



A Premier Supplier of Aircraft Structures and Systems



Q1 2018 Results Presentation

Speakers:

Douglas McCrosson, President & Chief Executive Officer

Vincent Palazzolo, Chief Financial Officer

May 15, 2018

NYSE American: 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 22, 2018, and quarterly report on Form 10-Q filed on May 15, 2018 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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Recent Highlights



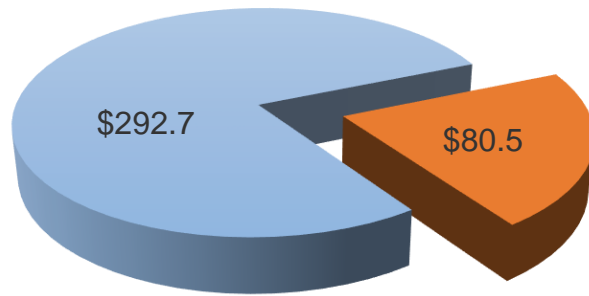
Douglas McCrosson

President & Chief Executive Officer

Consolidated Backlog at 3/31/2018: \$373.3 Million

Defense Backlog at \$292.7 Million

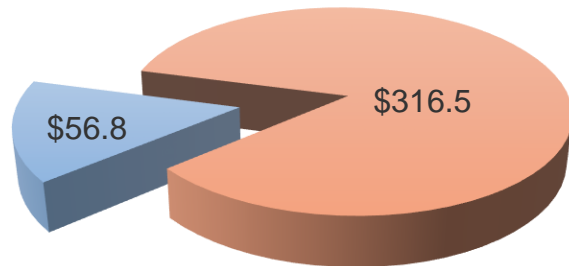
Defense 78% / Commercial 22%



■ Defense ■ Commercial

Funded 15% / Unfunded 85%

Unfunded backlog represents remaining potential value of long term agreements

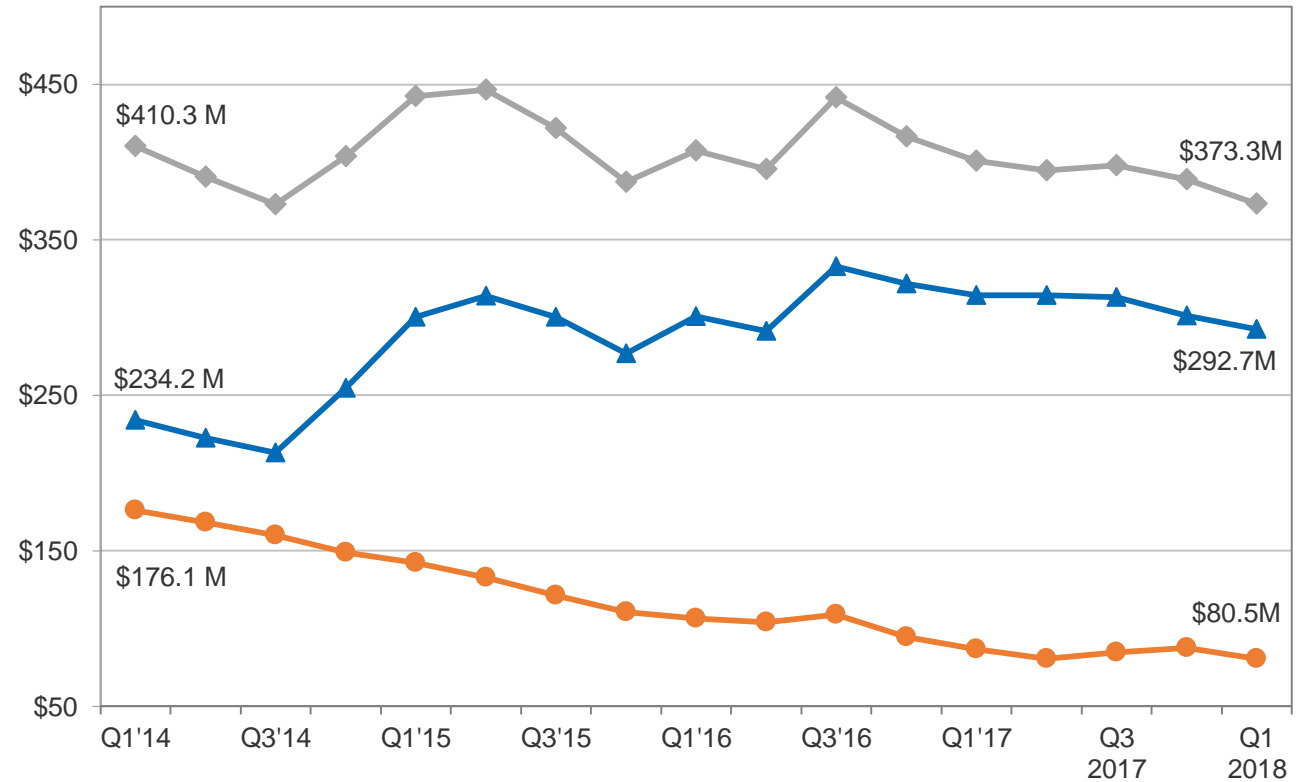


■ Funded ■ Unfunded

1Q 2014 – 1Q 2018

Backlog (Defense/Commercial)

● Commercial ▲ Defense ◆ Total Backlog



Driven By Renewed Strength in Defense Business

Recent wins account for \$286 million in backlog as of March 31, 2018
Offers revenue visibility into 2022 and beyond

E-2D Advanced Hawkeye/ C-2A Greyhound	U.S Government F-16 Falcon	Northrop Grumman T-38C Talon Trainer	Lockheed Martin F-35 Lock Assy	Northrop Grumman Japan E-2D Hawkeye	Raytheon Next Generation Jammer Pod
\$86.1M	\$53.5M	\$49M	\$10.6M	\$25-30M	\$50+M
					
