

ASTRONICS

CANACCORD GROWTH CONFERENCE

AUGUST 8, 2018



ELEVATING *innovation*

Peter J. Gundermann
President & CEO

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Executive VP & CFO

Safe Harbor Statement

These slides (and the accompanying oral discussion) contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including general economic and business conditions, conditions affecting the industries served by the Company and its subsidiaries, conditions affecting the Company’s customers and suppliers, competitor responses to the Company’s products and services, the overall market acceptance of such products and services, the effect of the Company’s strategy and other factors disclosed in the Company’s periodic reports filed with the Securities and Exchange Commission. Consequently, such forward-looking statements should be regarded as the Company’s current plans, estimates and beliefs. The Company does not undertake and specifically declines any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Astronics Corporation (NASDAQ: ATRO)

As a trusted partner to the world's leading manufacturers, we create **INNOVATIVE** solutions with **TECHNOLOGIES**, **SYSTEMS** and **SERVICES** that enhance everything from commercial jets to military programs to the smart phone in your pocket.



Shares Out	28.1 million
Market Cap	\$1.1 billion
Avg. Daily Volume (3 mos.)	92,220
Recent Price	\$39.71
52-Week Range	\$23.95 – \$49.45

Index membership:	Russell 3000®/2000®
Institutional ownership	72%
Insider ownership	14%

Market data as of August 1, 2018 [Source: S&P Capital IQ]; ownership as of most recent filing

Product Offerings in Two Business Segments

Aerospace

- » Electrical Power and Motion (EP&M)
- » Lighting and Safety (L&S)
- » Avionics
- » Systems Certification
- » Structures

Test Systems

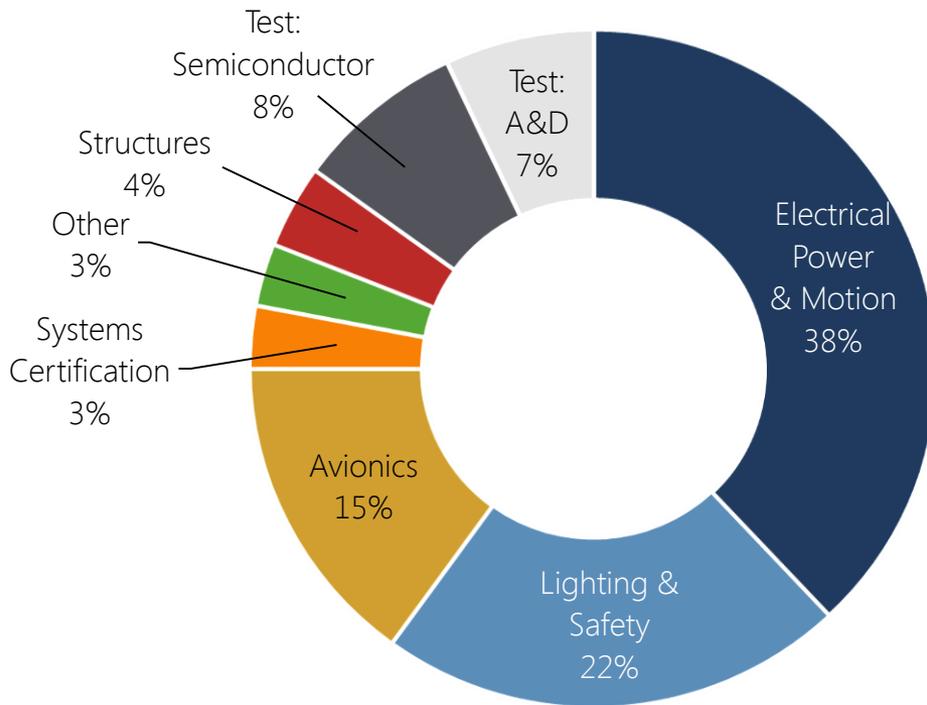
- » Semiconductor
- » Aerospace & Defense



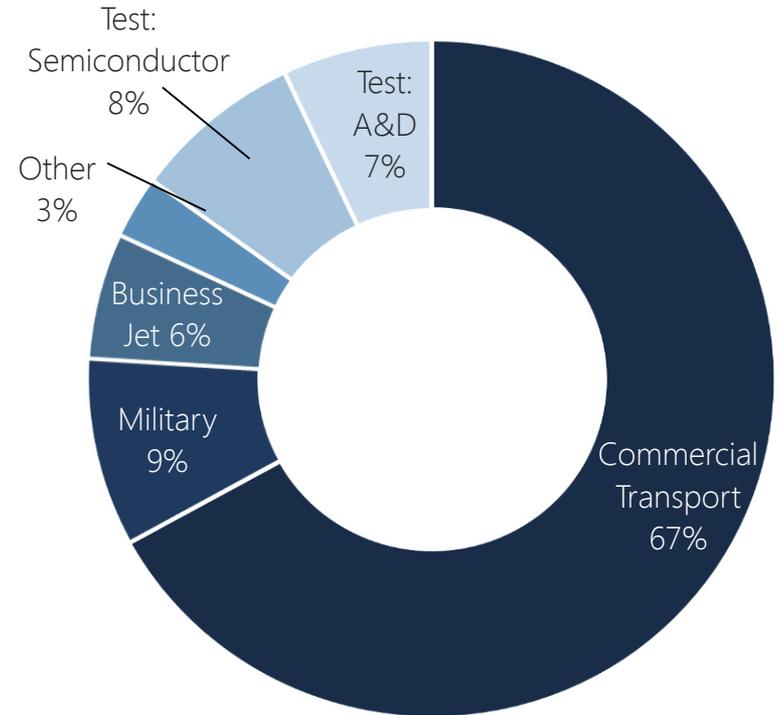
*Guidance provided as of August 3, 2018
Segment sales tally may differ due to rounding

