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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 4, 2014

TransDigm Group Incorporated
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32833
(Commission
File Number)

41-2101738
(IRS Employer
Identification No.)

1301 East 9th Street, Suite 3000, Cleveland, Ohio
(Address of principal executive offices)

44114
(Zip Code)

(216) 706-2960
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrants' under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On February 4, 2014, TransDigm Group Incorporated (“TransDigm Group” or the “Company”) issued a press release announcing its financial results for its first fiscal quarter ended December 28, 2013 and certain other information. A copy of this press release is furnished with this Report as Exhibit 99.1 and is incorporated herein by reference.

The information contained in this item and in the accompanying exhibit shall not be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof. The information in this item, including the exhibit hereto, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

TransDigm Group will host a conference call for investors and security analysts on February 4, 2014, beginning at 11:00 a.m., Eastern Time. To join the call, dial (866) 318-8618 and enter the pass code 22116534. International callers should dial (617) 399-5137 and use the same pass code. A live audio webcast can be accessed online at <http://www.transdigm.com>. The call will be archived on the website and available for replay at approximately 2:00 p.m., Eastern Time. A telephone replay will be available for two weeks by dialing (888) 286-8010 and entering the pass code 29451227. International callers should dial (617) 801-6888 and use the same pass code.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits**

The following exhibits are being filed with this Current Report on Form 8-K:

99.1 Press Release issued February 4, 2014.

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 hereunto duly authorized.

TRANSDIGM GROUP INCORPORATED

By: /s/ Gregory Rufus

Gregory Rufus

Executive Vice President, Chief
Financial Officer and Secretary

Date: February 4, 2014

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued February 4, 2014.



TransDigm Group Reports Fiscal 2014 First Quarter Results

Cleveland, Ohio, February 4, 2014/PRNewswire via COMTEX/ — TransDigm Group Incorporated (NYSE: TDG), a leading global designer, producer and supplier of highly engineered aircraft components, today reported results for the first quarter ended December 28, 2013.

Highlights for the first quarter include:

- **Net sales of \$529.3 million, up 23.0% from \$430.4 million;**
- **EBITDA As Defined of \$243.6 million, up 21.2% from \$200.9 million;**
- **Net income of \$86.1 million, up 16.1% from \$74.2 million;**
- **Earnings per share of \$1.44, up 118.2% from \$0.66;**
- **Adjusted earnings per share of \$1.66, up 9.9% from \$1.51; and**
- **Upward revision to fiscal 2014 financial guidance.**

Net sales for the quarter rose 23.0% to \$529.3 million from \$430.4 million in the comparable quarter a year ago. Organic net sales grew approximately 9.1%. The favorable contribution from the acquisitions of Aerosonic, Arkwin and Whippany Actuation accounted for the balance of the increase in net sales.

Net income for the quarter rose 16.1% to \$86.1 million, or \$1.44 per share, compared to \$74.2 million, or \$0.66 per share, in the comparable quarter a year ago. Earnings per share were reduced by \$0.07 per share representing dividend equivalent payments made in the quarter compared to \$0.70 per share in the comparable quarter a year ago. The increase in net income primarily reflects the growth in net sales described above partially offset by higher interest expense. The increase in interest expense was primarily due to an increase in outstanding borrowings from \$4.2 billion to \$5.7 billion primarily to fund the \$22.00 per share dividend paid in July 2013.

Adjusted net income for the quarter rose 15.2% to \$94.8 million, or \$1.66 per share, from \$82.3 million, or \$1.51 per share, in the comparable quarter a year ago. Adjusted earnings per share increase of 9.9% was lower than the increase in adjusted net income of 15.2% as a result of higher weighted average shares of 57.0 million, up from 54.5 million in the prior year period.

EBITDA for the quarter increased 23.2% to \$234.5 million from \$190.3 million for the comparable quarter a year ago. EBITDA As Defined for the period increased 21.2% to \$243.6 million

compared with \$200.9 million in the quarter a year ago. EBITDA As Defined as a percentage of net sales for the quarter was 46.0%.

“We are pleased with our operating results for the first quarter of fiscal year 2014,” stated W. Nicholas Howley, TransDigm Group’s Chairman and Chief Executive Officer. “We experienced revenue growth in all aerospace markets, and we see continuing signs of an improving commercial aftermarket as commercial aftermarket sales rose both sequentially and versus the prior year. Adjusting for acquisition dilution of approximately two margin points from the acquisitions completed in fiscal 2013, our core EBITDA As Defined margin was strong at 48%.

