed for products that were customized for the customer. Therefore, we recognize revenue over time for those agreements that have a right to margin and where the products being produced have no alternative use.

Based on our production cycle, it is generally expected that goods related to the revenue will be shipped and billed within twelve months. For revenue recognized over time, we estimate the amount of revenue attributable to a contract earned at a given point during the production cycle based on certain costs, such as materials and labor incurred to date, plus the expected profit, which is a cost-to-cost input method.

We consider the contractual consideration payable by the customer and assess variable consideration that may affect the total transaction price. Variable consideration is included in the estimated transaction price when there is a basis to reasonably estimate the amount, including whether the estimate should be constrained in order to avoid a significant reversal of revenue in a future period. These estimates are based on historical experience, anticipated performance under the terms of the contract and our best judgment at the time.

When contracts are modified to account for changes in contract specifications and requirements, the Company considers whether the modification either creates new or changes the existing enforceable rights and obligations. Contract modifications that are for goods or services that are not distinct from the existing contract, due to the significant integration with the original good or service provided, are accounted for as if they were part of that existing contract. The effect of a contract modification to an existing contract on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue on a cumulative catch-up basis. When the modifications include additional performance obligations that are distinct and at relative stand-alone selling price, they are accounted for as a new contract and performance obligation, which are recognized prospectively.

The Company's payment terms vary by the type and location of the customer and the products or services offered. The Company does not offer any payment terms that would meet the requirements for consideration as a significant financing component.

Shipping and handling fees and costs incurred in connection with products sold are recorded in cost of sales in the condensed consolidated statements of income, and are not considered a performance obligation to our customers.

The Company pays sales commissions that relate to contracts for products or services that are satisfied at a point in time or over a period of one year or less and are expensed as incurred. These costs are reported as a component of selling and administrative expenses in the condensed consolidated statements of income.

Contract Assets and Liabilities – Contract assets reflect revenue recognized and performance obligations satisfied in advance of customer billing or reimbursable costs related to a specific contract. Contract liabilities (Deferred revenue) relate to payments received in advance of the satisfaction of performance under the contract. We receive payments from customers based on the terms established in our contracts. The following table summarizes our contract assets and liabilities balances (in millions):

	June 29, 2024	September 30, 2023
Contract assets, current ⁽¹⁾	\$ 268	\$ 191
Contract assets, non-current ⁽²⁾	—	1
Total contract assets	268	192
Contract liabilities, current ⁽³⁾	153	79
Contract liabilities, non-current ⁽⁴⁾	7	8
Total contract liabilities	160	87
Net contract assets	\$ 108	\$ 105

⁽¹⁾ Included in prepaid expenses and other on the condensed consolidated balance sheets.

⁽²⁾ Included in other non-current assets on the condensed consolidated balance sheets.

⁽³⁾ Included in accrued and other current liabilities on the condensed consolidated balance sheets.

⁽⁴⁾ Included in other non-current liabilities on the condensed consolidated balance sheets.

The increase in the Company's total contract assets at June 29, 2024 compared to September 30, 2023 is primarily due to the acquisition of CPI's Electron Device Business (completed during the third quarter of fiscal 2024) and also the timing and status of work in process and/or milestones of certain contracts. The increase in the Company's total contract liabilities at June 29, 2024 compared to September 30, 2023 is primarily due to the acquisition of CPI's Electron Device Business and also receipt of advance payments. For the thirty-nine week period ended June 29, 2024, the revenue recognized that was included in the contract liability balance at the beginning of the fiscal year was not material.

Refer to Note 11, "Segments," for disclosures related to the disaggregation of revenue.

Allowance for Credit Losses – The Company's allowance for credit losses is the allowance for uncollectible accounts. The allowance for uncollectible accounts reduces the trade accounts receivable balance to the estimated net realizable value equal to the amount that is expected to be collected.

The Company's method for developing its allowance for credit losses is based on historical write-off experience, the aging of receivables, an assessment of the creditworthiness of customers, economic conditions and other external market information and supportable forward-looking information. The allowance also incorporates a provision for the estimated impact of disputes with customers. All provisions for allowances for uncollectible accounts are included in selling and administrative expenses. The determination of the amount of the allowance for uncollectible accounts is subject to judgment and estimation by management. If circumstances change or economic conditions deteriorate or improve, the allowance for uncollectible accounts could increase or decrease.

As of June 29, 2024 and September 30, 2023, the allowance for uncollectible accounts was \$31 million. The allowance for uncollectible accounts is assessed individually at each operating unit by the operating unit's management team.

4. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share (in millions, except per share data) using the two-class method:

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Numerator for earnings per share:				
Net income	\$ 461	\$ 352	\$ 1,248	\$ 885
Less: Net income attributable to noncontrolling interests	—	(1)	(2)	(2)
Net income attributable to TD Group	461	351	1,246	883
Less: Dividends paid on participating securities ⁽¹⁾	—	—	(101)	(38)
Net income applicable to TD Group common stockholders—basic and diluted	\$ 461	\$ 351	\$ 1,145	\$ 845
Denominator for basic and diluted earnings per share under the two-class method:				
Weighted-average common shares outstanding	56.0	55.0	55.7	54.7
Vested options deemed participating securities	1.9	2.2	2.1	2.4
Total shares for basic and diluted earnings per share	57.9	57.2	57.8	57.1
Earnings per share—basic and diluted	\$ 7.96	\$ 6.14	\$ 19.81	\$ 14.80

- ⁽¹⁾ Represents dividend equivalent payments of approximately \$101 million, of which \$18 million was accrued as of September 30, 2023 and the remaining \$83 million was associated with the November 2023 \$35.00 dividend declaration, and \$38 million, respectively, for the thirty-nine week periods ended June 29, 2024 and July 1, 2023. No special dividends were declared or paid on participating securities, including dividend equivalent payments, for the thirteen week periods ended June 29, 2024 and July 1, 2023.

5. INVENTORIES

Inventories are stated at the lower of cost or net realizable value. Cost of inventories is generally determined by the average cost and the first-in, first-out (“FIFO”) methods and includes material, labor and overhead related to the manufacturing process.

Inventories consist of the following (in millions):

	June 29, 2024	September 30, 2023
Raw materials and purchased component parts	\$ 1,313	\$ 1,144
Work-in-progress	508	455
Finished goods	285	226
Total	2,106	1,825
Reserves for excess and obsolete inventory	(228)	(209)
Inventories—Net	\$ 1,878	\$ 1,616

6. INTANGIBLE ASSETS

Other intangible assets—net in the condensed consolidated balance sheets consist of the following (in millions):

	June 29, 2024			September 30, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Trademarks and trade names	\$ 1,086	\$ —	\$ 1,086	\$ 1,019	\$ —	\$ 1,019
Technology	2,358	967	1,391	2,124	888	1,236
Order backlog	16	4	12	7	6	1
Customer relationships	784	162	622	623	136	487
Other	10	5	5	9	5	4
Total	\$ 4,254	\$ 1,138	\$ 3,116	\$ 3,782	\$ 1,035	\$ 2,747

The aggregate amortization expense on identifiable intangible assets is approximately \$38 million and \$37 million for the thirteen week periods ended June 29, 2024 and July 1, 2023, respectively. The aggregate amortization expense on identifiable intangible assets is approximately \$110 million and \$105 million for the thirty-nine week periods ended June 29, 2024 and July 1, 2023, respectively.

As disclosed in Note 2, “Acquisitions,” the estimated fair value of the net identifiable tangible and intangible assets acquired is based on the acquisition method of accounting and is subject to adjustment upon completion of the third-party valuation for certain acquisitions. Material adjustments may occur. The fair value of the net identifiable tangible and intangible assets acquired will be finalized within the measurement period (not to exceed one year). Intangible assets acquired during the thirty-nine week period ended June 29, 2024 are summarized in the table below (in millions):

	Gross Amount	Amortization Period
Intangible assets not subject to amortization:		
Goodwill	\$ 1,020	
Trademarks and trade names	70	
	<u>1,090</u>	
Intangible assets subject to amortization:		
Technology	235	20 years
Order backlog	12	1 year
Customer relationships	156	20 years
	<u>403</u>	
Total	<u>\$ 1,493</u>	

The following is a summary of changes in the carrying value of goodwill by segment from September 30, 2023 through June 29, 2024 (in millions):

	Power & Control	Airframe	Non-aviation	Total
Balance at September 30, 2023	\$ 4,194	\$ 4,701	\$ 93	\$ 8,988
Goodwill acquired during the period (Note 2)	876	144	—	1,020
Purchase price allocation adjustments ⁽¹⁾	—	35	—	35
Currency translation adjustments and other	(2)	(23)	—	(25)
Balance at June 29, 2024	<u>\$ 5,068</u>	<u>\$ 4,857</u>	<u>\$ 93</u>	<u>\$ 10,018</u>

⁽¹⁾ Related to the opening balance sheet adjustments recorded from the acquisition of Calspan completed during the third quarter of fiscal 2023, within the allowable measurement period (not to exceed one year). Refer to Note 2, “Acquisitions,” for further information.

The Company performs its annual impairment test for goodwill and other intangible assets as of the first day of the fourth fiscal quarter of each year, or more frequently, if events or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We have assessed the changes in events and circumstances through the third quarter of fiscal 2024 and concluded that no triggering events occurred that required an interim evaluation.

7. DEBT

The Company's debt consists of the following (in millions):

	June 29, 2024			
	Gross Amount	Debt Issuance Costs	Original Issue Discount	Net Amount
Short-term borrowings—trade receivable securitization facility	\$ 450	\$ —	\$ —	\$ 450
Term loans	\$ 7,220	\$ (14)	\$ (33)	\$ 7,173
5.50% senior subordinated notes due 2027 (“5.50% 2027 Notes”)	2,650	(10)	—	2,640
6.75% secured notes due 2028 (“2028 Secured Notes”)	2,100	(16)	(8)	2,076
4.625% senior subordinated notes due 2029 (“4.625% 2029 Notes”)	1,200	(6)	—	1,194
4.875% senior subordinated notes due 2029 (“4.875% 2029 Notes”)	750	(4)	—	746
6.375% secured notes due 2029 (“2029 Secured Notes”)	2,750	(24)	(1)	2,725
6.875% secured notes due 2030 (“2030 Secured Notes”)	1,450	(13)	—	1,437
7.125% secured notes due 2031 (“2031 Secured Notes”)	1,000	(9)	(7)	984
6.625% secured notes due 2032 (“2032 Secured Notes”)	2,200	(20)	—	2,180
Government refundable advances	16	—	—	16
Finance lease obligations	271	—	—	271
	21,607	(116)	(49)	21,442
Less: current portion	78	—	—	78
Long-term debt	\$ 21,529	\$ (116)	\$ (49)	\$ 21,364

	September 30, 2023			
	Gross Amount	Debt Issuance Costs	Original Issue (Discount) Premium	Net Amount
Short-term borrowings—trade receivable securitization facility	\$ 350	\$ (1)	\$ —	\$ 349
Term loans	\$ 6,249	\$ (22)	\$ (48)	\$ 6,179
6.25% secured notes due 2026 (“2026 Secured Notes”)	4,400	(25)	2	4,377
7.50% senior subordinated notes due 2027 (“7.50% 2027 Notes”)	550	(2)	—	548
5.50% 2027 Notes	2,650	(12)	—	2,638
2028 Secured Notes	2,100	(19)	(10)	2,071
4.625% 2029 Notes	1,200	(7)	—	1,193
4.875% 2029 Notes	750	(5)	—	745
2030 Secured Notes	1,450	(14)	—	1,436
Government refundable advances	21	—	—	21
Finance lease obligations	193	—	—	193
	19,563	(106)	(56)	19,401
Less: current portion	71	—	—	71
Long-term debt	\$ 19,492	\$ (106)	\$ (56)	\$ 19,330

Accrued interest, which is classified as a component of accrued and other current liabilities on the condensed consolidated balance sheets, was \$243 million and \$125 million as of June 29, 2024 and September 30, 2023, respectively.

First Quarter of Fiscal 2024 Activity

Amendment No. 13 and Incremental Term Loan Assumption Agreement – On November 28, 2023, the Company entered into Amendment No. 13 and Incremental Term Loan Assumption Agreement (herein, “Amendment No. 13”) to the Second Amended and Restated Credit Agreement dated as of June 4, 2014 (the “Credit Agreement”). Under the terms of Amendment No. 13, the Company, among other things, issued \$1,000 million in Tranche J term loans maturing February 28, 2031. The Tranche J term loans bore interest at a rate of adjusted Term Secured Overnight Financing Rate (“Term SOFR”) plus 3.25%. The Tranche J term loans were issued at a discount of 0.25%, or approximately \$3 million. The Tranche J term loans were fully drawn on November 28, 2023 and the other terms and conditions that apply to the Tranche J term loans were substantially the same as the terms and conditions that apply to the term loans immediately prior to Amendment No. 13. Principal payments commenced on March 31, 2024, in which \$3 million was to be paid on a quarterly basis up to the maturity date.

The Company capitalized \$10 million in debt issuance costs associated with the Tranche J term loans during the thirty-nine week period ended June 29, 2024.

In the third quarter of fiscal 2024, the remaining \$997 million of existing Tranche J term loans were refinanced. Refer to the section below, “Amendment No. 16 Loan Modification Agreement and Refinancing Facility Agreement” for further information.

Issuance of \$1,000 million of Senior Secured Notes due 2031 – On November 28, 2023, the Company entered into a purchase agreement in connection with a private offering of \$1,000 million in aggregate principal amount of 7.125% senior secured notes due 2031 (the “2031 Secured Notes”) at an issue price of 99.25% of the principal amount, which represents an approximately \$8 million discount. The 2031 Secured Notes were issued pursuant to an indenture, dated as of November 28, 2023, amongst TransDigm Inc., as issuer, TransDigm Group and the other subsidiaries of TransDigm Inc. named therein, as guarantors. The 2031 Secured Notes are guaranteed, on a senior secured basis, by TransDigm Group and each of TransDigm Inc.’s direct and indirect restricted subsidiaries that is a borrower or guarantor under TransDigm’s senior secured credit facilities or that issues or guarantees any capital markets indebtedness of TransDigm or any of the guarantors in an aggregate principal amount of at least \$200 million. The 2031 Secured Notes and guarantees rank equally in right of payment with all of TransDigm’s and the guarantors’ existing and future senior indebtedness, senior in right of payment to any of TransDigm’s and the guarantors’ existing and future indebtedness that is, by its terms, expressly subordinated in right of payment to the 2031 Secured Notes and guarantees, and structurally subordinated to all of the liabilities of TransDigm’s non-guarantor subsidiaries. The Company used the proceeds of the offering of the 2031 Secured Notes, along with the proceeds from the Tranche J term loans further described above, together with cash on hand, primarily to fund the acquisition of CPI’s Electron Device Business completed during the third quarter of fiscal 2024 (see Note 2, “Acquisitions,” for further information).

The 2031 Secured Notes bear interest at a rate of 7.125% per annum, which accrues from November 28, 2023 and is payable in arrears on June 1st and December 1st of each year, commencing on June 1, 2024. The 2031 Secured Notes mature on December 1, 2031, unless earlier redeemed or repurchased, and are subject to the terms and conditions set forth in the indenture.

The Company capitalized \$10 million in debt issuance costs associated with the 2031 Secured Notes during the thirty-nine week period ended June 29, 2024.

Second Quarter of Fiscal 2024 Activity

Amendment No. 14 and Incremental Revolving Credit Assumption Agreement – On February 27, 2024, the Company entered into Amendment No. 14 and Incremental Revolving Credit Assumption Agreement (herein, “Amendment No. 14”) to the Credit Agreement. Under the terms of Amendment No. 14, the Company, among other things, refinanced its revolving credit facility to (i) extend the maturity date from May 2026 to February 2029; (ii) increased the total commitments capacity thereunder from \$810 million to \$910 million; and (iii) decreased the applicable interest rate to Term SOFR plus 2.25% compared to Term SOFR plus 2.50% applicable prior to Amendment No. 14. As of June 29, 2024, the borrowings available under the revolving commitments were \$839 million.

The Company capitalized \$1 million in debt issuance costs and wrote-off \$3 million in unamortized debt issuance costs associated with Amendment No. 14 during the thirty-nine week period ended June 29, 2024.

Issuance of \$4,400 million of Senior Secured Notes due 2029 and 2032 – On February 27, 2024, the Company entered into two separate purchase agreements in connection with private offerings of \$2,200 million in aggregate principal amount of 6.375% senior secured notes due 2029 (the “\$2,200 million 2029 Secured Notes”) at an issue price of 100% of the principal amount and \$2,200 million in aggregate principal amount of 6.625% senior secured notes due 2032 (the “2032 Secured Notes”) at an issue price of 100% of the principal amount. The proceeds were used to repurchase all outstanding 6.25% secured notes due 2026 (the “2026 Secured Notes”) further described below.

The \$2,200 million 2029 Secured Notes and 2032 Secured Notes bear interest at the rate of 6.375% per annum and 6.625% per annum, respectively, which accrues from February 27, 2024 and is payable in arrears on March 1st and September 1st of each year, commencing on September 1, 2024. The \$2,200 million 2029 Secured Notes mature on March 1, 2029 and the 2032 Secured Notes mature on March 1, 2032, unless earlier redeemed or repurchased, and are subject to the terms and conditions set forth in the applicable indenture.

The \$2,200 million 2029 Secured Notes and 2032 Secured Notes were issued pursuant to an indenture, dated as of February 27, 2024 in each case, amongst TransDigm Inc., as issuer, TD Group and the subsidiaries of TransDigm party thereto, as guarantors. The secured notes are guaranteed, on a senior secured basis, by TD Group and each of TransDigm’s direct and indirect restricted subsidiaries that is a borrower or guarantor under TransDigm’s senior secured credit facilities or that issues or guarantees any capital markets indebtedness of TransDigm or any of the guarantors in an aggregate principal amount of at least \$200 million. The secured notes and the related guarantees rank equally in right of payment with all of TransDigm’s and the guarantors’ existing and future senior indebtedness, senior in right of payment to any of TransDigm’s and the guarantors’ existing and future indebtedness that is, by its terms, expressly subordinated in right of payment to the \$2,200 million 2029 Secured Notes and 2032 Secured Notes and related guarantees, and structurally subordinated to all of the liabilities of TransDigm’s non-guarantor subsidiaries.

The Company capitalized approximately \$20 million and \$21 million in debt issuance costs associated with the \$2,200 million 2029 Secured Notes and the 2032 Secured Notes, respectively, during the thirty-nine week period ended June 29, 2024.

Amendment No. 15 Loan Modification Agreement and Refinancing Facility Agreement – On March 22, 2024, the Company entered into Amendment No. 15 Loan Modification Agreement and Incremental Term Loan Assumption Agreement (herein, “Amendment No. 15”) to the Credit Agreement. Under the terms of Amendment No. 15, the Company, among other things, (i) repriced all of its \$4,525 million in existing Tranche I term loans maturing August 24, 2028 to bear interest at Term SOFR plus 2.75% compared to Term SOFR plus 3.25% applicable prior to Amendment No. 15; and (ii) repaid in full its existing approximately \$1,708 million in Tranche H term loans maturing February 22, 2027 and replaced such loans with approximately \$1,708 million in new Tranche K term loans maturing March 22, 2030. The Tranche K term loans were issued at a discount of 0.25%, or approximately \$4 million, and bear interest at Term SOFR plus 2.75%. The Tranche K term loans were fully drawn on March 22, 2024.

The other terms and conditions that apply to the Tranche I and Tranche K term loans are substantially the same as the terms and conditions that applied to the term loans immediately prior to Amendment No. 15. Principal payments for the Tranche I term loans and Tranche K term loans commenced on June 30, 2024, in which \$11 million (subsequently revised in Amendment No. 16 detailed below) and \$4 million will be paid on a quarterly basis up to the maturity date of each respective tranche of term loans.

The Company expensed approximately \$6 million in refinancing costs associated with the refinancing during the thirty-nine week period ended June 29, 2024. Additionally, the Company wrote-off \$2 million of original issue discount associated with Amendment No. 15 during the thirty-nine week period ended June 29, 2024.

In the third quarter of fiscal 2024, \$2,644 million of existing Tranche I term loans were refinanced. Refer to the section below, “Amendment No. 16 Loan Modification Agreement and Refinancing Facility Agreement” for further information.

Redemption of \$4,400 million of Senior Secured Notes due 2026 – On March 28, 2024, the Company redeemed all \$4,400 million aggregate principal amount of its outstanding 2026 Secured Notes at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest thereon to, but not including, the redemption date, using the net proceeds of the offering of the \$2,200 million 2029 Secured Notes and the 2032 Secured Notes, together with cash on hand.

The Company recorded refinancing costs of \$19 million, consisting primarily of the write-off of \$21 million in unamortized debt issuance costs, slightly offset by the write-off of unamortized premium of \$2 million during the thirty-nine week period ended June 29, 2024 in conjunction with the redemption of the 2026 Secured Notes.

Issuance of \$550 million of Senior Secured Notes due 2029 – On March 22, 2024, the Company entered into a purchase agreement in connection with a private offering of \$550 million in aggregate principal amount consisting of 6.375% senior secured notes due 2029 (the “\$550 million 2029 Secured Notes”) at an issue price of 99.75% of the principal amount, which represents an approximately \$1 million discount. The \$550 million 2029 Secured Notes are an additional issuance of the Company’s existing \$2,200 million 2029 Secured Notes (as further described above) and were issued under a supplemental indenture dated as of March 22, 2024, pursuant to which the Company previously issued the \$2,200 million 2029 Secured Notes. The \$550 million 2029 Secured Notes are the same class and series as, and otherwise identical to, the \$2,200 million 2029 Secured Notes other than with respect to the date of issuance and issue price (collectively, the \$550 million 2029 Secured Notes and the \$2,200 million 2029 Secured Notes are referred to herein as the “2029 Secured Notes”).

The Company capitalized \$5 million in debt issuance costs associated with the \$550 million 2029 Secured Notes during the thirty-nine week period ended June 29, 2024.

Third Quarter of Fiscal 2024 Activity

Redemption of \$550 million of Senior Subordinated Notes due 2027 – On April 22, 2024, the Company redeemed all \$550 million aggregate principal of its outstanding 7.50% senior subordinated notes due 2027 (the “7.50% 2027 Notes”) at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest thereon to, but not including, the redemption date, using the net proceeds of the offering of the \$550 million 2029 Secured Notes, together with cash on hand.

The Company wrote off \$2 million in unamortized debt issuance costs during the thirty-nine week period ended June 29, 2024 in conjunction with the redemption of the 7.50% 2027 Notes.

Amendment No. 16 Loan Modification Agreement and Refinancing Facility Agreement – On June 4, 2024, the Company entered into Amendment No. 16 Loan Modification Agreement and Refinancing Facility Agreement (herein, “Amendment No. 16”) to the Credit Agreement. Under the terms of Amendment No. 16, the Company, among other things, (i) repriced all of its \$997 million in existing Tranche J term loans to bear interest at Term SOFR plus 2.50% compared to Term SOFR plus 3.25% applicable prior to Amendment No. 16; and (ii) amended and extended \$2,644 million of existing Tranche I term loans maturing August 24, 2028 and converting such loans into Tranche J term loans maturing February 28, 2031.

The other terms and conditions that apply to the Tranche I and Tranche J term loans are substantially the same as the terms and conditions that applied to the term loans immediately prior to Amendment No. 16. Principal payments for Tranche I and Tranche J term loans commence on June 30, 2024 and September 30, 2024 respectively, in which \$5 million and \$9 million will be paid on a quarterly basis up to the maturity date of each respective tranche of term loans.

The Company capitalized \$3 million in debt issuance costs associated with the refinancing during the thirty-nine week period ended June 29, 2024. Additionally, the Company wrote-off \$14 million in unamortized debt issuance costs and \$12 million of original issue discount associated with Amendment No. 16 during the thirty-nine week period ended June 29, 2024.

Trade Receivable Securitization Facility – The Company’s trade receivable securitization facility (the “Securitization Facility”) effectively increases the Company’s borrowing capacity depending on the amount of the domestic operations’ trade accounts receivable. The Securitization Facility includes the right for the Company to exercise annual one year extensions as long as there have been no termination events as defined by the agreement. The Company uses the proceeds from the Securitization Facility as an alternative to other forms of debt, effectively reducing borrowing costs. The Securitization Facility is collateralized by substantially all of the Company’s domestic operations’ trade accounts receivable.

On December 28, 2023, the Company drew \$100 million available under the Securitization Facility. The Company has borrowed \$450 million under the Securitization Facility, which is fully drawn as of June 29, 2024, and bears interest at a rate of Term SOFR plus 1.60%. At June 29, 2024 and September 30, 2023, the applicable interest rate was 6.91% and 6.95%, respectively.

Subsequent Event – Trade Receivable Securitization Facility – On July 12, 2024, the Company amended the Securitization Facility to, among other things, (i) increase the borrowing capacity from \$450 million to \$650 million; and (ii) extend the maturity date to July 11, 2025 at an interest rate of Term SOFR plus 1.45% compared to an interest rate of Term SOFR plus 1.60% that applied prior to the amendment. The Company subsequently drew \$38 million available under the Securitization Facility in July 2024.

Government Refundable Advances – Government refundable advances consist of payments received from the Canadian government to assist in research and development related to commercial aviation. The requirement to repay this advance is based on year-over-year commercial aviation revenue growth for certain product lines at CMC Electronics, which is a wholly-owned subsidiary of TransDigm. As of June 29, 2024 and September 30, 2023, the outstanding balance of these advances was \$16 million and \$21 million, respectively.

Obligations under Finance Leases – The Company leases certain buildings and equipment under finance leases. The present value of the minimum finance lease payments, net of the current portion, represents a balance of \$271 million and \$193 million at June 29, 2024 and September 30, 2023, respectively. The increase in the current fiscal year is attributable to the leases assumed from the acquisition of CPI's Electron Device Business (acquired in the third quarter of fiscal 2024) and certain new leases of facilities and amendments to previous agreements qualifying as lease modifications resulting in a change in classification from an operating lease to a finance lease. Refer to Note 13, "Leases," for further disclosure of the Company's lease obligations.

8. INCOME TAXES

At the end of each reporting period, TD Group makes an estimate of its annual effective income tax rate. The estimate used in the year-to-date period may change in subsequent periods.

During the thirteen week periods ended June 29, 2024 and July 1, 2023, the effective income tax rate was 23.4% and 24.9%, respectively. During the thirty-nine week periods ended June 29, 2024 and July 1, 2023, the effective income tax rate was 22.5% and 24.1%, respectively. The Company's lower effective income tax rate for the thirteen and thirty-nine week periods ended June 29, 2024, was primarily due to a less significant impact on the rate from the valuation allowance applicable to the Company's net interest deduction limitation carryforward. The Company's effective income tax rate for the thirteen and thirty-nine week periods ended June 29, 2024 was higher than the federal statutory tax rate of 21% primarily due to an increase in the valuation allowance applicable to the Company's net interest deduction limitation carryforward, partially offset by the discrete impact of excess tax benefits associated with share-based payments.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state, local and foreign jurisdictions. The Company is no longer subject to U.S. federal examinations for years before fiscal 2018. The Company is currently under examination for its federal income taxes in Canada for fiscal years 2013 through 2019, in France for fiscal years 2020 through 2022, and in Germany for fiscal years 2018 through 2019. In addition, the Company is subject to state income tax examinations for fiscal years 2015 and later.

Unrecognized tax benefits at June 29, 2024 and September 30, 2023, the recognition of which would have an impact on the effective tax rate for each fiscal year, amounted to \$14 million and \$17 million, respectively. The Company classifies all income tax-related interest and penalties as income tax expense, which were not significant for the thirteen and thirty-nine week periods ended June 29, 2024 and July 1, 2023. As of June 29, 2024 and September 30, 2023, the Company accrued \$5 million for the potential payment of interest and penalties. Within the next twelve months, it is reasonably possible that unrecognized tax benefits could be reduced by approximately \$3 million resulting primarily from the resolution of tax examinations. Any increase in the amount of unrecognized tax benefits within the next twelve months is not expected to be material.

9. FAIR VALUE MEASUREMENTS

The following table presents our assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following summarizes the carrying amounts and fair values of financial instruments (in millions):

	Level	June 29, 2024		September 30, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:					
Cash and cash equivalents	1	\$ 3,360	\$ 3,360	\$ 3,472	\$ 3,472
Interest rate swap agreements ⁽¹⁾	2	61	61	103	103
Interest rate swap agreements ⁽²⁾	2	6	6	41	41
Interest rate cap agreements ⁽²⁾	2	33	33	53	53
Interest rate collar agreements ⁽²⁾	2	23	23	17	17
Liabilities:					
Interest rate swap agreements ⁽³⁾	2	1	1	—	—
Foreign currency forward exchange contracts ⁽³⁾	2	2	2	5	5
Interest rate swap agreements ⁽⁴⁾	2	—	—	3	3
Interest rate cap agreements ⁽⁴⁾	2	1	1	1	1
Short-term borrowings - trade receivable securitization facility ⁽⁵⁾	2	450	450	349	349
<i>Long-term debt, including current portion:</i>					
Term loans ⁽⁵⁾	2	7,173	7,250	6,179	6,212
2026 Secured Notes ⁽⁵⁾	1	—	—	4,377	4,329
7.50% 2027 Notes ⁽⁵⁾	1	—	—	548	549
5.50% 2027 Notes ⁽⁵⁾	1	2,640	2,597	2,638	2,484
2028 Secured Notes ⁽⁵⁾	1	2,076	2,124	2,071	2,069
4.625% 2029 Notes ⁽⁵⁾	1	1,194	1,118	1,193	1,047
4.875% 2029 Notes ⁽⁵⁾	1	746	703	745	654
2029 Secured Notes ⁽⁵⁾	1	2,725	2,764	—	—
2030 Secured Notes ⁽⁵⁾	1	1,437	1,479	1,436	1,423
2031 Secured Notes ⁽⁵⁾	1	984	1,031	—	—
2032 Secured Notes ⁽⁵⁾	1	2,180	2,222	—	—
Government refundable advances	2	16	16	21	21
Finance lease obligations	2	271	271	193	193

⁽¹⁾ Included in prepaid expenses and other on the condensed consolidated balance sheets.

⁽²⁾ Included in other non-current assets on the condensed consolidated balance sheets.

⁽³⁾ Included in accrued and other current liabilities on the condensed consolidated balance sheets.

⁽⁴⁾ Included in other non-current liabilities on the condensed consolidated balance sheets.

⁽⁵⁾ The carrying amount of the debt instrument is presented net of debt issuance costs, premium and discount. Refer to Note 7, "Debt," for gross carrying amounts.

The Company values its financial instruments using an industry standard market approach, in which prices and other relevant information are generated by market transactions involving identical or comparable assets or liabilities. No financial instruments were recognized or disclosed using unobservable inputs (i.e., Level 3).

The Company's derivatives consist of interest rate swap, cap and collar agreements and foreign currency exchange contracts. The fair values of the interest rate swap, cap and collar agreements were derived by taking the net present value of the expected cash flows using observable market inputs (Level 2) such as SOFR rate curves, futures, volatilities and basis spreads (when applicable). The fair values of the foreign currency exchange contracts were derived by using Level 2 inputs based on observable spot and forward exchange rates in active markets. There has not been any impact to the fair value of derivative liabilities due to the Company's own credit risk. Similarly, there has not been any material impact to the fair value of derivative assets based on the Company's evaluation of counterparties' credit risks.

The estimated fair value of the Company's term loans was based on information provided by the agent under the Company's Credit Agreement. The estimated fair values of the Company's notes were based upon quoted market prices.

The fair value of cash and cash equivalents, trade accounts receivable-net and accounts payable approximated carrying value due to the short-term nature of these instruments at June 29, 2024 and September 30, 2023.

10. DERIVATIVES AND HEDGING ACTIVITIES

The Company is exposed to, among other things, the impact of changes in foreign currency exchange rates and interest rates in the normal course of business. The Company's risk management program is designed to manage the exposure and volatility arising from these risks, and utilizes derivative financial instruments to offset a portion of these risks. The Company uses derivative financial instruments only to the extent necessary to hedge identified business risks and does not enter into such transactions for trading purposes. The Company generally does not require collateral or other security with counterparties to these financial instruments and is therefore subject to credit risk in the event of nonperformance; however, the Company monitors credit risk and currently does not anticipate nonperformance by other parties. These derivative financial instruments do not subject the Company to undue risk, as gains and losses on these instruments generally offset gains and losses on the underlying assets, liabilities, or anticipated transactions that are being hedged. The Company has agreements with each of its swap, cap and collar counterparties that contain a provision whereby if the Company defaults on the Credit Agreement, the Company could also be declared in default on its swaps, cap and collars resulting in an acceleration of settlement under the swaps, cap and collars.