<u>Announced</u> November 2014 <u>Contract Period</u> 2013 – 2021	<u>Announced</u> November 2014 <u>Contract Period</u> 2014 – 2020	<u>Announced</u> February 2015 <u>Contract Period</u> 2015 – 2021	<u>Announced</u> July 2015 <u>Contract Period</u> 2015 – 2021	<u>Announced</u> January 2016 <u>Contract Period</u> 2016 – 2019	<u>Announced</u> July/Sept 2016 <u>Contract Period</u> 2016 – 2022+
Sikorsky CH-148 Cyclone	Bell Helicopter/ Textron AH-1Z Viper	Sikorsky MH-53E Sea Dragon	UTC Aerospace TacSAR	Sikorsky Black Hawk	Lockheed Martin F-35 Drive Shaft
\$6.5M	\$34.0M			\$21M	\$15.8M
					
<u>Announced</u> October 2016 <u>Contract Period</u> 2016 – 2018	<u>Announced</u> January 2017 <u>Contract Period</u> 2017 – 2021	<u>Announced</u> May 2017 <u>Contract Period</u> 2015 – 2022	<u>Announced</u> June 2017 <u>Contract Period</u> 2017 – 2018	<u>Announced</u> July 2017 <u>Contract Period</u> 2018 – 2022	<u>Announced</u> November 2017 <u>Contract Period</u> 2018 – 2022

1Q 2018 Financial Highlights



Vincent Palazzolo

Chief Financial Officer

Recent Financial Highlights

	For the 3M Ended March 31,	
	2018 (Unaudited)	2017 (Unaudited)
Revenue	\$18.2	\$20.0
Cost of revenue	<u>14.1</u>	<u>15.5</u>
Gross profit	4.0	4.5
Selling, general and administrative expenses	<u>2.0</u>	<u>2.2</u>
Income from operations	2.0	2.4
Net income	\$1.3	\$1.2
Income per common share – basic	<u>\$0.14</u>	<u>\$0.14</u>
Income per common share – diluted	<u>\$0.14</u>	<u>\$0.14</u>