As previously reported on December 19, 2013, TransDigm Group acquired Airborne Systems for approximately \$250 million in cash. Airborne Systems is the industry leading designer and manufacturer of military personnel parachutes, cargo aerial delivery systems, emergency escape systems, naval decoys and other related products for the defense industry.

Please see the attached tables for a reconciliation of net income to EBITDA, EBITDA As Defined, and adjusted net income; a reconciliation of net cash provided by operating activities to EBITDA and EBITDA As Defined, and a reconciliation of earnings per share to adjusted earnings per share for the periods discussed in this press release.

Fiscal 2014 Outlook

Mr. Howley continued, “We are increasing the full year fiscal 2014 guidance primarily to reflect the recent acquisition of Airborne Systems and our first quarter performance.”

The Company is adjusting full year fiscal 2014 guidance, which assumes no additional acquisitions, as follows:

- Net sales are anticipated to be in the range of \$2,283 million to \$2,343 million (previously in the range of \$2,155 million to \$2,215 million) compared with \$1,924 million in fiscal 2013;
- EBITDA As Defined is anticipated to be in the range of \$1,036 million to \$1,064 million (previously in the range of \$1,004 million to \$1,032 million) compared with \$900 million in fiscal 2013;
- Net income is anticipated to be in the range of \$375 million to \$393 million (previously in the range of \$372 million to \$390 million) compared with \$303 million in fiscal 2013;
- Earnings per share are expected to be in the range of \$6.24 to \$6.54 per share (previously in the range of \$6.16 to \$6.48 per share) compared with \$2.39 per share in fiscal 2013; and
- Adjusted earnings per share are expected to be in the range of \$7.35 to \$7.65 per share (previously in the range of \$7.00 to \$7.32 per share) compared with \$6.90 per share in fiscal 2013.

Conference Call

TransDigm Group will host a conference call for investors and security analysts on February 4, 2014, beginning at 11:00 a.m., Eastern Time. To join the call, dial (866) 318-8618 and enter the pass code 22116534. International callers should dial (617) 399-5137 and use the same pass code.

A live audio webcast can be accessed online at <http://www.transdigm.com>. A slide presentation will also be available for reference during the conference call; go to the investor relations page of our website and click on "Presentations."

The call will be archived on the website and available for replay at approximately 2:00 p.m., Eastern Time. A telephone replay will be available for two weeks by dialing (888) 286-8010 and entering the pass code 29451227. International callers should dial (617) 801-6888 and use the same pass code.

About TransDigm Group

TransDigm Group, through its wholly-owned subsidiaries, is a leading global designer, producer and supplier of highly engineered aircraft components for use on nearly all commercial and military aircraft in service today. Major product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include mechanical/electro-mechanical actuators and controls, ignition systems and engine technology, specialized pumps and valves, power conditioning devices, specialized AC/DC electric motors and generators, NiCad batteries and chargers, engineered latching and locking devices, rods and locking devices, engineered connectors and elastomers, cockpit security components and systems, specialized cockpit displays, aircraft audio systems, specialized lavatory components, seatbelts and safety restraints, engineered interior surfaces, lighting and control technology and military personnel parachutes and cargo delivery systems.

Non-GAAP Supplemental Information

EBITDA, EBITDA As Defined, EBITDA As Defined Margin, adjusted net income and adjusted earnings per share are non-GAAP financial measures presented in this press release as supplemental disclosures to net income and reported results. TransDigm Group defines EBITDA as earnings before interest, taxes, depreciation and amortization and defines EBITDA As Defined as EBITDA plus certain non-operating items, refinancing costs, acquisition-related costs, transaction-related costs and non-cash charges incurred in connection with certain employee benefit plans. TransDigm Group defines adjusted net income as net income plus purchase accounting backlog amortization expense, effects from the sale on businesses, refinancing costs, acquisition-related costs, transaction-related costs and non-cash charges incurred in connection with certain employee benefit plans. EBITDA As Defined Margin represents EBITDA As Defined as a percentage of net sales. TransDigm Group defines adjusted diluted earnings per share as adjusted net income divided by the total shares for basic and diluted earnings per share. For more information regarding the computation of EBITDA, EBITDA As Defined and adjusted net income and adjusted earnings per share, please see the attached financial tables.