Diverse Sales Composition

Sales by Product

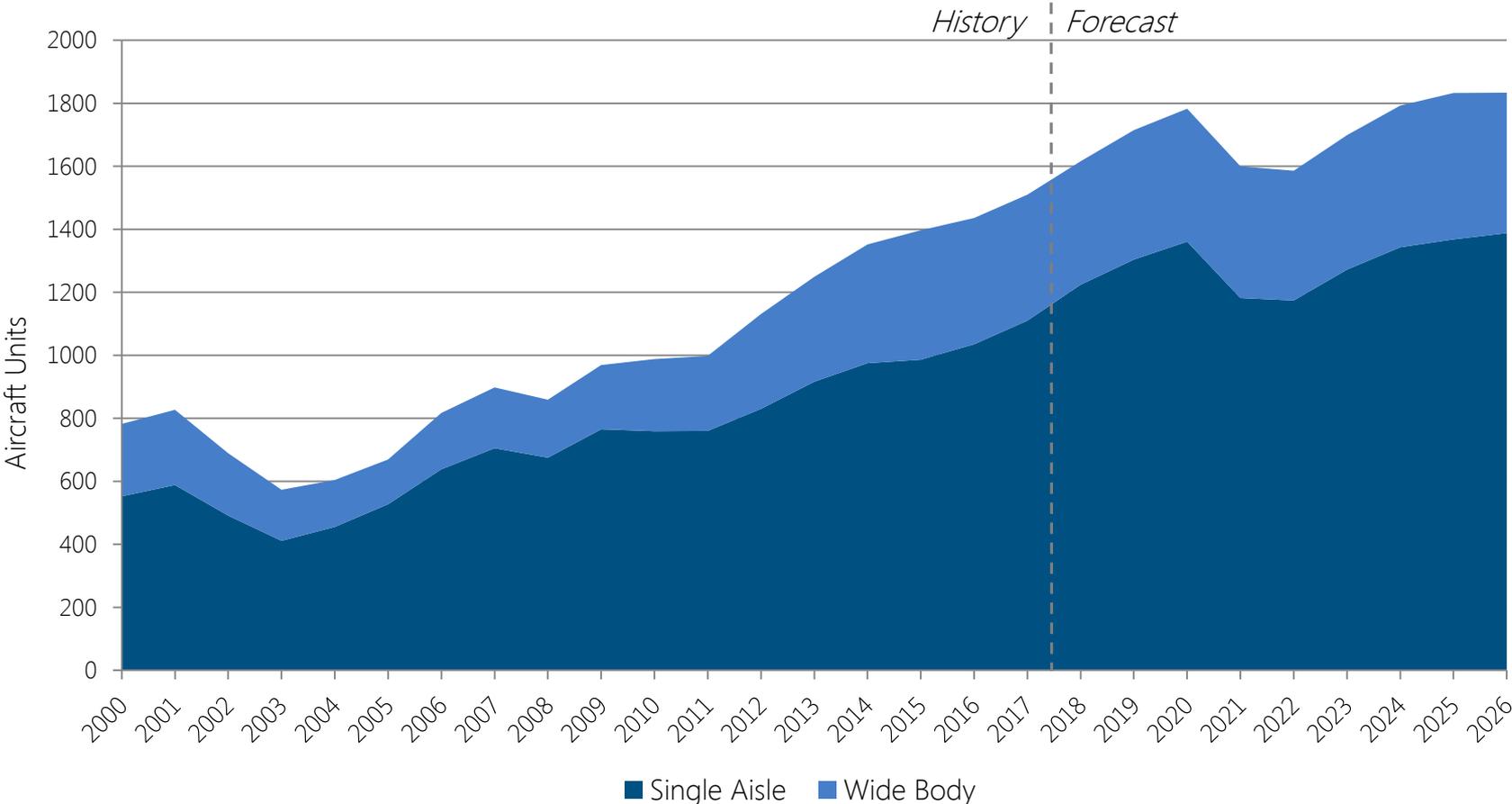


Sales by Market



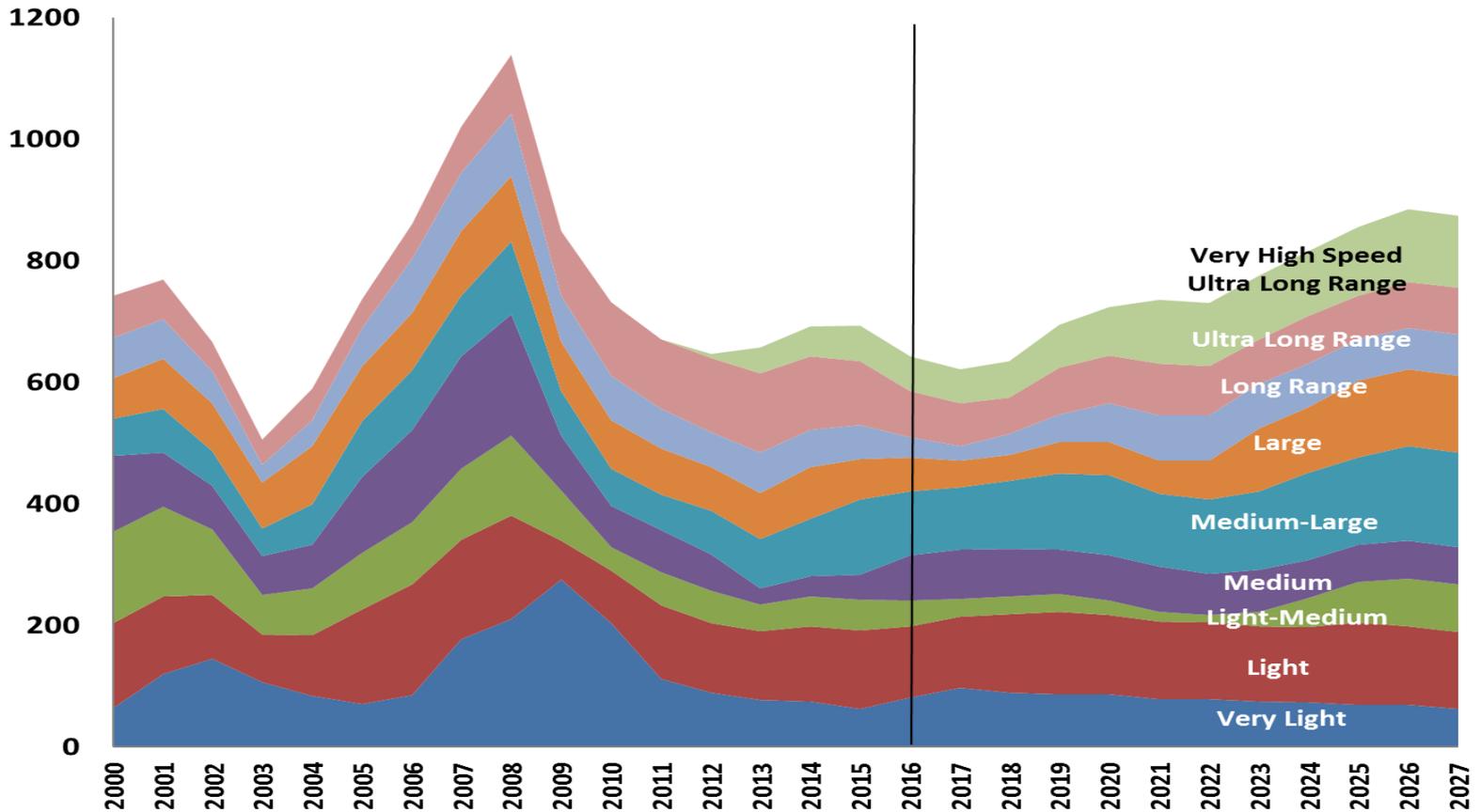
TTM Q2 18 Sales: \$708.6 Million

Commercial Transport Delivery Forecast



Source: Airbus & Boeing actual deliveries through 9/30/2017 / Forecast International (July 2017)

Business Jet Delivery Forecast



~8,300 Aircraft from 2017 - 2027

Source: Honeywell Business Aviation Market Update, October 2017

Leading Provider of Passenger Power

EP&M: In-Seat Power Supply (ISPS)