All derivative financial instruments are recorded at fair value in the condensed consolidated balance sheets. For a derivative that has not been designated as an accounting hedge, the change in the fair value is recognized immediately through earnings. For a derivative that has been designated as an accounting hedge of an existing asset or liability (a fair value hedge), the change in the fair value of both the derivative and underlying asset or liability is recognized immediately through earnings. For a derivative designated as an accounting hedge of an anticipated transaction (a cash flow hedge), the change in the fair value is recorded on the condensed consolidated balance sheets in accumulated other comprehensive loss to the extent the derivative is effective in mitigating the exposure related to the anticipated transaction. The change in the fair value related to the ineffective portion of the hedge, if any, is immediately recognized in earnings. The amount recorded within accumulated other comprehensive loss is reclassified into earnings in the same period during which the underlying hedged transaction affects earnings.

Interest Rate Swap, Cap and Collar Agreements – Interest rate swap, cap and collar agreements are used to manage interest rate risk associated with floating rate borrowings under our Credit Agreement. These agreements involve the receipt of floating rate amounts in exchange for fixed rate interest payments over the term of the agreements without an exchange of the underlying principal amount. The agreements utilized by the Company effectively modify the Company's exposure to interest rate risk by converting a portion of the Company's floating rate debt to a fixed rate basis from the effective date through the maturity date of the respective interest rate swap, cap and collar agreements, thereby reducing the impact of interest rate movements on future interest expense.

During the second quarter of fiscal 2023, we entered into LIBOR to Term SOFR basis interest rate swap and cap transactions to effectively convert our existing swaps and cap from LIBOR-based to Term SOFR-based. The basis swaps and cap offset the LIBOR exposure of the existing swaps and cap and effectively fix the Term SOFR rate for the notional amount. We also entered into forward starting interest rate collar agreements during the second quarter of fiscal 2023. The interest rate collar agreements establish a range where we will pay the counterparties if the three-month Term SOFR rate falls below the established floor rate of 2.00%, and the counterparties will pay us if the three-month Term SOFR rate exceeds the ceiling rate of 3.50%. The collar will settle quarterly from the effective date through the maturity date. No payments or receipts will be exchanged on the interest rate collar contracts unless interest rates rise above or fall below the contracted ceiling or floor rates.

During the third quarter of fiscal 2024, we entered into forward starting interest rate collar agreements. The interest rate collar agreements establish a range where we will pay the counterparties if the three-month Term SOFR rate falls below the established floor rate of 2.50%, and the counterparties will pay us if the three-month Term SOFR rate exceeds the ceiling rate of 4.50%. The collar will settle quarterly from the effective date through the maturity date. No payments or receipts will be exchanged on the interest rate collar contracts unless interest rates rise above or fall below the contracted ceiling or floor rates.

The tables below summarize the key terms of the swaps, cap and collars as of June 29, 2024 (aggregated by effective date).

Interest rate swap agreements:

Aggregate Notional Amount (in millions)	Effective Date	Maturity Date	Conversion of Related Variable Rate Debt subject to Term SOFR to Fixed Rate of:
\$500	3/31/2023	3/31/2025	6.25% (3.00% plus the 3.25% margin percentage)
\$1,500	3/31/2023	3/31/2025	6.35% (3.10% plus the 3.25% margin percentage)
\$700	3/31/2023	9/30/2025	4.55% (1.30% plus the 3.25% margin percentage)

Interest rate cap agreement:

Aggregate Notional Amount (in millions)	Effective Date	Maturity Date	Offsets Variable Rate Debt Attributable to Fluctuations Above:
\$700	3/31/2023	9/30/2025	Three-month Term SOFR rate of 1.25%

Interest rate collar agreements:

Aggregate Notional Amount (in millions)	Effective Date	Maturity Date	Offsets Variable Rate Debt Attributable to Fluctuations Below and Above:
\$1,100	3/31/2025	9/30/2026	Three-month Term SOFR rate of 2.00% (floor) and 3.50% (cap)
\$500	9/30/2025	9/30/2026	Three-month Term SOFR rate of 2.00% (floor) and 3.50% (cap)
\$1,338	9/30/2025	9/30/2027	Three-month Term SOFR rate of 2.50% (floor) and 4.50% (cap)
\$1,550	9/30/2026	9/30/2027	Three-month Term SOFR rate of 2.50% (floor) and 4.50% (cap)

These derivative instruments qualify as effective cash flow hedges under U.S. GAAP. For the LIBOR to Term SOFR basis interest rate swap and cap agreements referenced above, we applied the practical expedients permissible under ASC 848 to continue hedge accounting for our existing swaps and cap as effective cash flow hedges. For our cash flow hedges, the effective portion of the gain or loss from the financial instruments is initially reported as a component of accumulated other comprehensive loss in stockholders' deficit and subsequently reclassified into earnings in the same line as the hedged item in the same period or periods during which the hedged item affects earnings. As the interest rate swap, cap and collar agreements are used to manage interest rate risk, any gains or losses from the derivative instruments that are reclassified into earnings are recognized in interest expense-net in the condensed consolidated statements of income. Cash flows related to the derivative contracts are included in cash flows from operating activities on the condensed consolidated statements of cash flows.

Certain derivative asset and liability balances are offset where master netting agreements provide for the legal right of setoff. For classification purposes, we record the net fair value of each type of derivative position that is expected to settle in less than one year with each counterparty as a net current asset or liability and each type of long-term position as a net non-current asset or liability. The amounts shown in the table below represent the gross amounts of recognized assets and liabilities, the amounts offset in the condensed consolidated balance sheets and the net amounts of assets and liabilities presented therein (in millions):

	June 29, 2024		September 30, 2023	
	Asset	Liability	Asset	Liability
Interest rate cap agreement	\$ 33	\$ 1	\$ 53	\$ 1
Interest rate collar agreements	23	—	17	—
Interest rate swap agreements	67	1	144	3
Net derivatives as classified in the condensed consolidated balance sheets ⁽¹⁾	\$ 123	\$ 2	\$ 214	\$ 4

⁽¹⁾ Refer to Note 9, "Fair Value Measurements," for the condensed consolidated balance sheets classification of the Company's interest rate swap, cap and collar agreements.

Based on the fair value amounts determined as of June 29, 2024, the estimated net amount of existing (gains) losses and caplet amortization expected to be reclassified into interest expense-net within the next twelve months is approximately \$(54) million.

Foreign Currency Forward Exchange Contracts – The Company transacts business in various foreign currencies, which subjects the Company's cash flows and earnings to exposure related to changes in foreign currency exchange rates. These exposures arise primarily from purchases or sales of products and services from third parties. Foreign currency forward exchange contracts provide for the purchase or sale of foreign currencies at specified future dates at specified exchange rates, and are used to offset changes in the fair value of certain assets or liabilities or forecasted cash flows resulting from transactions denominated in foreign currencies. At June 29, 2024, the Company has outstanding foreign currency forward exchange contracts to sell U.S. dollars with notional amounts of \$43 million. The maximum duration of the Company's foreign currency cash flow hedge contracts at June 29, 2024 is three months. These notional values consist of contracts for the Canadian dollar and the euro and are stated in U.S. dollar equivalents at spot exchange rates at the respective trade dates. Amounts related to foreign currency forward exchange contracts included in accumulated other comprehensive loss in stockholders' deficit are reclassified into net sales when the hedged transaction settles. On July 25, 2024, the Company entered into additional foreign currency forward exchange contracts to sell U.S. dollars with notional amounts of \$120 million with a maximum duration of fourteen months.

During the thirty-nine week period ended June 29, 2024, the losses reclassified on settlements of foreign currency forward exchange contracts designated as cash flow hedges into net sales was approximately \$3 million. The losses were previously recorded as a component of accumulated other comprehensive loss in stockholders' deficit. As of June 29, 2024, the Company expects to record a net loss of approximately \$2 million on foreign currency forward exchange contracts designated as cash flow hedges to net sales over the next twelve months.

11. SEGMENTS

The Company's businesses are organized and managed in three reporting segments: Power & Control, Airframe and Non-aviation.

The Power & Control segment includes operations that primarily develop, produce and market systems and components that predominately provide power to or control power of the aircraft utilizing electronic, fluid, power and mechanical motion control technologies. Major product offerings include mechanical/electromechanical actuators and controls, ignition systems and engine technology, specialized pumps and valves, power conditioning devices, specialized AC/DC electric motors and generators, batteries and chargers, databus and power controls, advanced sensor products, switches and relay panels, high performance hoists, winches and lifting devices, cargo loading, handling, delivery systems and electronic components used in the generation, amplification, transmission and reception of microwave signals. Primary customers of this segment are engine and power system and subsystem suppliers, airlines, third party maintenance suppliers, military buying agencies and repair depots. Products are sold in the original equipment and aftermarket market channels.

The Airframe segment includes operations that primarily develop, produce and market systems and components that are used in non-power airframe applications utilizing airframe and cabin structure technologies. Major product offerings include engineered latching and locking devices, engineered rods, engineered connectors and elastomer sealing solutions, cockpit security components and systems, specialized and advanced cockpit displays, engineered audio, radio and antenna systems, specialized lavatory components, seat belts and safety restraints, engineered and customized interior surfaces and related components, thermal protection and insulation, lighting and control technology, parachutes and specialized flight, wind tunnel and jet engine testing services and equipment. Primary customers of this segment are airframe manufacturers and cabin system suppliers and subsystem suppliers, airlines, third party maintenance suppliers, military buying agencies and repair depots. Products are sold in the original equipment and aftermarket market channels.

The Non-aviation segment includes operations that primarily develop, produce and market products for non-aviation markets. Major product offerings include seat belts and safety restraints for ground transportation applications, mechanical/electromechanical actuators and controls for space applications, hydraulic/electromechanical actuators and fuel valves for land-based gas turbines, and refueling systems for heavy equipment used in mining, construction and other industries and turbine controls for the energy and oil and gas markets. Primary customers of this segment are off-road vehicle suppliers and subsystem suppliers, child restraint system suppliers, satellite and space system suppliers, manufacturers of heavy equipment used in mining, construction and other industries and turbine original equipment manufacturers, gas pipeline builders and electric utilities.

The primary measurement used by management to review and assess the operating performance of each segment is EBITDA As Defined. The Company defines EBITDA As Defined as earnings before interest, taxes, depreciation and amortization plus certain non-operating items recorded as corporate expenses including non-cash compensation charges incurred in connection with the Company's stock incentive or deferred compensation plans, foreign currency gains and losses, acquisition-integration costs, acquisition transaction-related expenses, and refinancing costs. Acquisition transaction-related costs represent 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 the Company's operations, facility relocation costs and other acquisition-related costs; transaction-related costs for acquisitions comprising deal fees; legal, financial and tax diligence expenses and valuation costs that are required to be expensed as incurred and other acquisition accounting adjustments.

EBITDA As Defined is not a measurement of financial performance under U.S. GAAP. Although the Company uses EBITDA As Defined to assess the performance of its business and for various other purposes, the use of this non-GAAP financial measure as an analytical tool has limitations, and it should not be considered in isolation or as a substitute for analysis of the Company's results of operations as reported in accordance with U.S. GAAP.

The Company's segments are reported on the same basis used internally for evaluating performance and for allocating resources. The accounting policies for each segment are the same as those described in the summary of significant accounting policies in the Company's consolidated financial statements. Intersegment sales and transfers are recorded at values based on market prices, which creates intercompany profit on intersegment sales or transfers that is eliminated in consolidation. Intersegment sales were immaterial for the periods presented below. Corporate consists of our corporate offices. Corporate expenses consist primarily of compensation, benefits, professional services and other administrative costs incurred by the corporate offices. Corporate assets consist primarily of cash and cash equivalents. Corporate expenses and assets reconcile reportable segment data to the consolidated totals. An immaterial amount of corporate expenses is allocated to the operating segments.

The following table presents net sales by reportable segment (in millions):

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales to external customers				
Power & Control				
Commercial and non-aerospace OEM	\$ 229	\$ 180	\$ 608	\$ 499
Commercial and non-aerospace aftermarket	317	270	903	787
Defense	477	411	1,310	1,116
Total Power & Control	1,023	861	2,821	2,402
Airframe				
Commercial and non-aerospace OEM	323	254	901	682
Commercial and non-aerospace aftermarket	348	308	1,010	815
Defense	303	273	884	707
Total Airframe	974	835	2,795	2,204
Total Non-aviation	49	48	138	127
Net Sales	\$ 2,046	\$ 1,744	\$ 5,754	\$ 4,733

The following table reconciles EBITDA As Defined by segment to consolidated income from operations before income taxes (in millions):

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
EBITDA As Defined				
Power & Control	\$ 587	\$ 487	\$ 1,615	\$ 1,341
Airframe	503	417	1,443	1,101
Non-aviation	22	21	59	52
Total segment EBITDA As Defined	1,112	925	3,117	2,494
Less: Unallocated corporate EBITDA As Defined	21	10	94	62
Total Company EBITDA As Defined	1,091	915	3,023	2,432
Depreciation and amortization expense	77	70	219	199
Interest expense-net	316	291	943	872
Acquisition transaction-related expenses and adjustments	27	6	43	12
Non-cash stock and deferred compensation expense	47	53	158	131
Refinancing costs	30	32	59	41
Other, net	(8)	(6)	(9)	11
Income from operations before income taxes	\$ 602	\$ 469	\$ 1,610	\$ 1,166

The following table presents total assets by segment (in millions):

	June 29, 2024	September 30, 2023
Total assets		
Power & Control	\$ 9,090	\$ 7,315
Airframe	9,344	8,972
Non-aviation	233	234
Corporate	3,161	3,449
	\$ 21,828	\$ 19,970

12. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table presents the total changes by component in accumulated other comprehensive loss (“AOCL”), net of taxes, for the thirty-nine week periods ended June 29, 2024 and July 1, 2023 (in millions):

	Unrealized gains (losses) on derivatives ⁽¹⁾	Pension and post- retirement benefit plans adjustment ⁽²⁾	Foreign currency translation adjustment ⁽³⁾	Total
Balance at September 30, 2023	\$ 143	\$ 2	\$ (243)	\$ (98)
Net current-period other comprehensive (loss) income ⁽⁴⁾	(72)	—	24	(48)
Balance at June 29, 2024	<u>\$ 71</u>	<u>\$ 2</u>	<u>\$ (219)</u>	<u>\$ (146)</u>
Balance at September 30, 2022	\$ 123	\$ (10)	\$ (380)	\$ (267)
Net current-period other comprehensive income (loss) ⁽⁴⁾	26	—	211	237
Balance at July 1, 2023	<u>\$ 149</u>	<u>\$ (10)</u>	<u>\$ (169)</u>	<u>\$ (30)</u>

- ⁽¹⁾ Represents unrealized gains (losses) on derivatives designated and qualifying as cash flow hedges, net of taxes, of \$3 million and \$(11) million for the thirteen week periods ended June 29, 2024 and July 1, 2023, respectively, and \$20 million and \$(10) million for the thirty-nine week periods ended June 29, 2024 and July 1, 2023, respectively.
- ⁽²⁾ There were no material pension liability adjustments, net of taxes, related to activity on the defined pension plan and postretirement benefit plan for the thirteen and thirty-nine week periods ended June 29, 2024 and July 1, 2023, respectively.
- ⁽³⁾ Represents gains (losses) resulting from foreign currency translation of financial statements, including gains (losses) from certain intercompany transactions, into U.S. dollars at the rates of exchange in effect at the balance sheet dates.
- ⁽⁴⁾ Presented net of reclassifications out of AOCL into earnings, specifically net sales and interest expense-net, for realized (losses) gains on derivatives designated and qualifying as cash flow hedges of \$(2) million (net of taxes of \$(0.7) million) and \$84 million (net of taxes of \$26 million), respectively, for the thirty-nine week period ended June 29, 2024 and \$(1) million (net of taxes of \$(0.3) million) and \$42 million (net of taxes of \$13 million), respectively, for the thirty-nine week period ended July 1, 2023.

13. LEASES

The Company leases certain manufacturing facilities, offices, land, equipment and vehicles. Such leases, some of which are noncancellable and, in many cases, include renewals, expire at various dates. Such options to renew are included in the lease term when it is reasonably certain that the option will be exercised. The Company’s lease agreements typically do not contain any significant residual value guarantees or restrictive covenants, and payments within certain lease agreements are adjusted periodically for changes in an index or rate.

The Company determines if an arrangement is a lease at inception. Operating lease assets and liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term. Lease assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. The discount rate implicit within our leases is generally not determinable and therefore we determine the discount rate based on our incremental borrowing rate. The incremental borrowing rate for our leases is determined based on the lease term and the currency in which lease payments are made. The length of a lease term includes options to extend or terminate the lease when it is reasonably certain that the Company will exercise those options. The Company made an accounting policy election to not recognize lease assets or liabilities for leases with a term of twelve months or less. Additionally, when accounting for leases, the Company combines payments for leased assets, related services and other components of a lease.

The components of lease expense are as follows (in millions):

	Classification	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
		June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Operating lease cost	Cost of sales or selling and administrative expenses	\$ 5	\$ 5	\$ 15	\$ 15
Finance lease cost:					
Amortization of leased assets	Cost of sales	3	2	9	7
Interest on lease liabilities	Interest expense-net	5	3	11	10
Total lease cost		<u>\$ 13</u>	<u>\$ 10</u>	<u>\$ 35</u>	<u>\$ 32</u>

Supplemental cash flow information related to leases is as follows (in millions):

	Thirty-Nine Week Periods Ended	
	June 29, 2024	July 1, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	\$ 15	\$ 16
Operating cash outflows from finance leases	10	7
Financing cash outflows from finance leases	4	4
Lease assets obtained in exchange for new lease obligations:		
Operating leases	\$ 6	\$ 14
Financing leases	65	48

Supplemental balance sheet information related to leases is as follows (in millions):

	Classification	June 29, 2024	September 30, 2023
Operating Leases			
Operating lease right-of-use assets	Other non-current assets	\$ 63	\$ 64
Current operating lease liabilities	Accrued and other current liabilities	16	16
Long-term operating lease liabilities	Other non-current liabilities	38	51
Total operating lease liabilities		<u>\$ 54</u>	<u>\$ 67</u>
Finance Leases			
Finance lease right-of-use assets, net	Property, plant and equipment-net	\$ 286	\$ 176
Current finance lease liabilities	Current portion of long-term debt	6	5
Long-term finance lease liabilities	Long-term debt	265	188
Total finance lease liabilities		<u>\$ 271</u>	<u>\$ 193</u>

As of June 29, 2024, the Company has the following remaining lease term and weighted average discount rates:

Weighted-average remaining lease term	
Operating leases	4.9 years
Finance leases	21.2 years
Weighted-average discount rate	
Operating leases	5.9%
Finance leases	7.0%

Maturities of lease liabilities at June 29, 2024 are as follows (in millions):

	Operating Leases	Finance Leases
2024	\$ 5	\$ 5
2025	19	21
2026	13	21
2027	10	22
2028	6	23
Thereafter	12	460
Total future minimum lease payments	65	552
Less: imputed interest	11	281
Present value of lease liabilities reported	\$ 54	\$ 271

14. COMMITMENTS AND CONTINGENCIES

During the ordinary course of business, the Company is from time to time threatened with, or may become a party to, legal actions and other proceedings. While the Company is currently involved in certain legal proceedings, it believes the results of these proceedings will not have a material adverse effect on its financial condition, results of operations, or cash flows.

DOD OIG Audit – TransDigm’s subsidiaries are periodically subject to pricing reviews and government buying agencies that purchase some of our subsidiaries’ products are periodically subject to audits by the Department of Defense (“DOD”) Office of Inspector General (“OIG”) with respect to prices paid for such products. In 2019, the DOD OIG received a congressional letter requesting a comprehensive review of TransDigm’s contracts with the DOD from January 2017 through June 2019 to identify whether TransDigm earned excess profits. This subsequently resulted in an audit by the DOD OIG in which the objective was to determine whether TransDigm’s business model impacted the DOD’s ability to pay fair and reasonable prices for spare parts. In December 2021, the OIG completed the audit and issued the related audit report. Despite the audit report making clear there was no wrongdoing by TransDigm, its businesses, or the DOD, the report recommended that TransDigm voluntarily refund at least \$21 million in excess profit on 150 contracts subject to the audit.

TransDigm disagrees with many of the implications contained in the report, and objects to the use of arbitrary standards and analysis which render many areas of the report inaccurate and misleading. These include: (1) The report expressly acknowledges that it used arbitrary standards that are not applicable to the audited contracts and warns that its arbitrary standards should not be used in the future. The use of inapplicable standards results in flawed analysis and is misleading; (2) The report ignores significant real costs incurred by the business and contrary to law reports these costs as excess profit; (3) Despite data demonstrating that the DOD paid lower prices compared to the commercial prices for similar parts, the report did not conduct a price analysis and instead implies that the DOD negotiated prices were too high.

No loss contingency related to the voluntary refund request has been recorded as of June 29, 2024 as the Company has concluded that based on the current facts and circumstances, it’s uncertain as to whether or not the requested voluntary refund will be made.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-looking Statements

The following discussion of the Company's financial condition and results of operations should be read together with TD Group's condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q. References in this section to "TransDigm," "the Company," "we," "us," "our," and similar references refer to TD Group, TransDigm Inc. and TransDigm Inc.'s subsidiaries, unless the context otherwise indicates.

This Quarterly Report on Form 10-Q contains both historical and "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and 27A of the Securities Act of 1933, as amended. All statements other than statements of historical fact included that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements, including, in particular, the statements about our plans, objectives, strategies and prospects regarding, among other things, our financial condition, results of operations and business. We have identified some of these forward-looking statements with words like "believe," "may," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate" or "continue" and other words and terms of similar meaning. These forward-looking statements may be contained throughout this Quarterly Report on Form 10-Q. These forward-looking statements are based on current expectations about future events affecting us and are subject to uncertainties and factors relating to, among other things, our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Many factors mentioned in our discussion in this Quarterly Report on Form 10-Q, including the risks outlined under "Risk Factors," will be important in determining future results. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we do not know whether our expectations will prove correct. They can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties, including the risks outlined under "Risk Factors," will be important in determining future results. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we do not know whether our expectations will prove correct. They can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties, including those described under "Risk Factors" in this Quarterly Report on Form 10-Q. Since our actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements, we cannot give any assurance that any of the events anticipated by these forward-looking statements will occur or, if any of them does occur, what impact they will have on our business, results of operations and financial condition. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. We do not undertake any obligation to update these forward-looking statements or the risk factors contained in this Quarterly Report on Form 10-Q to reflect new information, future events or otherwise, except as may be required under federal securities laws.

Important factors that could cause actual results to differ materially from the forward-looking statements made in this Quarterly Report on Form 10-Q 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; supply chain constraints; increases in raw material costs, taxes and labor costs that cannot be recovered in product pricing; failure to complete or successfully integrate acquisitions; our indebtedness; current and future geopolitical or other worldwide events, including, without limitation, wars or conflicts and public health crises; cybersecurity threats; risks related to the transition or physical impacts of climate change and other natural disasters or meeting sustainability-related voluntary goals or regulatory requirements; our reliance on certain customers; the United States ("U.S.") defense budget and risks associated with being a government supplier including government audits and investigations; failure to maintain government or industry approvals; risks related to changes in laws and regulations, including increases in compliance costs; potential environmental liabilities; liabilities arising in connection with litigation; risks and costs associated with our international sales and operations; and other factors. Refer to Part II, Item 1A included in this Quarterly Report on Form 10-Q and to Part II, Item 1A of the Annual Report on Form 10-K for additional information regarding the foregoing factors that may affect our business.

Overview

We believe we are a leading global designer, producer and supplier of highly engineered proprietary aerospace components with significant aftermarket content. We seek to develop highly customized products to solve specific needs for aircraft operators and manufacturers. We attempt to differentiate ourselves based on engineering, service and manufacturing capabilities. We typically choose not to compete for non-proprietary "build to print" business because it frequently offers lower margins than proprietary products. We believe that our products have strong brand names within the industry and that we have a reputation for high quality, reliability and strong customer support. We believe we have achieved steady, long-term growth in sales and improvements in operating performance we believe that due to our competitive strengths and through execution of our value-driven operating strategy. More specifically, focusing our businesses on our value-driven operating strategy of obtaining profitable new business, carefully controlling the cost structure and pricing our highly engineered value-added products to fairly reflect the value we provide and the resources required to do so has historically resulted in improvements in gross profit and income from operations over the long-term.

Our business is well diversified due to the broad range of products that we offer to our customers. Our major product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include mechanical/electromechanical actuators and controls, ignition systems and engine technology, specialized pumps and valves, power conditioning devices, specialized AC/DC electric motors and generators, batteries and chargers, engineered latching and locking devices, engineered rods, engineered connectors and elastomer sealing solutions, databus and power controls, cockpit security components and systems, specialized and advanced cockpit displays, engineered audio, radio and antenna systems, specialized lavatory components, seat belts and safety restraints, engineered and customized interior surfaces and related components, advanced sensor products, switches and relay panels, thermal protection and insulation, lighting and control technology, parachutes, high performance hoists, winches and lifting devices, cargo loading, handling and delivery systems, specialized flight, wind tunnel and jet engine testing services and equipment and electronic components used in the generation, amplification, transmission and reception of microwave signals. Each of our product offerings is composed of many individual products that are typically customized to meet the needs of a particular aircraft platform or customer.

For the third quarter of fiscal year 2024, we generated net sales of \$2,046 million and net income attributable to TD Group of \$461 million. EBITDA As Defined was \$1,091 million, or 53.3% of net sales. Refer to the “Non-GAAP Financial Measures” section for certain information regarding EBITDA and EBITDA As Defined, including reconciliations of EBITDA and EBITDA As Defined to income from operations and net cash provided by operating activities.

In the first three quarters of fiscal 2024, the rebound in our commercial aerospace end markets from the COVID-19 pandemic continued, and we remain encouraged by the progression of the commercial aerospace market recovery to date, building off the progress from fiscal 2023. Commercial air travel in domestic markets continues to lead the air traffic recovery with most domestic markets nearing, achieving or surpassing pre-pandemic air traffic levels. The pace of the international recovery has been slower than the domestic recovery; however, it has continued to make steady improvement. Since February 2024, both domestic and international revenue passenger kilometers (“RPKs”) have surpassed 2019 (i.e., pre-pandemic) levels. We expect the Company's commercial aerospace end markets to continue progressing the remainder of fiscal 2024 barring any significant disruptions or setbacks. In the first three quarters of fiscal 2024, we experienced improved sales in the commercial original equipment manufacturer (“OEM”) sector primarily due to increased aircraft production by Boeing and Airbus. Aircraft production rates still remain below pre-pandemic levels, mainly due to persisting, though improving, supply chain and production issues that are slowing the pace of new aircraft manufacturing. Airline demand for new aircraft is strong and both Boeing and Airbus have disclosed further planned OEM production rate increases for calendar 2024; however, we are continuing to monitor the Federal Aviation Administration's recent halting of Boeing's planned MAX production increase due to Boeing's ongoing quality control issues.

In the first three quarters of fiscal 2024, defense sales have increased compared to the comparable prior year period due to improving U.S. government defense spend outlays. Department of Defense (“DOD”) budgets have also trended upwards as geopolitical challenges such as the ongoing conflicts between Russia and Ukraine and Israel and Hamas, and military modernization efforts are driving demand. Historically, the inconsistent pace of U.S. government defense spending outlays and government funding reprioritization provides for uncertainty in the defense aerospace market.

The global supply chain and labor markets, though improving, continue to be disrupted. The disruption has resulted in delays in the availability of certain raw materials and increased freight costs, raw material costs and labor costs. Our business has been adversely affected, though not materially, and could continue to be adversely affected by disruptions in our ability to timely obtain raw materials and components from our suppliers in the quantities we require or on favorable terms. Although we believe in most cases that we could identify alternative suppliers, or alternative raw materials or component parts, the lengthy and expensive aviation authority and OEM certification processes associated with aerospace products could prevent efficient replacement of a supplier, raw material or component part.

Critical Accounting Policies and Estimates

The preparation and fair presentation of the consolidated unaudited interim financial statements and accompanying notes included in this report are the responsibility of management. The financial statements and footnotes have been prepared in conformity with generally accepted accounting principles in the United States (“U.S. GAAP”) for interim financial statements and contain certain amounts that were based upon management's best estimates, judgments and assumptions that were believed to be reasonable under the circumstances. On an ongoing basis, we evaluate the accounting policies and estimates used to prepare financial statements. Estimates are based on historical experience, judgments and assumptions believed to be reasonable under current facts and circumstances. Actual amounts and results could differ from these estimates used by management.

A comprehensive discussion of the Company's critical accounting policies and management estimates and significant accounting policies followed in the preparation of the financial statements is included in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended September 30, 2023, filed on November 9, 2023. Refer to Note 1, “Basis of Presentation,” in the notes to the condensed consolidated financial statements included herein for further disclosure of accounting standards recently adopted or required to be adopted in the future.

Acquisitions

Recent acquisitions are described in Note 2, “Acquisitions,” in the notes to the condensed consolidated financial statements included herein.

Results of Operations

The following table sets forth, for the periods indicated, certain operating data of the Company, including presentation of the amounts as a percentage of net sales (amounts in millions, except per share data):

	Thirteen Week Periods Ended			
	June 29, 2024	% of Net Sales	July 1, 2023	% of Net Sales
Net sales	\$ 2,046	100.0 %	\$ 1,744	100.0 %
Cost of sales	826	40.4 %	715	41.0 %
Selling and administrative expenses	248	12.1 %	209	12.0 %
Amortization of intangible assets	38	1.8 %	37	2.1 %
Income from operations	934	45.7 %	783	44.9 %
Interest expense-net	316	15.4 %	291	16.7 %
Refinancing costs	30	1.5 %	32	1.8 %
Other income	(14)	(0.7)%	(9)	(0.5)%
Income tax provision	141	6.9 %	117	6.7 %
Income from operations	461	22.6 %	352	20.2 %
Less: Net income attributable to noncontrolling interests	—	— %	(1)	(0.1)%
Net income attributable to TD Group	\$ 461	22.6 %	\$ 351	20.1 %
Net income applicable to TD Group common stockholders	\$ 461 ⁽¹⁾	22.6 %	\$ 351 ⁽¹⁾	20.1 %
Earnings per share attributable to TD Group common stockholders:				
Basic and diluted	\$ 7.96 ⁽²⁾		\$ 6.14 ⁽²⁾	
Weighted-average shares outstanding—basic and diluted	57.9		57.2	
Other Data:				
EBITDA	\$ 995 ⁽³⁾		\$ 830 ⁽³⁾	
EBITDA As Defined	\$ 1,091 ⁽³⁾	53.3 %	\$ 915 ⁽³⁾	52.5 %

⁽¹⁾ Net income applicable to TD Group common stockholders represents net income attributable to TD Group less special dividends paid on participating securities, including dividend equivalent payments. No special dividends were declared or paid on participating securities, including dividend equivalent payments, for the thirteen week periods ended June 29, 2024 and July 1, 2023.

⁽²⁾ Earnings per share is calculated by dividing net income applicable to TD Group common stockholders by the basic and diluted weighted average common shares outstanding.

⁽³⁾ Refer to “Non-GAAP Financial Measures” in this discussion and analysis for additional information and limitations regarding these non-GAAP financial measures, including a reconciliation to the comparable U.S. GAAP financial measure.

	Thirty-Nine Week Periods Ended			
	June 29, 2024	% of Net Sales	July 1, 2023	% of Net Sales
Net sales	\$ 5,754	100.0 %	\$ 4,733	100.0 %
Cost of sales	2,341	40.7 %	1,983	41.9 %
Selling and administrative expenses	715	12.4 %	578	12.2 %
Amortization of intangible assets	110	1.9 %	105	2.2 %
Income from operations	2,588	45.0 %	2,067	43.7 %
Interest expense-net	943	16.4 %	872	18.4 %
Refinancing costs	59	1.0 %	41	0.9 %
Other income	(24)	(0.4)%	(12)	(0.3)%
Income tax provision	362	6.3 %	281	5.9 %
Income from operations	1,248	21.7 %	885	18.7 %
Less: Net income attributable to noncontrolling interests	(2)	— %	(2)	— %
Net income attributable to TD Group	\$ 1,246	21.7 %	\$ 883	18.7 %
Net income applicable to TD Group common stockholders	\$ 1,145 ⁽¹⁾	19.9 %	\$ 845 ⁽¹⁾	17.9 %
Earnings per share attributable to TD Group common stockholders:				
Basic and diluted	\$ 19.81 ⁽²⁾		\$ 14.80 ⁽²⁾	
Cash dividends paid per common share	\$ 35.00		\$ —	
Weighted-average shares outstanding—basic and diluted	57.8		57.1	
Other Data:				
EBITDA	\$ 2,772 ⁽³⁾		\$ 2,237 ⁽³⁾	
EBITDA As Defined	\$ 3,023 ⁽³⁾	52.5 %	\$ 2,432 ⁽³⁾	51.4 %

⁽¹⁾ Net income applicable to TD Group common stockholders represents net income attributable to TD Group less special dividends declared or paid on participating securities, including dividend equivalent payments of \$101 million and \$38 million for the thirty-nine week periods ended June 29, 2024 and July 1, 2023, respectively.

