

Industry	Aerospace & Defense
Ticker Symbol	NYSE American: CVU
Indices	Russell Microcap
CEO	Douglas McCrosson
CFO	Dan Azmon
Fiscal Year End	December 31
Website	www.cpiaero.com

As of February 13, 2020

52 Week Price Range:	\$6.04 - \$8.64
Market Cap:	\$79.4 million
Common/Dil. Shares Out:	11.9 million (as of 11/04/19)

Key Customers

Defense	Commercial
• Northrop Grumman	• Embraer
• Lockheed / Sikorsky	• Honda Aircraft
• Boeing	• Lockheed / Sikorsky
• Raytheon	• Textron Aviation
• Bell Helicopter	• Triumph Group
• UTC Aerospace	
• U.S. Air Force	

Q3 2019 vs. Q3 2018 Financial Results

- Revenue of \$25.7 million compared to \$19.0 million, an increase of 35%;
- Gross profit of \$5.0 million compared to \$3.9 million, an increase of 28%;
- Gross margin was 19.5% compared to 20.5%, a decrease of 110 basis points;
- Pre-tax income of \$2.0 million compared to \$0.7 million, an increase of 186%;
- Net income of \$1.7 million compared to \$0.6 million; an increase of 183%;
- Earnings per diluted share of \$0.14 compared to \$0.07, an increase of 100% on a higher number of shares outstanding;
- Record total backlog at \$533.9 million, up \$86.3 million during the quarter;
- Cash flow from operations was \$(0.6) million compared to 0.5 million.

FY19 Financial Guidance

Revenue	• Approx. \$103.0M
Pre-tax Income	• Approx. \$9.0M
Cash Flow from Operations	• Approx. \$(1.5)M

CPI Aerostructures, Inc. (“CPI Aero”) is a U.S. manufacturer of structural assemblies and value-added kits for fixed wing and rotary wing aircraft in both the commercial aerospace and defense markets. CPI Aero also manufactures pod-based, airborne avionics systems for Intelligence Surveillance and Reconnaissance (ISR), Electronic Warfare (EW) and Radar end-markets.

Within the global aerospace supply chain, CPI Aero is either a Tier 1 supplier to aircraft OEMs or a Tier 2 subcontractor to major Tier 1 manufacturers. CPI also is a prime contractor to the U.S. Department of Defense, primarily the Air Force. In conjunction with its assembly operations, CPI Aero provides program management, manufacturing engineering, global supply chain management, assembly and integration of complex structures, quality inspection and testing and welding, tube bending, and electrical harness fab expertise.

Unique Business Model

Competence

- 35+ years of highly evolved assembly, supply chain and program management skills
- We are NOT a parts manufacturer trying to move up the value-added chain

Best Value

- We do not have our own production capacity to feed
- We leverage component production capacity on a global basis to find the best combination of price, quality, and delivery for each type of component (composites, sheet metal, machined parts)

Scalable with Little CAPEX

- Our capacity is only limited by people and floor space
- We can achieve superior organic growth without major investments in machinery and without the risk of future obsolescence (examples: metals vs. composites)

Investment Thesis

Large and Diversified Backlog

\$533.9M

20% Funded
91% Defense

At 9/30/19

Strong Defense Outlook

- Proposed GFY2020 defense spending bill provides for growth and funding levels for key CPI Aero programs
- Administration and Congress indicate preference for further increased spending on defense
- Increasing spending internationally
- Increasing operating tempos for U.S. and Allied air forces

Growing Bid Pipeline

99% Defense

70%
Aerosystems &
Kitting

Defense and higher gross margin opportunities are increasing

Long Term Visibility



CH-53K



ISR Pods



E-2D



Black Hawk

In both Defense and Commercial

Military Programs

 <p>Japan E-2D Advanced Hawkeye</p> 	 <p>F-16 Fighter Jet</p> 	 <p>T-38C Aircraft</p> 	 <p>F-35 CTOL Aircraft</p> 
 <p>E-2D Advanced Hawkeye / C-2A Greyhound</p> 	 <p>Next Generation Jammer Pod Increment 1</p> 	 <p>T-38 PC3/TRIM</p> 	 <p>AH-1Z VIPER Helicopter</p> 
 <p>DB-110 ISR Pod</p> 	 <p>MH-5E Sea Dragon</p> 	 <p>TacSAR</p> 	 <p>UH-60 BLACK Hawk Helicopter</p> 

Commercial Programs

 <p>E175-E2</p> 	 <p>Phenom 300 Business Jet</p> 	 <p>Cessna Citation X+ Civilian Jet</p> 	 <p>Gulfstream G650 Large Corporate Jet</p> 
 <p>Business Jet</p> 	 <p>S-92 Civil Helicopter</p> 	 <p>HondaJet Elite</p> 	

Bid Landscape

Defense

Repairing and manufacturing spares for the current fleet of aging military aircraft.

Submitted several proposals to the U.S. Government for the production of new structural assemblies and the repair of existing structures.

Missile sub-assemblies, including SEASPARROW missile control electronics

Commercial

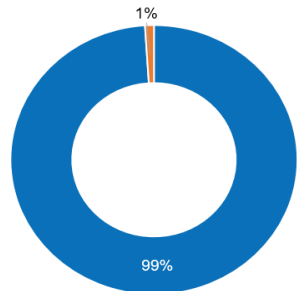
Business jet and regional jet markets that align with our size, expertise and capability as a Tier 1 supplier.

Top Institutional Holders (as of 12/31/2019) 13-F filings

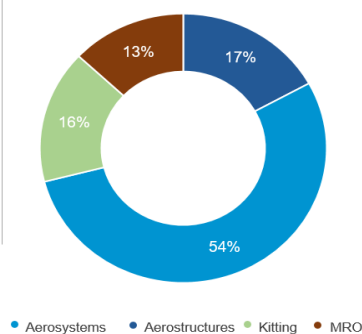
- Jeffrey L. Feinberg Personal Trust
- Russell Investment Management
- Royce & Associates
- Dimensional Fund Advisors
- The Vanguard Group
- Heartland Advisors
- PENN Capital Management Co.
- Crescendo Advisors
- Perritt Capital Management
- Boston Partners Global Investors
- Walthausen & Co.
- Ariel Investments
- Millrace Asset Group
- AWM Investment Company
- New Jersey Division of Investment
- Renaissance Technologies
- Essex Investment Management
- Ancora Advisors
- Bard Associates
- Geode Capital Management
- BlackRock Fund Advisors
- Bridgeway Capital Management
- Northern Trust Investments
- Connor Clark & Lunn Investment Management

Bid Pipeline (at 30 September 2019)

Defense-weighted with commercial bids imminent



Continued Diversification Across Product Categories



Sell Side Coverage: Firm / Analyst

- **Canaccord Genuity** – Analyst: Ken Herbert

Contact us

Investor Relations Counsel
LHA Investor Relations
Sanjay M. Hurry
(212) 838-3777
cpiaero@lha.com

CPI Aero, Inc., 91 Heartland Boulevard, Edgewood, NY 11717

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