FY 2017 First Quarter Earnings Conference Call

February 7, 2017

Agenda

- TransDigm Overview, Highlights and Outlook — **W. Nicholas Howley**, Chairman and CEO
- Operating Performance and Market Review — **Kevin Stein**, President and COO
- Financial Results — **Terrance Paradie**, Executive Vice President and CFO
- Q&A

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including information regarding our guidance for future periods. These forward-looking statements are based on management's current expectations and beliefs, as well as a number of assumptions concerning future events, many of which are outside of our control. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statement. These risks and uncertainties include but are not limited to: the sensitivity of our business to the number of flight hours that our customers' planes spend aloft and our customers' profitability, both of which are affected by general economic conditions; geopolitical or worldwide events; cyber-security threats and natural disasters; our reliance on certain customers; the U.S. defense budget and risks associated with being a government supplier; failure to maintain government or industry approvals; failure to complete or successfully integrate acquisitions; our substantial indebtedness; potential environmental liabilities; increases in raw material costs that cannot be recovered in product pricing; risks associated with our international sales and operations; and other factors. Further information regarding the important factors that could cause actual results to differ materially from projected results can be found in TransDigm Group's Annual Report on Form 10-K and other reports that TransDigm Group or its subsidiaries have filed with the Securities and Exchange Commission.

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

Special Notice Regarding Pro Forma and Non-GAAP Information

TRANSDIGM GROUP INC.

This presentation sets forth certain pro forma financial information. This pro forma financial information gives effect to certain recently completed acquisitions. Such pro forma information is based on certain assumptions and adjustments and does not purport to present TransDigm's actual results of operations or financial condition had the transactions reflected in such pro forma financial information occurred at the beginning of the relevant period, in the case of income statement information, or at the end of such period, in the case of balance sheet information, nor is it necessarily indicative of the results of operations that may be achieved in the future.

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

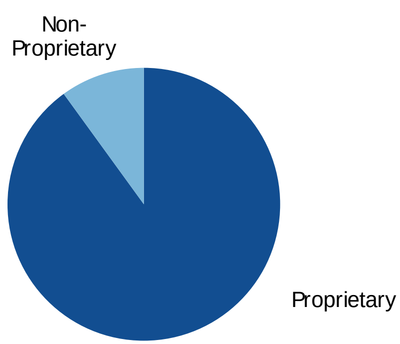
TransDigm Overview

TRANSDIGM GROUP INC.

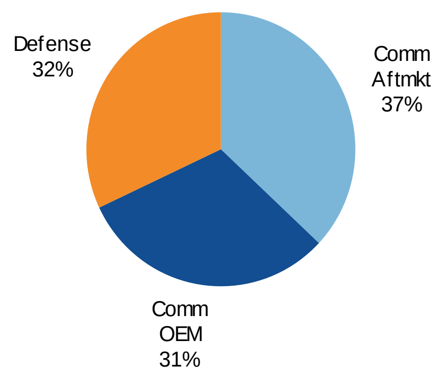
Distinguishing Characteristics

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

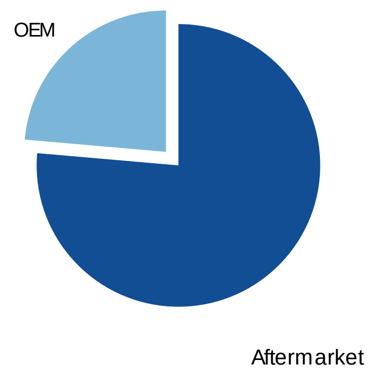
Proprietary Revenues (1)



Pro Forma Revenues (1)



Pro Forma EBITDA As Defined (1)



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

2017 Q1 Financial Performance by Markets – Pro Forma

TRANSDIGM GROUP INC.

Highlights[1]	Q1 Market Review – Pro Forma Revenues[1]	Actual vs. Prior Year Q1
Commercial OEM ▪ Commercial transport bookings up modestly	Commercial OEM:	**Down 4%**
Commercial Aftermarket ▪ Commercial transport bookings strong and ran well above shipments	Commercial Aftermarket:	**Up 3.5%**
Defense ▪ Strong aftermarket revenue partially offset by OEM revenue decline	Defense:	**Up 2.5%**

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

Fiscal 2017 Outlook

TRANSDIGM GROUP INC.

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

Assumptions

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

Guidance Summary

($ in millions)

	Low		High	
Revenues	$	3,520	$	3,570
EBITDA As Defined	$	1,686	$	1,710
% to sales		*47.9%*		*47.9%*
Net Income	$	609	$	625
GAAP EPS	$	9.15	$	9.43
Adj. EPS	$	12.02	$	12.30

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

First Quarter 2017 Results

TRANSDIGM GROUP INC.

($ in millions, except per share amounts)

	Q1 FY 2017	Q1 FY 2016	
Revenue	**$814.0**	**$701.7**	**16.0% Increase**
Gross Profit	**$444.3**	**$374.6**	**1.2 Margin Point Increase**
Margin %	***54.6%***	***53.4%***	• Higher acquisition-related costs • Strength of our proprietary products and productivity improvements • Favorable product mix
SG&A	**$101.7**	**$82.2**	
% to Sales	***12.5%***	***11.7%***	
Interest Expense- Net	**$146.0**	**$112.0**	**30.4% Increase** • Weighted average outstanding borrowings increased 31%
Refinancing Costs	**$32.1**	**$0.0**	• Costs from November 2016 financing
Net Income	**$118.9**	**$129.4**	**8.2% Decrease**
% to Sales	***14.6%***	***18.4%***	
Adjusted EPS	**$2.57**	**$2.27**	**13.2% Increase**

Liquidity & Taxes

($ in millions)

Cash

	Q1 FY 2017 12/31/2016	FY 9/30/2016
Net Cash Provided by Operating Activities	**$225.8**	**$668.9**
Capital Expenditures	**($21.8)**	**($44.0)**
Free Cash Flow	**$204.0**	**$624.9**
Cash on the Balance Sheet	**$972.4**	**$1,587.0**

Taxes

- Q1 FY 17 GAAP ETR: 14.4%
- Q1 FY 17 Adjusted ETR: 30.8%

Capitalization

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

Interest Rate Sensitivity Analysis

TRANSDIGM GROUP INC.

