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): May 1, 2018

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

Delaware	001-32833	41-2101738
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1301 East 9th Street, Suite 3000, Cleveland, Ohio	44114
(Address of principal executive offices)	(Zip Code)

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

Not Applicable
(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 registrant under any of the following provisions:

☐ 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 7.01. Regulation FD Disclosure.

On May 1, 2018, TransDigm Group Incorporated ("TransDigm Group") issued a press release (the "Launch Press Release") relating to the proposed offering of $500 million aggregate principal amount of senior subordinated notes due 2026 (the "Notes") by TransDigm UK Holdings plc, its wholly-owned subsidiary (the "Company"), pursuant to a confidential offering memorandum (the "Offering Memorandum") in a private placement under Rule 144A and Regulation S of the Securities Act of 1933 (the "Securities Act"). A copy of the Launch Press Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In the Offering Memorandum, the TransDigm Group discloses that it expects to (i) incur $700 million in additional tranche E term loans, (ii) reprice its existing tranche E term loans and tranche F term loans and (iii) extend its existing revolving credit facility to December 2022 (collectively, the "2018 Credit Facility Transactions"), in each case from existing and new lenders under the senior secured credit facilities. In connection with the 2018 Credit Facility Transactions, TransDigm Group may also make certain other modifications to the terms of the senior secured credit facilities.

In the Offering Memorandum, the TransDigm Group discloses pro forma net sales and pro forma EBITDA As Defined of $3,621.9 million and $1,767.0 million, respectively, for the twelve months ended December 30, 2017. These amounts reflect the TransDigm Group's estimates that if certain transactions, including the Extant Acquisition (as defined below), had closed at the beginning of that period, the transactions would have contributed additional net sales and EBITDA As Defined of approximately $83.7 million and $36.1 million, respectively, for the twelve-month period ended December 30, 2017. Due to the unique nature of the TransDigm Group's previously announced acquisition of the Kirkhill elastomer business ("Kirkhill"), which the TransDigm Group purchased as a distressed asset in March 2018, management is currently unable to estimate the impact Kirkhill would have had on the Company's EBITDA As Defined for the last twelve months ended December 30, 2017. While management believes that Kirkhill's EBITDA as a standalone business may have been negative for the last twelve months ended December 30, 2017, any such loss would have been immaterial to the Company on a consolidated basis. Once Kirkhill is fully integrated into the Company's business model, management believes that it will be a positive contributor to the Company's EDITDA As Defined. The reconciliation of net income to EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

In the Offering Memorandum, the Company discloses that the TransDigm Group and certain of its current or former officers and directors are defendants in a consolidated securities class action captioned *In re TransDigm Group, Inc. Securities Litigation*, Case No. 1:17-cv-01677-DCN (N.D. Ohio). The cases were originally filed on August 10, 2017 and September 18, 2017, and were consolidated on December 5, 2017. A consolidated amended complaint was filed on February 16, 2018. The plaintiffs allege that the defendants made false or misleading statements with respect to, or failed to disclose, the impact of certain alleged business practices in connection with sales to the U.S. government on the TransDigm Group's growth and profitability. The plaintiffs assert claims under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder and Section 20(a) of the Exchange Act, and seek unspecified monetary damages and other relief. In addition, the TransDigm Group, as nominal defendant, and certain of its current or former officers and directors are defendants in a shareholder derivative action captioned *Sciabacucchi v. Howley et al.*, Civil Action No. 1:17-cv-1971 (N.D. Ohio). The case was filed on September 19, 2017. The plaintiffs allege breach of fiduciary duty and other claims arising out of substantially the same actions or inactions alleged in the securities class action described above. This action has been stayed pending the outcome of an anticipated motion to dismiss on the securities class action. Although the TransDigm Group is only a nominal defendant in the derivative action, it could have indemnification obligations and/or be required to advance the costs and expenses of the officer and director defendants in the action. The TransDigm Group intends to vigorously defend these matters and believes they are without merit. The TransDigm Group also believes it has sufficient insurance coverage available for these matters. Therefore, the TransDigm Group does not expect these matters to have a material adverse impact on its financial condition or results of operations. However, given the preliminary status of the litigation, it is difficult to predict the likelihood of an adverse outcome or estimate a range of any potential loss.