⁽²⁾ Earnings per share is calculated by dividing net income applicable to TD Group common stockholders by the basic and diluted weighted average common shares outstanding.

⁽³⁾ Refer to “Non-GAAP Financial Measures” in this discussion and analysis for additional information and limitations regarding these non-GAAP financial measures, including a reconciliation to the comparable U.S. GAAP financial measure.

Changes in Results of Operations

Thirteen week period ended June 29, 2024 compared with the thirteen week period ended July 1, 2023

Total Company

- **Net Sales.** Net organic sales and acquisition sales and the related dollar and percentage changes for the thirteen week periods ended June 29, 2024 and July 1, 2023 were as follows (amounts in millions):

	Thirteen Week Periods Ended		Change	% Change Net Sales
	June 29, 2024	July 1, 2023		
Organic sales	\$ 1,988	\$ 1,734	\$ 254	14.6 %
Acquisition sales	58	10	48	2.8 %
Net sales	\$ 2,046	\$ 1,744	\$ 302	17.3 %

Organic sales represent net sales from existing businesses owned by the Company, excluding sales from acquisitions. Acquisition sales represent net sales from acquired businesses for the period up to one year from the respective acquisition date. We believe this measure provides investors with a supplemental understanding of underlying sales trends by providing sales growth on a consistent basis. Refer to Note 2, "Acquisitions," in the notes to the condensed consolidated financial statements included herein for further information on the Company's recent acquisitions activity.

The increase in organic sales of \$254 million for the thirteen week period ended June 29, 2024 compared to the thirteen week period ended July 1, 2023 is primarily related to increases in defense sales (\$91 million, an increase of 13.3%), commercial OEM sales (\$88 million, an increase of 23.2%) and commercial aftermarket sales (\$61 million, an increase of 11.1%). The increase in defense sales is primarily attributable to improving U.S. government defense spend outlays. The increase in commercial OEM sales is primarily attributable to the continued recovery in both narrow-body and wide-body aircraft production and deliveries. The increase in commercial aftermarket sales is primarily attributable to the continued recovery in commercial air travel demand and the resulting higher flight hours and utilization of aircraft in the third quarter of fiscal 2024 compared to fiscal 2023, particularly internationally.

The increase in acquisition sales for the thirteen week period ended June 29, 2024 is primarily attributable to the third quarter fiscal 2024 acquisition of the Electron Device Business of Communications & Power Industries ("CPI's Electron Device Business"), the second quarter fiscal 2024 acquisition of FPT Industries LLC ("FPT") and the third quarter fiscal 2023 acquisition of Calspan Corporation ("Calspan").

- **Cost of Sales and Gross Profit.** Cost of sales increased by \$111 million, or 15.5%, to \$826 million for the thirteen week period ended June 29, 2024 compared to \$715 million for the thirteen week period ended July 1, 2023. Cost of sales and the related percentage of net sales for the thirteen week periods ended June 29, 2024 and July 1, 2023 were as follows (amounts in millions):

	Thirteen Week Periods Ended		Change	% Change
	June 29, 2024	July 1, 2023		
Cost of sales - excluding costs below	\$ 825	\$ 719	\$ 106	14.7 %
% of net sales	40.3 %	41.2 %		
Non-cash stock and deferred compensation expense	5	5	—	— %
% of net sales	0.2 %	0.3 %		
Inventory acquisition accounting adjustments	5	—	5	100.0 %
% of net sales	0.2 %	— %		
Foreign currency gains	(2)	(1)	(1)	100.0 %
% of net sales	(0.1)%	(0.1)%		
Loss contract amortization	(7)	(8)	1	12.5 %
% of net sales	(0.3)%	(0.5)%		
Total cost of sales	\$ 826	\$ 715	\$ 111	15.5 %
% of net sales	40.4 %	41.0 %		
Gross profit (Net sales less Total cost of sales)	\$ 1,220	\$ 1,029	\$ 191	18.6 %
Gross profit percentage (Gross profit / Net sales)	59.6 %	59.0 %		

Cost of sales during the thirteen week period ended June 29, 2024 decreased as a percentage of net sales. This was primarily driven by the application of our three core value-driven operating strategy (obtaining profitable new business, continually improving our cost structure and providing highly engineered value-added products to customers) coupled with fixed overhead costs incurred being spread over a higher production volume, which contributed to the gross profit as a percentage of net sales increasing by 0.6 percentage points to 59.6% for the thirteen week period ended June 29, 2024 from 59.0% for the thirteen week period ended July 1, 2023.

- **Selling and Administrative Expenses.** Selling and administrative expenses increased by \$39 million to \$248 million, or 12.1% of net sales, for the thirteen week period ended June 29, 2024 from \$209 million, or 12.0% of net sales, for the thirteen week period ended July 1, 2023. Selling and administrative expenses and the related percentage of net sales for the thirteen week periods ended June 29, 2024 and July 1, 2023 were as follows (amounts in millions):

	Thirteen Week Periods Ended		Change	% Change
	June 29, 2024	July 1, 2023		
Selling and administrative expenses - excluding costs below	\$ 184	\$ 155	\$ 29	18.7 %
% of net sales	9.0 %	8.9 %		
Non-cash stock and deferred compensation expense	43	48	(5)	(10.4)%
% of net sales	2.1 %	2.8 %		
Acquisition transaction-related expenses	18	4	14	350.0 %
% of net sales	0.9 %	0.2 %		
Acquisition integration costs	3	2	1	50.0 %
% of net sales	0.1 %	0.1 %		
Total selling and administrative expenses	\$ 248	\$ 209	\$ 39	18.7 %
% of net sales	12.1 %	12.0 %		

Excluding certain costs specified above, selling and administrative expenses as a percentage of net sales, selling and administrative expenses as a percentage of net sales for the thirteen week period ended June 29, 2024 were in line as a percentage of net sales (slight increase of 0.1%) compared to the thirteen week period ended July 1, 2023. The decrease in non-cash stock and deferred compensation expense was due to a reduction in the stock compensation expense attributable to stock option liability awards. Acquisition-related expenses are higher due to the increase in acquisition activity compared to prior year.

- **Amortization of Intangible Assets.** Amortization of intangible assets was \$38 million for the thirteen week period ended June 29, 2024 compared to \$37 million for the thirteen week period ended July 1, 2023. The increase in amortization expense of \$1 million was primarily due to the amortization expense recognized on intangible assets from the fiscal 2024 acquisitions. The intangible assets recognized in connection with the fiscal 2024 acquisitions are summarized in Note 6, "Intangible Assets," to the condensed consolidated financial statements included herein.
- **Interest Expense-net.** Interest expense-net includes interest on borrowings outstanding, amortization of debt issuance costs, original issue discount and premium, revolving credit facility fees, finance leases, interest income and the impact of interest rate swaps and caps designated and qualifying as cash flow hedges. Interest expense-net increased \$25 million, or 8.6%, to \$316 million for the thirteen week period ended June 29, 2024 from \$291 million for the comparable thirteen week period in the prior fiscal year. The increase in interest expense-net was primarily due to an increase in outstanding borrowings (refer to Note 7, "Debt" in the notes to the condensed consolidated financial statements included herein for additional details). This was partially offset by a \$20 million increase in interest income. The weighted average interest rate for cash interest payments on total borrowings outstanding was 6.2% for the thirteen week period ended June 29, 2024 compared to 6.1% for the thirteen week period ended July 1, 2023.
- **Refinancing Costs.** Refinancing costs of \$30 million incurred for the thirteen week period ended June 29, 2024 were primarily related to the write-off of unamortized debt issuance costs recorded in conjunction with the redemption of the 7.50% senior subordinated notes due 2027 (the "7.50% 2027 Notes") and the write-off of unamortized original issue discount and debt issuance costs in conjunction with Amendment No. 16 Loan Modification Agreement and Refinancing Facility Agreement (herein, "Amendment No. 16") to the Second Amended and Restated Credit Agreement, dated June 4, 2014 (the "Credit Agreement"). Refer to Note 7, "Debt," in the notes to the condensed consolidated financial statements included herein for additional details. Refinancing costs of \$32 million incurred for the thirteen week period ended July 1, 2023 were primarily related to the redemption of the 8.00% secured notes due 2025 (the "2025 Secured Notes").

- **Other Income.** Other income was \$14 million for the thirteen week period ended June 29, 2024 compared to \$9 million for the thirteen week period ended July 1, 2023. Other income for the thirteen week period ended June 29, 2024 primarily related to a gain on sale of business. Other income for the thirteen week period ended July 1, 2023 primarily related to a \$9 million cash refund received for the Esterline Retirement Plan (the “ERP”) upon the finalizing of the group annuity purchase funding.
- **Income Tax Provision.** Income tax expense as a percentage of income before income taxes was approximately 23.4% for the thirteen week period ended June 29, 2024 compared to 24.9% for the thirteen week period ended July 1, 2023. The Company’s lower effective tax rate for the thirteen week period ended June 29, 2024 was primarily due to a less significant impact on the rate from the valuation allowance applicable to the Company’s net interest deduction limitation carryforward.
- **Net Income Attributable to TD Group.** Net income attributable to TD Group increased \$110 million, or 31.3%, to \$461 million for the thirteen week period ended June 29, 2024 compared to net income attributable to TD Group of \$351 million for the thirteen week period ended July 1, 2023, primarily as a result of the factors referenced above.
- **Earnings per Share.** Basic and diluted earnings per share was \$7.96 for the thirteen week period ended June 29, 2024 and \$6.14 for the thirteen week period ended July 1, 2023.

Business Segments

- **Segment Net Sales.** Net sales by segment for the thirteen week periods ended June 29, 2024 and July 1, 2023 were as follows (amounts in millions):

	Thirteen Week Periods Ended				Change	% Change
	June 29, 2024	% of Net Sales	July 1, 2023	% of Net Sales		
Power & Control	\$ 1,023	50.0 %	\$ 861	49.4 %	\$ 162	18.8 %
Airframe	974	47.6 %	835	47.9 %	139	16.6 %
Non-aviation	49	2.4 %	48	2.7 %	1	2.1 %
Net sales	<u>\$ 2,046</u>	<u>100.0 %</u>	<u>\$ 1,744</u>	<u>100.0 %</u>	<u>\$ 302</u>	<u>17.3 %</u>

Net sales for the Power & Control segment increased \$162 million, an increase of 18.8%, for the thirteen week period ended June 29, 2024 compared to the thirteen week period ended July 1, 2023. The sales increase resulted primarily from increases in organic sales in defense (\$65 million, an increase of 15.9%), commercial OEM (\$42 million, an increase of 25.9%) and commercial aftermarket (\$33 million, an increase of 12.5%). The increase in defense sales is primarily attributable to improving U.S. government defense spend outlays. The increase in commercial OEM sales is primarily attributable to the continued recovery in both narrow-body and wide-body aircraft production and deliveries. The increase in commercial aftermarket sales is primarily attributable to the continued recovery in commercial air travel demand and the resulting higher flight hours and utilization of aircraft in the third quarter of fiscal 2024 compared to fiscal 2023.

Net sales for the Airframe segment increased \$139 million, an increase of 16.6%, for the thirteen week period ended June 29, 2024 compared to the thirteen week period ended July 1, 2023. The sales increase resulted primarily from increases in organic sales in commercial OEM (\$45 million, an increase of 21.3%), commercial aftermarket (\$28 million, an increase of 9.7%) and defense (\$26 million, an increase of 9.4%). The increase in commercial OEM sales, commercial aftermarket sales and defense sales for the Airframe segment is attributable to the same factors described in the paragraph above for the Power & Control segment.

Acquisition sales for the Power & Control and Airframe segments contributed approximately \$48 million in aggregate to the increase in net sales. Acquisition sales represent net sales from acquired businesses for the period up to one year from the respective acquisition date.

The change in Non-aviation net sales compared to the thirteen week period in the prior fiscal year was not material.

- **EBITDA As Defined.** Refer to “Non-GAAP Financial Measures” in this discussion and analysis for additional information and limitations regarding these non-GAAP financial measures, including a reconciliation to the comparable U.S. GAAP financial measure. EBITDA As Defined by segment for the thirteen week periods ended June 29, 2024 and July 1, 2023 were as follows (amounts in millions):

	Thirteen Week Periods Ended					
	June 29, 2024	% of Segment Net Sales	July 1, 2023	% of Segment Net Sales	Change	% Change
Power & Control	\$ 587	57.4 %	\$ 487	56.6 %	\$ 100	20.5 %
Airframe	503	51.6 %	417	49.9 %	86	20.6 %
Non-aviation	22	44.9 %	21	43.8 %	1	4.8 %
Total segment EBITDA As Defined	1,112	54.3 %	925	53.0 %	187	20.2 %
Less: Unallocated corporate EBITDA As Defined	21	1.0 % ⁽¹⁾	10	0.5 % ⁽¹⁾	11	110.0 %
Total Company EBITDA As Defined	\$ 1,091	53.3 %⁽¹⁾	\$ 915	52.5 %⁽¹⁾	\$ 176	19.2 %

⁽¹⁾ Calculated as a percentage of consolidated net sales.

EBITDA As Defined for the Power & Control segment increased approximately \$100 million, an increase of 20.5%, resulting from higher organic sales in the defense, commercial OEM and commercial aftermarket channels. Also contributing to the increase in EBITDA As Defined was the application of our three core value-driven operating strategy and positive leverage on our fixed overhead costs spread over a higher production volume despite the ongoing inflationary environment for freight, labor and certain raw materials.

EBITDA As Defined for the Airframe segment increased approximately \$86 million, an increase of 20.6%. The increase in EBITDA as Defined for the Airframe segment is attributable to the same factors described in the paragraph above for the Power & Control segment.

EBITDA As Defined from acquisitions for the Power & Control and Airframe segments contributed approximately \$17 million in aggregate to the increase in EBITDA As Defined. EBITDA As Defined from acquisitions represents EBITDA As Defined from acquired businesses for the period up to one year from the respective acquisition date.

The change in Non-aviation EBITDA As Defined compared to the thirteen week period in the prior fiscal year was not material.

Corporate expenses consist primarily of compensation, benefits, professional services and other administrative costs incurred by the corporate offices. An immaterial amount of corporate expenses is allocated to the operating segments.

Thirty-nine week period ended June 29, 2024 compared with the thirty-nine week period ended July 1, 2023

Total Company

- **Net Sales.** Net organic sales and acquisition sales and the related dollar and percentage changes for the thirty-nine week periods ended June 29, 2024 and July 1, 2023 were as follows (amounts in millions):

	Thirty-Nine Week Periods Ended			Change	% Change Net Sales
	June 29, 2024	July 1, 2023			
Organic sales	\$ 5,563	\$ 4,723	\$ 840	17.7 %	
Acquisition sales	191	10	181	3.8 %	
Net sales	\$ 5,754	\$ 4,733	\$ 1,021	21.6 %	

Organic sales represent net sales from existing businesses owned by the Company, excluding sales from acquisitions. Acquisition sales represent net sales from acquired businesses for the period up to one year from the respective acquisition date. We believe this measure provides investors with a supplemental understanding of underlying sales trends by providing sales growth on a consistent basis. Refer to Note 2, “Acquisitions,” in the notes to the condensed consolidated financial statements included herein for further information on the Company's recent acquisitions activity.

The increase in organic sales of \$840 million for the thirty-nine week period ended June 29, 2024 compared to the thirty-nine week period ended July 1, 2023 is primarily related to increases in defense sales (\$367 million, an increase of 20.1%), commercial OEM sales (\$243 million, an increase of 23.2%) and commercial aftermarket sales (\$204 million, an increase of 13.1%). The increase in defense sales is primarily attributable to improving U.S. government defense spend outlays. The increase in commercial OEM sales is primarily attributable to the continued recovery in both narrow-body and wide-body aircraft production and deliveries. The increase in commercial aftermarket sales is primarily attributable to the continued recovery in commercial air travel demand and the resulting higher flight hours and utilization of aircraft in the first nine months of fiscal 2024 compared to fiscal 2023, particularly internationally.

The increase in acquisition sales for the thirty-nine week period ended June 29, 2024 is primarily attributable to the third quarter fiscal 2024 acquisition of CPI's Electron Device Business, the second quarter fiscal 2024 acquisition of FPT and the third quarter fiscal 2023 acquisition of Calspan.

- **Cost of Sales and Gross Profit.** Cost of sales increased by \$358 million, or 18.1%, to \$2,341 million for the thirty-nine week period ended June 29, 2024 compared to \$1,983 million for the thirty-nine week period ended July 1, 2023. Cost of sales and the related percentage of net sales for the thirty-nine week periods ended June 29, 2024 and July 1, 2023 were as follows (amounts in millions):

	Thirty-Nine Week Periods Ended		Change	% Change
	June 29, 2024	July 1, 2023		
Cost of sales - excluding costs below	\$ 2,338	\$ 1,973	\$ 365	18.5 %
% of net sales	40.6 %	41.7 %		
Non-cash stock and deferred compensation expense	16	14	2	14.3 %
% of net sales	0.3 %	0.3 %		
Inventory acquisition accounting adjustments	8	2	6	300.0 %
% of net sales	0.1 %	— %		
Foreign currency losses	3	21	(18)	(85.7)%
% of net sales	0.1 %	0.4 %		
Loss contract amortization	(24)	(27)	3	11.1 %
% of net sales	(0.4)%	(0.6)%		
Total cost of sales	\$ 2,341	\$ 1,983	\$ 358	18.1 %
% of net sales	40.7 %	41.9 %		
Gross profit (Net sales less Total cost of sales)	\$ 3,413	\$ 2,750	\$ 663	24.1 %
Gross profit percentage (Gross profit / Net sales)	59.3 %	58.1 %		

Cost of sales during the thirty-nine week period ended June 29, 2024 decreased as a percentage of net sales despite increased inflationary pressures. This was primarily driven by the application of our three core value-driven operating strategy (obtaining profitable new business, continually improving our cost structure and providing highly engineered value-added products to customers) coupled with fixed overhead costs incurred being spread over a higher production volume, which contributed to the gross profit as a percentage of net sales increasing by 1.2 percentage points to 59.3% for the thirty-nine week period ended June 29, 2024 from 58.1% for the thirty-nine week period ended July 1, 2023.

Foreign exchange rates, particularly the U.S. dollar compared to the British pound and the euro, weakened at a more significant rate in the first three quarters of fiscal 2023 compared to fiscal 2024, resulting in a decrease in foreign currency losses in fiscal 2024.

- Selling and Administrative Expenses.** Selling and administrative expenses increased by \$137 million to \$715 million, or 12.4% of net sales, for the thirty-nine week period ended June 29, 2024 from \$578 million, or 12.2% of net sales, for the thirty-nine week period ended July 1, 2023. Selling and administrative expenses and the related percentage of net sales for the thirty-nine week periods ended June 29, 2024 and July 1, 2023 were as follows (amounts in millions):

	Thirty-Nine Week Periods Ended		Change	% Change
	June 29, 2024	July 1, 2023		
Selling and administrative expenses - excluding costs below	\$ 537	\$ 454	\$ 83	18.3 %
% of net sales	9.3 %	9.6 %		
Non-cash stock and deferred compensation expense	142	117	25	21.4 %
% of net sales	2.5 %	2.5 %		
Acquisition transaction-related expenses	29	5	24	480.0 %
% of net sales	0.5 %	0.1 %		
Acquisition integration costs	5	5	—	— %
% of net sales	0.1 %	0.1 %		
Bad debt expense	2	(3)	5	166.7 %
% of net sales	— %	(0.1)%		
Total selling and administrative expenses	\$ 715	\$ 578	\$ 137	23.7 %
% of net sales	12.4 %	12.2 %		

Excluding certain costs specified above, selling and administrative expenses as a percentage of net sales for the thirty-nine week period ended June 29, 2024 decreased compared to the thirty-nine week period ended July 1, 2023 despite the higher inflationary environment compared to a year ago due to continued strategic cost mitigation efforts. The increase in non-cash stock and deferred compensation expense is primarily attributable to the increase in the Black-Scholes fair value of the stock option grants impacting non-cash stock compensation expense. The increase in the Black-Scholes fair value is due to the appreciation of the stock price, which is a key assumption used to determine the Black-Scholes fair value. Acquisition-related expenses increased due to an increase in acquisition activity compared to prior year. Bad debt expense for the thirty-nine week period ended July 1, 2023 was favorably impacted by a reduction in the allowance for uncollectible accounts due to improving market conditions within commercial aerospace and the resulting reduction in assessed risk associated with the collectibility of certain trade accounts receivable.

- Amortization of Intangible Assets.** Amortization of intangible assets was \$110 million for the thirty-nine week period ended June 29, 2024 compared to \$105 million for the thirty-nine week period ended July 1, 2023. The increase in amortization expense of \$5 million was primarily due to the amortization expense recognized on intangible assets from the third quarter fiscal 2023 acquisition of Calspan and the fiscal 2024 acquisitions. The intangible assets recognized in connection with the fiscal 2024 acquisitions are summarized in Note 6, “Intangible Assets,” to the condensed consolidated financial statements included herein.
- Interest Expense-net.** Interest expense-net includes interest on borrowings outstanding, amortization of debt issuance costs, original issue discount and premium, revolving credit facility fees, finance leases, interest income and the impact of interest rate swaps and caps designated and qualifying as cash flow hedges. Interest expense-net increased \$71 million, or 8.1%, to \$943 million for the thirty-nine week period ended June 29, 2024 from \$872 million for the comparable thirty-nine week period in the prior fiscal year. The increase in interest expense-net was primarily due to an increase in the base rate, Term Secured Overnight Financing Rate (“Term SOFR”), to the portion of our variable rate debt that is not hedged (refer to Note 10, “Derivatives and Hedging Activities” for information on our hedges), as well as an increase in outstanding borrowings (refer to Note 7, “Debt” in the notes to the condensed consolidated financial statements included herein for additional details). This was partially offset by a \$54 million increase in interest income. The weighted average interest rate for cash interest payments on total borrowings outstanding for the thirty-nine week periods ended June 29, 2024 and July 1, 2023 was 6.1%.
- Refinancing Costs.** Refinancing costs of \$59 million incurred for the thirty-nine week period ended June 29, 2024 were primarily related to the third party fees and write-off of unamortized debt issuance costs and original issue discount recorded in conjunction with the amendments to the Credit Agreement and the third party fees and write-off of unamortized debt issuance costs recorded in conjunction with the notes redemptions completed during the thirty-nine week period ended June 29, 2024. Refer to Note 7, “Debt,” in the notes to the condensed consolidated financial statements included herein for additional details. Refinancing costs of \$41 million incurred for the thirty-nine week period ended July 1, 2023 were primarily related to the redemption of the 2025 Secured Notes and third party fees incurred for the refinancing activity under the amendments to the Credit Agreement completed during the thirty-nine week period ended July 1, 2023.

- **Other Income.** Other income was \$24 million for the thirty-nine week period ended June 29, 2024 compared to \$12 million recorded for the thirty-nine week period ended July 1, 2023. Other income for the thirty-nine week period ended June 29, 2024 primarily related to a gain on sale of business, royalty and other income and the non-service related components of benefit costs on the Company's benefit plans. Other income for the thirty-nine week period ended July 1, 2023 primarily related to a \$9 million cash refund received for the ERP upon the finalizing of the group annuity purchase funding.
- **Income Tax Provision.** Income tax expense as a percentage of income before income taxes was approximately 22.5% for the thirty-nine week period ended June 29, 2024 compared to 24.1% for the thirty-nine week period ended July 1, 2023. The Company's lower effective tax rate for the thirty-nine week period ended June 29, 2024 was primarily due to a less significant impact on the rate from the valuation allowance applicable to the Company's net interest deduction limitation carryforward.
- **Net Income Attributable to TD Group.** Net income attributable to TD Group increased \$363 million, or 41.1%, to \$1,246 million for the thirty-nine week period ended June 29, 2024 compared to net income attributable to TD Group of \$883 million for the thirty-nine week period ended July 1, 2023, primarily as a result of the factors referenced above.
- **Earnings per Share.** Basic and diluted earnings per share from continuing operations was \$19.81 for the thirty-nine week period ended June 29, 2024 and \$14.80 for the thirty-nine week period ended July 1, 2023. Net income attributable to TD Group for the thirty-nine week period ended June 29, 2024 of \$1,246 million was decreased by dividend equivalent payments of \$101 million, or \$1.75 per share, resulting in net income applicable to TD Group common stockholders of \$1,145 million. Net income attributable to TD Group for the thirty-nine week period ended July 1, 2023 of \$883 million was decreased by dividend equivalent payments of \$38 million, or \$0.67 per share, resulting in net income applicable to TD Group common stockholders of \$845 million.

Business Segments

- **Segment Net Sales.** Net sales by segment for the thirty-nine week periods ended June 29, 2024 and July 1, 2023 were as follows (amounts in millions):

	Thirty-Nine Week Periods Ended					
	June 29, 2024	% of Net Sales	July 1, 2023	% of Net Sales	Change	% Change
Power & Control	\$ 2,821	49.0 %	\$ 2,402	50.7 %	\$ 419	17.4 %
Airframe	2,795	48.6 %	2,204	46.6 %	591	26.8 %
Non-aviation	138	2.4 %	127	2.7 %	11	8.7 %
Net sales	\$ 5,754	100.0 %	\$ 4,733	100.0 %	\$ 1,021	21.6 %

Net sales for the Power & Control segment increased \$419 million, an increase of 17.4%, for the thirty-nine week period ended June 29, 2024 compared to the thirty-nine week period ended July 1, 2023. The sales increase resulted primarily from increases in organic sales in defense (\$194 million, an increase of 17.4%), commercial OEM (\$101 million, an increase of 22.8%) and commercial aftermarket (\$99 million, an increase of 12.9%). The increase in defense sales is primarily attributable to improving U.S. government defense spend outlays. The increase in commercial OEM sales is primarily attributable to the continued recovery in both narrow-body and wide-body aircraft production and deliveries. The increase in commercial aftermarket sales is primarily attributable to the continued recovery in commercial air travel demand and the resulting higher flight hours and utilization of aircraft in the first three quarters of fiscal 2024 compared to fiscal 2023, particularly internationally.

Net sales for the Airframe segment increased \$591 million, an increase of 26.8%, for the thirty-nine week period ended June 29, 2024 compared to the thirty-nine week period ended July 1, 2023. The sales increase resulted primarily from increases in organic sales in defense (\$173 million, an increase of 24.4%), commercial OEM (\$139 million, an increase of 23.6%) and commercial aftermarket (\$105 million, an increase of 13.4%). The increase in defense sales, commercial OEM sales and commercial aftermarket sales for the Airframe segment is attributable to the same factors described in the paragraph above for the Power & Control segment.

Acquisition sales for the Power & Control and Airframe segments contributed approximately \$181 million in aggregate to the increase in net sales. Acquisition sales represent net sales from acquired businesses for the period up to one year from the respective acquisition date.

The change in Non-aviation net sales compared to the thirty-nine week period in the prior fiscal year was not material.

- **EBITDA As Defined.** Refer to “Non-GAAP Financial Measures” in this discussion and analysis for additional information and limitations regarding these non-GAAP financial measures, including a reconciliation to the comparable U.S. GAAP financial measure. EBITDA As Defined by segment for the thirty-nine week periods ended June 29, 2024 and July 1, 2023 were as follows (amounts in millions):

	Thirty-Nine Week Periods Ended					
	June 29, 2024	% of Segment Net Sales	July 1, 2023	% of Segment Net Sales	Change	% Change
Power & Control	\$ 1,615	57.2 %	\$ 1,341	55.8 %	\$ 274	20.4 %
Airframe	1,443	51.6 %	1,101	50.0 %	342	31.1 %
Non-aviation	59	42.8 %	52	40.9 %	7	13.5 %
Total segment EBITDA As Defined	3,117	54.2 %	2,494	52.7 %	623	25.0 %
Less: Unallocated corporate EBITDA As Defined	94	1.7 % ⁽¹⁾	62	1.3 % ⁽¹⁾	32	51.6 %
Total Company EBITDA As Defined	\$ 3,023	52.5 % ⁽¹⁾	\$ 2,432	51.4 % ⁽¹⁾	\$ 591	24.3 %

⁽¹⁾ Calculated as a percentage of consolidated net sales.

EBITDA As Defined for the Power & Control segment increased approximately \$274 million, an increase of 20.4%, resulting from higher organic sales in the defense, commercial OEM and commercial aftermarket channels. Also contributing to the increase in EBITDA As Defined was the application of our three core value-driven operating strategy and positive leverage on our fixed overhead costs spread over a higher production volume despite the ongoing inflationary environment for freight, labor and certain raw materials.

EBITDA As Defined for the Airframe segment increased approximately \$342 million, an increase of 31.1%. The increase in EBITDA As Defined for the Airframe segment is attributable to the same factors described in the paragraph above for the Power & Control segment.

EBITDA As Defined from acquisitions for the Power & Control and Airframe segments contributed approximately \$60 million in aggregate to the increase in EBITDA As Defined. EBITDA As Defined from acquisitions represents EBITDA As Defined from acquired businesses for the period up to one year from the respective acquisition date.

The change in Non-aviation EBITDA As Defined compared to the thirty-nine week period in the prior fiscal year was not material.

Corporate expenses consist primarily of compensation, benefits, professional services and other administrative costs incurred by the corporate offices. An immaterial amount of corporate expenses is allocated to the operating segments. The increase compared to the thirty-nine week period in the prior fiscal year is primarily attributable to the current fiscal year portion of the deferred compensation plan adopted in the fourth quarter of fiscal 2022 for certain members of non-executive management.

Liquidity and Capital Resources

We have historically maintained a capital structure comprising a mix of equity and debt financing. We vary our leverage both to optimize our equity return and to pursue acquisitions. We expect to meet our current debt obligations as they come due through internally generated funds from current levels of operations and/or through refinancing in the debt markets prior to the maturity dates of our debt.

The following tables present selected balance sheet, cash flow and other financial data relevant to the liquidity or capital resources of the Company for the periods specified below (amounts in millions):

	June 29, 2024	September 30, 2023
Selected Balance Sheet Data:		
Cash and cash equivalents	\$ 3,360	\$ 3,472
Working capital (Total current assets less total current liabilities)	5,210	5,159
Total assets	21,828	19,970
Total debt ⁽¹⁾	21,892	19,750
TD Group stockholders' deficit	(2,518)	(1,984)

⁽¹⁾ Includes debt issuance costs, original issue discount and premiums. Reference Note 7, "Debt," in the notes to the condensed consolidated financial statements included herein for additional information.

	Thirty-Nine Week Periods Ended	
	June 29, 2024	July 1, 2023
Selected Cash Flow and Other Financial Data:		
Cash flows provided by (used in):		
Operating activities	\$ 1,473	\$ 913
Investing activities	(1,739)	(852)
Financing activities	152	(11)
Capital expenditures	124	102
Ratio of earnings to fixed charges ⁽¹⁾	2.7x	2.3x

⁽¹⁾ For purposes of computing the ratio of earnings to fixed charges, earnings consist of earnings from operations before income taxes plus fixed charges. Fixed charges consist of interest expense, amortization of debt issuance costs, original issue discount and premium and the "interest component" of rental expense.

Significant Transactions of Fiscal 2024

On November 27, 2023, the Company paid a special cash dividend of \$35.00 on each outstanding share of common stock and cash dividend equivalent payments on eligible vested options outstanding under its stock option plans. Total cash payments, funded by existing cash on hand, of special dividend and dividend equivalents from this declaration were approximately \$2,020 million.

On November 28, 2023, the Company completed the issuance of \$2,000 million in new senior debt (\$1,000 million in 7.125% senior secured notes due 2031 and \$1,000 million in Tranche J term loans), which was used to fund the acquisition of CPI's Electron Device Business (completed in the third quarter of fiscal 2024) and for general corporate purposes.