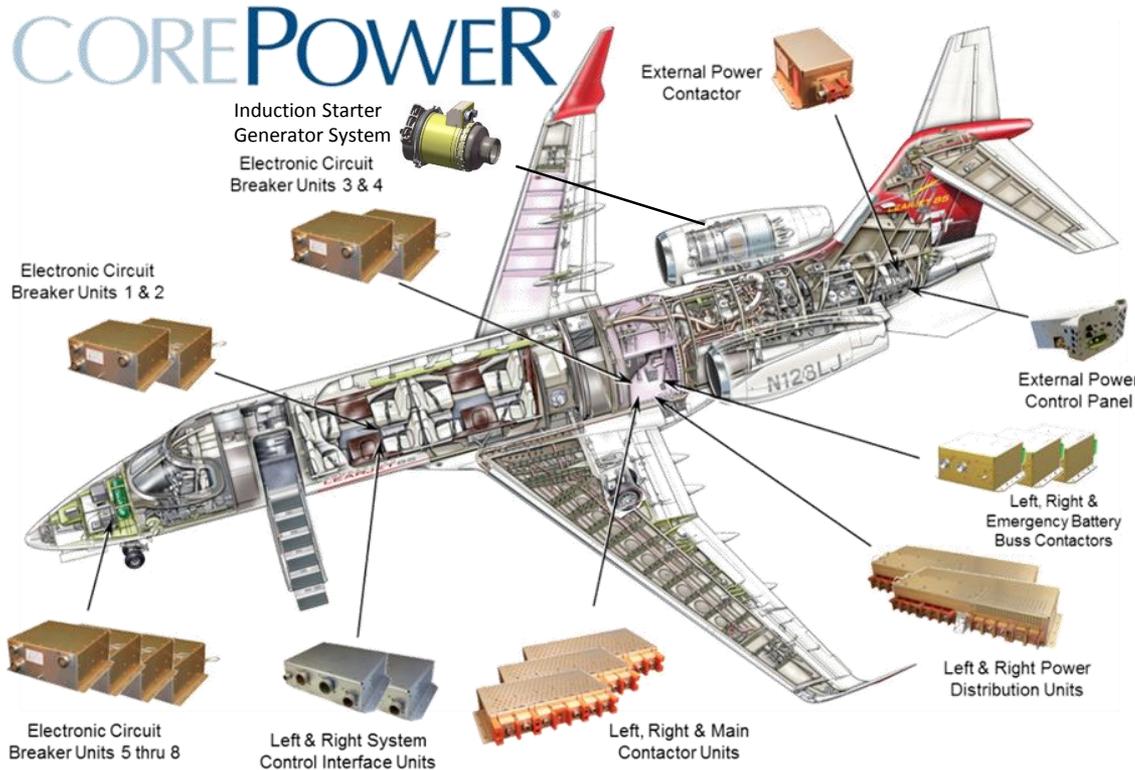


- » In-seat power installed on 1 million+ seats on over 200 airlines worldwide
- » IFE power supplier to Thales, Panasonic and Zodiac
- » ASP: \$750-\$850 per seat
- » Currently 90%+ market share in growing market of seat power worldwide
- » Large growth opportunity with narrow body adoption



Establishing Market Leadership

EP&M: Airframe Power



Intelligent Power Management Systems

Solid-state systems replace extensive wiring and traditional electromechanical components with modular electronics & software

- » Increased Reliability
- » Reduced Weight
- » Automation
- » Flexibility
- » Lower Life Cycle Cost

Wins:

- ✓ DAHER TBM 900
- ✓ Bell 505, 525 & V280
- ✓ Pilatus PC-24
- ✓ Cessna Denali

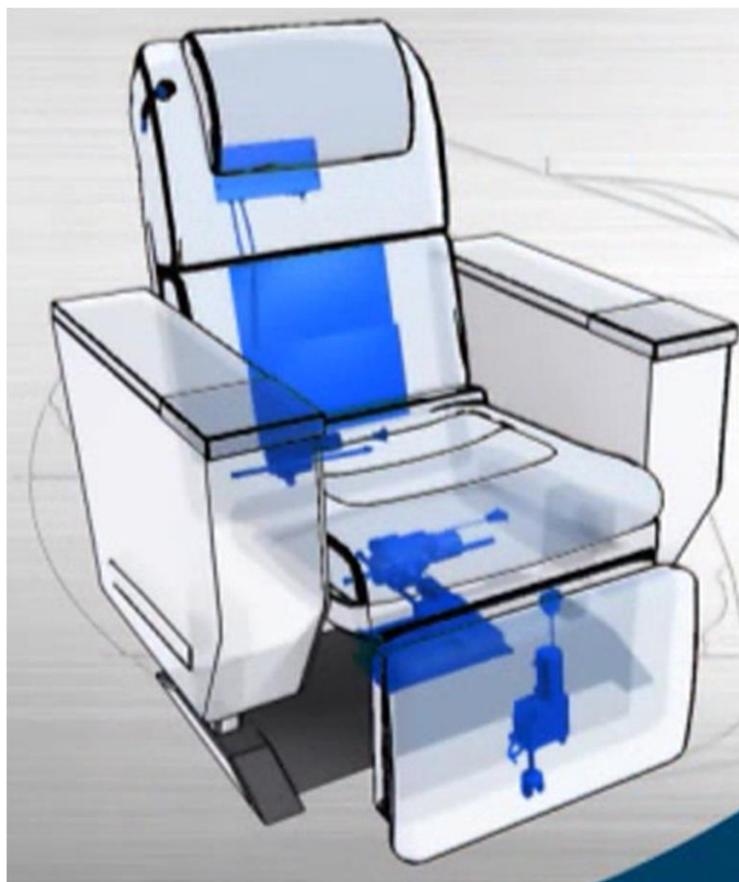
Specialize in High-End Seat Technology

EP&M: Seat Actuation

Gen VI Smart Motion System



Gen V Nano Smart Motion System



Established Position on 777X and 737 MAX

Lighting and Safety: Passenger Service Units (PSUs)

Strong position with Boeing

- » 777 / 777X - approximately \$235k in content (PSUs, fuel access doors)
- » 737 - approximately \$100k in content (BSI PSUs, fuel access doors)
- » 787 - approximately \$45k in content (fuel access doors)
- » 747 - approximately \$30k in content (PSUs, fuel access doors)

Embraer E2 (PSUs, Emergency lights)



Unique Product Offering

Lighting and Safety: Aircraft Lighting

Exterior Lighting Systems

- » Beacon & Formation
- » Taxi & Landing
- » Position / Anti-Collision
- » Pioneered Application of Hi-Res / Low-Power LEDs for Aircraft Lighting
- » LED Lighting on 737 Max



Cabin Lighting Systems

- » Emergency Egress Lighting
- » Emergency Signs
- » Passenger Information Signs
- » Flood Lights
- » Smart Lighting Systems