The Notes will not be registered under the Securities Act or any state securities laws and may not be offered or sold in the United States without registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. Neither the Launch Press Release nor this Current Report on Form 8-K constitutes an offer to sell or the solicitation of an offer to buy the Notes, nor shall there be any sale of the Notes in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

TransDigm Group intends to use the net proceeds from the offering of the Notes and the 2018 Credit Facility Transactions to replenish the cash used to fund the purchase price for its acquisitions of the Kirkhill elastomers business and Extant Components Group Holding, Inc. This cash and the remainder of the net proceeds with be used for general corporate purposes, including potential future acquisitions, dividends or repurchases under its stock repurchase program.

The information in this Item 7.01 to Current Report on Form 8-K and in the Launch Press Release shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in filings under the Securities Act.

Item 8.01. Other Events.

On May 1, 2018, TransDigm Group issued a press release announcing its financial results for the three-month period ended March 31, 2018 (the "Earnings Press Release"). Certain financial information (collectively, the "Financial Information"), included as part of the Earnings Press Release, is filed as Exhibit 99.3 to this report.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

The following exhibits are being furnished, or filed in the case of Exhibit 99.3, herewith:

Exhibit Number	Description
99.1	Launch Press Release
99.2	Reconciliation of Net Income to EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined.
99.3	Financial Information

SIGNATURE

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/ James Skulina

Name: James Skulina
Title: Executive Vice President and
Interim Chief Financial Officer

Dated: May 1, 2018

TransDigm Group Announces Proposed Private Offering of $500 Million of Senior Subordinated Notes

Cleveland, Ohio, May 1, 2018 /PRNewswire / — TransDigm Group Incorporated (“TransDigm Group”) (NYSE: TDG) announced today that its wholly-owned subsidiary, TransDigm UK Holdings plc (the “Company”), is planning, subject to market and other conditions, to offer $500 million aggregate principal amount of senior subordinated notes due 2026 (the “Notes”) in a private offering that is exempt from the registration requirements of the Securities Act of 1933 (the “Securities Act”). It is expected that the Notes will be guaranteed, with certain exceptions, by TransDigm Group, its wholly-owned subsidiary, TransDigm Inc., and certain of TransDigm Inc.’s existing and future domestic subsidiaries on a senior subordinated basis.

TransDigm Group intends to use the net proceeds from the offering of the Notes and the incremental term loan to replenish the cash used to fund the purchase price for its acquisitions of the Kirkhill elastomers business and Extant Components Group Holding, Inc. This cash and the remainder of the net proceeds will be used for general corporate purposes, including potential future acquisitions, dividends or repurchases under its stock repurchase program.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities. The Notes and related guarantees are being offered only to qualified institutional buyers in reliance on the exemption from registration set forth in Rule 144A under the Securities Act, and outside the United States to non-U.S. persons in reliance on the exemption from registration set forth in Regulation S under the Securities Act. The Notes and the related guarantees have not been registered under the Securities Act, or the securities laws of any state or other jurisdiction, and may not be offered or sold in the United States without registration or an applicable exemption from the Securities Act and applicable state securities or blue sky laws and foreign securities laws.

About TransDigm Group

TransDigm Group Incorporated, 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 and related components, lighting and control technology, military personnel parachutes, high performance hoists, winches and lifting devices, and cargo loading, handling and delivery systems.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve risks and uncertainties that could cause TransDigm Group's 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 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, taxes and labor costs that cannot be recovered in product pricing; risks associated with our international sales and operations; and other risk 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 any forward-looking statements contained in this press release.

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Reconciliation of Net Income to EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined

EBITDA represents earnings from continuing operations before interest, taxes, depreciation and amortization. EBITDA As Defined represents EBITDA plus, as applicable for each relevant period, certain adjustments as set forth in the reconciliation of net income to EBITDA and EBITDA As Defined and the reconciliation of net cash provided by operating activities to EBITDA and EBITDA As Defined presented below. Pro Forma EBITDA As Defined (for the last twelve months ended December 30, 2017) represents EBITDA As Defined plus management's estimates of the impact of the acquisition of North Hills Signal Processing Corp. and North Hills Signal Processing Overseas Corp. (together, "North Hills"), the acquisition of certain assets of Cablecraft Motion Controls LLC ("Cablecraft"), the acquisition of certain assets of Preece Incorporated ("Preece") and the acquisition of Extant Components Group Holdings, Inc. ("Extant") had such transactions occurred at the beginning of the twelve-month period ended December 30, 2017. Due to the unique nature of our acquisition of the Kirkhill elastomers business ("Kirkhill"), which we purchased as a distressed asset in March 2018, our management is currently unable to estimate the impact Kirkhill would have had on our EBITDA As Defined for the last twelve months ended December 30, 2017. While we believe that Kirkhill's EBITDA as a standalone business may have been negative for the last twelve months ended December 30, 2017, any such loss would have been immaterial to us on a consolidated basis and we believe that, once Kirkhill is fully integrated into our business model, that it will be a positive contributor to our EDITDA As Defined.

The following sets forth a reconciliation of net income to EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined:

	Last Twelve Months Ended December 30, 2017 (Dollars in thousands)
Net income	$ 792,791
Less: Income (loss) from discontinued operations, net of tax[(a)]	(28,890)
Income from continuing operations	821,681
Add:	
Depreciation and amortization	133,616
Interest expense, net	617,518
Interest tax provision	67,792
EBITDA	1,640,607
Adjustments:	
Inventory purchase accounting adjustments[(b)]	4,043
Acquisition integration costs[(c)]	6,580
Acquisition transaction-related expenses[(d)]	4,074
Non-cash stock and deferred compensation expense[(e)]	46,617
Refinancing costs[(f)]	8,836

Other items, net(g)		20,144
EBITDA As Defined	$	1,730,901
Pro forma adjustments(h)	$	36,051
Pro forma EBITDA As Defined	$	1,766,952

(a) During the fourth quarter of 2017, TransDigm Group Incorporated committed to disposing of Schroth Safety Products Group ("Schroth") in connection with the settlement of a Department of Justice investigation into the competitive effects of the acquisition. Therefore, Schroth was classified as held-for-sale and as discontinued operations as of September 30, 2017. The loss from discontinued operations in the consolidated statements of income for the year ended September 30, 2017 includes a $32.0 million impairment charge to write down the assets to fair value.

(b) 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.

(c) Represents costs incurred to integrate acquired businesses and product lines into TransDigm Group Incorporated's operations, facility relocation costs and other acquisition-related costs.

(d) Represents transaction-related costs comprising deal fees; legal, financial and tax due diligence expenses; and valuation costs that are required to be expensed as incurred.

(e) Represents the compensation expense recognized by TransDigm Group Incorporated under its stock incentive plans.

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

(g) Primarily represents gain or loss on sale of fixed assets, foreign currency transaction gain or loss and employer withholding taxes on dividend equivalent payments.

(h) Represents management's estimates of the impact of the transactions relating to North Hills, Cablecraft, Preece and Extant had such transactions occurred at the beginning of the twelve-month period ended December 30, 2017.

TransDigm Group Incorporated (NYSE: TDG) ("TD Group" or the "Company"), a leading global designer, producer and supplier of highly engineered aircraft components, today reported results for the second quarter ended March 31, 2018.

Second Quarter Results

Net sales for the quarter rose 7.4%, or $64.4 million, to $933.1 million from $868.7 million in the comparable quarter a year ago. Organic sales growth was 6.6%.

Net income from continuing operations for the quarter rose 29.6% to $201.8 million, or $3.63 per share, compared to $155.7 million, or $2.78 per share, in the comparable quarter a year ago. The current quarter was positively impacted by a lower effective tax rate due to the U.S. Tax Cuts and Jobs Act (tax reform) of 18.3% compared to 27.7% in the second quarter of 2017. The balance of the increase in net income primarily reflects the increase in net sales described above and improvements to our operating margin resulting from the strength of our proprietary products and continued productivity efforts. This growth in net income was partially offset by higher interest expense.

Net loss from discontinued operations in the quarter was $5.6 million, or $0.10 loss per share attributable to the sale of Schroth.

Adjusted net income for the quarter rose 24.5% to $210.8 million, or $3.79 per share, from $169.3 million, or $3.03 per share, in the comparable quarter a year ago. Adjusted earnings per share in the current fiscal year includes $0.41 of favorable impact from the enactment of tax reform. Excluding this favorable tax impact, current earnings per share of $3.38 increased 11.6% over the prior year.