(\$ in Millions, except per share value)

As of March 31, 2018	
Contract Assets	114.0
Total Debt	33.5
Shareholders' Equity	75.9
Book Value, per share	8.51
Debt-to-Capital	0.44

Liquidity
<ul style="list-style-type: none"> • \$40 million, 3-year senior debt facility <ul style="list-style-type: none"> – \$10 million term loan – \$30 million revolving line-of-credit • Approximately \$5.2 million still available under credit facility as of March 31, 2018

Revenue

- **\$92.0M – \$96.0M**

Pre-tax Income

- **\$9.1M - \$9.6M**

Effective Tax Rate

- **19% - 21%**

Looking Ahead

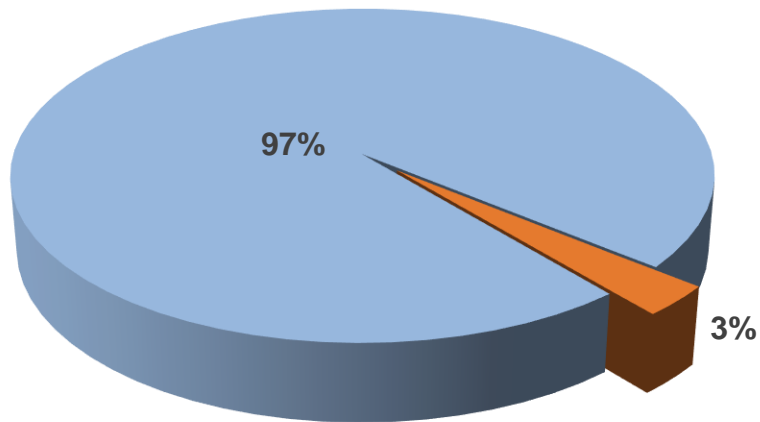


Douglas McCrosson

President & Chief Executive Officer

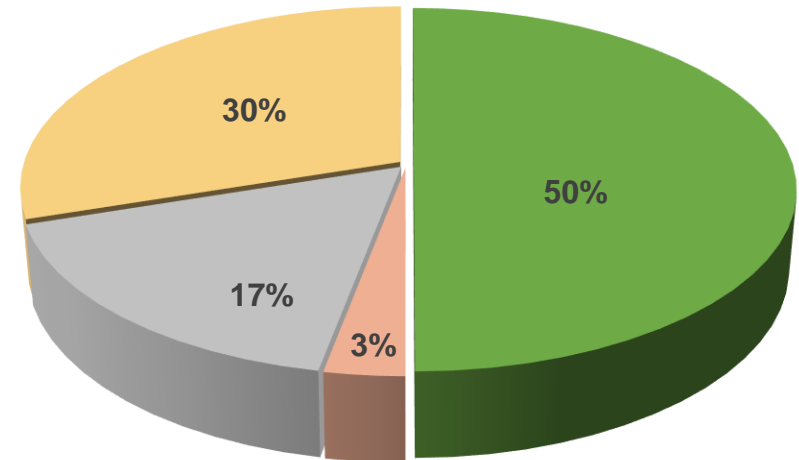
Virtually all bids are at the Prime Contractor or Tier 1 level

Defense opportunities are increasing



■ Defense ■ Commercial

Continued Diversification Across Product Categories



■ Kitting ■ MRO ■ Aerostructures ■ Aerosystems

Aerostructures

- Military Helos: CH-53K, V-280
- Various regional airline and bizjet aircraft
- A-10 Wing Replacement Program (WRP)
- Various Black Hawk components/structural repairs