Cockpit Lighting Systems

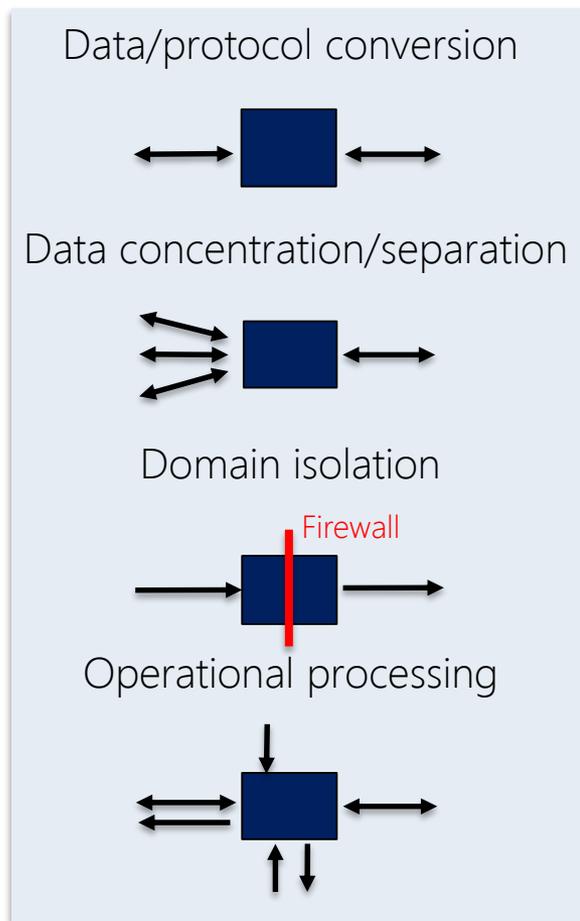
- » Panels
- » Avionics HMI
- » Lighting Controllers
- » Control Panel Assemblies
- » Night Vision Modifications



Industry Leading Technologies

Avionics: Databus Solutions

- » Aircraft Interface Device (AID): Translation devices that enable varying system protocols to communicate
 - » Interface between EFB and Aircraft Systems
- » Embedded Computers, Systems & Function Cards



webFB™
Wireless Electronic Flight Bag

- » Gather aircraft data
- » Run custom software or a variety of Type A/B EFB applications
- » Securely view applications on choice of wireless devices



Connectivity Solutions

Avionics: Antenna Systems

Satellite-Based Broadband

- » Cost effective solutions for in-flight internet and TV connectivity
- » Ku-band: leading technology, lower cost, flexible applications, efficient, upgrading
- » Suited for commercial, business, VVIP and military aircraft applications
- » Dedicated global connectivity solution for VVIP/Bizjet market with Panasonic Avionics



Specialized Capabilities

Avionics: In-flight Entertainment for VVIP

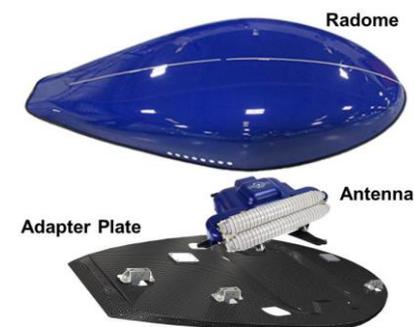
- » Large private and government jets
- » \$1 million to \$10 million per install
- » UHD Media Center
 - » First aeronautical player with 4K Ultra HD technology



Engineering Solutions

Systems Certification

- » A leading provider of engineering, design and certification solutions for commercial aircraft
 - » Specialize in connectivity, in-flight entertainment, electrical power systems and off-seat power solutions
- » Customers include Panasonic and Gogo
- » New capability to bring to the market and leverage across the company internally
- » Launched AeroShield low drag radome and composite adapter plate



Acquired Telefonix Inc.

Created Connectivity Systems and Certification Group ("CSC")

- » Acquired December 2017
- » Purchase price: \$104 million cash
- » Leader in cord reels; Provides connectivity hardware:
 - › Wireless access point
 - › Servers and controls
- » Combined with Armstrong Aerospace
- » Complete IFEC solution:
 - › Connectivity hardware
 - › Integration engineering
 - › Installation design
 - › Certification services

Combines Capabilities of
Connectivity with Engineering
Solutions and IFE Expertise



Aerospace Segment

Well Positioned on Wide Range of High Profile Next-Gen Aircraft

CURRENT

Embraer Phenom 100/300

Exterior lighting

UH-60 Blackhawk

Exterior cockpit lighting

V-22 Osprey

Cabin, cockpit & exterior lighting

Cessna

Exterior & cockpit lighting

Airbus A380

Cabin lighting & cabin electronics

Boeing 787

Passenger power & fuel doors

Boeing 737 NG & BSI

PSU, fuel doors & passenger power available

F-35 JSF

Exterior lighting suite & lighting controllers

Pilatus PC-24

Airframe power & induction starter generator

NEXT GENERATION

Boeing 777X

PSU & fuel doors

737MAX

Exterior lighting system & PSU

Airbus 350

Emergency egress lighting & passenger power

Embraer E2

Interior and exterior emergency lighting system & PSU

Cessna Denali

Induction starter generator, electronic circuit breakers & passenger power

Bell 505, 525 & V280

Airframe power



A&D Test Systems

- » Test instruments, automated test systems, and training and simulation systems
- » Integrated logistics support
- » Validate operating performance on multiple top-priority defense communications and weapons systems platforms



Expanding test instrument business with next-gen PXI platform offerings



Next-gen radio test set that combines 16+ field test capabilities in one device

Unique Solution for Semiconductor Testing

Supported the largest smart device ramps in history



Shortened Time to Volume

Rapid test development and deployment



Reduced Cost of Test

massively parallel, system level test dramatically reduces cost of test (COT)



Innovative Test Solutions

“Engineer to engineer” design and manufacturing philosophy



Flexibility & Scalability

Configurable systems accommodate the device under test (DUT) and test objectives; “copy-exact” methodologies support global scaling

The new ATS 5034 SLT Platform delivers a high throughput and low cost of test for testing semiconductor devices at the system level.