EBITDA for the quarter increased 10.5% to $439.4 million from $397.7 million for the comparable quarter a year ago. EBITDA As Defined for the period increased 9.8% to $463.1 million compared with $421.7 million in the comparable quarter a year ago. EBITDA As Defined as a percentage of net sales for the quarter was 49.6%.

Year-to-Date Results

Net sales for the twenty-six week period ended March 31, 2018 rose 5.8% to $1,781.0 million from $1,682.7 million in the comparable period last year. Organic net sales growth was 4.8%.

Net income from continuing operations for the twenty-six week period ended March 31, 2018 increased 87.2% to $513.9 million, or $8.23 per share, compared with $274.6 million, or $3.17 per share, in the comparable period last year. The current twenty-six week period was positively impacted by a lower effective tax rate due to tax reform. The current effective tax rate was a benefit of 17.3% compared to a provision of 22.5% for the first half of fiscal 2017. The balance of the increase in net income primarily reflects growth in net sales described above, lower refinancing costs and lower acquisition-related costs, as well as improvements to our operating margin resulting from the strength of our proprietary products and continued productivity efforts. This growth in net income was partially offset by higher interest expense due to an increase in the level of outstanding borrowings to $11.8 billion from $11.2 billion outstanding in the comparable period last year.

Earnings per share were reduced in both 2018 and 2017 by $1.01 per share and $1.71 per share, respectively, representing dividend equivalent payments made during each year.

Net loss from discontinued operations in the twenty-six week period ended March 31, 2018 was $2.8 million, or $0.05 loss per share.

Adjusted net income for the twenty-six week period ended March 31, 2018 rose 66.9% to $520.9 million, or $9.37 per share, from $312.0 million, or $5.55 per share, in the comparable period a year ago. Adjusted earnings per share in the current fiscal year includes $3.37 of favorable impact from the enactment of tax reform. Excluding this favorable tax impact, current earnings per share of $6.00 increased 8.1% over the prior year.

EBITDA for the twenty-six week period ended March 31, 2018 increased 14.1% to $822.0 million from $720.7 million for the comparable period a year ago. EBITDA As Defined for the period increased 7.7% to $864.7 million compared with $802.9 million in the comparable period a year ago. EBITDA As Defined as a percentage of net sales for the period was 48.5%.

Please see the below 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.

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. TD 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. TD 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. TD 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.

TD Group presents these non-GAAP financial measures because it believes that they are useful indicators of its operating performance. TD 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. TD 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, TD Group's management uses EBITDA As Defined to evaluate acquisitions and as a liquidity measure. In addition, TD 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, TD 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.

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THIRTEEN AND TWENTY-SIX WEEK PERIODS ENDED
MARCH 31, 2018 AND APRIL 1, 2017 **Table 1**
(Amounts in thousands, except per share amounts)
(Unaudited)

	Thirteen Week Periods Ended		Twenty-Six Week Periods Ended	
	March 31, 2018	April 1, 2017	March 31, 2018	April 1, 2017
NET SALES	$ 933,070	$ 868,728	$ 1,781,030	$ 1,682,746
COST OF SALES	398,996	379,291	770,306	749,054
GROSS PROFIT	534,074	489,437	1,010,724	933,692
SELLING AND ADMINISTRATIVE EXPENSES	107,526	100,857	214,054	202,572
AMORTIZATION OF INTANGIBLE ASSETS	17,457	22,032	34,569	47,563
INCOME FROM OPERATIONS	409,091	366,548	762,101	683,557
INTEREST EXPENSE - NET	161,266	147,842	322,199	293,846
REFINANCING COSTS	638	3,507	1,751	35,591
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	247,187	215,199	438,151	354,120
INCOME TAX PROVISION	45,347	59,508	(75,700)	79,558
INCOME FROM CONTINUING OPERATIONS	$ 201,840	$ 155,691	$ 513,851	$ 274,562
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	(5,562)	(186)	(2,798)	(186)
NET INCOME	$ 196,278	$ 155,505	$ 511,053	$ 274,376
NET INCOME APPLICABLE TO COMMON STOCK	$ 196,278	$ 155,505	$ 454,905	$ 178,405
Net earnings per share:				
Net earnings per share from continuing operations—basic and diluted	$ 3.63	$ 2.78	$ 8.23	$ 3.17
Net loss per share from discontinued operations—basic and diluted	(0.10)	—	(0.05)	—
Net earnings per share	$ 3.53	$ 2.78	$ 8.18	$ 3.17
Cash dividends paid per common share	$ —	$ —	$ —	$ 24.00
Weighted-average shares outstanding:				
Basic and diluted	55,605	55,894	55,599	56,211