($ in millions)

		TDG Weighted Average			
		Pre-Tax		After-Tax (1)	
	LIBOR %	Cash Interest Exp $	Cash Interest Rate %	Cash Interest Exp $	Cash Interest Rate %
Current →	1.0%	$ 560	5.1%	$ 385	3.5%
	2%	$ 605	5.5%	$ 420	3.8%
	4%	$ 670	6.1%	$ 460	4.2%
	6%	$ 725	6.6%	$ 500	4.6%

(1) After tax calculations assume a 31% effective tax rate, the same rate assumed in the FY 2017 guidance.

Reconciliation of GAAP to Adjusted EPS - Guidance

TRANSDIGM GROUP INC.

	Thirteen Week Periods Ended		Full Year Guidance Mid-Point
	December 31, 2016	January 2, 2016	September 30, 2017
Earnings per share	$ 0.41	$ 2.23	$ 9.29
Adjustments to earnings per share:			
Dividend equivalent payment	1.70	0.05	1.71
Non-cash stock compensation expense	0.12	0.13	0.58
Acquisition-related expenses / other	0.36	0.12	0.58
Refinancing costs	0.39	-	0.39
Reduction in income tax provision net income per common share related to the adoption of ASU 2016-09	(0.41)	(0.26)	(0.39)
Adjusted earnings per share	$ 2.57	$ 2.27	$ 12.16
Weighted-average shares outstanding	56,524	56,805	56,100

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

TRANSDIGM GROUP INC.

($ in thousands)

	Thirteen Week Periods Ended	
	December 31, 2016	January 2, 2016
Net income	$ 118,871	$ 129,441
Adjustments:		
Depreciation and amortization expense	38,048	26,201
Interest expense - net	146,004	111,983
Income tax provision	20,050	34,617
EBITDA	322,973	302,242
Adjustments:		
Acquisition-related expenses and adjustments(1)	18,568	7,225
Non-cash stock compensation expense(2)	10,020	10,681
Refinancing costs (3)	32,084	-
Other - net (4)	1,305	(735)
Gross Adjustments to EBITDA	61,977	17,171
EBITDA As Defined	$ 384,950	$ 319,413
EBITDA As Defined, Margin (5)	47.3%	45.5%

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

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

(3) For the periods ended December 31, 2016, represents debt issuance costs expensed in conjunction with the incremental term loan (tranche F) and refinancing of the 2021 Notes.

(4) Primarily represents foreign currency transaction gain or loss on interompany loans to be settled and gain or loss on sale of fixed assets and payroll withholding taxes related to dividend equivalent payments.

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

Appendix - Reconciliation of Reported EPS to Adjusted EPS

TRANSDIGM GROUP INC.

($ in thousands, except per share amounts)

Reported Earnings Per Share	Thirteen Week Periods Ended December 31, 2016	Thirteen Week Periods Ended January 2, 2016
Net income	$ 118,871	$ 129,441
Less: dividends on participating securities	(95,971)	(3,000)
Net income applicable to common stock - basic and diluted	$ 22,900	$ 126,441
Weighted-average shares outstanding under the two-class method:		
Weighted-average common shares outstanding	53,365	53,706
Vested options deemed participating securities	3,159	3,099
Total shares for basic and diluted earnings per share	56,524	56,805
Basic and diluted earnings per share	$ 0.41	$ 2.23
Adjusted Earnings Per Share		
Net income	$ 118,871	$ 129,441
Gross adjustments to EBITDA	61,977	17,171
Purchase accounting backlog amortization	9,147	2,540
Tax adjustment	(44,728)	(20,439)
Adjusted net income	$ 145,267	$ 128,713
Adjusted diluted earnings per share under the two-class method	$ 2.57	$ 2.27

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

TRANSDIGM GROUP INC.

($ in thousands)

	Thirteen Week Periods Ended	
	December 31, 2016	January 2, 2016
Net cash provided by operating activities	$ 225,791	$ 178,669
Adjustments:		
Changes in assets and liabilities, net of effects from acquisitions of businesses	(27,204)	(7,913)
Interest expense - net [(1)]	141,384	108,151
Income tax provision - current	20,543	34,016
Non-cash stock compensation expense [(2)]	(10,020)	(10,681)
Refinancing costs [(4)]	(32,084)	-
Other, net [(6)]	4,563	-
EBITDA	322,973	302,242
Adjustments:		
Acquisition-related expenses and adjustments [(3)]	18,568	7,225
Non-cash stock compensation expense [(2)]	10,020	10,681
Refinancing costs [(4)]	32,084	-
Other, net [(5)]	1,305	(735)
EBITDA As Defined	$ 384,950	$ 319,413

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

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

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

(4) For the period ended December 31,2016, represents debt issuance costs expensed in conjunction with the incremental term loan (trance F) and refinancing of the 2021 Notes.

(5) Primarily represents foreign currency transaction gain or loss on intercompany loans to be settled and gain or loss on sale of fixed assets and payroll withholding taxes on dividend equivalent payments.

(6) Represents the recognition of deferred revenue, the release of customer advances and amortization of the redesignated interest rate cap agreements.