Opportunities

- » More programs with major customer
- » Developing new customers

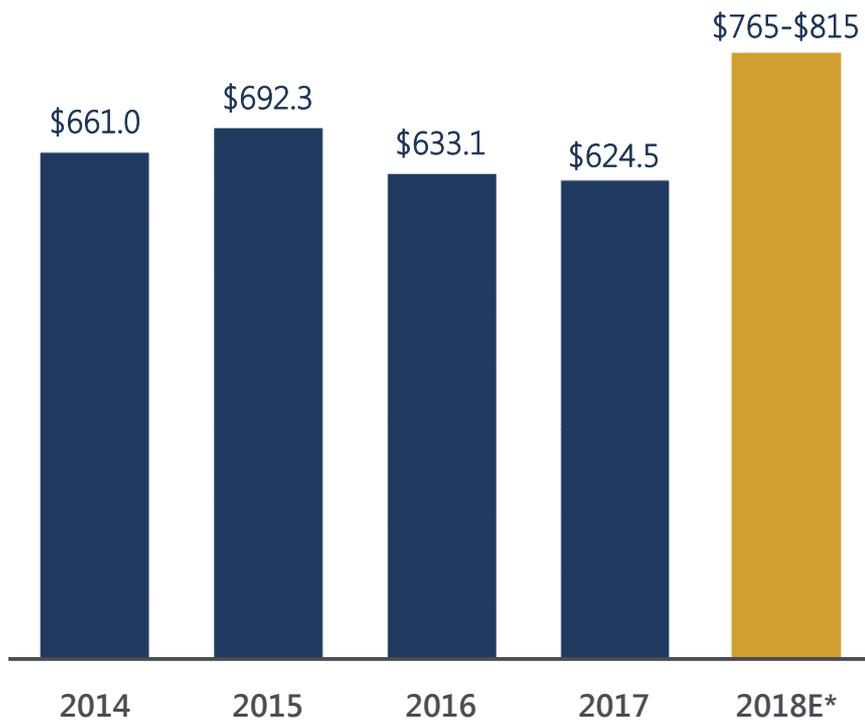
FINANCIALS



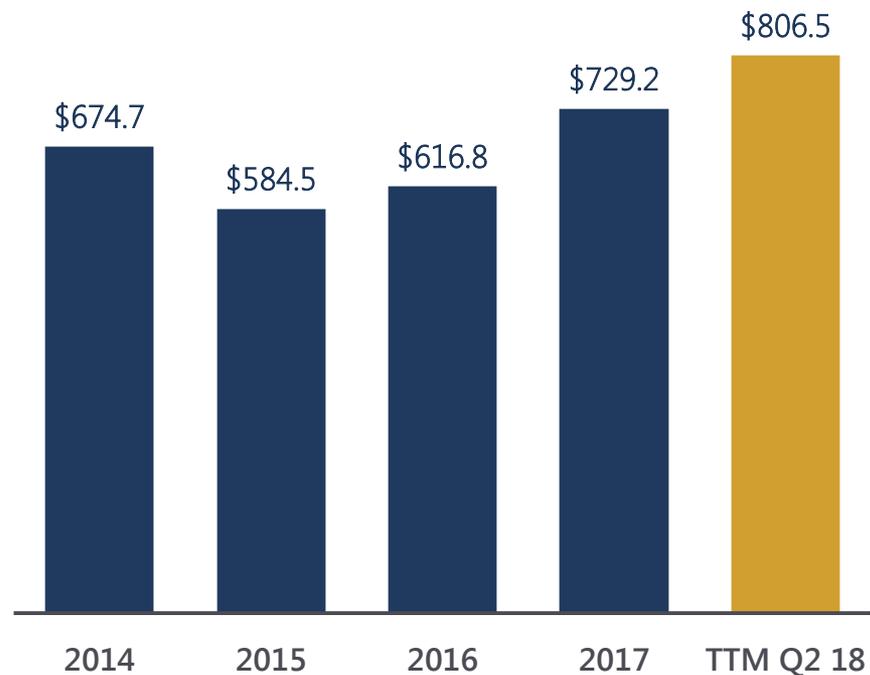
Sales & Bookings

(US\$ in millions; except EPS)