On December 28, 2023, the Company drew the remaining \$100 million available on its trade receivable securitization facility.

On February 27, 2024, the Company amended the terms under its revolving credit facility to, among other things, extend the maturity date from May 2026 to February 2029 and increase the total commitments capacity from \$810 million to \$910 million. Concurrently, the Company completed the issuance of \$4,400 million in new secured debt (\$2,200 million in 6.375% senior secured notes due 2029 and \$2,200 million in 6.625% senior secured notes due 2032), which was used to redeem all of its outstanding \$4,400 million in 6.25% senior secured notes due 2026.

On March 22, 2024, the Company repriced all of its \$4,525 million in existing Tranche I term loans maturing August 2028 to bear interest at Term SOFR plus 2.75% (a decrease from Term SOFR plus 3.25% previously applicable) and replaced all of its \$1,708 million in existing Tranche H term loans due February 2027 with new Tranche K term loans maturing March 2030 and bear interest at the same rate applied to the existing Tranche I term loans. Concurrently, the Company issued an additional \$550 million in 6.375% senior secured notes due 2029 (tack-on to the \$2,200 million issued during February 2024), which was used to redeem all of its outstanding \$550 million in 7.50% senior subordinated notes due 2027 on April 22, 2024.

On May 21, 2024, the Company completed an acquisition of all the outstanding stock of SEI for approximately \$170 million in cash, including certain tax benefits.

On June 4, 2024, the Company repriced all of its \$997 million in existing Tranche J term loans to bear interest at Term SOFR plus 2.50% compared to Term SOFR plus 3.25% applicable prior to the transaction; and (ii) amended and extended \$2,644 million in existing Tranche I term loans maturing August 24, 2028 and converting such loans into Tranche J term loans maturing February 28, 2031.

On June 6, 2024, the Company completed the acquisition of all the outstanding stock of CPI's Electron Device Business for approximately \$1,385 million in cash. The acquisition was financed through existing cash on hand, inclusive of a portion of the cash proceeds from the \$2,000 million in new senior debt issued in the first quarter of fiscal 2024.

* * * * *

If the Company has excess cash, it generally prioritizes allocating the excess cash in the following manner: (1) capital spending at existing businesses, (2) acquisitions of businesses, (3) payment of a special dividend and/or repurchases of our common stock and (4) prepayment of indebtedness or repurchase of debt.

The Company's ability to make scheduled interest payments on, or to refinance, the Company's indebtedness, or to fund non-acquisition related capital expenditures and research and development efforts, will depend on the Company's ability to generate cash in the future. This is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control.

The Company's objective is to maintain an allocation of at least 75% fixed rate and 25% variable rate debt thereby limiting its exposure to changes in near-term interest rates. Interest rate swaps, caps and collars used to hedge and offset, respectively, the variable interest rates on our term loans are further described in Note 10, "Derivatives and Hedging Activities," in the notes to the condensed consolidated financial statements included herein. As of June 29, 2024, approximately 80% of our gross debt was fixed rate.

As of June 29, 2024, the Company has significant cash liquidity as illustrated in the table presented below (in millions):

	As of June 29, 2024
Cash and cash equivalents	\$ 3,360
Availability on revolving credit facility	839
Cash liquidity	<u>\$ 4,199</u>

We believe our significant cash liquidity will allow us to meet our anticipated funding requirements. We expect to meet our short-term cash liquidity requirements (including interest obligations and capital expenditures) through net cash from operating activities, cash on hand and, if needed, draws on the revolving credit facility. Long-term cash liquidity requirements consist primarily of obligations under our long-term debt agreements. There is no maturity on any tranche of term loans or notes until November 2027.

In connection with the continued application of our three core value-driven operating strategy (obtaining profitable new business, continually improving our cost structure and providing highly engineered value-added products to customers), we expect our efforts will continue to generate strong margins and provide sufficient cash provided by operating activities to meet our interest obligations and liquidity needs. We believe our cash provided by operating activities and available borrowing capacity will enable us to make strategic business acquisitions, pay dividends to our shareholders and make opportunistic investments in our own stock, subject to any restrictions in our existing credit agreement and market conditions.

The Company may issue additional debt if prevailing market conditions are favorable to doing so. In addition, the Company may increase its borrowings in connection with acquisitions, if cash flow from operating activities becomes insufficient to fund current operations or for other short-term cash needs or for common stock repurchases or dividends. Our future leverage will also be impacted by the then current conditions of the credit markets.

Operating Activities. The Company generated \$1,473 million of net cash from operating activities during the thirty-nine week period ended June 29, 2024 compared to \$913 million during the thirty-nine week period ended July 1, 2023.

The change in accounts receivable during the thirty-nine week period ended June 29, 2024 was a use of cash of \$22 million compared to a use of cash of \$134 million during the thirty-nine week period ended July 1, 2023. The decrease in the use of cash of \$112 million is primarily attributable to the timing of cash receipts. The Company continues to actively manage its accounts receivable, the related agings and collection efforts.

The change in inventories during the thirty-nine week period ended June 29, 2024 was a use of cash of \$140 million compared to a use of cash of \$244 million during the thirty-nine week period ended July 1, 2023. The decrease in the use of cash of \$104 million is primarily driven by higher sales activity partially offset by increased purchasing from higher demand. The Company continues to actively and strategically manage inventory levels in response to the ongoing supply chain challenges.

The change in accounts payable during the thirty-nine week period ended June 29, 2024 was a use of cash of \$9 million compared to a use of cash of \$4 million during the thirty-nine week period ended July 1, 2023. The change is due to the timing of payments to suppliers.

Investing Activities. Net cash used in investing activities was \$1,739 million during the thirty-nine week period ended June 29, 2024, consisting of \$1,686 million from the acquisitions of CPI's Electron Device Business, SEI, FPT and certain product lines completed during the first nine months of fiscal 2024, capital expenditures of \$124 million; partially offset by other investing transactions of \$71 million.

Net cash used in investing activities was \$852 million during the thirty-nine week period ended July 1, 2023, consisting of the acquisition of Calspan for \$729 million, certain product line acquisitions aggregating to \$21 million and capital expenditures of \$102 million.

Financing Activities. Net cash provided by financing activities was \$152 million during the thirty-nine week period ended June 29, 2024. The source of cash was primarily attributable to the net proceeds of short-term and long-term debt, including fees, of \$1,977 million, plus proceeds from stock option exercises of \$213 million, primarily offset by dividend and dividend equivalent payments of \$2,038 million.

Net cash used in financing activities was \$11 million during the thirty-nine week period ended July 1, 2023. The use of cash was primarily attributable to the net repayment of short-term and long-term debt, including fees, of \$152 million, plus dividend and dividend equivalent payments of \$38 million, primarily offset by proceeds from stock option exercises of \$179 million.

Contractual Obligations

We have future obligations under various contracts relating to debt and interest payments, finance and operating leases, pension and post-retirement benefit plans and purchase obligations. During the thirty-nine week period ended June 29, 2024, other than the financing activity further described in Note 7, "Debt," in the notes to the condensed consolidated financial statements included herein, there were no material changes to these obligations as reported in our Annual Report on Form 10-K for the fiscal year ended September 30, 2023.

Description of Senior Secured Term Loans and Indentures

Senior Secured Term Loans Facilities

On November 28, 2023, the Company entered into Amendment No. 13 and Incremental Term Loan Assumption Agreement (herein, "Amendment No. 13") to the Credit Agreement. Under the terms of Amendment No. 13, the Company, among other things, issued \$1,000 million in Tranche J term loans maturing February 28, 2031. The Tranche J term loans bore interest at a rate of Term SOFR plus 3.25%. The Tranche J term loans were issued at a discount of 0.25%, or approximately \$3 million. The Tranche J term loans were fully drawn on November 28, 2023 and the other terms and conditions that apply to the Tranche J term loans are substantially the same as the terms and conditions that apply to the term loans immediately prior to Amendment No. 13.

On February 27, 2024, the Company entered into Amendment No. 14 and Incremental Revolving Credit Assumption Agreement (herein, "Amendment No. 14") to the Credit Agreement. Under the terms of Amendment No. 14, the Company, among other things, refinanced its revolving credit facility to (i) extend the maturity date from May 2026 to February 2029; (ii) increased the total commitments capacity thereunder from \$810 million to \$910 million; and (iii) decreased the applicable interest rate for revolving credit loans to Term SOFR plus 2.25% compared to Term SOFR plus 2.50% applicable prior to Amendment No. 14.

On March 22, 2024, the Company entered into Amendment No. 15 Loan Modification Agreement and Incremental Term Loan Assumption Agreement (herein, “Amendment No. 15”) to the Credit Agreement. Under the terms of Amendment No. 15, the Company, among other things, (i) repriced all of its \$4,525 million in existing Tranche I term loans maturing August 24, 2028 to bear interest at Term SOFR plus 2.75% compared to Term SOFR plus 3.25% applicable prior to Amendment No. 15; and (ii) repaid in full its existing approximately \$1,708 million in Tranche H term loans maturing February 22, 2027 and replaced such loans with approximately \$1,708 million in new Tranche K term loans maturing March 22, 2030. The Tranche K term loans were issued at a discount of 0.25%, or approximately \$4.3 million, and bear interest at Term SOFR plus 2.75%. The Tranche K term loans were fully drawn on March 22, 2024 and the other terms and conditions that apply to the Tranche K term loans are substantially the same as the terms and conditions that apply to the term loans immediately prior to Amendment No. 15.

On June 4, 2024, the Company entered into Amendment No. 16 Loan Modification Agreement and Refinancing Facility Agreement (herein, “Amendment No. 16”) to the Credit Agreement. Under the terms of Amendment No. 16, the Company, among other things, (i) repriced the interest rate on \$997 million of existing Tranche J term loans to bear interest at Term SOFR plus 2.50% compared to Term SOFR plus 3.25% applicable prior to Amendment No. 16; and (ii) amends and extends \$2,644 million of existing Tranche I term loans maturing August 24, 2028 and converting such loans into Tranche J term loans maturing February 28, 2031. The other terms and conditions that apply to the Tranche I and Tranche J term loans are substantially the same as the terms and conditions that applied to the term loans immediately prior to Amendment No. 16.

As of June 29, 2024, TransDigm has \$7,220 million in fully drawn term loans (the “Term Loans Facility”) and an \$910 million revolving credit facility. The Term Loans Facility consists of three tranches of term loans as follows (aggregate principal amount disclosed is as of June 29, 2024):

Term Loans Facility	Aggregate Principal	Maturity Date	Interest Rate
Tranche I	\$1,876 million	August 24, 2028	Term SOFR plus 2.75%
Tranche J	\$3,641 million	February 28, 2031	Term SOFR plus 2.50%
Tranche K	\$1,703 million	March 22, 2030	Term SOFR plus 2.75%

The Term Loans Facility requires quarterly aggregate principal payments of \$18 million. The revolving commitments consist of two tranches which include up to \$139 million of multicurrency revolving commitments. At June 29, 2024, the Company had \$71 million in letters of credit outstanding and \$839 million in borrowings available under the revolving commitments. Draws on the revolving commitments are subject to an interest rate of Term SOFR plus 2.25%. The unused portion of the revolving commitments is subject to a fee of 0.5% per annum. The maturity date of the revolving credit facility is February 27, 2029.

The interest rates per annum applicable to the Term Loans Facility under the Credit Agreement are, at TransDigm’s option, equal to either an alternate base rate or an adjusted Term SOFR for one, three or six-month interest periods chosen by TransDigm, in each case plus an applicable margin percentage. The adjusted Term SOFR related to the Term Loans Facility are not subject to a floor. Refer to Note 10, “Derivatives and Hedging Activities,” in the notes to the condensed consolidated financial statements included herein for information about how our interest rate swaps, cap and collar agreements are used to hedge and offset, respectively, the variable interest rate portion of our debt.

Indentures

The following table represents the senior subordinated and secured notes outstanding as of June 29, 2024:

Description	Aggregate Principal	Maturity Date	Interest Rate
5.50% 2027 Notes	\$2,650 million	November 15, 2027	5.50%
2028 Secured Notes	\$2,100 million	August 15, 2028	6.75%
4.625% 2029 Notes	\$1,200 million	January 15, 2029	4.625%
4.875% 2029 Notes	\$750 million	May 1, 2029	4.875%
2029 Secured Notes	\$2,750 million	March 1, 2029	6.375%
2030 Secured Notes	\$1,450 million	December 15, 2030	6.875%
2031 Secured Notes	\$1,000 million	December 1, 2031	7.125%
2032 Secured Notes	\$2,200 million	March 1, 2032	6.625%

The 5.50% 2027 Notes, the 4.625% 2029 Notes and the 4.875% 2029 Notes (collectively, the “Subordinated Notes”) were issued at a price of 100.00% of the principal amount. The 2030 Secured Notes and 2032 Secured Notes (which, along with the 2028 Secured Notes, 2029 Secured Notes and 2031 Secured Notes, are collectively referred to as the “Secured Notes”) was issued at a price of 100.00% of its principal amount. The initial \$1,000 million offering and the subsequent \$1,100 million offering of the 6.75% senior secured notes due 2028 (collectively, the “2028 Secured Notes”) in the second quarter of fiscal 2023 were issued at a price of 100.00% and 99.00%, respectively, of their principal amount, resulting in gross proceeds of \$2,089 million. The 2031 Secured Notes was issued in the first quarter of fiscal 2024 at a price of 99.25% of its principal amount, resulting in gross proceeds of \$993 million. The initial \$2,200 million offering and subsequent \$550 million offering of the 6.375% senior secured notes due 2029 (collectively, the “2029 Secured Notes”) in the second quarter of fiscal 2024 were issued at a price of 100.00% and 99.75%, respectively, of their principal amount, resulting in gross proceeds of \$2,749 million.

The Subordinated Notes and Secured Notes do not require principal payments prior to their maturity. Interest under the Subordinated Notes and Secured Notes are payable semi-annually. The Subordinated Notes represent our unsecured obligations ranking subordinate to our senior debt, as defined in the applicable indentures. The Secured Notes represent our secured obligations ranking equally to all existing and future senior debt, as defined in the applicable indentures. The Subordinated Notes and Secured Notes contain many of the restrictive covenants included in the Credit Agreement. TransDigm is in compliance with all of the covenants contained in the Subordinated Notes and Secured Notes.

Guarantor Information

The Subordinated Notes are subordinated to all of our existing and future senior secured debt, including indebtedness under TransDigm’s existing senior secured credit facilities, rank equally with all of our existing and future senior subordinated debt and rank senior to all of our future debt that is expressly subordinated to the Subordinated Notes. The Subordinated Notes are fully and unconditionally guaranteed on a senior subordinated unsecured basis by TD Group, TransDigm UK and TransDigm Inc.’s Domestic Restricted Subsidiaries (as defined in the applicable indentures). The table set forth in Exhibit 22 filed with this Form 10-Q details the primary obligors and guarantors. The guarantees of the Subordinated Notes are subordinated to all of the guarantors’ existing and future senior debt, rank equally with all of their existing and future senior subordinated debt and rank senior to all of their future debt that is expressly subordinated to the guarantees of the Subordinated Notes. The Subordinated Notes are structurally subordinated to all of the liabilities of TD Group’s non-guarantor subsidiaries.

The Secured Notes are senior secured debt of TransDigm and rank equally in right of payment with all of TransDigm’s existing and future senior secured debt, including indebtedness under TransDigm’s existing senior secured credit facilities, and are senior in right of payment to all of TransDigm’s existing and future senior subordinated debt, including the Subordinated Notes. The 2028 Secured Notes are guaranteed on a senior secured basis by TD Group, TransDigm UK and TransDigm Inc.’s Domestic Restricted Subsidiaries (as defined in the applicable indentures). The 2029 Secured Notes, 2030 Secured Notes, 2031 Secured Notes and 2032 Secured Notes are guaranteed on a senior secured basis by TD Group and each of TransDigm Inc.’s direct and indirect Restricted Subsidiaries (as defined in the applicable indenture) that is a borrower or guarantor under TransDigm’s senior secured credit facilities or that issues or guarantees any capital markets indebtedness of TransDigm Inc. or any of the guarantors in an aggregate principal amount of at least \$200 million. As of the date of this Form 10-Q, the guarantors of the 2029 Secured Notes, 2030 Secured Notes, 2031 Secured Notes and 2031 Secured Notes are the same as the guarantors of the 2028 Secured Notes. The table set forth in Exhibit 22 filed with this Form 10-Q details the primary obligors and guarantors. The guarantees of the Secured Notes rank equally in right of payment with all of the guarantors’ existing and future senior secured debt and are senior in right of payment to all of their existing and future senior subordinated debt. The Secured Notes are structurally subordinated to all of the liabilities of TransDigm’s non-guarantor subsidiaries.

Separate financial statements of TransDigm Inc. are not presented because the Subordinated Notes and Secured Notes are fully and unconditionally guaranteed on a senior subordinated unsecured basis (if Subordinated Notes) and senior secured basis (if Secured Notes) by TD Group, TransDigm UK and all of TransDigm Inc.'s Domestic Restricted Subsidiaries. TD Group has no significant operations or assets separate from its investment in TransDigm Inc.

The financial information presented is that of TD Group, TransDigm Inc. and the other Guarantors, which includes TransDigm UK, on a combined basis and the financial information of non-issuer and non-guarantor subsidiaries has been excluded. Intercompany balances and transactions between TD Group, TransDigm Inc. and the other Guarantors have been eliminated, and amounts due from, amounts due to, and transactions with non-issuer and non-guarantor subsidiaries have been presented separately.

(in millions)	As of June 29, 2024	
Current assets	\$	4,618
Goodwill		7,863
Other non-current assets		3,604
Current liabilities		928
Non-current liabilities		22,131
Amounts due (from) to subsidiaries that are non-issuers and non-guarantors-net		(2,360)

(in millions)	Thirty-Nine Week Period Ended June 29, 2024	
Net sales	\$	4,575
Sales to subsidiaries that are non-issuers and non-guarantors		21
Cost of sales		1,774
Expense from subsidiaries that are non-issuers and non-guarantors-net		43
Income from operations		912
Net income attributable to TD Group		912

Certain Restrictive Covenants in Our Debt Documents

The Credit Agreement and the Indentures governing the Notes and Secured Notes contain restrictive covenants that, among other things, limit the incurrence of additional indebtedness, the payment of special dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, liens and encumbrances, and prepayments of certain other indebtedness.

The restrictive covenants included in the Credit Agreement are subject to amendments executed periodically. The most recent amendment that impacted the restrictive covenants contained in the Credit Agreement is Amendment No. 15, executed on March 22, 2024.

Under the terms of the Credit Agreement, TransDigm is entitled, on one or more occasions, to request additional term loans or additional revolving commitments to the extent that the existing or new lenders agree to provide such incremental term loans or additional revolving commitments provided that, among other conditions, our consolidated net leverage ratio would be no greater than 7.25x and the consolidated secured net debt ratio would be no greater than 5.00x, in each case, after giving effect to such incremental term loans or additional revolving commitments.

If any such default occurs, the lenders under the Credit Agreement and the holders of the Notes and Secured Notes may elect to declare all outstanding borrowings, together with accrued interest and other amounts payable thereunder, to be immediately due and payable. The lenders under the Credit Agreement also have the right in these circumstances to terminate any commitments they have to provide further borrowings. In addition, following an event of default under the Credit Agreement, the lenders thereunder and the holders of the Secured Notes will have the right to proceed against the collateral granted to them to secure the debt, which includes our available cash, and they will also have the right to prevent us from making debt service payments on the Notes.

With the exception of the revolving credit facility, the Company has no maintenance covenants in its existing term loan and indenture agreements. Under the Credit Agreement, if the usage of the revolving credit facility exceeds 40% (or, currently, \$364 million) of the total revolving commitments, the Company is required to maintain a maximum consolidated net leverage ratio of net debt to trailing four-quarter EBITDA As Defined of 7.50x (or, solely with respect to the first four fiscal quarters ending after the consummation of any material acquisition, 8.00x) as of the last day of the fiscal quarter.

As of June 29, 2024, the Company was in compliance with all of its debt covenants and expects to remain in compliance with its debt covenants in subsequent periods.

Trade Receivable Securitization Facility

During fiscal 2014, the Company established a trade receivable securitization facility (the “Securitization Facility”). The Securitization Facility effectively increases the Company’s borrowing capacity depending on the amount of the domestic operations’ trade accounts receivable. The Securitization Facility includes the right for the Company to exercise annual one year extensions as long as there have been no termination events as defined by the agreement. The Company uses the proceeds from the Securitization Facility as an alternative to other forms of debt, effectively reducing borrowing costs.

On July 25, 2023, the Company amended the Securitization Facility to, among other things, increase the borrowing capacity from \$350 million to \$450 million and extend the maturity date to July 25, 2024. During the first quarter of fiscal 2024, the Company drew the remaining \$100 million available under the Securitization Facility. As of June 29, 2024, the Company has borrowed \$450 million under the Securitization Facility, which is fully drawn and bears interest at a rate of Term SOFR plus 1.60%. At June 29, 2024, the applicable interest rate was 6.91%. The Securitization Facility is collateralized by substantially all of the Company’s domestic operations’ trade accounts receivable.

On July 12, 2024, the Company amended the Securitization Facility to, among other things, (i) increase the borrowing capacity from \$450 million to \$650 million; and (ii) extend the maturity date to July 11, 2025 at an interest rate of Term SOFR plus 1.45% compared to an interest rate of Term SOFR plus 1.60% that applied prior to the amendment. The Company subsequently drew an additional \$38 million available under the Securitization Facility in July 2024.

Dividend and Dividend Equivalent Payments

No dividends were declared in the third quarter of fiscal 2024. During the first quarter of fiscal 2024, the Company announced that TD Group's Board of Directors authorized and declared a special cash dividend of \$35.00 on each outstanding share of common stock and cash dividend equivalent payments on eligible vested options outstanding under its stock option plans. Pursuant to the Fourth Amended and Restated TransDigm Group Incorporated 2006 Stock Incentive Plan Dividend Equivalent Plan, the Amended and Restated 2014 Stock Option Plan Dividend Equivalent Plan and the 2019 Stock Option Plan Dividend Equivalent Plan, all of the vested options granted under the existing stock option plans, except for grants to the members of the Board of Directors, are entitled to certain cash dividend equivalent payments in the event of the declaration of a dividend by the Company. In fiscal 2022, all members of the Board of Directors executed amendments to their option agreements in which future dividend declarations result in a reduction of the strike price of their existing options instead of receiving cash dividend equivalent payments.

On November 27, 2023, the Company paid the special cash dividend of \$35.00 on each outstanding share of common stock, totaling \$1,937 million. Dividend equivalent payments are made during the Company's first fiscal quarter each year and also upon payment of any dividends declared within the current fiscal year. Total dividend equivalent payments in the first quarter of fiscal 2024 and 2023 were approximately \$101 million, of which \$18 million was accrued as of September 30, 2023 and the remaining \$83 million was associated with the November 2023 \$35.00 dividend declaration, and \$38 million, respectively.

Any future declaration of special cash dividends on our common stock will be at the discretion of our Board of Directors and will depend upon our results of operations, earnings, capital requirements, financial condition, future prospects, contractual restrictions under the Credit Agreement and indentures governing the Notes, the availability of surplus under Delaware law and other factors deemed relevant by our Board of Directors. TD Group is a holding company and conducts all of its operations through direct and indirect subsidiaries. Unless TD Group receives dividends, distributions, advances, transfers of funds or other payments from our subsidiaries, TD Group will be unable to pay any dividends on our common stock in the future. The ability of any subsidiaries to take any of the foregoing actions is limited by the terms of our Term Loans Facility and indentures and may be limited by future debt or other agreements that we may enter into.

Off-Balance Sheet Arrangements

The Company utilizes letters of credit to back certain payment and performance obligations. Letters of credit are subject to limits based on amounts outstanding under the Company’s revolving credit facility. As of June 29, 2024, the Company had \$71 million in letters of credit outstanding.

Non-GAAP Financial Measures

We present below certain financial information based on our EBITDA and EBITDA As Defined. References to “EBITDA” mean earnings before interest, taxes, depreciation and amortization, and references to “EBITDA As Defined” mean EBITDA plus, as applicable for each relevant period, certain adjustments as set forth in the reconciliations of net income to EBITDA and EBITDA As Defined and the reconciliations of net cash provided by operating activities to EBITDA and EBITDA As Defined presented below.

Neither EBITDA nor EBITDA As Defined is a measurement of financial performance under U.S. GAAP. We present EBITDA and EBITDA As Defined because we believe they are useful indicators for evaluating operating performance and liquidity.

Our management believes that EBITDA and EBITDA As Defined are useful as indicators of liquidity because securities analysts, investors, rating agencies and others use EBITDA to evaluate a company’s ability to incur and service debt. In addition, EBITDA As Defined is useful to investors because the revolving credit facility under our senior secured credit facility requires compliance under certain circumstances, on a pro forma basis, with a financial covenant that measures the ratio of the amount of our secured indebtedness to the amount of our Consolidated EBITDA defined in the same manner as we define EBITDA As Defined herein.

In addition to the above, our management uses EBITDA As Defined to review and assess the performance of the management team in connection with employee incentive programs and to prepare its annual budget and financial projections. Moreover, our management uses EBITDA As Defined to evaluate acquisitions.

Although we use EBITDA and EBITDA As Defined as measures to assess the performance of our business and for the other purposes set forth above, the use of these non-GAAP financial measures as analytical tools has limitations, and you should not consider any of them in isolation, or as a substitute for analysis of our results of operations as reported in accordance with U.S. GAAP. Some of these limitations are:

- neither EBITDA nor EBITDA As Defined reflects the significant interest expense, or the cash requirements, necessary to service interest payments on our indebtedness;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and neither EBITDA nor EBITDA As Defined reflects any cash requirements for such replacements;
- the omission of the substantial amortization expense associated with our intangible assets further limits the usefulness of EBITDA and EBITDA As Defined;
- neither EBITDA nor EBITDA As Defined includes the payment of taxes, which is a necessary element of our operations; and
- EBITDA As Defined excludes the cash expense we have incurred to integrate acquired businesses into our operations, which is a necessary element of certain of our acquisitions.

Because of these limitations, EBITDA and EBITDA As Defined should not be considered as measures of discretionary cash available to us to invest in the growth of our business. Management compensates for these limitations by not viewing EBITDA or EBITDA As Defined in isolation and specifically by using other U.S. GAAP measures, such as net income, net sales and operating profit, to measure our operating performance. Neither EBITDA nor EBITDA As Defined is a measurement of financial performance under U.S. GAAP, and neither should be considered as an alternative to net income or cash flow from operations determined in accordance with U.S. GAAP. Our calculation of EBITDA and EBITDA As Defined may not be comparable to the calculation of similarly titled measures reported by other companies.

The following table sets forth a reconciliation of net income to EBITDA and EBITDA As Defined (in millions):

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net Income	\$ 461	\$ 352	\$ 1,248	\$ 885
Adjustments:				
Depreciation and amortization expense	77	70	219	199
Interest expense-net	316	291	943	872
Income tax provision	141	117	362	281
EBITDA	995	830	2,772	2,237
Adjustments:				
Acquisition transaction-related expenses and adjustments ⁽¹⁾	27	6	43	12
Non-cash stock and deferred compensation expense ⁽²⁾	47	53	158	131
Refinancing costs ⁽³⁾	30	32	59	41
Other, net ⁽⁴⁾	(8)	(6)	(9)	11
EBITDA As Defined	\$ 1,091	\$ 915	\$ 3,023	\$ 2,432

⁽¹⁾ Represents accounting adjustments to inventory associated with acquisitions of businesses and product lines that were charged to cost of sales when 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 for acquisitions comprising deal fees, legal, financial and tax due diligence expenses, and valuation costs that are required to be expensed as incurred.

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

⁽³⁾ Represents costs expensed related to debt financing activities, including new issuances, extinguishments, refinancings and amendments to existing agreements.

⁽⁴⁾ Primarily represents foreign currency transaction (gains) or losses, payroll withholding taxes related to dividend equivalent payments and stock option exercises, non-service related pension costs, deferred compensation payments and other miscellaneous (income) expense.

The following table sets forth a reconciliation of net cash provided by operating activities to EBITDA and EBITDA As Defined (in millions):

	Thirty-Nine Week Periods Ended	
	June 29, 2024	July 1, 2023
Net cash provided by operating activities	\$ 1,473	\$ 913
Adjustments:		
Changes in assets and liabilities, net of effects from acquisitions and sales of businesses	218	345
Interest expense-net ⁽¹⁾	912	842
Income tax provision-current	362	282
Loss contract amortization	24	27
Non-cash stock and deferred compensation expense ⁽²⁾	(158)	(131)
Refinancing costs ⁽³⁾	(59)	(41)
EBITDA	2,772	2,237
Adjustments:		
Acquisition transaction-related expenses and adjustments ⁽⁴⁾	43	12
Non-cash stock and deferred compensation expense ⁽²⁾	158	131
Refinancing costs ⁽³⁾	59	41
Other, net ⁽⁵⁾	(9)	11
EBITDA As Defined	\$ 3,023	\$ 2,432

⁽¹⁾ Represents interest expense, net of interest income, excluding the amortization of debt issuance costs and premium and discount on debt.

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

⁽³⁾ Represents costs expensed related to debt financing activities, including new issuances, extinguishments, refinancings and amendments to existing agreements.

⁽⁴⁾ Represents accounting adjustments to inventory associated with acquisitions of businesses and product lines that were charged to cost of sales when 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 for acquisitions comprising deal fees, legal, financial and tax due diligence expenses, and valuation costs that are required to be expensed as incurred.

⁽⁵⁾ Primarily represents foreign currency transaction (gains) or losses, payroll withholding taxes related to dividend equivalent payments and stock option exercises, non-service related pension costs, deferred compensation payments and other miscellaneous (income) expense.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The information called for by this item is provided under the caption “*Description of Senior Secured Term Loans and Indentures*” in Part I, Item 2. *Management’s Discussion and Analysis of Financial Condition and Results of Operations*. Market risks are described more fully within *Quantitative and Qualitative Disclosures About Market Risk* in Part II, Item 7A of our most recent Annual Report on Form 10-K (for the fiscal year ended September 30, 2023, filed on November 9, 2023). These market risks have not materially changed for the third quarter of fiscal year 2024.

ITEM 4. CONTROLS AND PROCEDURES

As of June 29, 2024, TD Group carried out an evaluation, under the supervision and with the participation of TD Group’s management, including its President, Chief Executive Officer and Director (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), of the effectiveness of the design and operation of TD Group’s disclosure controls and procedures. Based upon that evaluation, the President, Chief Executive Officer and Director and Chief Financial Officer concluded that TD Group’s disclosure controls and procedures are effective to ensure that information required to be disclosed by TD Group in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified by the Securities and Exchange Commission’s rules and forms, and that such information is accumulated and communicated to TD Group’s management, including its President, Chief Executive Officer and Director and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, TD Group’s management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in designing and evaluating the controls and procedures.

During the fiscal quarter ended June 29, 2024, the Company completed the acquisitions of CPI’s Electron Device Business and SEI. The Company is currently integrating the acquisitions into its operations, compliance programs and internal control processes. As permitted by SEC rules and regulations, the Company has excluded the acquisitions from management’s evaluation of internal controls over financial reporting as of June 29, 2024. The acquisitions constituted approximately 8.0% of the Company’s total assets (inclusive of acquired intangible assets) as of June 29, 2024, and approximately 0.4% and 0.0% of the Company’s net sales and income from operations before income taxes, respectively, in the fiscal quarter ended June 29, 2024.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company’s internal control over financial reporting that occurred during the fiscal quarter ended June 29, 2024, that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II: OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is involved in various claims and legal actions arising in the ordinary course of business. SEC regulations require us to disclose certain information about environmental proceedings when a governmental authority is a party to the proceedings if we reasonably believe that such proceedings may result in monetary sanctions above a stated threshold. Pursuant to such regulations, the Company uses a threshold of \$1 million or more for purposes of determining whether disclosure of any such proceedings is required as we believe matters under this threshold are not material to the Company. While the Company is currently involved in certain legal proceedings, it believes the results of these proceedings will not have a material adverse effect on its financial condition, results of operations, or cash flows.

