

Investor Presentation

September 2016



A Premier Supplier of Aircraft Structures and Systems



Douglas McCrosson, Chief Executive Officer

NYSE MKT: CVU

Forward-Looking Statements

This presentation contains forward-looking statements that involve risks and uncertainties. All statements, other than statements of historical fact, included in this presentation, including without limitation, statements regarding projections, future financing needs, and statements regarding future plans and objectives of the Company, are forward-looking statements. Words such as "believes," "expects," "anticipates," "intends," "plans," "estimates" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon the current expectations of management and certain assumptions that are subject to risks and uncertainties. Accordingly, there can be no assurance that such risks and uncertainties will not affect the accuracy of the forward-looking statements contained herein or that our actual results will not differ materially from the results anticipated in such forward-looking statements. Such factors include, but are not limited to, the following: the cyclical nature of the aerospace market, the level of U.S. defense spending, production rates for commercial and military aircraft programs, competitive pricing pressures, start-up costs for new programs, technology and product development risks and uncertainties, product performance, increasing consolidation of customers and suppliers in the aerospace industry and costs resulting from changes to and compliance with applicable regulatory requirements. The information contained in this presentation is qualified in its entirety by cautionary statements and risk factors disclosed in the Company's Securities and Exchange Commission filings, including its Annual Report on Form 10-K filed on March 28, 2016 and as amended on April 29, 2016, and quarterly report on Form 10-Q filed on May 10, 2016 and August 8, 2016, available at <http://www.sec.gov>.

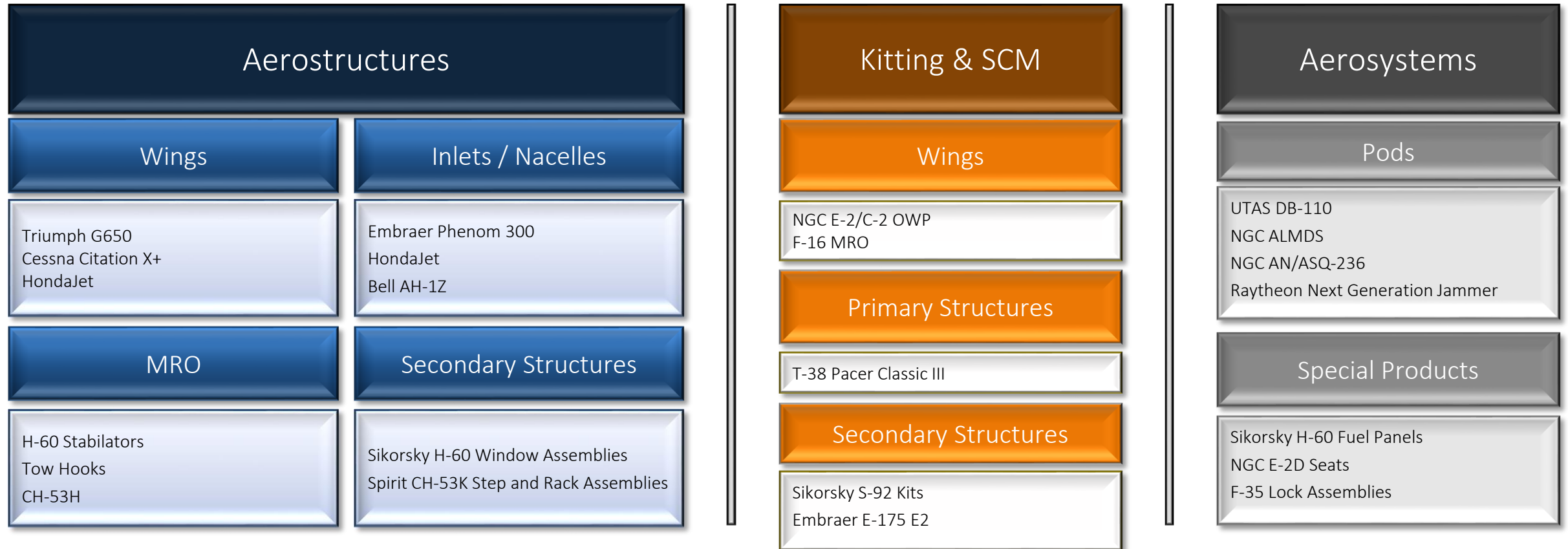
We caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date hereof and for which the Company assumes no obligation to update or revise the forward-looking statements herein.