SALES



Annual Bookings



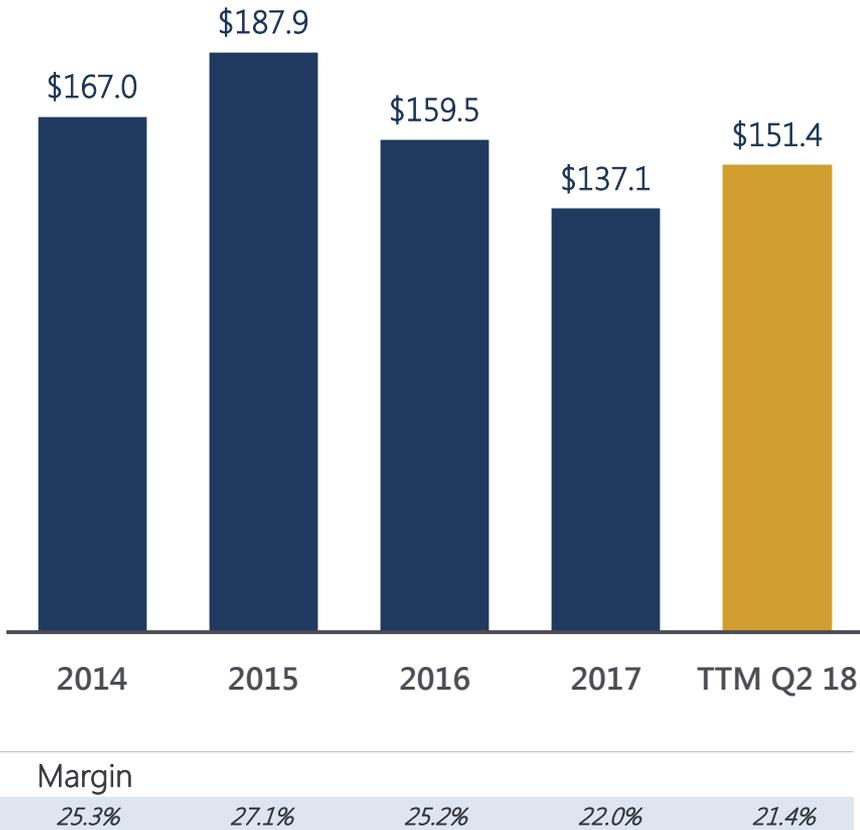
Diluted EPS

\$1.87	\$2.22	\$1.61	\$0.67
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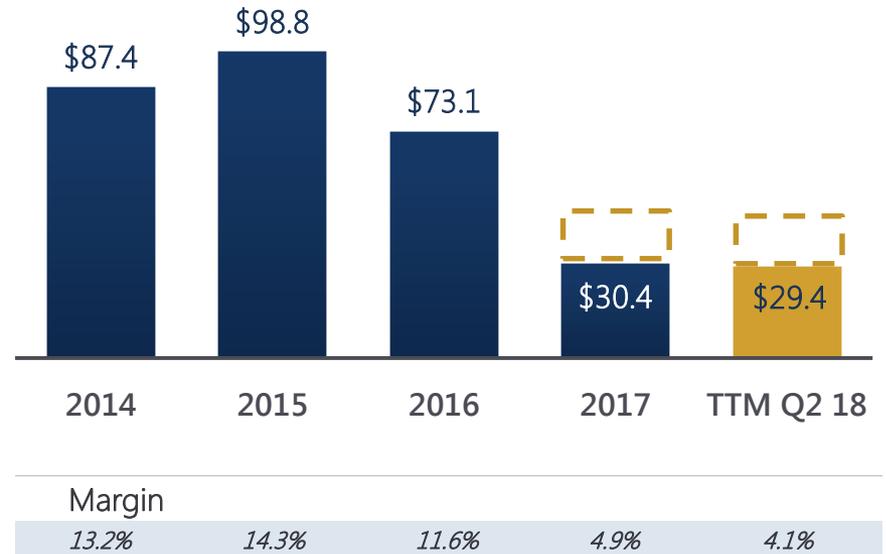
Margins

(US\$ in millions)

Gross Profit and Margin



Operating Profit and Margin

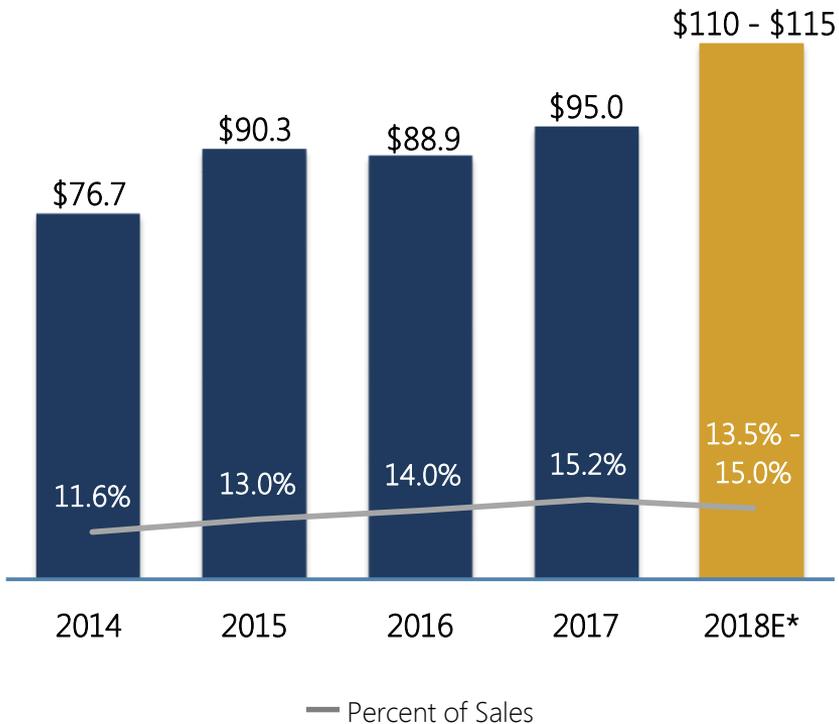


Impairment charge of \$16.2 million associated with Armstrong Aerospace in Q4 2017

Develop and Capitalize on Technical Expertise

(US\$ in millions)

Engineering & Development Expense



- » Majority focused on customer specific projects
- » Identify market opportunities
- » Develop/acquire technical capability
- » Earn higher returns by providing innovative solutions