TRANSDIGM GROUP INCORPORATED
SUPPLEMENTAL INFORMATION - RECONCILIATION OF EBITDA, EBITDA AS DEFINED TO NET INCOME
FOR THE THIRTEEN AND TWENTY-SIX WEEK PERIODS ENDED MARCH 31, 2018 AND APRIL 1, 2017
(Amounts in thousands, except per share amounts)
(Unaudited)

Table 2

	Thirteen Week Periods Ended		Twenty-Six Week Periods Ended	
	March 31, 2018	April 1, 2017	March 31, 2018	April 1, 2017
Net income	$ 196,278	$ 155,505	$ 511,053	$ 274,376
Less: Loss from Discontinued Operations, net of tax (1)	(5,562)	(186)	(2,798)	(186)
Income from Continuing Operations	201,840	155,691	513,851	274,562
Adjustments:				
Depreciation and amortization expense	30,970	34,661	61,609	72,708
Interest expense, net	161,266	147,842	322,199	293,846
Income tax provision	45,347	59,508	(75,700)	79,558
EBITDA	439,423	397,702	821,959	720,674
Adjustments:				
Acquisition-related expenses and adjustments (2)	4,485	7,752	6,559	26,320
Non-cash stock compensation expense (3)	11,590	11,105	22,703	21,126
Refinancing costs (4)	638	3,507	1,751	35,591
Other, net (5)	6,987	1,610	11,684	(841)
Gross Adjustments to EBITDA	23,700	23,974	42,697	82,196
EBITDA As Defined	$ 463,123	$ 421,676	$ 864,656	$ 802,870
EBITDA As Defined, Margin (6)	49.6%	48.5%	48.5%	47.7%

(1) During the fourth quarter of fiscal 2017, the Company committed to disposing of Schroth in connection with the settlement of a Department of Justice investigation into the competitive effects of the acquisition. Therefore, Schroth was classified as held-for-sale and as discontinued operations beginning September 30, 2017 for all periods presented. The Company acquired Schroth in February 2017. On January 26, 2018, the Company completed the sale of Schroth in a management buyout to a private equity fund and certain members of Schroth management for approximately $61 million in cash.

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

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

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

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

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

TRANSDIGM GROUP INCORPORATED
SUPPLEMENTAL INFORMATION - RECONCILIATION OF REPORTED EARNINGS PER SHARE TO ADJUSTED EARNINGS PER SHARE
FOR THE THIRTEEN AND TWENTY-SIX WEEK PERIODS ENDED MARCH 31, 2018 AND APRIL 1, 2017
(Amounts in thousands, except per share amounts)
(Unaudited)