Information with respect to our legal proceedings is contained in Note 14, “Commitments and Contingencies,” in the notes to the condensed consolidated financial statements included herein and Note 15, “Commitments and Contingencies,” in Part IV, Item 15. *Exhibits and Financial Statement Schedules*, of our Annual Report on Form 10-K for the fiscal year ended September 30, 2023, filed on November 9, 2023. There have been no material changes to this information.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the risk factors disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 30, 2023, filed on November 9, 2023. There have been no material changes to the risk factors described in the Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS: PURCHASES OF EQUITY SECURITIES BY THE ISSUER

On January 27, 2022, the Board of Directors of the Company authorized a new stock repurchase program to permit repurchases of its outstanding common stock not to exceed \$2,200 million in the aggregate (the “\$2,200 million stock repurchase program”), replacing the \$650 million stock repurchase program previously authorized by the Board on November 8, 2017, subject to any restrictions specified in the Second Amended and Restated Credit Agreement dated as of June 4, 2014, and/or Indentures governing the Company's existing Notes. There is no expiration date for this program.

No repurchases were made under the program in the thirty-nine week period ended June 29, 2024. As of June 29, 2024, \$1,288 million remains available for repurchase under the \$2,200 million stock repurchase program.

ITEM 6. EXHIBITS

Exhibit No.	Description	Filed Herewith or Incorporated by Reference From
22	Listing of Subsidiary Guarantors	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation of CPI Intermediate Holdings, Inc.	Filed Herewith
3.2	First Amended and Restated Bylaws of CPI Intermediate Holdings, Inc.	Filed Herewith
3.3	Certificate of Incorporation of Catalyst Holdings, Inc. (now known as CPI International, Inc.)	Filed Herewith
3.4	Certificate of Amendment to the Certificate of Incorporation of Catalyst Holdings, Inc. (now known as CPI International, Inc.)	Filed Herewith
3.5	Certificate of Amendment to the Certificate of Incorporate of CPI International Acquisition, Inc. (now known as CPI International, Inc.)	Filed Herewith
3.6	Third Amended and Restated Bylaws of CPI International, Inc.	Filed Herewith
3.7	Third Amended and Restated Operating Agreement of CPI Subsidiary Holdings LLC	Filed Herewith
3.8	First Amended and Restated Limited Liability Company Agreement of CPI Subsidiary Holdings LLC	Filed Herewith
3.9	Amended and Restated Certificate of Microwave Power Products, Inc.	Filed Herewith
3.10	Restated Bylaws of Microwave Power Products, Inc.	Filed Herewith
3.11	Certificate of Incorporation of Constellation CPI Holdco, Inc. (now known as Iceman Holdco, Inc.)	Filed Herewith
3.12	Certificate of Correction of Certificate of Incorporation of Constellation CPI Holdco, Inc. (now known as Iceman Holdco, Inc.)	Filed Herewith
3.13	First Amended and Restated Bylaws of Iceman Holdco, Inc.	Filed Herewith
3.14	Certificate of Formation of Constellation CPI Midco, LLC (now known as Iceman Intermediate Midco, LLC)	Filed Herewith
3.15	Certificate of Correction to Certificate of Formation of Constellation CPI Midco, LLC (now known as Iceman Intermediate Midco, LLC)	Filed Herewith
3.16	First Amended and Restated Limited Liability Company Agreement of Iceman Intermediate Midco, LLC	Filed Herewith
10.1	Seventeenth Amendment to the Receivables Purchase Agreement dated as of July 12, 2024, among TransDigm Receivables LLC, TransDigm Inc., PNC Bank, National Association, as a Committed Purchaser, as Purchaser Agent for its Purchaser Group and as Administrator, and Wells Fargo Bank, National Association, as a Committed Purchaser and as Purchaser Agent for its Purchaser Group*	Filed Herewith
31.1	Certification by Principal Executive Officer of TransDigm Group Incorporated pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed Herewith
31.2	Certification by Principal Financial Officer of TransDigm Group Incorporated pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed Herewith
32.1	Certification by Principal Executive Officer of TransDigm Group Incorporated pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished Herewith
32.2	Certification by Principal Financial Officer of TransDigm Group Incorporated pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished Herewith
101.INS	Inline XBRL Instance Document: The XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	Filed Herewith
101.SCH	Inline XBRL Taxonomy Extension Schema	Filed Herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase	Filed Herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase	Filed Herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase	Filed Herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase	Filed Herewith
104	Cover Page Interactive Data File: the cover page XBRL tags are embedded within the Inline XBRL document and are contained within Exhibit 101	Filed Herewith

* Schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish on a supplemental basis a copy of any omitted schedule or exhibit upon request by the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRANSDIGM GROUP INCORPORATED

<u>SIGNATURE</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ Kevin Stein</u> Kevin Stein	President, Chief Executive Officer and Director (Principal Executive Officer)	August 6, 2024
<u>/s/ Sarah Wynne</u> Sarah Wynne	Chief Financial Officer (Principal Financial Officer)	August 6, 2024

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
CPI INTERMEDIATE HOLDINGS, INC.

It is hereby certified that the date of the filing of the original Certificate of Incorporation of CPI Intermediate Holdings, Inc. (the “**Corporation**”) with the Secretary of State of the State of Delaware was June 26, 2017. This Amended and Restated Certificate of Incorporation of the Corporation has been duly adopted by the Board of Directors and the sole stockholder of the Corporation in accordance with Sections 242 and 245 of the Delaware General Corporation Law and by the written consent of the sole stockholder of the Corporation in accordance with Section 228 of the General Corporation Law of the State of Delaware (the “**DGCL**”).

FIRST: The name of the Corporation is CPI Intermediate Holdings, Inc.

SECOND: The address of the Corporation’s registered office in the State of Delaware is 1209 Orange Street, Wilmington, County of New Castle, Delaware, 19801, and the name of its registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL, as it now exists or may hereafter be amended and supplemented.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 2,000 shares, having a par value of \$0.01 per share.

FIFTH: The name and mailing address of the incorporator is:

McCaully Patch
Latham & Watkins LLP
885 Third Avenue
New York, New York 10022

SIXTH: The personal liability of the directors of the Corporation is hereby eliminated to the fullest extent permitted by paragraph (7) of subsection (b) of Section 102 of the DGCL, as the same may be amended and supplemented. Any repeal or modification of this Article Sixth shall not adversely affect any right or protection of a director of the Corporation existing immediately prior to such repeal or modification.

SEVENTH From time to time any of the provisions of this certificate of incorporation may be amended, altered or repealed, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and all rights at any time conferred upon the stockholders of the Corporation by this certificate of incorporation are granted subject to the provisions of this Article Seventh.

EIGHTH: In furtherance and not in limitation of the rights, powers, privileges and discretionary authority granted or conferred by the DGCL or other statutes or laws of the State of Delaware, the Board of Directors is expressly authorized to make, alter, amend or repeal the by-laws of the Corporation (the “**By-Laws**”), without any action on the part of the stockholders, but the stockholders may make additional By-Laws and may alter, amend or repeal any By-Law whether adopted by them or otherwise. The Corporation may in its By-Laws confer powers upon its Board of Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon the Board of Directors by applicable law.

[Signature Page to Follow]

I, THE UNDERSIGNED, being the duly elected Vice President, Secretary and Treasurer of the Corporation, do make this certificate, herein declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 25th day of July, 2017.

/s/ Robert Aikman

Robert Aikman

Vice President, Secretary & Treasurer

[Signature Page to Amended & Restated Certificate of Incorporation of CPI Intermediate Holdings, Inc.]

FIRST AMENDED AND RESTATED BYLAWS

OF
CPI INTERMEDIATE HOLDINGS, INC.
A DELAWARE CORPORATION

ARTICLE I

Meetings of Stockholders

Section 1. Annual Meetings. The annual meeting of stockholders shall be held at such time and place and on such date in each year as may be fixed by the board of directors and stated in the notice of the meeting, for the election of directors and the transaction of such other business as may properly come before the meeting.

Section 2. Special Meetings. Special meetings of the stockholders may be called upon the written request of the chairman of the board of directors, the chief executive officer, the president, the directors by action at a meeting, a majority of the directors acting without a meeting, or of the holders of stock entitling them to exercise a majority of the voting power of the Corporation entitled to vote thereat. Calls for such meetings shall specify the purposes thereof. No business other than that specified in the call shall be considered at any special meeting.

Section 3. Notices of Meetings. Unless waived, and except as otherwise required by law, written notice of each annual or special meeting stating the date, time, place and purposes thereof shall be given by personal delivery or by mail to each stockholder of record entitled to vote at or entitled to notice of the meeting, not more than sixty days nor less than ten days before any such meeting. If mailed, such notice shall be directed to the stockholder at the stockholder's address as the same appears upon the records of the Corporation. Any stockholder, either before or after any meeting, may waive any notice required to be given by law or under these Bylaws.

Section 4. Place of Meetings. Meetings of stockholders shall be held at the principal office of the Corporation unless the board of directors determines that a meeting shall be held at some other place within or without the State of Delaware and causes the notice thereof to so state.

Section 5. Quorum. The holders of stock entitling them to exercise a majority of the voting power of the Corporation entitled to vote at any meeting, present in person or by proxy, shall constitute a quorum for the transaction of business to be considered at such meeting; provided, however, that no action required by law or by the Certificate of Incorporation or these Bylaws to be authorized or taken by the holders of a designated proportion of the stock of any particular class or of each class may be authorized or taken by a lesser proportion; and provided, further, that if a separate class vote is required with respect to any matter, the holders of a

majority of the outstanding stock of such class, present in person or by proxy, shall constitute a quorum of such class, and the affirmative vote of the majority of stock of such class so present shall be the act of such class. The holders of a majority of the voting stock represented at a meeting, whether or not a quorum is present, may adjourn such meeting from time to time, until a quorum shall be present.

Section 6. Record Date. The board of directors may fix a record date for any lawful purpose, including, without limiting the generality of the foregoing, the determination of stockholders entitled to (i) receive notice of or to vote at any meeting of stockholders or any adjournment thereof or to express consent to corporate action in writing without a meeting, (ii) receive payment of any dividend or other distribution or allotment of any rights, or (iii) exercise any rights in respect of any change, conversion or exchange of stock. Such record date shall not precede the date on which the resolution fixing the record date is adopted by the board of directors. Such record date shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days before the date fixed for the payment of any dividend or distribution or the date fixed for the receipt or the exercise of rights, nor more than ten days after the date on which the resolution fixing the record date for such written consent is adopted by the board of directors, as the case may be.

If a record date shall not be fixed in respect of any such matter, the record date shall be determined in accordance with the Delaware General Corporation Law.

Section 7. Proxies. A person who is entitled to attend a stockholders' meeting, to vote thereat, or to execute consents, waivers or releases, may be represented at such meeting or vote thereat, and execute consents, waivers and releases, and exercise any of the person's other rights, by proxy or proxies appointed by a writing signed by such person.

ARTICLE II

Directors

Section 1. Number of Directors. The number of directors constituting the board of directors of the Corporation, none of whom need be stockholders, shall be fixed from time to time by resolution of the stockholders or by vote of a majority of the board of directors then in office.

Section 2. Election of Directors. Directors shall be elected at the annual meeting of stockholders, but when the annual meeting is not held or directors are not elected thereat, they may be elected at a special meeting called and held for that purpose. Such election shall be by ballot whenever requested by any stockholder entitled to vote at such election, but unless such request is made, the election may be conducted in any manner approved at such meeting.

At each meeting of stockholders for the election of directors, the persons receiving the greatest number of votes shall be directors.

Section 3. Term of Office. Each director shall hold office until the annual meeting next succeeding such director's election and until such director's successor is elected and qualified, or until such director's earlier resignation, removal from office or death.

Section 4. Removal. Any individual director may be removed from office, without assigning any cause, by the vote of the holders of a majority of the voting power entitling them to elect directors in place of those to be removed.

Section 5. Vacancies. Vacancies in the board of directors may be filled by a majority vote of the remaining directors until an election to fill such vacancies is held. Stockholders entitled to elect directors shall have the right to fill any vacancy in the board (whether the same has been temporarily filled by the remaining directors or not) at any meeting of the stockholders called for that purpose, and any directors elected at any such meeting of stockholders shall serve until the next annual election of directors and until such director's successor has been elected and qualified.

Section 6. Quorum and Transaction of Business. A majority of the whole authorized number of directors shall constitute a quorum for the transaction of business, except that a majority of the directors in office shall constitute a quorum for filling a vacancy on the board. Whenever less than a quorum is present at the time and place appointed for any meeting of the board, a majority of those directors present may adjourn the meeting from time to time, until a quorum shall be present. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board.

Section 7. Annual Meeting. Annual meetings of the board of directors shall be held immediately following annual meetings of the stockholders, or as soon thereafter as is practicable. If no annual meeting of the stockholders is held, or if directors are not elected thereat, then the annual meeting of the board of directors shall be held immediately following any special meeting of the stockholders at which directors are elected, or as soon thereafter as is practicable. If such annual meeting of directors is held immediately following a meeting of the stockholders, it shall be held at the same place at which such stockholders' meeting was held.

Section 8. Regular Meetings. Regular meetings of the board of directors shall be held at such times and places, within or without the State of Delaware, as the board of directors may, by resolution, from time to time determine. The secretary shall give notice of each such resolution to any director who was not present at the time the same was adopted, but no further notice of such regular meeting need be given.

Section 9. Special Meetings. Special meetings of the board of directors may be called by the chairman of the board, the chief executive officer, the president, any vice president or any two members of the board of directors, and shall be held at such times and places, within or without the State of Delaware, as may be specified in such call.

Section 10. Notice of Annual or Special Meetings. Notice of the time and place of each annual or special meeting shall be given to each director by the secretary or by the person or persons calling such meeting. Such notice need not specify the purpose or purposes of the

meeting and may be given in any manner or method and at such time so that the director receiving it may have a reasonable opportunity to attend the meeting. Such notice shall, in all events, be deemed to have been properly and duly given if mailed at least three days prior to the meeting and directed to the residence of each director as shown upon the secretary's records. The giving of notice shall be deemed to have been waived by any director who shall attend and participate in such meeting and may be waived, in writing, by any director either before or after such meeting.

Section 11. Compensation. The directors, as such, shall be entitled to receive such reasonable compensation, if any, for their services as may be fixed from time to time by resolution of the board, and expenses of attendance, if any, may be allowed for attendance at each annual, regular or special meeting of the board. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Directors who serve on the executive committee or on any standing or special committee may, by resolution of the board, be allowed such compensation for their services as the board may deem reasonable, and additional compensation may be allowed to directors for special services rendered.

ARTICLE III

Committees

Section 1. Executive Committee. The board of directors may from time to time, by resolution passed by a majority of the whole board, create an executive committee of one or more directors, the members of which shall be elected by the board of directors to serve during the pleasure of the board. If the board of directors does not designate a chairman of the executive committee, the executive committee shall elect a chairman from its own number. Except as otherwise provided herein, prohibited by law or in the resolution creating an executive committee, such committee shall, during the intervals between the meetings of the board of directors, possess and may exercise all of the powers of the board of directors in the management of the business and affairs of the Corporation, other than that of filling vacancies among the directors or in any committee of the directors. The executive committee shall keep full records and accounts of its proceedings and transactions. All action by the executive committee shall be reported to the board of directors at its meeting next succeeding such action and shall be subject to control, revision and alteration by the board of directors, provided that no rights of third persons shall be prejudicially affected thereby. Vacancies in the executive committee shall be filled by the directors, and the directors may appoint one or more directors as alternate members of the committee who may take the place of any absent member or members at any meeting.

Section 2. Meetings of Executive Committee. Subject to the provisions of these Bylaws, the executive committee shall fix its own rules of procedure and shall meet as provided by such rules or by resolutions of the board of directors, and it shall also meet at the call of the chairman of the board, the chief executive officer, the president, the chairman of the executive committee or any two members of the committee. Unless otherwise provided by such rules or by such resolutions, the provisions of Section 10 of Article II relating to the notice required to be

given of meetings of the board of directors shall also apply to meetings of the members of the executive committee. A majority of the executive committee shall be necessary to constitute a quorum. The executive committee may act in writing without a meeting, but no such action of the executive committee shall be effective unless concurred in by all members of the committee.

Section 3. Other Committees. The board of directors may by resolution provide for such other standing or special committees as it deems desirable, and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be delegated to it by the board of directors. The provisions of Section 1 and Section 2 of this Article shall govern the appointment and action of such committees so far as consistent, unless otherwise provided by the board of directors. Vacancies in such committees shall be filled by the board of directors or as the board of directors may provide.

ARTICLE IV

Officers

Section 1. General Provisions. The board of directors shall elect officers, which shall include a president, a secretary and a treasurer. The board of directors may also elect a chairman of the board of directors, a chief executive officer, such number of vice presidents, if any, may create such offices and appoint such other officers, subordinate officers and assistant officers as it may from time to time determine. The chairman of the board, if one is elected, shall be, but the other officers need not be, chosen from among the members of the board of directors. Any two or more of such offices may be held by the same person.

Section 2. Term of Office. The officers of the Corporation shall hold office during the pleasure of the board of directors, and, unless sooner removed by the board of directors, until the annual meeting of the board of directors following the date of their election and until their successors are chosen and qualified. The board of directors may remove any officer at any time, with or without cause. A vacancy in any office, however created, shall be filled by the board of directors.

ARTICLE V

Duties of Officers

Section 1. Chairman of the Board. The chairman of the board, if any, shall preside at all meetings of the board of directors and meetings of stockholders and shall have such other powers and duties as may be prescribed by the board of directors.

Section 2. Chief Executive Officer. The chief executive officer, if any, shall have, subject to the powers of the board of directors, charge of the overall general direction of the business and affairs of the Corporation, control of the general policies relating to all aspects of the Corporation's business operations, and the power to fix the compensation of officers and the power to remove officers. In the absence of the chairman of the board, or if none is elected,

the chief executive officer shall preside at meetings of stockholders. The chief executive officer may appoint and discharge agents and employees and perform such other duties as are incident to such office. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these Bylaws. In the absence or disability of the chief executive officer, or if no chief executive officer is elected or appointed, the president shall perform any and all duties of the chief executive officer.

Section 3. President. The president shall be the chief operating officer of the Corporation and shall have such other powers and duties as may be prescribed by the board of directors or the chief executive officer. The president shall have authority to sign all certificates for stock and all deeds, mortgages, bonds, agreements, notes, and other instruments requiring the president's signature; and shall have all the powers and duties prescribed by law and such others as the board of directors may from time to time assign.

Section 4. Vice Presidents. The vice presidents, if any, shall have such powers and duties as may from time to time be assigned to them by the board of directors, the chief executive officer or the president. At the request of the chief executive officer or the president, or in the case of such officer's absence or disability, the vice president designated by the president (or in the absence of such designation, the vice president designated by the board) shall perform all the duties of the president and, when so acting, shall have all the powers of the president. The authority of vice presidents to sign in the name of the Corporation certificates for stock and deeds, mortgages, bonds, agreements, notes and other instruments shall be coordinate with like authority of the president.

Section 5. Secretary. The secretary shall keep minutes of all the proceedings of the stockholders and the board of directors and shall make proper record of the same, which shall be attested by the secretary; shall have authority to execute and deliver certificates as to any of such proceedings and any other records of the Corporation; shall have authority to sign all certificates for stock and all deeds, mortgages, bonds, agreements, notes and other instruments to be executed by the Corporation which require the secretary's signature; shall give notice of meetings of stockholders and directors; shall produce on request at each meeting of stockholders a certified list of stockholders arranged in alphabetical order; shall keep such books and records as may be required by law or by the board of directors; and, in general, shall perform all duties incident to the office of secretary and such other duties as may from time to time be assigned by the board of directors, the chief executive officer or the president.

Section 6. Treasurer. The treasurer shall have general supervision of all finances; shall have in charge all money, bills, notes, deeds, leases, mortgages and similar property belonging to the Corporation, and shall do with the same as may from time to time be required by the board of directors. The treasurer shall cause to be kept adequate and correct accounts of the business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, stated capital and stock, together with such other accounts as may be required; and shall have such other powers and duties as may from time to time be assigned by the board of directors, the chief executive officer or the president.

Section 7. Assistant and Subordinate Officers. Each other officer shall perform such duties as the board of directors, the chief executive officer or the president may prescribe. The board of directors may, from time to time, authorize any officer to appoint and remove subordinate officers, to prescribe their authority and duties, and to fix their compensation.

Section 8. Duties of Officers May Be Delegated. In the absence of any officer of the Corporation, or for any other reason the board of directors may deem sufficient, the board of directors may delegate, for the time being, the powers or duties, or any of them, of such officers to any other officer or to any director.

ARTICLE VI

Indemnification and Insurance

Section 1. The Corporation shall indemnify, subject to the requirements of Section 4 of this Article, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he is or was a director or officer of the Corporation, or, while an officer or director of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. The Corporation shall indemnify, subject to the requirements of Section 4 of this Article, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the Corporation or, while an officer or director of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite

the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of the State of Delaware or such other court shall deem proper.

Section 3. To the extent that a director or officer of the Corporation, or a person serving in any other enterprise at the request of the Corporation, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue or matter therein, the Corporation shall indemnify him against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 4. Any indemnification under Sections 1 and 2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

Section 5. Expenses incurred by a director or officer in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined in a final judgment not subject of appeal that he or she is not entitled to be indemnified by the Corporation.

Section 6. The indemnification and advancement of expenses provided by or granted pursuant to, the other Sections of this Article shall not limit the Corporation from providing any other indemnification or advancement of expenses permitted by law nor shall it be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

Section 7. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

Section 8. The indemnification and advancement of expenses provided by, or granted pursuant to this section shall, unless otherwise provided when authorized or ratified,

continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 9. For the purposes of this Article, references to “the Corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

Section 10. This Section shall be construed to give the Corporation the broadest power permissible by the Delaware General Corporation Law, as it now stands and as heretofore amended.

ARTICLE VII

Certificates for Stock

Section 1. Form and Execution. Certificates for stock, certifying the number of full-paid shares owned, shall be issued to each stockholder in such form as shall be approved by the board of directors. Such certificates shall be signed by any two of the following officers of the Corporation: the chairman or vice-chairman of the board of directors, the chief executive officer, the president, a vice president, the treasurer, an assistant treasurer, the secretary or an assistant secretary; provided, however, that the signatures of any of such officers and the seal of the Corporation upon such certificates may be facsimiles, engraved, stamped or printed. If any officer or officers who shall have signed, or whose facsimile signature shall have been used, printed or stamped on any certificate or certificates for stock, shall cease to be such officer or officers, because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates shall nevertheless be as effective in all respects as though signed by a duly elected, qualified and authorized officer or officers, and as though the person or persons who signed such certificate or certificates, or whose facsimile signature or signatures shall have been used thereon, had not ceased to be an officer or officers of the Corporation.

Section 2. Registration of Transfer. Any certificate for stock of the Corporation shall be transferable in person or by attorney upon the surrender thereof to the Corporation or any transfer agent therefor (for the class of stock represented by the certificate surrendered) properly endorsed for transfer and accompanied by such assurances as the Corporation or such transfer agent may require as to the genuineness and effectiveness of each necessary endorsement.

Section 3. Lost, Destroyed or Stolen Certificates. A new stock certificate or certificates may be issued in place of any certificate theretofore issued by the Corporation which is alleged to have been lost, destroyed or wrongfully taken upon (i) the execution and delivery to the Corporation by the person claiming the certificate to have been lost, destroyed or wrongfully taken of an affidavit of that fact, specifying whether or not, at the time of such alleged loss, destruction or taking, the certificate was endorsed, and (ii) the furnishing to the Corporation of indemnity and other assurances, if any, satisfactory to the Corporation and to all transfer agents and registrars of the class of stock represented by the certificate against any and all losses, damages, costs, expenses or liabilities to which they or any of them may be subjected by reason of the issue and delivery of such new certificate or certificates or in respect of the original certificate.

Section 4. Registered Stockholders. A person in whose name stock is of record on the books of the Corporation shall conclusively be deemed the unqualified owner and holder thereof for all purposes and to have capacity to exercise all rights of ownership. Neither the Corporation nor any transfer agent of the Corporation shall be bound to recognize any equitable interest in or claim to such stock on the part of any other person, whether disclosed upon such certificate or otherwise, nor shall they be obliged to see to the execution of any trust or obligation.

ARTICLE VIII

Fiscal Year

The fiscal year of the Corporation shall end on such date in each year as shall be designated from time to time by the board of directors.

ARTICLE IX

Seal

The board of directors may provide a suitable seal containing the name of the Corporation. If deemed advisable by the board of directors, duplicate seals may be provided and kept for the purposes of the Corporation.

ARTICLE X

Amendments

These Bylaws shall be subject to alteration, amendment, repeal, or the adoption of new Bylaws either by the affirmative vote of a majority of the board of directors or by written consent of all members of the board of directors, or by the affirmative vote or written consent of the holders of record of a majority of the outstanding stock of the Corporation, present in person or represented by proxy and entitled to vote in respect thereof, given at an annual meeting or at any special meeting at which a quorum shall be present.

CERTIFICATE OF INCORPORATION

OF

CATALYST HOLDINGS, INC.

FIRST: The name of the corporation is Catalyst Holdings, Inc. (the "Corporation").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 615 South DuPont Highway, in the City of Dover, County of Kent. The name of its registered agent at that address is National Corporate Research, Ltd.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "GCL").

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 1,000 shares of Common Stock, each having a par value of one penny (\$.01).

FIFTH: The name and mailing address of the Sole Incorporator is as follows:

<u>Name</u>	<u>Address</u>
Mary Keogh	P.O. Box 636 Wilmington, DE 19899

SIXTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

- (1) The business and affairs of the Corporation shall be managed by or under the direction of the board of directors of the Corporation (the "Board of Directors").
- (2) The directors shall have concurrent power with the stockholders to make, alter, amend, change, add to or repeal the By-Laws of the Corporation.
- (3) The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the By-Laws of the Corporation. Election of directors need not be by written ballot unless the By-Laws so provide.

(4) No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the GCL or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article SIXTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

(5) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Certificate of Incorporation, and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

SEVENTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

EIGHTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

I, THE UNDERSIGNED, being the Sole Incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the GCL, do make this Certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 24th day of November, 2010.

/s/ Mary Keogh
Mary Keogh
Sole Incorporator

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
CATALYST HOLDINGS, INC.

Pursuant to Section 242 of the General
Corporation Law of the State of Delaware

Catalyst Holdings, Inc., a Delaware corporation (hereinafter called the "Corporation"), does hereby certify as follows:

FIRST: Article FIRST of the Corporation's Certificate of Incorporation is hereby amended to read in its entirety as set forth below:

FIRST: The name of the corporation is CPI International Acquisition, Inc. (hereinafter the "Corporation").

SECOND: The foregoing amendment was duly adopted in accordance with Section 141(f) and Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be duly executed in its corporate name this 26th day of January, 2011.

CATALYST HOLDINGS, INC.

By: /s/ Jeffrey P. Kelly
Name: Jeffrey P. Kelly
Title: Treasurer & Assistant Secretary

State of Delaware
Secretary of State
Division of Corporations
Delivered 08:44 AM 02/11/2011
FILED 08:51 AM 02/11/2011
SRV 110140359 - 4893919 FILE

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
CPI INTERNATIONAL ACQUISITION, INC,

Pursuant to Section 242 of the General
Corporation Law of the State of Delaware

CPI International Acquisition, Inc., a Delaware corporation (hereinafter called the "Corporation"), does hereby certify as follows:

FIRST: Article FIRST of the Corporation's Certificate of Incorporation is hereby amended to read in its entirety as set forth below:

FIRST: The name of the corporation is CPI International, Inc. (hereinafter the "Corporation").

SECOND: The foregoing amendment was duly adopted in accordance with Section 141(f) and Section 242 and of the General Corporation Law of the State of Delaware.

THIRD: This Certificate of Amendment shall be effective at 8:53 a.m. on February 11, 2011.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be duly executed in its corporate name this 10th day of February, 2011.

CPI INTERNATIONAL ACQUISITION, INC.

By: /s/ Hugh D. Evans
Name: Hugh D. Evans
Title: Assistant Secretary

THIRD AMENDED AND RESTATED BYLAWS

OF
CPI INTERNATIONAL INC.,
A DELAWARE CORPORATION

ARTICLE I

Meetings of Stockholders

Section 1. Annual Meetings. The annual meeting of stockholders shall be held at such time and place and on such date in each year as may be fixed by the board of directors and stated in the notice of the meeting, for the election of directors and the transaction of such other business as may properly come before the meeting.

Section 2. Special Meetings. Special meetings of the stockholders may be called upon the written request of the chairman of the board of directors, the chief executive officer, the president, the directors by action at a meeting, a majority of the directors acting without a meeting, or of the holders of stock entitling them to exercise a majority of the voting power of the Corporation entitled to vote thereat. Calls for such meetings shall specify the purposes thereof. No business other than that specified in the call shall be considered at any special meeting.

Section 3. Notices of Meetings. Unless waived, and except as otherwise required by law, written notice of each annual or special meeting stating the date, time, place and purposes thereof shall be given by personal delivery or by mail to each stockholder of record entitled to vote at or entitled to notice of the meeting, not more than sixty days nor less than ten days before any such meeting. If mailed, such notice shall be directed to the stockholder at the stockholder's address as the same appears upon the records of the Corporation. Any stockholder, either before or after any meeting, may waive any notice required to be given by law or under these Bylaws.

Section 4. Place of Meetings. Meetings of stockholders shall be held at the principal office of the Corporation unless the board of directors determines that a meeting shall be held at some other place within or without the State of Delaware and causes the notice thereof to so state.

Section 5. Quorum. The holders of stock entitling them to exercise a majority of the voting power of the Corporation entitled to vote at any meeting, present in person or by proxy, shall constitute a quorum for the transaction of business to be considered at such meeting; provided, however, that no action required by law or by the Certificate of Incorporation or these Bylaws to be authorized or taken by the holders of a designated proportion of the stock of any particular class or of each class may be authorized or taken by a lesser proportion; and provided, further, that if a separate class vote is required with respect to any matter, the holders of a

majority of the outstanding stock of such class, present in person or by proxy, shall constitute a quorum of such class, and the affirmative vote of the majority of stock of such class so present shall be the act of such class. The holders of a majority of the voting stock represented at a meeting, whether or not a quorum is present, may adjourn such meeting from time to time, until a quorum shall be present.

Section 6. Record Date. The board of directors may fix a record date for any lawful purpose, including, without limiting the generality of the foregoing, the determination of stockholders entitled to (i) receive notice of or to vote at any meeting of stockholders or any adjournment thereof or to express consent to corporate action in writing without a meeting, (ii) receive payment of any dividend or other distribution or allotment of any rights, or (iii) exercise any rights in respect of any change, conversion or exchange of stock. Such record date shall not precede the date on which the resolution fixing the record date is adopted by the board of directors. Such record date shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days before the date fixed for the payment of any dividend or distribution or the date fixed for the receipt or the exercise of rights, nor more than ten days after the date on which the resolution fixing the record date for such written consent is adopted by the board of directors, as the case may be.

If a record date shall not be fixed in respect of any such matter, the record date shall be determined in accordance with the Delaware General Corporation Law.

Section 7. Proxies. A person who is entitled to attend a stockholders' meeting, to vote thereat, or to execute consents, waivers or releases, may be represented at such meeting or vote thereat, and execute consents, waivers and releases, and exercise any of the person's other rights, by proxy or proxies appointed by a writing signed by such person.

ARTICLE II

Directors

Section 1. Number of Directors. The number of directors constituting the board of directors of the Corporation, none of whom need be stockholders, shall be fixed from time to time by resolution of the stockholders or by vote of a majority of the board of directors then in office.

Section 2. Election of Directors. Directors shall be elected at the annual meeting of stockholders, but when the annual meeting is not held or directors are not elected thereat, they may be elected at a special meeting called and held for that purpose. Such election shall be by ballot whenever requested by any stockholder entitled to vote at such election, but unless such request is made, the election may be conducted in any manner approved at such meeting.

At each meeting of stockholders for the election of directors, the persons receiving the greatest number of votes shall be directors.

Section 3. Term of Office. Each director shall hold office until the annual meeting next succeeding such director's election and until such director's successor is elected and qualified, or until such director's earlier resignation, removal from office or death.

Section 4. Removal. Any individual director may be removed from office, without assigning any cause, by the vote of the holders of a majority of the voting power entitling them to elect directors in place of those to be removed.

Section 5. Vacancies. Vacancies in the board of directors may be filled by a majority vote of the remaining directors until an election to fill such vacancies is held. Stockholders entitled to elect directors shall have the right to fill any vacancy in the board (whether the same has been temporarily filled by the remaining directors or not) at any meeting of the stockholders called for that purpose, and any directors elected at any such meeting of stockholders shall serve until the next annual election of directors and until such director's successor has been elected and qualified.