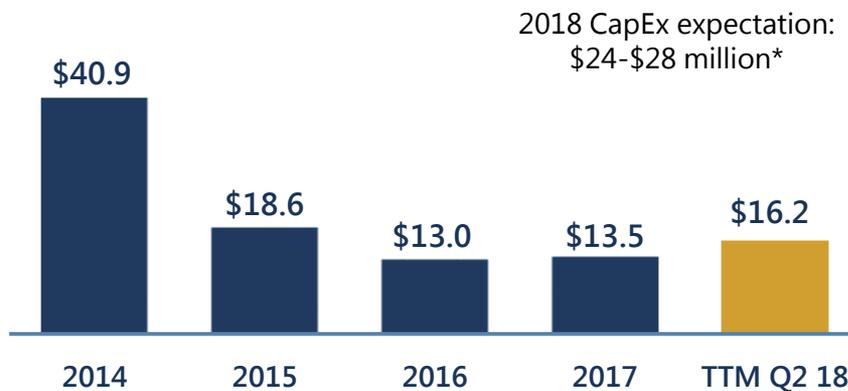
Balance Sheet and Cash Flow

(US\$ in millions)

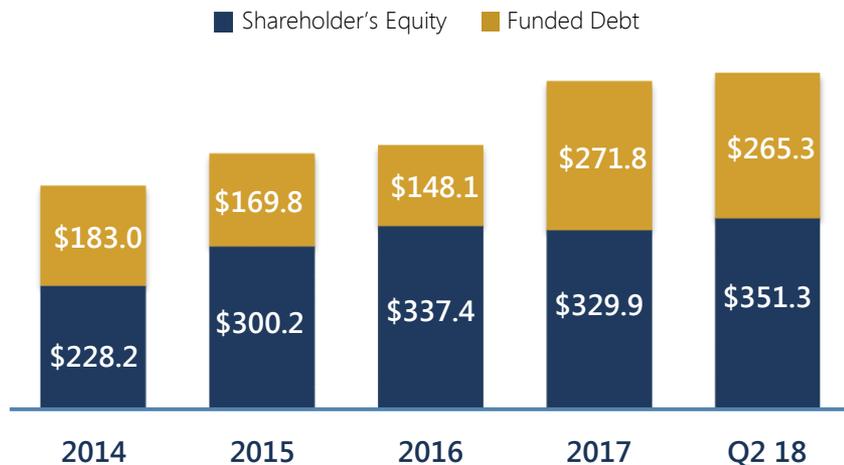
Cash from Operations



Capital Expenditures



Funded Debt & Shareholders' Equity



Capital allocation priorities:

1. Pay down debt
2. Organic growth
3. Acquisitions
4. Opportunistic stock repurchases

Tolerance for debt:

- » 2x - 3x
- » Willing to flex up

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SUPPLEMENTAL SLIDES



Major Competitors

POWERED AIRCRAFT

- » Airbus KID – Systeme
- » Hamilton
- » Sundstrand/UTC
- » Crane Aerospace
- » Zodiac
- » Honeywell
- » OEM internal processes

LIGHTED AIRCRAFT

- » Zodiac
- » Honeywell
- » Esterline
- » Hamilton Sundstrand/UTC
- » Draeger (B/E Aerospace)
- » Goodrich
- » Whelan
- » Diehl Aerospace
- » Numerous small suppliers

AVIONICS

- » GE
- » North Atlantic Industries
- » TECOM (Smiths Group)
- » Kontron
- » Panasonic

TEST SYSTEMS

- » Aeroflex (Cobham)
- » Lockheed
- » National Instruments
- » Keysight
- » Teradyne

Astronics Locations

A Broad Footprint – For Capacity and Collaboration

NORTH AMERICA

FRANCE

KIRKLAND, WA

- » Airframe Power
- » In-Seat Power

EVERETT, WA

- » Avionics Databus Solutions

ITASCA, IL

- » System Installs
- » Systems Certification
- » Electrical Power Systems

EAST AURORA, NY

Corporate Headquarters

- » Aircraft Lighting

MONTREAL, Quebec

- » Aircraft Lighting

KENT, WA

- » VVIP In-flight Entertainment

WAUKEGAN & LAKE ZURICH, IL

- » In-flight Entertainment and Connectivity Equipment
- » Design Consultancy

LEBANON, NH

- » Aircraft Lighting

IRVINE, CA

- » Test Instruments
- » Integrated Test Systems

AMHERST, NH

- » Connectivity Systems

CLACKAMAS, OR

- » PSUs & Structures
- » Enhanced Vision Systems
- » Contract Manufacturing

FORT LAUDERDALE, FL

- » Aircraft Safety
- » Airfield Lighting

ORLANDO, FL

- » Integrated Test Systems
- » Simulation and Training

CHÂTEAUROUX, France

- » Seat Actuation
- » VVIP In-flight Entertainment

Adding Technology, Building Solutions

Recent Acquisitions for the Astronics Brand

PECO Manufacturing

- » July 2013
- » Aerospace: Interior & Structures

PGA Avionics

- » December 2013
- » Aerospace: Motion, VVIP

Armstrong Aerospace

- » January 2015
- » Aerospace: Systems Certification, Power and Avionics

Telefonix PDT

- » December 2017
- » Aerospace: IFE & Connectivity Equipment

2013

2014

2015

2016

2017

AeroSat

- » October 2013
- » Aerospace: Connectivity

EADS N.A. Test

- » February 2014
- » Test: Commercial and Defense

Custom Control Concepts

- » April 2017
- » Aerospace: VVIP

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