Table 3

	Thirteen Week Periods Ended		Twenty-Six Week Periods Ended	
	March 31, 2018	April 1, 2017	March 31, 2018	April 1, 2017
Reported Earnings Per Share				
Net income from continuing operations	$ 201,840	$ 155,691	$ 513,851	$ 274,562
Less: dividends on participating securities	—	—	(56,148)	(95,971)
	201,840	155,691	457,703	178,591
Net loss from discontinued operations	(5,562)	(186)	(2,798)	(186)
Net income applicable to common stock - basic and diluted	$ 196,278	$ 155,505	$ 454,905	$ 178,405
Weighted-average shares outstanding under the two-class method				
Weighted-average common shares outstanding	52,229	52,849	52,127	53,108
Vested options deemed participating securities	3,376	3,045	3,472	3,103
Total shares for basic and diluted earnings per share	55,605	55,894	55,599	56,211
Net earnings per share from continuing operations—basic and diluted	$ 3.63	$ 2.78	$ 8.23	$ 3.17
Net loss per share from discontinued operations—basic and diluted	(0.10)	—	(0.05)	—
Basic and diluted earnings per share	$ 3.53	$ 2.78	$ 8.18	$ 3.17
Adjusted Earnings Per Share				
Net income from continuing operations	$ 201,840	$ 155,691	$ 513,851	$ 274,562
Gross adjustments to EBITDA	23,700	23,974	42,697	82,196
Purchase accounting backlog amortization	675	5,348	1,084	14,495
Tax adjustment	(15,374)	(15,676)	(36,759)	(59,247)
Adjusted net income	$ 210,841	$ 169,337	$ 520,873	$ 312,006
Adjusted diluted earnings per share under the two-class method	$ 3.79	$ 3.03	$ 9.37	$ 5.55
Diluted Earnings Per Share to Adjusted Earnings Per Share				
Diluted earnings per share from continuing operations	$ 3.63	$ 2.78	$ 8.23	$ 3.17
Adjustments to diluted earnings per share:				
Inclusion of the dividend equivalent payments	—	—	1.01	1.71
Non-cash stock compensation expense	0.16	0.14	0.44	0.26
Acquisition-related expenses	0.07	0.17	0.15	0.51
Refinancing costs	0.01	0.04	0.03	0.44
Reduction in income tax provision net income per common share related to ASU 2016-09	(0.18)	(0.12)	(0.72)	(0.52)
Other, net	0.10	0.02	0.23	(0.02)
Adjusted earnings per share	3.79	3.03	9.37	5.55
Less: Estimated impact of tax reform	(0.41)	—	(3.37)	—
Adjusted earnings per share excluding tax reform	$ 3.38	$ 3.03	$ 6.00	$ 5.55

TRANSDIGM GROUP INCORPORATED
SUPPLEMENTAL INFORMATION - RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO EBITDA, EBITDA AS DEFINED
FOR THE TWENTY-SIX WEEK PERIODS ENDED MARCH 31, 2018 AND APRIL 1, 2017
(Amounts in thousands)
(Unaudited)

Table 4

	Twenty-Six Week Periods Ended	
	March 31, 2018	April 1, 2017
Net cash provided by operating activities	$ 453,684	$ 390,500
Adjustments:		
Changes in assets and liabilities, net of effects from acquisitions of businesses	(9,404)	24,036
Interest expense - net (1)	311,605	283,676
Income tax provision - current	90,892	79,212
Non-cash stock compensation expense (2)	(22,703)	(21,126)
Refinancing costs (4)	(1,751)	(35,591)
EBITDA from discontinued operations (6)	(364)	(33)
EBITDA	821,959	720,674
Adjustments:		
Acquisition-related expenses (3)	6,559	26,320
Non-cash stock compensation expense (2)	22,703	21,126
Refinancing costs (4)	1,751	35,591
Other, net (5)	11,684	(841)
EBITDA As Defined	$ 864,656	$ 802,870

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

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

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

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

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

(6) During the fourth quarter of 2017, the Company committed to disposing of Schroth in connection with the settlement of a Department of Justice investigation into the competitive effects of the acquisition. Therefore, Schroth was classified as held-for-sale and as discontinued operations beginning September 30, 2017 for all periods presented. The Company acquired Schroth in February 2017. On January 26, 2018, the Company completed the sale of Schroth in a management buyout to a private equity fund and certain members of Schroth management for approximately $61 million in cash.

TRANSDIGM GROUP INCORPORATED
SUPPLEMENTAL INFORMATION - BALANCE SHEET DATA
(Amounts in thousands) **Table 5**
(Unaudited)

	March 31, 2018	September 30, 2017
Cash and cash equivalents	$ 1,011,007	$ 650,561
Trade accounts receivable - net	644,985	636,127
Inventories - net	767,232	730,681
Current portion of long-term debt, net of debt issuance costs, OID and premium	69,147	69,454
Short-term borrowings-trade receivable securitization facility, net of debt issuance costs	299,833	299,587
Accounts payable	151,709	148,761
Accrued current liabilities	292,146	335,888
Long-term debt, net of debt issuance costs, OID and premium	11,365,790	11,393,620
Total stockholders' deficit	(2,309,337)	(2,951,204)