Section 6. Quorum and Transaction of Business. A majority of the whole authorized number of directors shall constitute a quorum for the transaction of business, except that a majority of the directors in office shall constitute a quorum for filling a vacancy on the board. Whenever less than a quorum is present at the time and place appointed for any meeting of the board, a majority of those directors present may adjourn the meeting from time to time, until a quorum shall be present. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board.

Section 7. Annual Meeting. Annual meetings of the board of directors shall be held immediately following annual meetings of the stockholders, or as soon thereafter as is practicable. If no annual meeting of the stockholders is held, or if directors are not elected thereat, then the annual meeting of the board of directors shall be held immediately following any special meeting of the stockholders at which directors are elected, or as soon thereafter as is practicable. If such annual meeting of directors is held immediately following a meeting of the stockholders, it shall be held at the same place at which such stockholders' meeting was held.

Section 8. Regular Meetings. Regular meetings of the board of directors shall be held at such times and places, within or without the State of Delaware, as the board of directors may, by resolution, from time to time determine. The secretary shall give notice of each such resolution to any director who was not present at the time the same was adopted, but no further notice of such regular meeting need be given.

Section 9. Special Meetings. Special meetings of the board of directors may be called by the chairman of the board, the chief executive officer, the president, any vice president or any two members of the board of directors, and shall be held at such times and places, within or without the State of Delaware, as may be specified in such call.

Section 10. Notice of Annual or Special Meetings. Notice of the time and place of each annual or special meeting shall be given to each director by the secretary or by the person or persons calling such meeting. Such notice need not specify the purpose or purposes of the

meeting and may be given in any manner or method and at such time so that the director receiving it may have a reasonable opportunity to attend the meeting. Such notice shall, in all events, be deemed to have been properly and duly given if mailed at least three days prior to the meeting and directed to the residence of each director as shown upon the secretary's records. The giving of notice shall be deemed to have been waived by any director who shall attend and participate in such meeting and may be waived, in writing, by any director either before or after such meeting.

Section 11. Compensation. The directors, as such, shall be entitled to receive such reasonable compensation, if any, for their services as may be fixed from time to time by resolution of the board, and expenses of attendance, if any, may be allowed for attendance at each annual, regular or special meeting of the board. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Directors who serve on the executive committee or on any standing or special committee may, by resolution of the board, be allowed such compensation for their services as the board may deem reasonable, and additional compensation may be allowed to directors for special services rendered.

ARTICLE III

Committees

Section 1. Executive Committee. The board of directors may from time to time, by resolution passed by a majority of the whole board, create an executive committee of one or more directors, the members of which shall be elected by the board of directors to serve during the pleasure of the board. If the board of directors does not designate a chairman of the executive committee, the executive committee shall elect a chairman from its own number. Except as otherwise provided herein, prohibited by law or in the resolution creating an executive committee, such committee shall, during the intervals between the meetings of the board of directors, possess and may exercise all of the powers of the board of directors in the management of the business and affairs of the Corporation, other than that of filling vacancies among the directors or in any committee of the directors. The executive committee shall keep full records and accounts of its proceedings and transactions. All action by the executive committee shall be reported to the board of directors at its meeting next succeeding such action and shall be subject to control, revision and alteration by the board of directors, provided that no rights of third persons shall be prejudicially affected thereby. Vacancies in the executive committee shall be filled by the directors, and the directors may appoint one or more directors as alternate members of the committee who may take the place of any absent member or members at any meeting.

Section 2. Meetings of Executive Committee. Subject to the provisions of these Bylaws, the executive committee shall fix its own rules of procedure and shall meet as provided by such rules or by resolutions of the board of directors, and it shall also meet at the call of the chairman of the board, the chief executive officer, the president, the chairman of the executive committee or any two members of the committee. Unless otherwise provided by such rules or by such resolutions, the provisions of Section 10 of Article II relating to the notice required to be

given of meetings of the board of directors shall also apply to meetings of the members of the executive committee. A majority of the executive committee shall be necessary to constitute a quorum. The executive committee may act in writing without a meeting, but no such action of the executive committee shall be effective unless concurred in by all members of the committee.

Section 3. Other Committees. The board of directors may by resolution provide for such other standing or special committees as it deems desirable, and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be delegated to it by the board of directors. The provisions of Section 1 and Section 2 of this Article shall govern the appointment and action of such committees so far as consistent, unless otherwise provided by the board of directors. Vacancies in such committees shall be filled by the board of directors or as the board of directors may provide.

ARTICLE IV

Officers

Section 1. General Provisions. The board of directors shall elect officers, which shall include a president, a secretary and a treasurer. The board of directors may also elect a chairman of the board of directors, a chief executive officer, such number of vice presidents, if any, may create such offices and appoint such other officers, subordinate officers and assistant officers as it may from time to time determine. The chairman of the board, if one is elected, shall be, but the other officers need not be, chosen from among the members of the board of directors. Any two or more of such offices may be held by the same person.

Section 2. Term of Office. The officers of the Corporation shall hold office during the pleasure of the board of directors, and, unless sooner removed by the board of directors, until the annual meeting of the board of directors following the date of their election and until their successors are chosen and qualified. The board of directors may remove any officer at any time, with or without cause. A vacancy in any office, however created, shall be filled by the board of directors.

ARTICLE V

Duties of Officers

Section 1. Chairman of the Board. The chairman of the board, if any, shall preside at all meetings of the board of directors and meetings of stockholders and shall have such other powers and duties as may be prescribed by the board of directors.

Section 2. Chief Executive Officer. The chief executive officer, if any, shall have, subject to the powers of the board of directors, charge of the overall general direction of the business and affairs of the Corporation, control of the general policies relating to all aspects of the Corporation's business operations, and the power to fix the compensation of officers and the power to remove officers. In the absence of the chairman of the board, or if none is elected,

the chief executive officer shall preside at meetings of stockholders. The chief executive officer may appoint and discharge agents and employees and perform such other duties as are incident to such office. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these Bylaws. In the absence or disability of the chief executive officer, or if no chief executive officer is elected or appointed, the president shall perform any and all duties of the chief executive officer.

Section 3. President. The president shall be the chief operating officer of the Corporation and shall have such other powers and duties as may be prescribed by the board of directors or the chief executive officer. The president shall have authority to sign all certificates for stock and all deeds, mortgages, bonds, agreements, notes, and other instruments requiring the president's signature; and shall have all the powers and duties prescribed by law and such others as the board of directors may from time to time assign.

Section 4. Vice Presidents. The vice presidents, if any, shall have such powers and duties as may from time to time be assigned to them by the board of directors, the chief executive officer or the president. At the request of the chief executive officer or the president, or in the case of such officer's absence or disability, the vice president designated by the president (or in the absence of such designation, the vice president designated by the board) shall perform all the duties of the president and, when so acting, shall have all the powers of the president. The authority of vice presidents to sign in the name of the Corporation certificates for stock and deeds, mortgages, bonds, agreements, notes and other instruments shall be coordinate with like authority of the president.

Section 5. Secretary. The secretary shall keep minutes of all the proceedings of the stockholders and the board of directors and shall make proper record of the same, which shall be attested by the secretary; shall have authority to execute and deliver certificates as to any of such proceedings and any other records of the Corporation; shall have authority to sign all certificates for stock and all deeds, mortgages, bonds, agreements, notes and other instruments to be executed by the Corporation which require the secretary's signature; shall give notice of meetings of stockholders and directors; shall produce on request at each meeting of stockholders a certified list of stockholders arranged in alphabetical order; shall keep such books and records as may be required by law or by the board of directors; and, in general, shall perform all duties incident to the office of secretary and such other duties as may from time to time be assigned by the board of directors, the chief executive officer or the president.

Section 6. Treasurer. The treasurer shall have general supervision of all finances; shall have in charge all money, bills, notes, deeds, leases, mortgages and similar property belonging to the Corporation, and shall do with the same as may from time to time be required by the board of directors. The treasurer shall cause to be kept adequate and correct accounts of the business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, stated capital and stock, together with such other accounts as may be required; and shall have such other powers and duties as may from time to time be assigned by the board of directors, the chief executive officer or the president.

Section 7. Assistant and Subordinate Officers. Each other officer shall perform such duties as the board of directors, the chief executive officer or the president may prescribe. The board of directors may, from time to time, authorize any officer to appoint and remove subordinate officers, to prescribe their authority and duties, and to fix their compensation.

Section 8. Duties of Officers May Be Delegated. In the absence of any officer of the Corporation, or for any other reason the board of directors may deem sufficient, the board of directors may delegate, for the time being, the powers or duties, or any of them, of such officers to any other officer or to any director.

ARTICLE VI

Indemnification and Insurance

Section 1. Power to Indemnify in Actions, Suits or Proceedings other than Those by or in the Right of the Corporation. Subject to Section 3 of this Article VI, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Section 2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 3 of this Article VI, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the

Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. Authorization of Indemnification. Any indemnification under this Article VI (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VI, as the case may be. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (iv) by the stockholders. Such determination shall be made, with respect to former directors and officers, by any person or persons having the authority to act on the matter on behalf of the Corporation. To the extent, however, that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

Section 4. Good Faith Defined. For purposes of any determination under Section 3 of this Article VI, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VI, as the case may be.

Section 5. Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article VI, and notwithstanding the absence of any determination thereunder, any director or officer may apply to the Court of Chancery of the State of Delaware or any other court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Section 1 or Section 2 of this Article VI. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the circumstances because such

person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VI, as the case may be. Neither a contrary determination in the specific case under Section 3 of this Article VI nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director or officer seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director or officer seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 6. Expenses Payable in Advance. Expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article VI. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate.

Section 7. Nonexclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, these By-Laws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Section 1 and Section 2 of this Article VI shall be made to the fullest extent permitted by law. The provisions of this Article VI shall not be deemed to preclude the indemnification of any person who is not specified in Section 1 or Section 2 of this Article VI but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL, or otherwise.

Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article VI.

Section 9. Certain Definitions. For purposes of this Article VI, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or officers, so that any person who is or was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such

constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. The term "another enterprise" as used in this Article VI shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. For purposes of this Article VI, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VI.

Section 10. Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VI shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 11. Limitation on Indemnification. Notwithstanding anything contained in this Article VI to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by Section 5 of this Article VI), the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 12. Indemnification of Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article VIII to directors and officers of the Corporation.

ARTICLE VII

Certificates for Stock

Section 1. Form and Execution. Certificates for stock, certifying the number of full-paid shares owned, shall be issued to each stockholder in such form as shall be approved by the board of directors. Such certificates shall be signed by any two of the following officers of the Corporation: the chairman or vice-chairman of the board of directors, the chief executive officer, the president, a vice president, the treasurer, an assistant treasurer, the secretary or an assistant secretary; provided, however, that the signatures of any of such officers and the seal of the Corporation upon such certificates may be facsimiles, engraved, stamped or printed. If any

officer or officers who shall have signed, or whose facsimile signature shall have been used, printed or stamped on any certificate or certificates for stock, shall cease to be such officer or officers, because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates shall nevertheless be as effective in all respects as though signed by a duly elected, qualified and authorized officer or officers, and as though the person or persons who signed such certificate or certificates, or whose facsimile signature or signatures shall have been used thereon, had not ceased to be an officer or officers of the Corporation.

Section 2. Registration of Transfer. Any certificate for stock of the Corporation shall be transferable in person or by attorney upon the surrender thereof to the Corporation or any transfer agent therefor (for the class of stock represented by the certificate surrendered) properly endorsed for transfer and accompanied by such assurances as the Corporation or such transfer agent may require as to the genuineness and effectiveness of each necessary endorsement.

Section 3. Lost, Destroyed or Stolen Certificates. A new stock certificate or certificates may be issued in place of any certificate theretofore issued by the Corporation which is alleged to have been lost, destroyed or wrongfully taken upon (i) the execution and delivery to the Corporation by the person claiming the certificate to have been lost, destroyed or wrongfully taken of an affidavit of that fact, specifying whether or not, at the time of such alleged loss, destruction or taking, the certificate was endorsed, and (ii) the furnishing to the Corporation of indemnity and other assurances, if any, satisfactory to the Corporation and to all transfer agents and registrars of the class of stock represented by the certificate against any and all losses, damages, costs, expenses or liabilities to which they or any of them may be subjected by reason of the issue and delivery of such new certificate or certificates or in respect of the original certificate.

Section 4. Registered Stockholders. A person in whose name stock is of record on the books of the Corporation shall conclusively be deemed the unqualified owner and holder thereof for all purposes and to have capacity to exercise all rights of ownership. Neither the Corporation nor any transfer agent of the Corporation shall be bound to recognize any equitable interest in or claim to such stock on the part of any other person, whether disclosed upon such certificate or otherwise, nor shall they be obliged to see to the execution of any trust or obligation.

ARTICLE VIII

Fiscal Year

The fiscal year of the Corporation shall end on such date in each year as shall be designated from time to time by the board of directors.

ARTICLE IX

Seal

The board of directors may provide a suitable seal containing the name of the Corporation. If deemed advisable by the board of directors, duplicate seals may be provided and kept for the purposes of the Corporation.

ARTICLE X

Amendments

These Bylaws shall be subject to alteration, amendment, repeal, or the adoption of new Bylaws either by the affirmative vote of a majority of the board of directors or by written consent of all members of the board of directors, or by the affirmative vote or written consent of the holders of record of a majority of the outstanding stock of the Corporation, present in person or represented by proxy and entitled to vote in respect thereof, given at an annual meeting or at any special meeting at which a quorum shall be present.

**Third Amended and Restated Operating Agreement
OF**

CPI Subsidiary Holdings LLC,

A Delaware Limited Liability Company

The undersigned, being the sole member of CPI Subsidiary Holdings LLC, a Delaware limited liability company (the “Company”), does hereby execute this Third Amended and Restated Operating Agreement of the Company (this “Agreement”), effective as of this 1st day of July, 2024.

RECITALS

WHEREAS, the Company was originally incorporated on June 27, 1995 as a corporation pursuant to the provisions of the Delaware General Corporation Law (the “DGCL”) and converted on February 11, 2011 to a limited liability company pursuant to the provisions of the DGCL and the Delaware Limited Liability Company Act (as amended from time to time, the “Law”);

WHEREAS, the Member desires to replace all previous operating agreements, limited liability company agreements, and other such agreements governing the conduct of the Company with the terms and conditions set forth herein and enter into this Agreement.

ARTICLE I

MEMBER

CPI International, Inc., a Delaware corporation, is the sole member of the Company (the “Member”).

ARTICLE II

OFFICE

The principal office of the Company shall be located at 1350 Euclid Avenue, Suite 1600, Cleveland, OH 44115 (the “Principal Office”). The Company may have such other offices as the Member may designate or as the business of the Company may require.

ARTICLE III

PURPOSE

The sole purpose for which the Company is organized is to conduct any lawful business purpose as defined in the Law. The Company shall have all of the powers granted to a limited liability company under the laws of the Delaware.

ARTICLE IV

DURATION OF THE COMPANY

The Company shall continue in perpetuity unless terminated sooner by operation of law or by decision of the Member.

ARTICLE V

CAPITAL CONTRIBUTIONS

The Member may in the future contribute any additional capital deemed necessary by the Member for the operation of the Company.

ARTICLE VI

OWNERSHIP OF MEMBERSHIP INTERESTS

The Member shall own all of the membership interests in the Company and the Member shall have a 100% distributive share of the Company's profits, losses and cash flow.

ARTICLE VII

MANAGEMENT

The Member will manage the affairs of the Company, but shall be entitled to appoint or authorize representatives, including, but not limited to, such officers as the Member may deem necessary, to Law on behalf of the Company and to delegate the authority otherwise reserved to the Member to such representatives. The signature of the Member of the Company shall be sufficient to bind the Company with respect to any matter on which the Member shall be required or entitled to act. The Member has the power, on behalf of the Company, to do all things necessary or convenient to carry out the business and affairs of the Company. A copy of this Agreement may be shown to third parties (and all third parties may rely hereupon) in order to confirm the identity and authorization of the Member.

ARTICLE VIII

PLEDGE OF MEMBERSHIP INTEREST

Notwithstanding any other provision in this Agreement, the Member shall be entitled to pledge its membership interest, including all interests, economic rights, voting rights, control rights and status rights as a member, to, and otherwise grant a lien and security interest in its membership interest and all of its right, title and interest under this Agreement in favor of, any lender to the Company or an affiliate of the Company (or an agent on behalf of such lender) without any further consents, approvals or actions required by such lender (or agent), the Member, the Company or any other person under this Agreement or otherwise. So long as any such pledge of or security interest in the Member's membership interest is in effect, no consent of the Company or the Member shall be required to permit a pledgee thereof to be substituted for the Member under this

Agreement upon the exercise of such pledgee's rights with respect to such membership interest. Notwithstanding anything contained herein to the contrary, and without complying with any other procedures set forth in this Agreement, upon the exercise of remedies in connection with a pledge or hypothecation, (a) the lender (or agent) or transferee of such lender (or agent), as the case may be, shall become a member under this Agreement and shall succeed to all of the rights and powers, including the right to participate in the management of the business and affairs of the Company, and shall be bound by all of the obligations, of a member under this Agreement without taking any further action on the part of such lender (or agent) or transferee, as the case may be, and (b) following such exercise of remedies, the pledging Member shall cease to be a member and shall have no further rights or powers under this Agreement. The execution and delivery of this Agreement by the Member shall constitute any necessary approval of such Member under the Law to the foregoing provisions of this Article 8. So long as any pledge of the Member's membership interest is in effect, this provision shall inure to the benefit of such pledgee and its successors, assigns and designated agents, as an intended third party beneficiary, and no amendment, modification or waiver of, or consent with respect to this provision shall in any event be effective without the prior written consent of such pledgee. All of the foregoing shall be subject to the limitations and other provisions applicable to the exercise of remedies contained in each of the Collateral Agreements. For purposes of the foregoing, "Collateral Agreements" means (1) the Guarantee and Collateral Agreement, dated as of June 23, 2006, as amended and restated as of December 6, 2010, as further amended and restated as of February 14, 2011, and as further amended and restated as of February 28, 2013 (as further amended, restated, amended and restated, supplemented, or otherwise modified from time to time), among TransDigm Inc., certain affiliates of TransDigm Inc. and Goldman Sachs Bank USA, as collateral agent, (2) the Pledge and Security Agreement, dated as of February 13, 2019 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), among TransDigm Inc., certain affiliates of TransDigm Inc. and The Bank of New York Mellon Trust Company, N.A., as the U.S. collateral agent, (3) the Pledge and Security Agreement, dated as of February 24, 2023 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), among TransDigm Inc., certain affiliates of TransDigm Inc. and The Bank of New York Mellon Trust Company, N.A., as the U.S. collateral agent, and (4) other security agreements, guarantee agreements and pledge agreements that the Company may enter into from time to time.

ARTICLE IX

BOOKS AND RECORDS

The Company books shall be maintained at the Principal Office. The fiscal year of the Company shall end on such date in each year as shall be designated from time to time by the Member. The Member shall cause all known business transactions pertaining to the purpose of the Company to be entered properly and completely into said books. The Member will prepare and file on behalf of the Company all tax returns in a timely manner.

ARTICLE X
AMENDMENTS

This Agreement may be amended by a written instrument adopted by the Member and executed by the Member at any time, for any purpose, at the sole discretion of the Member.

ARTICLE XI
INDEMNIFICATION

Notwithstanding any other provisions of this Agreement, whether express or implied, or any obligation or duty at law or in equity, neither the Member, nor any officers, directors, stockholders, partners, employees, affiliates, representatives or agents of the Member, nor any officer, employee, representative or agent of the Company (individually a "Covered Person" and, collectively, the "Covered Persons"), shall be liable to the Company or any other person for any act or omission (in relation to the Company, its property or the conduct of its business or affairs, this Agreement, any related documents or any transaction or investment contemplated hereby or thereby) taken or omitted by a Covered Person in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company and is within the scope of authority granted to such Covered Person by the Agreement, provided such act or omission does not constitute fraud, willful misconduct, bad faith, or gross negligence.

To the fullest extent permitted by Law, the Company shall indemnify and hold harmless each Covered Person from and against any and all losses, claims, demands, liabilities, expense, judgements, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil criminal, administrative or investigative ("Claims"), in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of its management of the affairs of the Company or which relates to or arises out of the Company or its property, business or affairs. A Covered Person shall not be entitled to indemnification under this Article XI with respect to (i) any Claim with respect to which such Covered Person has engaged in fraud, willful misconduct, bad faith or gross negligence or (ii) any Claim initiated by such Covered Person unless such Claim (or part thereof) (A) was brought to enforce such Covered Person's rights to indemnification hereunder or (B) was authorized or consented to by the Member. Expenses incurred by a Covered Person in defending any Claim shall be paid by the Company in advance of the final disposition of such Claim upon receipt by the Company of an undertaking by or on behalf of such Covered Person to repay such amount if it shall be ultimately determined that such Covered Person is not entitled to be indemnified by the Company as authorized by this Article XI.

Any repeal or modification of this Article XI shall not adversely affect any rights of such Covered Persons pursuant to this Article XI, including the right to indemnification and to the advancement of expenses of a Covered Person existing at the time of such repeal or modification with respect to any acts or omission occurring prior to such repeal or modification.

ARTICLE XII

BANKING

All funds of the Company shall be deposited in one or more Company checking accounts as shall be designated by the Member, and the Member is authorized to sign any such checks or withdrawal forms.

ARTICLE XIII

APPLICABILITY OF UCC ARTICLE 8

The Company hereby irrevocably elects that all membership interests in the Company shall be securities governed by Article 8 of the Uniform Commercial Code. Each certificate evidencing membership interests in the Company shall bear the following legend:

“This certificate evidences an interest in CPI Subsidiary Holdings LLC and shall be a security for purposes of Article 8 of the Uniform Commercial Code.”

No change to this provision shall be effective until all outstanding certificates have been surrendered for cancellation and any new certificates thereafter issued shall not bear the foregoing legend.

ARTICLE XIV

MISCELLANEOUS

This Agreement is made by the Member for the exclusive benefit of the Company, the Member, and its successors and assignees. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other person or entity. Except and only to the extent provided by applicable statute or otherwise in this Agreement, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and the Member with respect to any capital contribution or otherwise.

[Signature Page Follows]

IN WITNESS WHEREOF, the Member has hereunto set its hand effective the day and year first written above.

SOLE MEMBER:

CPI INTERNATIONAL, INC.

By: /s/ Jessica L. Warren
Name: Jessica L. Warren
Its: Secretary

[Signature Page to A&R Operating Agreement (CPI Subsidiary Holdings LLC)]

First Amended and Restated Limited Liability Company Agreement

OF

CPI Subsidiary Holdings LLC,

A Delaware Limited Liability Company

The undersigned, being the sole member of CPI Subsidiary Holdings LLC, a Delaware limited liability company (the "Company"), does hereby execute this First Amended and Restated Operating Agreement of the Company (this "Agreement"), effective as of this 6th day of June, 2024.

RECITALS

WHEREAS, the Company was originally incorporated on June 27, 1995 as a corporation pursuant to the provisions of the Delaware General Corporation Law (the "DGCL") and converted on February 11, 2011 to a limited liability company pursuant to the provisions of the DGCL and the Delaware Limited Liability Company Act (as amended from time to time, the "Law");

WHEREAS, the Member desires to replace all previous operating agreements, limited liability company agreements, and other such agreements governing the conduct of the Company with the terms and conditions set forth herein and enter into this Agreement.

ARTICLE I

MEMBER

Iceman Holdco, Inc., a Delaware corporation, is the sole member of the Company (the "Member").

ARTICLE II

OFFICE

The principal office of the Company shall be located at 1350 Euclid Avenue, Suite 1600, Cleveland, OH 44115 (the "Principal Office"). The Company may have such other offices as the Member may designate or as the business of the Company may require.

ARTICLE III

PURPOSE

The sole purpose for which the Company is organized is to conduct any lawful business purpose as defined in the Law. The Company shall have all of the powers granted to a limited liability company under the laws of the Delaware.

ARTICLE IV

DURATION OF THE COMPANY

The Company shall continue in perpetuity unless terminated sooner by operation of law or by decision of the Member.

ARTICLE V

CAPITAL CONTRIBUTIONS

The Member may in the future contribute any additional capital deemed necessary by the Member for the operation of the Company.

ARTICLE VI

OWNERSHIP OF MEMBERSHIP INTERESTS

The Member shall own all of the membership interests in the Company and the Member shall have a 100% distributive share of the Company's profits, losses and cash flow.

ARTICLE VII

MANAGEMENT

The Member will manage the affairs of the Company, but shall be entitled to appoint or authorize representatives, including, but not limited to, such officers as the Member may deem necessary, to Law on behalf of the Company and to delegate the authority otherwise reserved to the Member to such representatives. The signature of the Member of the Company shall be sufficient to bind the Company with respect to any matter on which the Member shall be required or entitled to act. The Member has the power, on behalf of the Company, to do all things necessary or convenient to carry out the business and affairs of the Company. A copy of this Agreement may be shown to third parties (and all third parties may rely hereupon) in order to confirm the identity and authorization of the Member.

ARTICLE VIII

PLEDGE OF MEMBERSHIP INTEREST

Notwithstanding any other provision in this Agreement, the Member shall be entitled to pledge its membership interest, including all interests, economic rights, voting rights, control rights and status rights as a member, to, and otherwise grant a lien and security interest in its membership interest and all of its right, title and interest under this Agreement in favor of, any lender to the Company or an affiliate of the Company (or an agent on behalf of such lender) without any further consents, approvals or actions required by such lender (or agent), the Member, the Company or any other person under this Agreement or otherwise. So long as any such pledge of or security interest in the Member's membership interest is in effect, no consent of the Company or the Member shall be required to permit a pledgee thereof to be substituted for the Member under this Agreement upon the exercise of such pledgee's rights with respect to such membership interest. Notwithstanding anything contained herein to the contrary, and without complying with any other procedures set forth in this Agreement, upon the exercise of remedies in connection with a pledge or hypothecation, (a) the lender (or agent) or transferee of such lender (or agent), as the case may be, shall become a member under this Agreement and shall succeed to all of the rights and powers, including the right to participate in the management of the business and affairs of the Company, and shall be bound by all of the obligations, of a member under this Agreement without taking any further action on the part of such lender (or agent) or transferee, as the case may be, and (b) following such exercise of remedies, the pledging Member shall cease to be a member and shall have no further rights or powers under this Agreement. The execution and delivery of this Agreement by the Member shall constitute any necessary approval of such Member under the Law to the foregoing provisions of this Article 8. So long as any pledge of the Member's membership interest is in effect, this provision shall inure to the benefit of such pledgee and its successors, assigns and designated agents, as an intended third party beneficiary, and no amendment, modification or waiver of, or consent with respect to this provision shall in any event be effective without the prior written consent of such pledgee. All of the foregoing shall be subject to the limitations and other provisions applicable to the exercise of remedies contained in each of the Collateral Agreements. For purposes of the foregoing, "Collateral Agreements" means (1) the Guarantee and Collateral Agreement, dated as of June 23, 2006, as amended and restated as of December 6, 2010, as further amended and restated as of February 14, 2011, and as further amended and restated as of February 28, 2013 (as further amended, restated, amended and restated, supplemented, or otherwise modified from time to time), among TransDigm Inc., certain affiliates of TransDigm Inc. and Goldman Sachs Bank USA, as collateral agent, (2) the Pledge and Security Agreement, dated as of February 13, 2019 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), among TransDigm Inc., certain affiliates of TransDigm Inc. and The Bank of New York Mellon Trust Company, N.A., as the U.S. collateral agent, (3) the Pledge and Security Agreement, dated as of February 24, 2023 (as amended, restated,

amended and restated, supplemented or otherwise modified from time to time), among TransDigm Inc., certain affiliates of TransDigm Inc. and The Bank of New York Mellon Trust Company, N.A., as the U.S. collateral agent, and (4) other security agreements, guarantee agreements and pledge agreements that the Company may enter into from time to time.

ARTICLE IX

BOOKS AND RECORDS

The Company books shall be maintained at the Principal Office. The fiscal year of the Company shall end on such date in each year as shall be designated from time to time by the Member. The Member shall cause all known business transactions pertaining to the purpose of the Company to be entered properly and completely into said books. The Member will prepare and file on behalf of the Company all tax returns in a timely manner.

ARTICLE X

AMENDMENTS

This Agreement may be amended by a written instrument adopted by the Member and executed by the Member at any time, for any purpose, at the sole discretion of the Member.

ARTICLE XI

INDEMNIFICATION

Notwithstanding any other provisions of this Agreement, whether express or implied, or any obligation or duty at law or in equity, neither the Member, nor any officers, directors, stockholders, partners, employees, affiliates, representatives or agents of the Member, nor any officer, employee, representative or agent of the Company (individually a "Covered Person" and, collectively, the "Covered Persons"), shall be liable to the Company or any other person for any act or omission (in relation to the Company, its property or the conduct of its business or affairs, this Agreement, any related documents or any transaction or investment contemplated hereby or thereby) taken or omitted by a Covered Person in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company and is within the scope of authority granted to such Covered Person by the Agreement, provided such act or omission does not constitute fraud, willful misconduct, bad faith, or gross negligence.

To the fullest extent permitted by Law, the Company shall indemnify and hold harmless each Covered Person from and against any and all losses, claims, demands, liabilities, expense, judgements, fines, settlements and other amounts arising from any

and all claims, demands, actions, suits or proceedings, civil criminal, administrative or investigative (“Claims”), in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of its management of the affairs of the Company or which relates to or arises out of the Company or its property, business or affairs. A Covered Person shall not be entitled to indemnification under this Article XI with respect to (i) any Claim with respect to which such Covered Person has engaged in fraud, willful misconduct, bad faith or gross negligence or (ii) any Claim initiated by such Covered Person unless such Claim (or part thereof) (A) was brought to enforce such Covered Person’s rights to indemnification hereunder or (B) was authorized or consented to by the Member. Expenses incurred by a Covered Person in defending any Claim shall be paid by the Company in advance of the final disposition of such Claim upon receipt by the Company of an undertaking by or on behalf of such Covered Person to repay such amount if it shall be ultimately determined that such Covered Person is not entitled to be indemnified by the Company as authorized by this Article XI.

Any repeal or modification of this Article XI shall not adversely affect any rights of such Covered Persons pursuant to this Article XI, including the right to indemnification and to the advancement of expenses of a Covered Person existing at the time of such repeal or modification with respect to any acts or omission occurring prior to such repeal or modification.

ARTICLE XII

BANKING

All funds of the Company shall be deposited in one or more Company checking accounts as shall be designated by the Member, and the Member is authorized to sign any such checks or withdrawal forms

ARTICLE XIII

APPLICABILITY OF UCC ARTICLE 8

The Company hereby irrevocably elects that all membership interests in the Company shall be securities governed by Article 8 of the Uniform Commercial Code. Each certificate evidencing membership interests in the Company shall bear the following legend:

“This certificate evidences an interest in Iceman Intermediate Midco, LLC and shall be a security for purposes of Article 8 of the Uniform Commercial Code.”

No change to this provision shall be effective until all outstanding certificates have been surrendered for cancellation and any new certificates thereafter issued shall not bear the foregoing legend.

ARTICLE XIV

MISCELLANEOUS

This Agreement is made by the Member for the exclusive benefit of the Company, the Member, and its successors and assignees. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other person or entity. Except and only to the extent provided by applicable statute or otherwise in this Agreement, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and the Member with respect to any capital contribution or otherwise.

IN WITNESS WHEREOF, the Member has hereunto set its hand effective the day and year first written above.

CPI International, Inc., its sole member

By: /s/ Jessica L. Warren
Name: Jessica L. Warren
Its: Secretary

[Signature Page to CPI Subsidiary Holdings LLC]

RESTATED BYLAWS OF MICROWAVE POWER PRODUCTS, INC.,
A DELAWARE CORPORATION

ARTICLE I

Meetings of Stockholders

Section 1. **Annual Meetings**. The annual meeting of stockholders shall be held at such time and place and on such date in each year as may be fixed by the board of directors and stated in the notice of the meeting, for the election of directors and the transaction of such other business as may properly come before the meeting.

Section 2. **Special Meetings**. Special meetings of the stockholders may be called upon the written request of the chairman of the board of directors, the chief executive officer, the president, the directors by action at a meeting, a majority of the directors acting without a meeting, or of the holders of stock entitling them to exercise a majority of the voting power of the Corporation entitled to vote thereat. Calls for such meetings shall specify the purposes thereof. No business other than that specified in the call shall be considered at any special meeting.