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Non-GAAP Financial Data

Adjusted Earnings (arrived at by eliminating the Company's A-10 Program with Boeing from reported results) is not derived in accordance with generally accepted accounting principles ("GAAP"). Adjusted earnings is a key metric CPI Aero has used in evaluating its financial performance. Adjusted earnings is considered a non-GAAP financial measure as defined by Regulation G promulgated by the SEC under the Securities Act of 1933, as amended. CPI Aero considers Adjusted Earnings important in evaluating its financial performance on a consistent basis across various periods. Due to the significance of the non-cash and non-recurring change in estimate recognized in the six months ended March 31, 2016, Adjusted Earnings enables the Company's Board of Directors and management to monitor and evaluate the business on a consistent basis. CPI Aero uses Adjusted Earnings as a measure, among others, to analyze and evaluate financial and strategic planning decisions regarding future operating decisions and investments. The presentation of Adjusted Earnings should not be construed as an inference that CPI Aero's future results will be unaffected by unusual or non-recurring items or by non-cash items, such as changes in estimates. Adjusted Earnings should be considered in addition to, rather than as a substitute for, pre-tax income, net income and cash flows from operating activities

Manufacturer of aerospace structural assemblies and integrated systems for commercial and defense markets



NOT A PARTS MANUFACTURER TRYING TO MOVE UP THE VALUE-ADDED CHAIN
USES SUPPLIERS TO MANUFACTURE 100% OF COMPONENTS

Investment Considerations

Large and diversified backlog

\$395.4M

26% Funded
74% Defense

At 06/30/16

Improving Defense Outlook

- DoD budget back in growth mode
- Increasing spending internationally
- Increasing operating tempos for U.S. and Allied air forces

Growing bid pipeline

67% Defense

51%
Aerosystems
& Kitting

Defense opportunities are increasing

2016 Guidance Reaffirmed

Adjusted
Revenue

- **\$82.5M – \$88.5M**
- Reduces all projected A-10 program revenue from forecast

Adjusted
Pre-tax Income


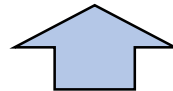
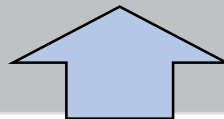
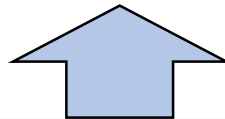
- **\$9.8M – \$10.5M**
- Adds back the \$15.3 million charge recorded in 1Q16 related to A-10 program

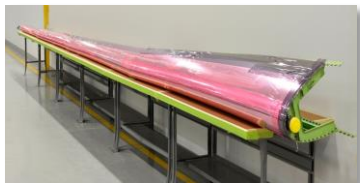
Effective Tax
Rate

- **Approximately 37%**

2Q16 Financial Highlights *(As Adjusted)*¹

Second quarter performance reflects continued focus on operational excellence as CPI Aero rationalizes costs and increases productivity to enhance profitability

	<u>Amount</u>	<u>Second Quarter 2016 vs. Second Quarter 2015</u>
Revenue	\$19.8 million	22% 
Gross Profit	\$5.0 million	31% 
Pre-Tax Income	\$2.9 million	86% 
Net Income	\$1.8 million	83% 



(1) See CPI Aero 8-K filed with the Securities & Exchange Commission on 8/4/16 for GAAP financials and GAAP-to-Adjusted earnings reconciliation tables.

Raytheon Next Generation Jammer Pod Increment 1



- Aerosystems contract with a global leader in electronic warfare
- Leverages core competencies developed with Northrop Grumman and United Technologies
- \$6.7M contract through 2018
- Potential \$50+ million over next decade

Embraer E175-E2

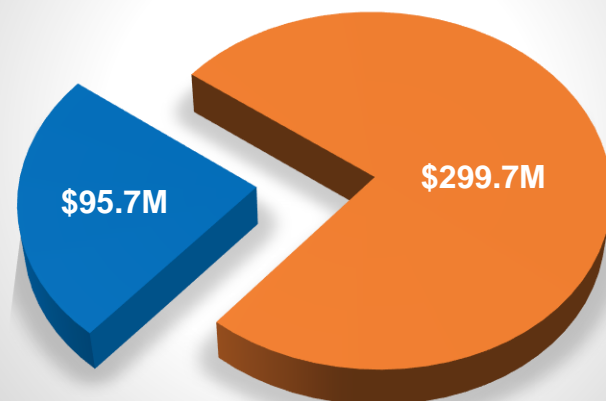


- First new contract for a civilian airliner in 2+ decades
- Builds on existing relationship with Embraer on its Phenom 300
- Multi-year \$19M contract
- Further validation of CPI Aero's world-class supply chain management capabilities
- Total expected revenue through production phase expected to be \$16+M