TransDigm Group presents these non-GAAP financial measures because it believes that they are useful indicators of its operating performance. TransDigm Group believes that EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to measure operating performance among companies with different capital structures, effective tax rates and tax attributes, capitalized asset values and employee compensation structures, all of which can vary substantially from company to company. In addition, analysts, rating agencies and others use EBITDA to evaluate a company's ability to incur and service debt. EBITDA As Defined is

used to measure TransDigm Inc.'s compliance with the financial covenant contained in its credit facility. TransDigm Group's management also uses EBITDA As Defined to review and assess its operating performance, to prepare its annual budget and financial projections and to review and evaluate its management team in connection with employee incentive programs. Moreover, TransDigm Group's management uses EBITDA As Defined to evaluate acquisitions and as a liquidity measure. In addition, TransDigm Group's management uses adjusted net income as a measure of comparable operating performance between time periods and among companies as it is reflective of changes in pricing decisions, cost controls and other factors that affect operating performance.

None of EBITDA, EBITDA As Defined, EBITDA As Defined Margin, adjusted net income or adjusted earnings per share is a measurement of financial performance under GAAP and such financial measures should not be considered as an alternative to net income, operating income, earnings per share, cash flows from operating activities or other measures of performance determined in accordance with GAAP. In addition, TransDigm Group's calculation of these non-GAAP financial measures may not be comparable to the calculation of similarly titled measures reported by other companies.

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 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 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 GAAP, and neither should be considered as an alternative to net income or cash flow from operations determined in accordance with GAAP. Our calculation of EBITDA and EBITDA As Defined may not be comparable to the calculation of similarly titled measures reported by other companies.

Forward-Looking Statements

Statements in this press release that are not historical facts, including statements under the heading “Fiscal 2014 Outlook,” are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “believe,” “may,” “will,” “should,” “expect,” “intend,” “plan,” “predict,” “anticipate,” “estimate,” or “continue” and other words and terms of similar meaning may identify forward-looking statements.

All forward-looking statements involve risks and uncertainties which could affect TransDigm Group’s actual results and could cause its actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, TransDigm Group. 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; future terrorist attacks; 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; 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. Except as required by law, TransDigm Group undertakes no obligation to revise or update the forward-looking statements contained in this press release.

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THIRTEEN WEEK PERIODS ENDED
DECEMBER 28, 2013 AND DECEMBER 29, 2012
(Amounts in thousands, except per share amounts)
(Unaudited)

	Thirteen Week Periods Ended	
	December 28, 2013	December 29, 2012
NET SALES	\$ 529,322	\$ 430,418
COST OF SALES	245,186	191,871
GROSS PROFIT	284,136	238,547
SELLING AND ADMINISTRATIVE EXPENSES	57,127	55,161
AMORTIZATION OF INTANGIBLE ASSETS	16,383	10,540
INCOME FROM OPERATIONS	210,626	172,846
INTEREST EXPENSE - Net	80,853	62,876
INCOME BEFORE INCOME TAXES	129,773	109,970
INCOME TAX PROVISION	43,650	35,800
NET INCOME	<u>\$ 86,123</u>	<u>\$ 74,170</u>
NET INCOME APPLICABLE TO COMMON STOCK	<u>\$ 81,984</u>	<u>\$ 36,040</u>
Net earnings per share:		
Basic and diluted	\$ 1.44	\$ 0.66
Cash dividends paid per common share	\$ —	\$ 12.85
Weighted-average shares outstanding:		
Basic and diluted	56,991	54,453

TRANSDIGM GROUP INCORPORATED
SUPPLEMENTAL INFORMATION - RECONCILIATION OF EBITDA,
EBITDA AS DEFINED TO NET INCOME
FOR THE THIRTEEN WEEK PERIODS ENDED
DECEMBER 28, 2013 AND DECEMBER 29, 2012
(Amounts in thousands)
(Unaudited)

	<u>Thirteen Week Periods Ended</u>	
	<u>December 28,</u> <u>2013</u>	<u>December 29,</u> <u>2012</u>
Net income	\$ 86,123	\$ 74,170
Adjustments:		
Depreciation and amortization expense	23,839	17,452
Interest expense, net	80,853	62,876
Income tax provision	43,650	35,800
EBITDA	234,465	190,298
Adjustments:		
Acquisition related expenses and adjustments (1)	4,917	3,467
Non-cash stock compensation expense(2)	4,175	7,131
Gross Adjustments to EBITDA	9,092	10,598
EBITDA As Defined	<u>\$ 243,557</u>	<u>\$ 200,896</u>
EBITDA As Defined, Margin (3)	46.0%	46.7%

(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 option plans.