Section 3. **Notices of Meetings**. Unless waived, and except as otherwise required by law, written notice of each annual or special meeting stating the date, time, place and purposes thereof shall be given by personal delivery or by mail to each stockholder of record entitled to vote at or entitled to notice of the meeting, not more than sixty days nor less than ten days before any such meeting. If mailed, such notice shall be directed to the stockholder at the stockholder's address as the same appears upon the records of the Corporation. Any stockholder, either before or after any meeting, may waive any notice required to be given by law or under these Bylaws.

Section 4. **Place of Meetings**. Meetings of stockholders shall be held at the principal office of the Corporation unless the board of directors determines that a meeting shall be held at some other place within or without the State of Delaware and causes the notice thereof to so state.

Section 5. **Quorum**. The holders of stock entitling them to exercise a majority of the voting power of the Corporation entitled to vote at any meeting, present in person or by proxy, shall constitute a quorum for the transaction of business to be considered at such meeting; provided, however, that no action required by law or by the Certificate of Incorporation or these Bylaws to be authorized or taken by the holders of a designated proportion of the stock of any particular class or of each class may be authorized or taken by a lesser proportion; and provided, further, that if a separate class vote is required with respect to any matter, the holders of a majority of the outstanding stock of such class, present in person or by proxy, shall constitute a quorum of such class, and the affirmative vote of the majority of stock of such class so present shall be the act of such class. The holders of a majority of the voting stock represented at a meeting, whether or not a quorum is present, may adjourn such meeting from time to time, until a quorum shall be present.

Section 6. Record Date. The board of directors may fix a record date for any lawful purpose, including, without limiting the generality of the foregoing, the determination of stockholders entitled to (i) receive notice of or to vote at any meeting of stockholders or any adjournment thereof or to express consent to corporate action in writing without a meeting, (ii) receive payment of any dividend or other distribution or allotment of any rights, or (iii) exercise any rights in respect of any change, conversion or exchange of stock. Such record date shall not precede the date on which the resolution fixing the record date is adopted by the board of directors. Such record date shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days before the date fixed for the payment of any dividend or distribution or the date fixed for the receipt or the exercise of rights, nor more than ten days after the date on which the resolution fixing the record date for such written consent is adopted by the board of directors, as the case may be.

If a record date shall not be fixed in respect of any such matter, the record date shall be determined in accordance with the Delaware General Corporation Law.

Section 7. Proxies. A person who is entitled to attend a stockholders' meeting, to vote thereat, or to execute consents, waivers or releases, may be represented at such meeting or vote thereat, and execute consents, waivers and releases, and exercise any of the person's other rights, by proxy or proxies appointed by a writing signed by such person.

ARTICLE II

Directors

Section 1. Number of Directors. The number of directors constituting the board of directors of the Corporation, none of whom need be stockholders, shall be fixed from time to time by resolution of the stockholders or by vote of a majority of the board of directors then in office.

Section 2. Election of Directors. Directors shall be elected at the annual meeting of stockholders, but when the annual meeting is not held or directors are not elected thereat, they may be elected at a special meeting called and held for that purpose. Such election shall be by ballot whenever requested by any stockholder entitled to vote at such election, but unless such request is made, the election may be conducted in any manner approved at such meeting.

At each meeting of stockholders for the election of directors, the persons receiving the greatest number of votes shall be directors.

Section 3. Term of Office. Each director shall hold office until the annual meeting next succeeding such director's election and until such director's successor is elected and qualified, or until such director's earlier resignation, removal from office or death.

Section 4. Removal. Any individual director may be removed from office, without assigning any cause, by the vote of the holders of a majority of the voting power entitling them to elect directors in place of those to be removed.

Section 5. Vacancies. Vacancies in the board of directors may be filled by a majority vote of the remaining directors until an election to fill such vacancies is held. Stockholders entitled to elect directors shall have the right to fill any vacancy in the board (whether the same has been temporarily filled by the remaining directors or not) at any meeting of the stockholders called for that purpose, and any directors elected at any such meeting of stockholders shall serve until the next annual election of directors and until such director's successor has been elected and qualified.

Section 6. Quorum and Transaction of Business. A majority of the whole authorized number of directors shall constitute a quorum for the transaction of business, except that a majority of the directors in office shall constitute a quorum for filling a vacancy on the board. Whenever less than a quorum is present at the time and place appointed for any meeting of the board, a majority of those directors present may adjourn the meeting from time to time, until a quorum shall be present. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board.

Section 7. Annual Meeting. Annual meetings of the board of directors shall be held immediately following annual meetings of the stockholders, or as soon thereafter as is practicable. If no annual meeting of the stockholders is held, or if directors are not elected thereat, then the annual meeting of the board of directors shall be held immediately following any special meeting of the stockholders at which directors are elected, or as soon thereafter as is practicable. If such annual meeting of directors is held immediately following a meeting of the stockholders, it shall be held at the same place at which such stockholders' meeting was held.

Section 8. Regular Meetings. Regular meetings of the board of directors shall be held at such times and places, within or without the State of Delaware, as the board of directors may, by resolution, from time to time determine. The secretary shall give notice of each such resolution to any director who was not present at the time the same was adopted, but no further notice of such regular meeting need be given.

Section 9. Special Meetings. Special meetings of the board of directors may be called by the chairman of the board, the chief executive officer, the president, any vice president or any two members of the board of directors, and shall be held at such times and places, within or without the State of Delaware, as may be specified in such call.

Section 10. Notice of Annual or Special Meetings. Notice of the time and place of each annual or special meeting shall be given to each director by the secretary or by the person or persons calling such meeting. Such notice need not specify the purpose or purposes of the meeting and may be given in any manner or method and at such time so that the director receiving it may have a reasonable opportunity to attend the meeting. Such notice shall, in all events, be deemed to have been properly and duly given if mailed at least three days prior to the meeting and directed to the residence of each director as shown upon the secretary's records. The giving of notice shall be deemed to have been waived by any director who shall attend and participate in such meeting and may be waived, in writing, by any director either before or after such meeting.

Section 11. Compensation. The directors, as such, shall be entitled to receive such reasonable compensation, if any, for their services as may be fixed from time to time by resolution of the board, and expenses of attendance, if any, may be allowed for attendance at each annual, regular or special meeting of the board. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Directors who serve on the executive committee or on any standing or special committee may, by resolution of the board, be allowed such compensation for their services as the board may deem reasonable, and additional compensation may be allowed to directors for special services rendered.

ARTICLE III

Committees

Section 1. Executive Committee. The board of directors may from time to time, by resolution passed by a majority of the whole board, create an executive committee of one or more directors, the members of which shall be elected by the board of directors to serve during the pleasure of the board. If the board of directors does not designate a chairman of the executive committee, the executive committee shall elect a chairman from its own number. Except as otherwise provided herein, prohibited by law or in the resolution creating an executive committee, such committee shall, during the intervals between the meetings of the board of directors, possess and may exercise all of the powers of the board of directors in the management of the business and affairs of the Corporation, other than that of filling vacancies among the directors or in any committee of the directors. The executive committee shall keep full records and accounts of its proceedings and transactions. All action by the executive committee shall be reported to the board of directors at its meeting next succeeding such action and shall be subject to control, revision and alteration by the board of directors, provided that no rights of third persons shall be prejudicially affected thereby. Vacancies in the executive committee shall be filled by the directors, and the directors may appoint one or more directors as alternate members of the committee who may take the place of any absent member or members at any meeting.

Section 2. Meetings of Executive Committee. Subject to the provisions of these Bylaws, the executive committee shall fix its own rules of procedure and shall meet as provided by such rules or by resolutions of the board of directors, and it shall also meet at the call of the chairman of the board, the chief executive officer, the president, the chairman of the executive committee or any two members of the committee. Unless otherwise provided by such rules or by such resolutions, the provisions of Section 10 of Article II relating to the notice required to be given of meetings of the board of directors shall also apply to meetings of the members of the executive committee. A majority of the executive committee shall be necessary to constitute a quorum. The executive committee may act in writing without a meeting, but no such action of the executive committee shall be effective unless concurred in by all members of the committee.

Section 3. Other Committees. The board of directors may by resolution provide for such other standing or special committees as it deems desirable, and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties, not

inconsistent with law, as may be delegated to it by the board of directors. The provisions of Section 1 and Section 2 of this Article shall govern the appointment and action of such committees so far as consistent, unless otherwise provided by the board of directors. Vacancies in such committees shall be filled by the board of directors or as the board of directors may provide.

ARTICLE IV

Officers

Section 1. General Provisions. The board of directors shall elect officers, which shall include a president, a secretary and a treasurer. The board of directors may also elect a chairman of the board of directors, a chief executive officer, such number of vice presidents, if any, may create such offices and appoint such other officers, subordinate officers and assistant officers as it may from time to time determine. The chairman of the board, if one is elected, shall be, but the other officers need not be, chosen from among the members of the board of directors. Any two or more of such offices may be held by the same person.

Section 2. Term of Office. The officers of the Corporation shall hold office during the pleasure of the board of directors, and, unless sooner removed by the board of directors, until the annual meeting of the board of directors following the date of their election and until their successors are chosen and qualified. The board of directors may remove any officer at any time, with or without cause. A vacancy in any office, however created, shall be filled by the board of directors.

ARTICLE V

Duties of Officers

Section 1. Chairman of the Board. The chairman of the board, if any, shall preside at all meetings of the board of directors and meetings of stockholders and shall have such other powers and duties as may be prescribed by the board of directors.

Section 2. Chief Executive Officer. The chief executive officer, if any, shall have, subject to the powers of the board of directors, charge of the overall general direction of the business and affairs of the Corporation, control of the general policies relating to all aspects of the Corporation's business operations, and the power to fix the compensation of officers and the power to remove officers. In the absence of the chairman of the board, or if none is elected, the chief executive officer shall preside at meetings of stockholders. The chief executive officer may appoint and discharge agents and employees and perform such other duties as are incident to such office. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these Bylaws. In the absence or disability of the chief executive officer, or if no chief executive officer is elected or appointed, the president shall perform any and all duties of the chief executive officer.

Section 3. President. The president shall be the chief operating officer of the Corporation and shall have such other powers and duties as may be prescribed by the board of directors or the chief executive officer. The president shall have authority to sign all certificates for stock and all deeds, mortgages, bonds, agreements, notes, and other instruments requiring the president's signature; and shall have all the powers and duties prescribed by law and such others as the board of directors may from time to time assign.

Section 4. Vice Presidents. The vice presidents shall have such powers and duties as may from time to time be assigned to them by the board of directors, the chief executive officer or the president. At the request of the chief executive officer or the president, or in the case of such officer's absence or disability, the vice president designated by the president (or in the absence of such designation, the vice president designated by the board) shall perform all the duties of the president and, when so acting, shall have all the powers of the president. The authority of vice presidents to sign in the name of the Corporation certificates for stock and deeds, mortgages, bonds, agreements, notes and other instruments shall be coordinate with like authority of the president.

Section 5. Secretary. The secretary shall keep minutes of all the proceedings of the stockholders and the board of directors and shall make proper record of the same, which shall be attested by the secretary; shall have authority to execute and deliver certificates as to any of such proceedings and any other records of the Corporation; shall have authority to sign all certificates for stock and all deeds, mortgages, bonds, agreements, notes and other instruments to be executed by the Corporation which require the secretary's signature; shall give notice of meetings of stockholders and directors; shall produce on request at each meeting of stockholders a certified list of stockholders arranged in alphabetical order; shall keep such books and records as may be required by law or by the board of directors; and, in general, shall perform all duties incident to the office of secretary and such other duties as may from time to time be assigned by the board of directors, the chief executive officer or the president.

Section 6. Treasurer. The treasurer shall have general supervision of all finances; shall have in charge all money, bills, notes, deeds, leases, mortgages and similar property belonging to the Corporation, and shall do with the same as may from time to time be required by the board of directors. The treasurer shall cause to be kept adequate and correct accounts of the business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, stated capital and stock, together with such other accounts as may be required; and shall have such other powers and duties as may from time to time be assigned by the board of directors, the chief executive officer or the president.

Section 7. Assistant and Subordinate Officers. Each other officer shall perform such duties as the board of directors, the chief executive officer or the president may prescribe. The board of directors may, from time to time, authorize any officer to appoint and remove subordinate officers, to prescribe their authority and duties, and to fix their compensation.

Section 8. Duties of Officers May Be Delegated. In the absence of any officer of the Corporation, or for any other reason the board of directors may deem sufficient, the board of

directors may delegate, for the time being, the powers or duties, or any of them, of such officers to any other officer or to any director.

ARTICLE VI

Indemnification and Insurance

Section 1. Indemnification in Non-Derivative Actions. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that the person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, member, manager, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful.

Section 2. Indemnification in Derivative Actions. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, member, manager, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 3. Indemnification as a Matter of Right. To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article VI, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses

(including attorneys' fees) actually and reasonably incurred by the person in connection therewith.

Section 4. Determination of Conduct. Any indemnification under Sections 1 and 2 of this Article VI (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VI. Such determination shall be made (i) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders.

Section 5. Advance Payment of Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this section.

Section 6. Nonexclusivity. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office.

Section 7. Liability Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, member, manager, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise against any liability asserted against, and incurred by, such person in any such capacity, or arising out of the person's status as such, whether or not the Corporation would have the power to indemnify the person against such liability.

Section 8. Corporation. For purposes of this Article VI, references to "the Corporation" shall include, in addition to the resulting entity, any constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, members, managers, employees or agents, so that any person who is or was a director, officer, member, manager, employee or agent of such constituent entity, or is or was serving at the request of such constituent entity as a director, officer, member, manager, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving entity as that person would have with respect to such constituent entity if its separate existence had continued.

Section 9. Employee Benefit Plans. For purposes of this Article VI, references to any “other enterprise” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the Corporation” shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Article VI.

Section 10. Continuation. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VI shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE VII

Certificates for Stock

Section 1. Form and Execution. Certificates for stock, certifying the number of full-paid shares owned, may be issued to each stockholder in such form as shall be approved by the board of directors. Such certificates shall be signed by any two of the following officers of the Corporation: the chairman or vice-chairman of the board of directors, the chief executive officer, the president, a vice president, the treasurer, an assistant treasurer, the secretary or an assistant secretary; provided, however, that the signatures of any of such officers and the seal of the Corporation upon such certificates may be facsimiles, engraved, stamped or printed. If any officer or officers who shall have signed, or whose facsimile signature shall have been used, printed or stamped on any certificate or certificates for stock, shall cease to be such officer or officers, because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates shall nevertheless be as effective in all respects as though signed by a duly elected, qualified and authorized officer or officers, and as though the person or persons who signed such certificate or certificates, or whose facsimile signature or signatures shall have been used thereon, had not ceased to be an officer or officers of the Corporation.

Section 2. Registration of Transfer. Any certificate for stock of the Corporation shall be transferable in person or by attorney upon the surrender thereof to the Corporation or any transfer agent therefor (for the class of stock represented by the certificate surrendered) properly endorsed for transfer and accompanied by such assurances as the Corporation or such transfer agent may require as to the genuineness and effectiveness of each necessary endorsement.

Section 3. Lost, Destroyed or Stolen Certificates. A new stock certificate or certificates may be issued in place of any certificate theretofore issued by the Corporation which is alleged to have been lost, destroyed or wrongfully taken upon (i) the execution and delivery to

the Corporation by the person claiming the certificate to have been lost, destroyed or wrongfully taken of an affidavit of that fact, specifying whether or not, at the time of such alleged loss, destruction or taking, the certificate was endorsed, and (ii) the furnishing to the Corporation of indemnity and other assurances, if any, satisfactory to the Corporation and to all transfer agents and registrars of the class of stock represented by the certificate against any and all losses, damages, costs, expenses or liabilities to which they or any of them may be subjected by reason of the issue and delivery of such new certificate or certificates or in respect of the original certificate.

Section 4. Registered Stockholders. A person in whose name stock is of record on the books of the Corporation shall conclusively be deemed the unqualified owner and holder thereof for all purposes and to have capacity to exercise all rights of ownership. Neither the Corporation nor any transfer agent of the Corporation shall be bound to recognize any equitable interest in or claim to such stock on the part of any other person, whether disclosed upon such certificate or otherwise, nor shall they be obliged to see to the execution of any trust or obligation.

ARTICLE VIII

Fiscal Year

The fiscal year of the Corporation shall end on such date in each year as shall be designated from time to time by the board of directors.

ARTICLE IX

Seal

The board of directors may provide a suitable seal containing the name of the Corporation. If deemed advisable by the board of directors, duplicate seals may be provided and kept for the purposes of the Corporation.

ARTICLE X

Amendments

These Bylaws shall be subject to alteration, amendment, repeal, or the adoption of new Bylaws either by the affirmative vote of a majority of the board of directors or by written consent of all members of the board of directors, or by the affirmative vote or written consent of the holders of record of a majority of the outstanding stock of the Corporation, present in person or represented by proxy and entitled to vote in respect thereof, given at an annual meeting or at any special meeting at which a quorum shall be present.

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:08 AM 04/08/2022
FILED 10:08 AM 04/08/2022
SR 20221367532 - File Number 6724974

CERTIFICATE OF INCORPORATION
OF
CONSTELLATION CPI HOLDCO, INC.

ARTICLE ONE

The name of the corporation is Constellation CPI Holdco, Inc. (hereinafter called the "Corporation").

ARTICLE TWO

The address of the Corporation's registered office in the State of Delaware is 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE THREE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE FOUR

The total number of shares which the Corporation shall have the authority to issue is one hundred (100) shares, all of which shall be shares of Common Stock, with a par value of \$0.01 per share.

ARTICLE FIVE

The name and mailing address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
Laura-Jayne Urso	c/o Kirkland & Ellis LLP 601 Lexington Avenue New York, NY 10022

ARTICLE SIX

The directors shall have the power to adopt, amend or repeal Bylaws, except as may be otherwise be provided in the Bylaws.

ARTICLE SEVEN

The Corporation expressly elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware.

ARTICLE EIGHT

Section 1. Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he (or a person of whom he is the legal representative), is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the Corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 of this Article Eight, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Article Eight shall be a contract right and, subject to Sections 2 and 5 of this Article Eight, shall include the right to payment by the Corporation of the expenses incurred in defending any such proceeding in advance of its final disposition. The Corporation may, by action of the Board of Directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Section 2. Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the Corporation under Section 1 of this Article Eight or advance of expenses under Section 5 of this Article Eight shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the Corporation that the director or officer is entitled to indemnification pursuant to this Article Eight is required, and the Corporation fails to respond within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved the request. If the Corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article Eight shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall

also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the Corporation. Neither the failure of the Corporation (including the Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. Nonexclusively of Article Eight. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article Eight shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 4. Insurance. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the Corporation or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the Corporation would have the power to indemnify such person against such liability under this Article Eight.

Section 5. Expenses. Expenses incurred by any person described in Section 1 of this Article Eight in defending a proceeding shall be paid by the Corporation in advance of such proceeding's final disposition unless otherwise determined by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

Section 6. Employees and Agents. Persons who are not covered by the foregoing provisions of this Article Eight and who are or were employees or agents of the Corporation, or who are or were serving at the request of the Corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the Board of Directors.

Section 7. Contract Rights. The provisions of this Article Eight shall be deemed to be a contract right between the Corporation and each director or officer who serves in any such capacity at any time while this Article Eight and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article Eight or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Section 8. Merger or Consolidation. For purposes of this Article Eight, references to “the Corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article Eight with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE NINE

The Corporation reserves the right to amend or repeal any provisions contained in this Certificate of Incorporation from time to time and at any time in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights conferred upon stockholders and directors are granted subject to such reservation.

I, the undersigned, being the sole incorporator hereinbefore named, for the purpose of forming a corporation in pursuance of the General Corporation Law of the State of Delaware, do make and file this certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this 8th day of April 2022.

/s/ LAURA-JAYNE URSO

Laura-Jayne Urso
Sole Incorporator

CERTIFICATE OF CORRECTION
OF
CERTIFICATE OF INCORPORATION
OF
CONSTELLATION CPI HOLDCO, INC.

Constellation CPI Holdco, Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name of the corporation is Constellation CPI Holdco, Inc. (the “Corporation”).
2. The Certificate of Incorporation of the Corporation (the “Certificate of Incorporation”) was filed with the Secretary of State of the State of Delaware on April 8, 2022 and said Certificate of Incorporation requires correction as permitted by subsection (f) of Section 103 of the General Corporation Law of the State of Delaware.
3. The inaccuracy or defect of the Certificate of Incorporation to be corrected is that due to a clerical error the name of the corporation was inaccurately set forth in the Certificate of Incorporation.
4. Article One of the Certificate of Incorporation is corrected by amending and restating such section in its entirety to read as follows:

“Article One

The name of the Corporation is “Iceman Holdco, Inc.”

5. All other provisions of the Certificate of Incorporation remain unchanged.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Correction of the Certificate of Incorporation to be executed by its duly authorized officer on this 11th day of April 2022.

CONSTELLATION CPI HOLDCO, INC.

By: /s/ Laura-Jayne Urso
Name: Laura-Jayne Urso
Title: Incorporator

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:53 PM 04/11/2022
FILED 02:53 PM 04/11/2022
SR 20221397646 –File Number 6724974

FIRST AMENDED AND RESTATED BYLAWS
OF
ICEMAN HOLDCO, INC.,
A DELAWARE CORPORATION

ARTICLE I

Meetings of Stockholders

Section 1. Annual Meetings. The annual meeting of stockholders shall be held at such time and place and on such date in each year as may be fixed by the board of directors and stated in the notice of the meeting, for the election of directors and the transaction of such other business as may properly come before the meeting.

Section 2. Special Meetings. Special meetings of the stockholders may be called upon the written request of the chairman of the board of directors, the chief executive officer, the president, the directors by action at a meeting, a majority of the directors acting without a meeting, or of the holders of stock entitling them to exercise a majority of the voting power of the Corporation entitled to vote thereat. Calls for such meetings shall specify the purposes thereof. No business other than that specified in the call shall be considered at any special meeting.

Section 3. Notices of Meetings. Unless waived, and except as otherwise required by law, written notice of each annual or special meeting stating the date, time, place and purposes thereof shall be given by personal delivery or by mail to each stockholder of record entitled to vote at or entitled to notice of the meeting, not more than sixty days nor less than ten days before any such meeting. If mailed, such notice shall be directed to the stockholder at the stockholder's address as the same appears upon the records of the Corporation. Any stockholder, either before or after any meeting, may waive any notice required to be given by law or under these Bylaws.

Section 4. Place of Meetings. Meetings of stockholders shall be held at the principal office of the Corporation unless the board of directors determines that a meeting shall be held at some other place within or without the State of Delaware and causes the notice thereof to so state.

Section 5. Quorum. The holders of stock entitling them to exercise a majority of the voting power of the Corporation entitled to vote at any meeting, present in person or by proxy, shall constitute a quorum for the transaction of business to be considered at such meeting; provided, however, that no action required by law or by the Certificate of Incorporation or these Bylaws to be authorized or taken by the holders of a designated proportion of the stock of any particular class or of each class may be authorized or taken by a lesser proportion; and provided, further, that if a separate class vote is required with respect to any matter, the holders of a majority of the outstanding stock of such class, present in person or by proxy, shall constitute a quorum of such class, and the affirmative vote of the majority of stock of such class so present shall be the act of such class. The holders of a majority of the voting stock represented at a

meeting, whether or not a quorum is present, may adjourn such meeting from time to time, until a quorum shall be present.

Section 6. Record Date. The board of directors may fix a record date for any lawful purpose, including, without limiting the generality of the foregoing, the determination of stockholders entitled to (i) receive notice of or to vote at any meeting of stockholders or any adjournment thereof or to express consent to corporate action in writing without a meeting, (ii) receive payment of any dividend or other distribution or allotment of any rights, or (iii) exercise any rights in respect of any change, conversion or exchange of stock. Such record date shall not precede the date on which the resolution fixing the record date is adopted by the board of directors. Such record date shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days before the date fixed for the payment of any dividend or distribution or the date fixed for the receipt or the exercise of rights, nor more than ten days after the date on which the resolution fixing the record date for such written consent is adopted by the board of directors, as the case may be.

If a record date shall not be fixed in respect of any such matter, the record date shall be determined in accordance with the Delaware General Corporation Law.

Section 7. Proxies. A person who is entitled to attend a stockholders' meeting, to vote thereat, or to execute consents, waivers or releases, may be represented at such meeting or vote thereat, and execute consents, waivers and releases, and exercise any of the person's other rights, by proxy or proxies appointed by a writing signed by such person.

ARTICLE II

Directors

Section 1. Number of Directors. The number of directors constituting the board of directors of the Corporation, none of whom need be stockholders, shall be fixed from time to time by resolution of the stockholders or by vote of a majority of the board of directors then in office.

Section 2. Election of Directors. Directors shall be elected at the annual meeting of stockholders, but when the annual meeting is not held or directors are not elected thereat, they may be elected at a special meeting called and held for that purpose. Such election shall be by ballot whenever requested by any stockholder entitled to vote at such election, but unless such request is made, the election may be conducted in any manner approved at such meeting.

At each meeting of stockholders for the election of directors, the persons receiving the greatest number of votes shall be directors.

Section 3. Term of Office. Each director shall hold office until the annual meeting next succeeding such director's election and until such director's successor is elected and qualified, or until such director's earlier resignation, removal from office or death.

Section 4. Removal. Any individual director may be removed from office, without assigning any cause, by the vote of the holders of a majority of the voting power entitling them to elect directors in place of those to be removed.

Section 5. Vacancies. Vacancies in the board of directors may be filled by a majority vote of the remaining directors until an election to fill such vacancies is held. Stockholders entitled to elect directors shall have the right to fill any vacancy in the board (whether the same has been temporarily filled by the remaining directors or not) at any meeting of the stockholders called for that purpose, and any directors elected at any such meeting of stockholders shall serve until the next annual election of directors and until such director's successor has been elected and qualified.

Section 6. Quorum and Transaction of Business. A majority of the whole authorized number of directors shall constitute a quorum for the transaction of business, except that a majority of the directors in office shall constitute a quorum for filling a vacancy on the board. Whenever less than a quorum is present at the time and place appointed for any meeting of the board, a majority of those directors present may adjourn the meeting from time to time, until a quorum shall be present. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board.

Section 7. Annual Meeting. Annual meetings of the board of directors shall be held immediately following annual meetings of the stockholders, or as soon thereafter as is practicable. If no annual meeting of the stockholders is held, or if directors are not elected thereat, then the annual meeting of the board of directors shall be held immediately following any special meeting of the stockholders at which directors are elected, or as soon thereafter as is practicable. If such annual meeting of directors is held immediately following a meeting of the stockholders, it shall be held at the same place at which such stockholders' meeting was held.

Section 8. Regular Meetings. Regular meetings of the board of directors shall be held at such times and places, within or without the State of Delaware, as the board of directors may, by resolution, from time to time determine. The secretary shall give notice of each such resolution to any director who was not present at the time the same was adopted, but no further notice of such regular meeting need be given.

Section 9. Special Meetings. Special meetings of the board of directors may be called by the chairman of the board, the chief executive officer, the president, any vice president or any two members of the board of directors, and shall be held at such times and places, within or without the State of Delaware, as may be specified in such call.

Section 10. Notice of Annual or Special Meetings. Notice of the time and place of each annual or special meeting shall be given to each director by the secretary or by the person or persons calling such meeting. Such notice need not specify the purpose or purposes of the meeting and may be given in any manner or method and at such time so that the director receiving it may have a reasonable opportunity to attend the meeting. Such notice shall, in all events, be deemed to have been properly and duly given if mailed at least three days prior to the meeting and directed to the residence of each director as shown upon the secretary's records.

The giving of notice shall be deemed to have been waived by any director who shall attend and participate in such meeting and may be waived, in writing, by any director either before or after such meeting.

Section 11. Compensation. The directors, as such, shall be entitled to receive such reasonable compensation, if any, for their services as may be fixed from time to time by resolution of the board, and expenses of attendance, if any, may be allowed for attendance at each annual, regular or special meeting of the board. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Directors who serve on the executive committee or on any standing or special committee may, by resolution of the board, be allowed such compensation for their services as the board may deem reasonable, and additional compensation may be allowed to directors for special services rendered.

ARTICLE III

Committees

Section 1. Executive Committee. The board of directors may from time to time, by resolution passed by a majority of the whole board, create an executive committee of one or more directors, the members of which shall be elected by the board of directors to serve during the pleasure of the board. If the board of directors does not designate a chairman of the executive committee, the executive committee shall elect a chairman from its own number. Except as otherwise provided herein, prohibited by law or in the resolution creating an executive committee, such committee shall, during the intervals between the meetings of the board of directors, possess and may exercise all of the powers of the board of directors in the management of the business and affairs of the Corporation, other than that of filling vacancies among the directors or in any committee of the directors. The executive committee shall keep full records and accounts of its proceedings and transactions. All action by the executive committee shall be reported to the board of directors at its meeting next succeeding such action and shall be subject to control, revision and alteration by the board of directors, provided that no rights of third persons shall be prejudicially affected thereby. Vacancies in the executive committee shall be filled by the directors, and the directors may appoint one or more directors as alternate members of the committee who may take the place of any absent member or members at any meeting.

Section 2. Meetings of Executive Committee. Subject to the provisions of these Bylaws, the executive committee shall fix its own rules of procedure and shall meet as provided by such rules or by resolutions of the board of directors, and it shall also meet at the call of the chairman of the board, the chief executive officer, the president, the chairman of the executive committee or any two members of the committee. Unless otherwise provided by such rules or by such resolutions, the provisions of Section 10 of Article II relating to the notice required to be given of meetings of the board of directors shall also apply to meetings of the members of the executive committee. A majority of the executive committee shall be necessary to constitute a quorum. The executive committee may act in writing without a meeting, but no such action of the executive committee shall be effective unless concurred in by all members of the committee.

Section 3. Other Committees. The board of directors may by resolution provide for such other standing or special committees as it deems desirable, and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be delegated to it by the board of directors. The provisions of Section 1 and Section 2 of this Article shall govern the appointment and action of such committees so far as consistent, unless otherwise provided by the board of directors. Vacancies in such committees shall be filled by the board of directors or as the board of directors may provide.

ARTICLE IV

Officers

Section 1. General Provisions. The board of directors shall elect officers, which shall include a president, a secretary and a treasurer. The board of directors may also elect a chairman of the board of directors, a chief executive officer, such number of vice presidents, if any, may create such offices and appoint such other officers, subordinate officers and assistant officers as it may from time to time determine. The chairman of the board, if one is elected, shall be, but the other officers need not be, chosen from among the members of the board of directors. Any two or more of such offices may be held by the same person.

Section 2. Term of Office. The officers of the Corporation shall hold office during the pleasure of the board of directors, and, unless sooner removed by the board of directors, until the annual meeting of the board of directors following the date of their election and until their successors are chosen and qualified. The board of directors may remove any officer at any time, with or without cause. A vacancy in any office, however created, shall be filled by the board of directors.

ARTICLE V

Duties of Officers

Section 1. Chairman of the Board. The chairman of the board, if any, shall preside at all meetings of the board of directors and meetings of stockholders and shall have such other powers and duties as may be prescribed by the board of directors.

Section 2. Chief Executive Officer. The chief executive officer, if any, shall have, subject to the powers of the board of directors, charge of the overall general direction of the business and affairs of the Corporation, control of the general policies relating to all aspects of the Corporation's business operations, and the power to fix the compensation of officers and the power to remove officers. In the absence of the chairman of the board, or if none is elected, the chief executive officer shall preside at meetings of stockholders. The chief executive officer may appoint and discharge agents and employees and perform such other duties as are incident to such office. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these Bylaws. In

the absence or disability of the chief executive officer, or if no chief executive officer is elected or appointed, the president shall perform any and all duties of the chief executive officer.

Section 3. President. The president shall be the chief operating officer of the Corporation and shall have such other powers and duties as may be prescribed by the board of directors or the chief executive officer. The president shall have authority to sign all certificates for stock and all deeds, mortgages, bonds, agreements, notes, and other instruments requiring the president's signature; and shall have all the powers and duties prescribed by law and such others as the board of directors may from time to time assign.

Section 4. Vice Presidents. The vice presidents, if any, shall have such powers and duties as may from time to time be assigned to them by the board of directors, the chief executive officer or the president. At the request of the chief executive officer or the president, or in the case of such officer's absence or disability, the vice president designated by the president (or in the absence of such designation, the vice president designated by the board) shall perform all the duties of the president and, when so acting, shall have all the powers of the president. The authority of vice presidents to sign in the name of the Corporation certificates for stock and deeds, mortgages, bonds, agreements, notes and other instruments shall be coordinate with like authority of the president.