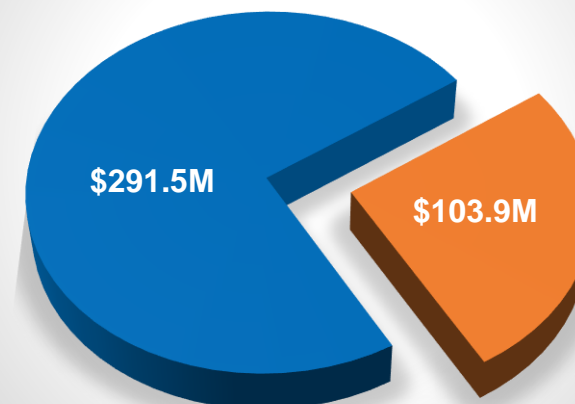
Consolidated Backlog at 06/30/2016: \$395.4 Million¹

Funded 24% / Unfunded 76%

Unfunded backlog represents remaining potential value of long term agreements









Defense 74% / Commercial 26%



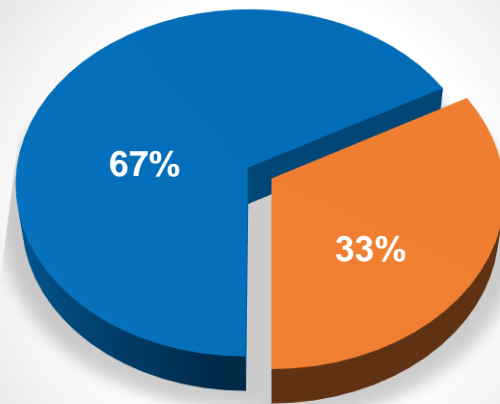
¹ Backlog does not include Raytheon NGJ Pods order (\$4.0M Funded; \$27M Unfunded) and Embraer E175 Pylon Parts order (\$0.9M Funded; \$18.2M Unfunded) announced subsequent to 6/30/2016.

Driven By Renewed Strength in Defense Business

Recent wins adding \$250+ million in backlog until 2022

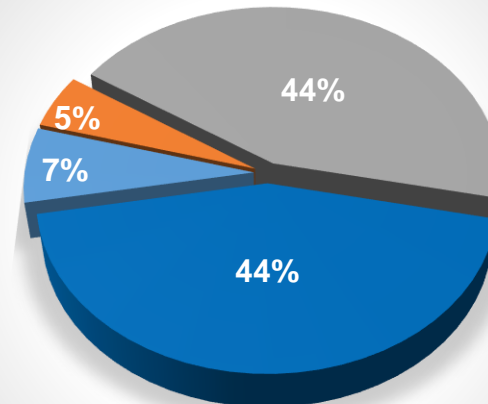
<p>E-2D Advanced Hawkeye/C-2A Greyhound</p> <p>\$86.1M</p>  <p><u>Announced</u> November 2014</p> <p><u>Contract Period</u> 2013 - 2021</p>	<p>F-16 Falcon</p> <p>\$53.5M</p>  <p><u>Announced</u> November 2014</p> <p><u>Contract Period</u> 2014 - 2020</p>	<p>T-38C Talon Trainer</p> <p>\$49M</p>  <p><u>Announced</u> February 2015</p> <p><u>Contract Period</u> 2015 - 2021</p>	<p>F-35A</p> <p>\$10.6M</p>  <p><u>Announced</u> July 2015</p> <p><u>Contract Period</u> 2015 - 2021</p>	<p>Japan E-2D Hawkeye</p> <p>\$25-30M</p>  <p><u>Announced</u> January 2016</p> <p><u>Contract Period</u> 2016 - 2019</p>	<p>Raytheon Next Generation Jammer Pod</p> <p>\$50+M</p>  <p><u>Announced</u> July/Sept 2016</p> <p><u>Contract Period</u> 2016 - 2022+</p>
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Defense opportunities are increasing



■ Defense ■ Commercial

Continued Diversification Across Product Categories



■ Kitting ■ MRO ■ Aerostructures ■ Aerosystems

Current opportunities (12 months):