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

TRANSDIGM GROUP INCORPORATED
SUPPLEMENTAL INFORMATION - RECONCILIATION OF
REPORTED EARNINGS PER SHARE TO
ADJUSTED EARNINGS PER SHARE
FOR THE THIRTEEN WEEK PERIODS ENDED
DECEMBER 28, 2013 AND DECEMBER 29, 2012
(Amounts in thousands, except per share amounts)
(Unaudited)

	Thirteen Week Periods Ended	
	December 28, 2013	December 29, 2012
Reported Earnings Per Share		
Net income	\$ 86,123	\$ 74,170
Less: dividends paid on participating securities	(4,139)	(38,130)
Net income applicable to common stock - basic and diluted	<u>\$ 81,984</u>	<u>\$ 36,040</u>
Weighted-average shares outstanding under the two-class method:		
Weighted average common shares outstanding	52,687	51,796
Vested options deemed participating securities	4,304	2,657
Total shares for basic and diluted earnings per share	<u>56,991</u>	<u>54,453</u>
Basic and diluted earnings per share	<u>\$ 1.44</u>	<u>\$ 0.66</u>
Adjusted Earnings Per Share		
Net income	\$ 86,123	\$ 74,170
Gross adjustments to EBITDA	9,092	10,598
Purchase accounting backlog amortization	4,016	1,461
Tax adjustment	(4,409)	(3,926)
Adjusted net income	<u>\$ 94,822</u>	<u>\$ 82,303</u>
Adjusted diluted earnings per share under the two-class method	<u>\$ 1.66</u>	<u>\$ 1.51</u>
Diluted Earnings Per Share to Adjusted Earnings Per Share		
Diluted earnings per share	\$ 1.44	\$ 0.66
Adjustments to diluted earnings per share:		
Inclusion of the dividend equivalent payment	0.07	0.70
Non-cash stock compensation expense	0.05	0.09
Acquisition related expenses	0.10	0.06
Adjusted earnings per share	<u>\$ 1.66</u>	<u>\$ 1.51</u>

TRANSDIGM GROUP INCORPORATED
SUPPLEMENTAL INFORMATION - RECONCILIATION OF NET CASH
PROVIDED BY OPERATING ACTIVITIES TO EBITDA, EBITDA AS DEFINED
FOR THE THIRTEEN WEEK PERIODS ENDED
DECEMBER 28, 2013 AND DECEMBER 29, 2012
(Amounts in thousands, except per share amounts)
(Unaudited)

	<u>Thirteen Week Periods Ended</u>	
	<u>December 28,</u> <u>2013</u>	<u>December 29,</u> <u>2012</u>
Net Cash Provided by Operating Activities	\$ 115,707	\$ 98,115
Adjustments:		
Changes in assets and liabilities, net of effects from acquisitions of businesses	(2,208)	(20,996)
Interest expense - net (1)	77,768	59,080
Income tax provision - current	43,737	34,542
Non-cash stock compensation expense(2)	(4,175)	(7,131)
Excess tax benefit from exercise of stock options	3,636	26,688
EBITDA	234,465	190,298
Adjustments:		
Acquisition related expenses(3)	4,917	3,467
Non-cash stock compensation expense(2)	4,175	7,131
EBITDA As Defined	<u>\$ 243,557</u>	<u>\$ 200,896</u>

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

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

TRANSDIGM GROUP INCORPORATED
SUPPLEMENTAL INFORMATION - BALANCE SHEET DATA
(Amounts in thousands)
(Unaudited)

	<u>December 28, 2013</u>	<u>September 30, 2013</u>
Cash and cash equivalents	\$ 410,924	\$ 564,740
Trade accounts receivable - Net	322,439	290,449
Inventories - Net	443,051	413,581
Current portion of long-term debt	31,045	31,045
Accounts payable	90,505	106,768
Accrued liabilities	217,099	184,687
Long-term debt	5,700,193	5,700,193
Total stockholders' deficit	(234,182)	(336,381)