Section 5. Secretary. The secretary shall keep minutes of all the proceedings of the stockholders and the board of directors and shall make proper record of the same, which shall be attested by the secretary; shall have authority to execute and deliver certificates as to any of such proceedings and any other records of the Corporation; shall have authority to sign all certificates for stock and all deeds, mortgages, bonds, agreements, notes and other instruments to be executed by the Corporation which require the secretary's signature; shall give notice of meetings of stockholders and directors; shall produce on request at each meeting of stockholders a certified list of stockholders arranged in alphabetical order; shall keep such books and records as may be required by law or by the board of directors; and, in general, shall perform all duties incident to the office of secretary and such other duties as may from time to time be assigned by the board of directors, the chief executive officer or the president.

Section 6. Treasurer. The treasurer shall have general supervision of all finances; shall have in charge all money, bills, notes, deeds, leases, mortgages and similar property belonging to the Corporation, and shall do with the same as may from time to time be required by the board of directors. The treasurer shall cause to be kept adequate and correct accounts of the business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, stated capital and stock, together with such other accounts as may be required; and shall have such other powers and duties as may from time to time be assigned by the board of directors, the chief executive officer or the president.

Section 7. Assistant and Subordinate Officers. Each other officer shall perform such duties as the board of directors, the chief executive officer or the president may prescribe. The board of directors may, from time to time, authorize any officer to appoint and remove subordinate officers, to prescribe their authority and duties, and to fix their compensation.

Section 8. Duties of Officers May Be Delegated. In the absence of any officer of the Corporation, or for any other reason the board of directors may deem sufficient, the board of directors may delegate, for the time being, the powers or duties, or any of them, of such officers to any other officer or to any director.

ARTICLE VI

Indemnification of Officers, Directors and Others

Section 1. Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “proceeding”), by reason of the fact that he (or a person of whom he is the legal representative), is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the Corporation to the fullest extent to which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys’ fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 of this Article VI, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the Corporation. The right to indemnification conferred in this Article VI shall be a contract right and, subject to Sections 2 and 5 of this Article VI, shall include the right to payment by the Corporation of the expenses incurred in defending any such proceeding in advance of its final disposition. The Corporation may, by action of the board of directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Section 2. Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the Corporation under Section 1 of this Article VI or advance of expenses under Section 5 of this Article VI shall be made promptly, and in any event within thirty days, upon the written request of the director or officer. If a determination by the Corporation that the director or officer is entitled to indemnification pursuant to this Article VI is required, and the Corporation fails to respond within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved the request. If the Corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within thirty days, the right to indemnification or advances as granted by this Article VI shall be enforceable by the director or

officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the Corporation. Neither the failure of the Corporation (including the board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. Nonexclusively of Article VI. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article VI shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 4. Insurance. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the Corporation or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the Corporation would have the power to indemnify such person against such liability under this Article VI.

Section 5. Expenses. Expenses incurred by any person described in Section 1 of this Article VI in defending a proceeding shall be paid by the Corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Section 6. Employees and Agents. Persons who are not covered by the foregoing provisions of this Article VI and who are or were employees or agents of the Corporation, or who are or were serving at the request of the Corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

Section 7. Contract Rights. The provisions of this Article VI shall be deemed to be a contract right between the Corporation and each director or officer who serves in any such capacity at any time while this Article VI and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article VI or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Section 8. Merger or Consolidation. For purposes of this Article VI, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article VI with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VII

Certificates for Stock

Section 1. Form and Execution. Certificates for stock, certifying the number of full-paid shares owned, shall be issued to each stockholder in such form as shall be approved by the board of directors. Such certificates shall be signed by any two of the following officers of the Corporation: the chairman or vice-chairman of the board of directors, the chief executive officer, the president, a vice president, the treasurer, an assistant treasurer, the secretary or an assistant secretary; provided, however, that the signatures of any of such officers and the seal of the Corporation upon such certificates may be facsimiles, engraved, stamped or printed. If any officer or officers who shall have signed, or whose facsimile signature shall have been used, printed or stamped on any certificate or certificates for stock, shall cease to be such officer or officers, because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates shall nevertheless be as effective in all respects as though signed by a duly elected, qualified and authorized officer or officers, and as though the person or persons who signed such certificate or certificates, or whose facsimile signature or signatures shall have been used thereon, had not ceased to be an officer or officers of the Corporation.

Section 2. Registration of Transfer. Any certificate for stock of the Corporation shall be transferable in person or by attorney upon the surrender thereof to the Corporation or any transfer agent therefor (for the class of stock represented by the certificate surrendered) properly endorsed for transfer and accompanied by such assurances as the Corporation or such transfer agent may require as to the genuineness and effectiveness of each necessary endorsement.

Section 3. Lost, Destroyed or Stolen Certificates. A new stock certificate or certificates may be issued in place of any certificate theretofore issued by the Corporation which is alleged to have been lost, destroyed or wrongfully taken upon (i) the execution and delivery to the Corporation by the person claiming the certificate to have been lost, destroyed or wrongfully taken of an affidavit of that fact, specifying whether or not, at the time of such alleged loss, destruction or taking, the certificate was endorsed, and (ii) the furnishing to the Corporation of indemnity and other assurances, if any, satisfactory to the Corporation and to all transfer agents and registrars of the class of stock represented by the certificate against any and all losses, damages, costs, expenses or liabilities to which they or any of them may be subjected by reason of the issue and delivery of such new certificate or certificates or in respect of the original certificate.

Section 4. Registered Stockholders. A person in whose name stock is of record on the books of the Corporation shall conclusively be deemed the unqualified owner and holder thereof for all purposes and to have capacity to exercise all rights of ownership. Neither the Corporation nor any transfer agent of the Corporation shall be bound to recognize any equitable interest in or claim to such stock on the part of any other person, whether disclosed upon such certificate or otherwise, nor shall they be obliged to see to the execution of any trust or obligation.

ARTICLE VIII

Fiscal Year

The fiscal year of the Corporation shall end on such date in each year as shall be designated from time to time by the board of directors.

ARTICLE IX

Seal

The board of directors may provide a suitable seal containing the name of the Corporation. If deemed advisable by the board of directors, duplicate seals may be provided and kept for the purposes of the Corporation.

ARTICLE X

Amendments

These Bylaws shall be subject to alteration, amendment, repeal, or the adoption of new Bylaws either by the affirmative vote of a majority of the board of directors or by written consent of all members of the board of directors, or by the affirmative vote or written consent of the holders of record of a majority of the outstanding stock of the Corporation, present in person or represented by proxy and entitled to vote in respect thereof, given at an annual meeting or at any special meeting at which a quorum shall be present.

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:08 AM 04/08/2022
FILED 10:08AM 04/08/2022
SR 20221367538 - FileNumber 6724981

CERTIFICATE OF FORMATION
OF
CONSTELLATION CPI MIDCO, LLC

This Certificate of Formation of Constellation CPI Midco, LLC (the "LLC") has been duly executed and is being filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (Title 6, Chapter 18, Delaware Code § 18-201, et. seq.).

FIRST. The name of the limited liability company formed hereby is Constellation CPI Midco, LLC.

SECOND. The address of the registered office of the LLC in the State of Delaware is c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, DE 19808.

THIRD. The name and address of the registered agent for service of process on the LLC in the State of Delaware is the Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, DE 19808.

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Formation as of this 8th day of April 2022.

Constellation CPI Midco, LLC

By: /s/ Laura-Jayne Urso
Name: Laura-Jayne Urso
Title: Authorized Person

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:53 PM 04/11/2022
FILED 02:53 PM 04/11/2022
SR 20221397648 - FileNumber 6724981

**CERTIFICATE OF CORRECTION
TO
CERTIFICATE OF FORMATION
OF
CONSTELLATION CPI MIDCO, LLC**

This undersigned, being duly authorized to execute and file this Certificate of Correction to Certificate of Formation for the purpose of correcting the Certificate of Formation pursuant to the Section 18-211 of the Limited Liability Company Act of the State of Delaware, does hereby certify as follows:

FIRST

The name of the limited liability company is Constellation CPI Midco, LLC (the "Company") and the Certificate of Formation was filed with the Secretary of State of Delaware on April 8, 2022.

SECOND

Due to a typographical error, the entity name was incorrectly stated, Article First of the Certificate of Formation of the Company and the heading of the Certificate of Formation inaccurately reflects the name of the Company and is hereby corrected as follows:

FIRST

The name of the limited liability company is "Iceman Intermediate Midco, LLC"

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Correction to Certificate of Formation as of the 11th day of April, 2022.

By: /s/ Laura-Jayne Urso
Name: Laura-Jayne Urso
Title: Authorized Person

First Amended and Restated Limited Liability Company Agreement**OF****Iceman Intermediate Midco, LLC,****A Delaware Limited Liability Company**

The undersigned, being the sole member of Iceman Intermediate Midco, LLC, a Delaware limited liability company (the "Company"), does hereby execute this First Amended and Restated Operating Agreement of the Company (this "Agreement"), effective as of this 6th day of June, 2024.

RECITALS

WHEREAS, the Company was originally formed as a limited liability company pursuant to the provisions of the Delaware Limited Liability Company Act (as amended from time to time, the "Law");

WHEREAS, the Member desires to replace all previous operating agreements, limited liability company agreements, and other such agreements governing the conduct of the Company with the terms and conditions set forth herein and enter into this Agreement.

ARTICLE I**MEMBER**

Iceman Holdco, Inc., a Delaware corporation, is the sole member of the Company (the "Member").

ARTICLE II**OFFICE**

The principal office of the Company shall be located at 1350 Euclid Avenue, Suite 1600, Cleveland, OH 44115 (the "Principal Office"). The Company may have such other offices as the Member may designate or as the business of the Company may require.

ARTICLE III

PURPOSE

The sole purpose for which the Company is organized is to conduct any lawful business purpose as defined in the Law. The Company shall have all of the powers granted to a limited liability company under the laws of the Delaware.

ARTICLE IV

DURATION OF THE COMPANY

The Company shall continue in perpetuity unless terminated sooner by operation of law or by decision of the Member.

ARTICLE V

CAPITAL CONTRIBUTIONS

The Member may in the future contribute any additional capital deemed necessary by the Member for the operation of the Company.

ARTICLE VI

OWNERSHIP OF MEMBERSHIP INTERESTS

The Member shall own all of the membership interests in the Company and the Member shall have a 100% distributive share of the Company's profits, losses and cash flow.

ARTICLE VII

MANAGEMENT

The Member will manage the affairs of the Company, but shall be entitled to appoint or authorize representatives, including, but not limited to, such officers as the Member may deem necessary, to Law on behalf of the Company and to delegate the authority otherwise reserved to the Member to such representatives. The signature of the Member of the Company shall be sufficient to bind the Company with respect to any matter on which the Member shall be required or entitled to act. The Member has the power, on behalf of the Company, to do all things necessary or convenient to carry out the business and affairs of the Company. A copy of this Agreement may be shown to third parties (and all third parties may rely hereupon) in order to confirm the identity and authorization of the Member.

ARTICLE VIII

PLEDGE OF MEMBERSHIP INTEREST

Notwithstanding any other provision in this Agreement, the Member shall be entitled to pledge its membership interest, including all interests, economic rights, voting rights, control rights and status rights as a member, to, and otherwise grant a lien and security interest in its membership interest and all of its right, title and interest under this Agreement in favor of, any lender to the Company or an affiliate of the Company (or an agent on behalf of such lender) without any further consents, approvals or actions required by such lender (or agent), the Member, the Company or any other person under this Agreement or otherwise. So long as any such pledge of or security interest in the Member's membership interest is in effect, no consent of the Company or the Member shall be required to permit a pledgee thereof to be substituted for the Member under this Agreement upon the exercise of such pledgee's rights with respect to such membership interest. Notwithstanding anything contained herein to the contrary, and without complying with any other procedures set forth in this Agreement, upon the exercise of remedies in connection with a pledge or hypothecation, (a) the lender (or agent) or transferee of such lender (or agent), as the case may be, shall become a member under this Agreement and shall succeed to all of the rights and powers, including the right to participate in the management of the business and affairs of the Company, and shall be bound by all of the obligations, of a member under this Agreement without taking any further action on the part of such lender (or agent) or transferee, as the case may be, and (b) following such exercise of remedies, the pledging Member shall cease to be a member and shall have no further rights or powers under this Agreement. The execution and delivery of this Agreement by the Member shall constitute any necessary approval of such Member under the Law to the foregoing provisions of this Article 8. So long as any pledge of the Member's membership interest is in effect, this provision shall inure to the benefit of such pledgee and its successors, assigns and designated agents, as an intended third party beneficiary, and no amendment, modification or waiver of, or consent with respect to this provision shall in any event be effective without the prior written consent of such pledgee. All of the foregoing shall be subject to the limitations and other provisions applicable to the exercise of remedies contained in each of the Collateral Agreements. For purposes of the foregoing, "Collateral Agreements" means (1) the Guarantee and Collateral Agreement, dated as of June 23, 2006, as amended and restated as of December 6, 2010, as further amended and restated as of February 14, 2011, and as further amended and restated as of February 28, 2013 (as further amended, restated, amended and restated, supplemented, or otherwise modified from time to time), among TransDigm Inc., certain affiliates of TransDigm Inc. and Goldman Sachs Bank USA, as collateral agent, (2) the Pledge and Security Agreement, dated as of February 13, 2019 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), among TransDigm Inc., certain affiliates of TransDigm Inc. and The Bank of New York Mellon Trust Company, N.A., as the U.S. collateral agent, (3) the Pledge and Security Agreement, dated as of February 24, 2023 (as amended, restated,

amended and restated, supplemented or otherwise modified from time to time), among TransDigm Inc., certain affiliates of TransDigm Inc. and The Bank of New York Mellon Trust Company, N.A., as the U.S. collateral agent, and (4) other security agreements, guarantee agreements and pledge agreements that the Company may enter into from time to time.

ARTICLE IX

BOOKS AND RECORDS

The Company books shall be maintained at the Principal Office. The fiscal year of the Company shall end on such date in each year as shall be designated from time to time by the Member. The Member shall cause all known business transactions pertaining to the purpose of the Company to be entered properly and completely into said books. The Member will prepare and file on behalf of the Company all tax returns in a timely manner.

ARTICLE X

AMENDMENTS

This Agreement may be amended by a written instrument adopted by the Member and executed by the Member at any time, for any purpose, at the sole discretion of the Member.

ARTICLE XI

INDEMNIFICATION

Subject to the limitations of this Article XI, the Company shall indemnify, defend and hold harmless each of the officers, directors, managers, employees, representatives or agents of the Company, and the Member's direct and indirect officers, directors, trustees, partners, limited partners, members, managers, limited partners, shareholders, employees and agents (each, an "Indemnitee") from and against any and all losses, claims, damages, liabilities, expenses (including legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or threatened to be involved, as a party or otherwise, by reason of (i) the business, affairs or assets of the Company or any of its subsidiary, (ii) the management of the business, affairs or assets of the Company or any of its subsidiary or any decision made (including conflict of interest decisions) with respect thereto, or (iii) such Indemnitee's status as an officer, director, manager, employee, representative or agent of the Company or any subsidiary of the Company, or in any capacity in any entity serving at the request of the Company or any

subsidiary of the Company, in each case which relates to or arises out of the Company or any of its subsidiaries, their respective business, affairs or assets, and in each case regardless of whether such Indemnitee continues to be an officer, director, trustee, partner, member, manager, shareholder, employee or agent of the Member or any affiliate of the Member, or an officer, director, manager, employee, representative or agent of the Company or any affiliate of the Company, or serving in any capacity in any entity at the request of the Company or any affiliate of the Company at the time any such liability or expense is paid or incurred, and regardless of whether the liability or expense accrued at or relates to, in whole or in part, any time before, on or after the date hereof.

There shall be no limitations whatsoever to the indemnification of any Indemnitee including, but not limited to, conflict of interest decisions or any violation of the implied covenant of good faith and fair dealing; provided, however, a manager, director, officer or employee of the Company or the Members shall not be entitled to indemnification under this Article XI with respect to any claim, issue or matter in which a final judgment or adjudication adverse to such manager, director, officer or employee, which is not subject to further appeal, establishes that such manager's, director's, officer's or employee's acts constituted willful or intentional misconduct or fraud.

Expenses (including reasonable attorneys' fees and disbursements) incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding shall, be advanced by the Company as incurred prior to the final disposition of such claim, demand, action, suit or proceeding, upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amounts if it is ultimately determined that such Indemnitee is not entitled to indemnification under this Article XI.

The indemnification provided under this Article XI: (i) shall be in addition to, and not in limitation of, any other rights to which any Indemnitee may be entitled under any other agreement, contract or instrument or as a matter of law or otherwise, both as to action in such Indemnitee's capacity as an officer, director, trustee, partner, member, shareholder, employee or agent of the Member or any affiliate of the Member, or an officer, manager, employee, representative or agent of the Company or any affiliate of the Company, and as to action in any other capacity, including, serving at the request of the Company or any of its affiliates in any capacity in any other entity, (ii) shall continue as to any Indemnitee who has ceased to serve in such capacity, and (iii) shall inure to the benefit of the heirs, successors, assigns, administrators and personal representatives of each Indemnitee; provided, however, that any indemnity under this Section 13 by the Company shall be provided out of and to the extent of Company assets only, and the Member (including acting as the liquidator or in any other capacity), shall not have personal liability on account thereof.

The provisions of this Article XI shall survive the transfer of interest of the Member or the dissolution, bankruptcy, insolvency or termination of the Company.

The provisions of this Article XI shall be deemed to be a vested contract right between the Company, the Member and each officer, director, manager, trustee, equityholder, controlling person, partner, employee, representative, attorney or agent of the Company, the Member or their respective affiliates who serves in any such capacity at any time while this Article XI and the relevant provisions of the Law or other applicable law are in effect. Such contract right shall vest for each such Person at the time it, he or she is elected or appointed to such position, and no repeal or modification of this Article XI or any such law shall affect any such vested rights or obligations of any current or former officer, director, manager, trustee, equityholder, controlling person, partner, employee, representative, attorney or agent of the Company or the Member, with respect to any state of facts or proceeding regardless of when occurring.

ARTICLE XII

BANKING

All funds of the Company shall be deposited in one or more Company checking accounts as shall be designated by the Member, and the Member is authorized to sign any such checks or withdrawal forms

ARTICLE XIII

APPLICABILITY OF UCC ARTICLE 8

The Company hereby irrevocably elects that all membership interests in the Company shall be securities governed by Article 8 of the Uniform Commercial Code. Each certificate evidencing membership interests in the Company shall bear the following legend:

“This certificate evidences an interest in Iceman Intermediate Midco, LLC and shall be a security for purposes of Article 8 of the Uniform Commercial Code.”

No change to this provision shall be effective until all outstanding certificates have been surrendered for cancellation and any new certificates thereafter issued shall not bear the foregoing legend.

ARTICLE XIV

MISCELLANEOUS

This Agreement is made by the Member for the exclusive benefit of the Company, the Member, and its successors and assignees. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other person or entity.

Except and only to the extent provided by applicable statute or otherwise in this Agreement, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and the Member with respect to any capital contribution or otherwise.

IN WITNESS WHEREOF, the Member has hereunto set its hand effective the day and year first written above.

Iceman Holdco, Inc., its sole member

By: /s/ Jessica L. Warren
Name: Jessica L. Warren
Its: Secretary

[Signature Page to Iceman Intermediate LLCA]

**SEVENTEENTH AMENDMENT TO THE
RECEIVABLES PURCHASE AGREEMENT**

This SEVENTEENTH AMENDMENT TO THE RECEIVABLES PURCHASE AGREEMENT (this "Amendment"), dated as of July 12, 2024, is entered into by and among the following parties:

- (i) TRANSDIGM RECEIVABLES LLC, a Delaware limited liability company, as Seller;
- (ii) TRANSDIGM INC., a Delaware corporation, as Servicer;
- (iii) PNC BANK, NATIONAL ASSOCIATION, as a Committed Purchaser, as Purchaser Agent for its Purchaser Group and as Administrator ("PNC"); and
- (iv) WELLS FARGO BANK, NATIONAL ASSOCIATION ("Wells Fargo"), as a Committed Purchaser and as Purchaser Agent for its Purchaser Group.
- (v) Capitalized terms used but not otherwise defined herein (including such terms used above) have the respective meanings assigned thereto in the Receivables Purchase Agreement described below.

BACKGROUND

A. The parties hereto and PNC Capital Markets LLC, as structuring agent, have entered into a Receivables Purchase Agreement, dated as of October 21, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified through the date hereof, the "Receivables Purchase Agreement").

B. Concurrently herewith, the parties hereto are entering into that certain Seventh Amended and Restated Fee Letter in connection herewith (the "Amended Fee Letter").

C. The parties hereto desire to amend the Receivables Purchase Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Rebalancing of Capital. On the date hereof, the Seller will repay a portion of the outstanding Capital in the amounts for each Purchaser specified in the flow of funds memorandum attached hereto as Exhibit B; provided that all accrued and unpaid Discount with respect to such Capital so repaid shall be payable by the Seller to PNC on the next occurring Settlement Date. The Seller hereby requests that Wells Fargo fund an Purchase on the date hereof in an amount set forth in Exhibit B hereto. Such Purchase shall be funded by Wells Fargo on the date hereof in accordance with the terms of the Receivables Purchase Agreement and upon satisfaction of all conditions precedent thereto specified in the Receivables Purchase Agreement; provided, however, that no Purchase Notice shall be required therefor. For

administrative convenience, the Seller hereby instructs Wells Fargo to fund the foregoing Purchase by paying the proceeds thereof directly to PNC to the accounts and in the amounts specified in Exhibit B hereto to be applied as the foregoing repayment of PNC's Capital (as applicable) on the Seller's behalf. The Seller shall be deemed to have received the proceeds of such Purchase from Wells Fargo for all purposes immediately upon receipt thereof by PNC. PNC shall notify Seller upon receipt of such proceeds from Wells Fargo.

SECTION 2. Amendments to the Receivables Purchase Agreement. The Receivables Purchase Agreement is hereby amended to reflect the marked changes shown on Exhibit A to this Amendment.

SECTION 3. Representations and Warranties of the Seller and Servicer. Each of the Seller and the Servicer hereby represents and warrants, as to itself, to the Administrator, each Purchaser and each Purchaser Agent, as follows:

(a) *Representations and Warranties*. Immediately after giving effect to this Amendment, the representations and warranties made by such Person in the Transaction Documents to which it is a party are true and correct as of the date hereof (unless stated to relate solely to an earlier date, in which case such representations or warranties were true and correct as of such earlier date).

(b) *Enforceability*. This Amendment and each other Transaction Document to which it is a party, as amended hereby, constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with its respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law.

(c) *No Termination Event*. No event has occurred and is continuing, or would result from the transactions contemplated hereby, that constitutes a Purchase and Sale Termination Event, an Unmatured Purchase and Sale Termination Event, a Termination Event or an Unmatured Termination Event.

SECTION 4. Effect of Amendment. All provisions of the Receivables Purchase Agreement and the other Transaction Documents, as expressly amended and modified by this Amendment, shall remain in full force and effect. After this Amendment becomes effective, all references in the Receivables Purchase Agreement (or in any other Transaction Document) to "this Receivables Purchase Agreement", "this Agreement", "hereof", "herein" or words of similar effect referring to the Receivables Purchase Agreement shall be deemed to be references to the Receivables Purchase Agreement as amended by this Amendment. This Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of the Receivables Purchase Agreement other than as set forth herein.

SECTION 5. Effectiveness. This Amendment shall become effective as of the date hereof upon the satisfaction of the following conditions precedent:

(a) The Administrator shall have received counterparts of this Amendment, duly executed by each of the parties hereto.

(b) The Administrator shall have received counterparts of the Amended Fee Letter duly executed by each of the parties thereto.

(c) The Administrator shall have received confirmation that the “Closing Fees” set forth in the Amended Fee Letter have been paid in accordance with the terms thereof.

(d) The Administrator shall have received such other agreements, documents, certificates, instruments and opinions listed on the closing memorandum attached as Exhibit C hereto.

SECTION 6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or e-mail transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 7. GOVERNING LAW. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

SECTION 8. Section Headings. The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Receivables Purchase Agreement or any provision hereof or thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their duly authorized officers as of the date first above written.

TRANSDIGM RECEIVABLES LLC,

as Seller

By: /s/ Liza A. Sabol

Name: Liza A. Sabol

Title: Treasurer

TRANSDIGM INC.,

as Initial Servicer

By: /s/ Liza A. Sabol

Name: Liza A. Sabol

Title: Treasurer

PNC BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser, as a Purchaser Agent and as Administrator

By: /s/ Brian Stanley
Name: Brian Stanley
Title: Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser and as Purchaser Agent for its Purchaser Group

By: /s/ Chance Hausler
Name: Chance Hausler
Title: Executive Director

Exhibit A

[See Attached]

Exhibit A-1

Exhibit B

Funds Flow Memorandum

[See Attached]

Exhibit B

Exhibit C

Closing Memorandum

[See Attached]

Exhibit C

LISTING OF SUBSIDIARY GUARANTORS

The following series of senior subordinated and secured notes issued by TransDigm Inc., a wholly owned subsidiary of TransDigm Group Incorporated, are unconditionally guaranteed, on a joint and several basis, by TransDigm Group Incorporated and each of the subsidiaries listed below under “Subsidiary Guarantors.”

Description

5.50% senior subordinated notes due 2027 (“5.50% 2027 Notes”)
 6.75% senior secured notes due 2028 (“2028 Secured Notes”)
 4.625% senior subordinated notes due 2029 (“4.625% 2029 Notes”)
 4.875% senior subordinated notes due 2029 (“4.875% 2029 Notes”)
 6.375% senior secured notes due 2029 (“2029 Secured Notes”)
 6.875% senior secured notes due 2030 (“2030 Secured Notes”)
 7.125% senior secured notes due 2031 (“2031 Secured Notes”)
 6.625% senior secured notes due 2032 (“2032 Secured Notes”)

Subsidiary Guarantors	Jurisdiction of Incorporation or Organization
4455 Genesee Properties, LLC	Delaware
4455 Genesee Street, LLC	Delaware
17111 Waterview Pkwy LLC	Delaware
Acme Aerospace, Inc.	Delaware
Adams Rite Aerospace, Inc.	California
AeroControlex Group, Inc.	Delaware
Aerosonic LLC	Delaware
Airborne Acquisition, Inc.	Delaware
Airborne Global, Inc.	Delaware
Airborne Holdings, Inc.	Delaware
Airborne Systems NA Inc.	Delaware
Airborne Systems North America Inc.	Delaware
Airborne Systems North America of CA Inc.	Delaware
Airborne Systems North America of NJ Inc.	New Jersey
AmSafe Global Holdings, Inc.	Delaware
AmSafe, Inc.	Delaware
Angus Electronics Co.	Delaware
Apical Industries, Inc.	California
Arkwin Industries, Inc.	New York
Armtec Countermeasures Co.	Delaware
Armtec Countermeasures TNO Co.	Delaware
Armtec Defense Products Co.	Delaware
Ashford Properties, LLC	Delaware
Auxitrol Weston USA, Inc.	Delaware
Aviation Technologies, Inc.	Delaware
Avionic Instruments LLC	Delaware
Avionics Specialties, Inc.	Virginia
AvtechTyee, Inc.	Washington
Beta Transformer Technology LLC	Delaware
Breeze-Eastern LLC	Delaware
Bridport Erie Aviation, Inc.	Delaware

Subsidiary Guarantors	Jurisdiction of Incorporation or Organization
Bridport Holdings, Inc.	Delaware
Bridport-Air Carrier, Inc.	Washington
Bruce Aerospace Inc.	Delaware
Calspan Air Facilities, LLC	New York
Calspan Air Services, LLC	New York
Calspan ASE Portugal, Inc.	Minnesota
Calspan Holdings, LLC	New York
CALSPAN JETS LLC	Delaware
Calspan Technology Acquisition LLC	Delaware
Calspan, LLC	New York
CDA InterCorp LLC	Florida
CEF Industries, LLC	Delaware
Champion Aerospace LLC	Delaware
Chelton Avionics Holdings, Inc.	Delaware
Chelton Avionics, Inc.	Delaware
Chelton Defense Products, Inc.	Delaware
CMC Electronics Aurora LLC	Delaware
CPI Intermediate Holdings, Inc.	Delaware
CPI International, Inc.	Delaware
CPI Subsidiary Holdings LLC	Delaware
CTHC LLC	New York
Dart Aerospace USA, Inc.	Washington
Dart Buyer, Inc.	Delaware
Dart Helicopter Services, Inc.	Delaware
Dart Intermediate, Inc.	Delaware
Dart TopCo, Inc.	Delaware
Data Device Corporation	Delaware
Dukes Aerospace, Inc.	Delaware
Electromech Technologies LLC	Delaware
Esterline Europe Company LLC	Delaware
Esterline International Company	Delaware
Esterline Technologies Corporation	Delaware
Esterline Technologies SGIP LLC	Delaware
FPT Industries LLC	Delaware
Genesee Holdings II, LLC	New York
Genesee Holdings III, LLC	New York
Genesee Holdings, LLC	New York
HarcoSemco LLC	Connecticut
Hartwell Corporation	California
Heli Tech, Inc.	Oregon
Hytek Finishes Co.	Delaware
Iceman Holdco, Inc.	Delaware
Iceman Intermediate Midco, LLC	Delaware
ILC Holdings, Inc.	Delaware

Subsidiary Guarantors	Jurisdiction of Incorporation or Organization
Janco Corporation	California
Johnson Liverpool LLC	Delaware
Kirkhill Inc.	Delaware
Korry Electronics Co.	Delaware
Leach Holding Corporation	Delaware
Leach International Corporation	Delaware
Leach Mexico Holding LLC	Delaware
Leach Technology Group, Inc.	Delaware
MarathonNorco Aerospace, Inc.	Delaware
Mason Electric Co.	Delaware
McKechnie Aerospace DE, Inc.	Delaware
McKechnie Aerospace Holdings, Inc.	Delaware
McKechnie Aerospace US LLC	Delaware
Microwave Power Products, Inc.	Delaware
NAT Seattle Inc.	Delaware
NMC Group, Inc.	California
Nordisk Aviation Products LLC	Delaware
North Hills Signal Processing Corp.	Delaware
North Hills Signal Processing Overseas LLC	Delaware
Norwich Aero Products Inc.	New York
Offshore Helicopter Support Services, Inc.	Louisiana
Palomar Products, Inc.	Delaware
Paravion Technology, Inc.	Colorado
Pexco Aerospace, Inc.	Delaware
PneuDraulics, Inc.	California
Power Device Corporation	New York
Schneller LLC	Delaware
Semco Instruments, Inc.	Delaware
Shield Restraint Systems, Inc.	Delaware
Simplex Manufacturing Co.	Oregon
Skandia, Inc.	Illinois
Skurka Aerospace Inc.	Delaware
Symetrics Industries, LLC	Florida
TA Aerospace Co.	California
Tactair Fluid Controls, Inc.	New York
TDG ESL Holdings Inc.	Delaware
TEAC Aerospace Technologies, Inc.	Delaware
Telair US LLC	Delaware
Texas Rotronics, Inc.	Texas
TransDigm UK Holdings Limited	United Kingdom
Transicoil LLC	Delaware
Whippany Actuation Systems, LLC	Delaware
Young & Franklin Inc.	New York

CERTIFICATION

I, Kevin Stein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TransDigm Group Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's third fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2024

/s/ Kevin Stein

Name: Kevin Stein

Title: President, Chief Executive Officer and Director

(Principal Executive Officer)

CERTIFICATION

I, Sarah Wynne, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TransDigm Group Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's third fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2024

/s/ Sarah Wynne

Name: Sarah Wynne

Title: Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of TransDigm Group Incorporated (the "Company") for the quarter ended June 29, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin Stein, President, Chief Executive Officer and Director (Principal Executive Officer), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
2. The information contained in the Report fairly presents in all material respects, the financial condition of the Company as of the dates indicated and results of operations of the Company for the periods indicated.

Date: August 6, 2024

/s/ Kevin Stein

Name: Kevin Stein

Title: President, Chief Executive Officer and Director
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of TransDigm Group Incorporated (the "Company") for the quarter ended June 29, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sarah Wynne, Chief Financial Officer (Principal Financial Officer), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
2. The information contained in the Report fairly presents in all material respects, the financial condition of the Company as of the dates indicated and results of operations of the Company for the periods indicated.

Date: August 6, 2024

/s/ Sarah Wynne

Name: Sarah Wynne

Title: Chief Financial Officer
(Principal Financial Officer)