Aerostructures

- Military Helos: H-92, AH-1Z, CH-53K, V-280
- Various regional commercial aircraft (Tier 1 and Tier 2 opportunities)
- Military Fixed Wing: A-10 thick skin urgent spares kitting (TUSK), F-35
- MRO: F-16 SLEP, BLACK HAWK

Aerosystems

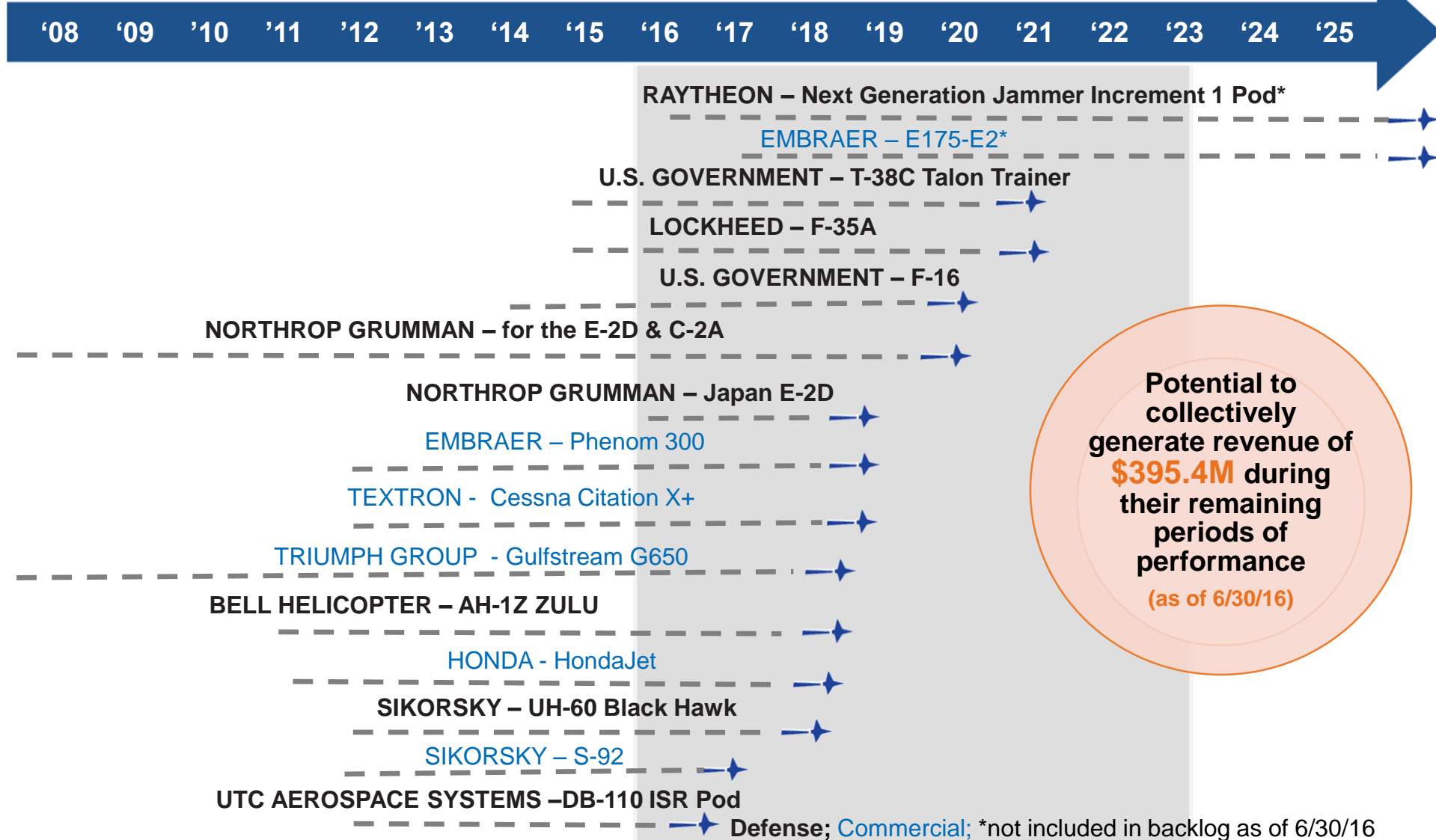
- ISR and EW Pod structures

Supply Chain Management/Kitting

- Various regional commercial aircraft (Tier 1 opportunity)
- Various business jets
- S-92 (commercial)

Long-Term Visibility - Contracts

Firm, Funded Contracts Provide Long-Term Revenue Visibility and Operating Leverage





CPI Aerostructures

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