Aerosystems

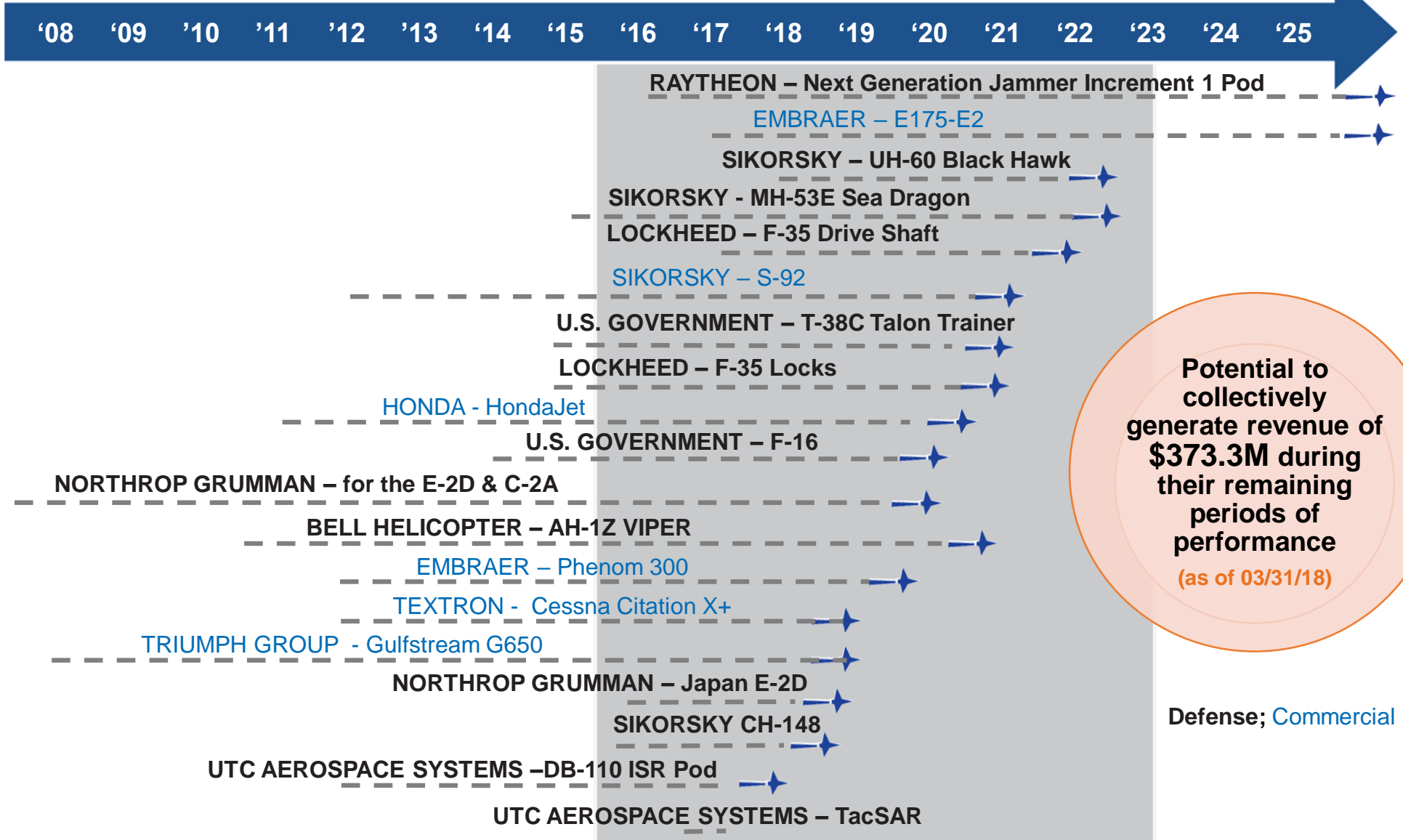
- Reconnaissance Pods
- Electronic Warfare Pods
- Advanced antenna system structural housing

Supply Chain Management/Kitting

- Foreign sales of F-16 wing components
- Wet Outer Wing Panel kits for Japan E-2D
- Various military Helos

Long-Term Visibility - Contracts

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



Potential to collectively generate revenue of \$373.3M during their remaining periods of performance (as of 03/31/18)

Defense; Commercial

Q&A Session



CPI Aerostructures

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