

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 engineering, program management, supply chain management, and MRO services.

In December 2018, CPI Aero completed the acquisition of Welding Metallurgy Inc. (“WMI”), a provider of metallurgical engineering and welding services and a manufacturer of components for various sub-sectors of the military and commercial aerospace industries for a total consideration of approximately \$9 million. WMI entered 2019 with a backlog of \$16.9 million. WMI brings to CPI Aero:

- Complementary customers, programs and capabilities
- Significantly increases content on key defense programs
- Broadens CPI Aero’s technical capabilities and diversifies its aerosystems assemblies
- Enhances ability to expand content footprint on shared defense programs
- Adds to CPI’s Aero’s growing bid pipeline of larger and more complex programs

Industry	Aerospace & Defense
Ticker Symbol	NYSE American: CVU
Indices	Russell Microcap
CEO	Douglas McCrosson
CFO	Vincent Palazzolo
Fiscal Year End	December 31
Website	www.cpiaero.com
As of May 28, 2019	
52 Week Price Range:	\$5.83 - \$11.75
Market Cap:	\$85.2 million
Common/Dil. Shares Out:	11.8 million (as of 5/03/19)

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)

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	

1Q19 vs 1Q18 Financial Results

- Revenue was \$25.6 million compared to \$18.2 million
- Gross profit was \$5.4 million compared to \$4.0 million
- Pre-tax income was \$2.1 million compared to \$1.6 million
- Net income was \$1.7 million compared to \$1.3 million
- Earnings per diluted share were \$0.57* compared \$0.65
- Total and defense backlog at \$452.9 million and \$380.4 million, respectively
- Cash flow from operations was \$(2.3) million compared to \$(2.6) million

Investment Thesis

Large and Diversified Backlog

\$452.9M

19% Funded
84% Defense

At 3/31/19

Strong Defense Outlook

- Recent appropriations bills and requests provides defense spending certainty, funds 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

88% Defense
48% 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

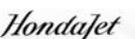
FY19 Financial Guidance

Revenue	<ul style="list-style-type: none"> • \$98.0M – \$102.0M • Compared to \$83.9M
Pre-tax Income	<ul style="list-style-type: none"> • \$11.0M – \$11.3M • Compared to \$6.8M
Cash Flow from Operations	<ul style="list-style-type: none"> • \$3.5M+ • Compared to \$(2.5)M
Effective Tax Rate	<ul style="list-style-type: none"> • 20% – 22%

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>SIKORSKY CH-148</p> 	 <p>AH-1Z VIPER Helicopter</p> 
 <p>DB-110 ISR Pod</p> 	 <p>MH-53E Sea Dragon</p> 	 <p>TacSAR</p> 	 <p>UH-60 BLACK HAWK Helicopter</p> 

Commercial Programs

 <p>Embraer E175-E2</p> 	 <p>Embraer Phenom 300 businessjet</p> 	 <p>Cessna Citation X+ Civilian Jet</p> 	 <p>Gulfstream G650 Large Corporate Jet</p> 
 <p>HondaJet® 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.

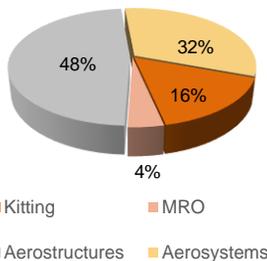
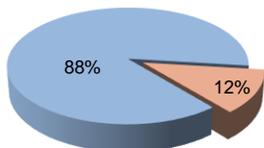
Top Institutional Holders (as of 3/31/19 13-F filings)

- | | |
|--|--|
| <ul style="list-style-type: none"> Royce & Associates Dimensional Fund Advisors Russell Investment Management AWM Investment Company Ariel Investments The Vanguard Group Crescendo Advisors Perritt Capital Management Heartland Advisors PENN Capital Management Boston Partners Global Investors | <ul style="list-style-type: none"> Millrace Asset Group New Jersey Division of Investment Ancora Advisors Prescott Group Capital Management Bard Associates Kennedy Capital Management Geode Capital Management WEDGE Capital Management Bridgeway Capital Management |
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Bid Pipeline (4/29/19)

Defense opportunities are increasing

Continued Diversification Across Product Categories



Sell Side Coverage: Firm / Analyst

- Canaccord Genuity – Analyst: Ken Herbert

Contact us

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- * On a higher number of shares outstanding.

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