

Triumph Group

May 10, 2018

Fourth Quarter FY’18 Earnings Conference Call

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James F. McCabe Jr., *Senior Vice President and Chief Financial Officer*



Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “project”, “may”, “will”, “should”, “could”, or similar words suggesting future outcomes or outlooks. These forward-looking statements include, but are not limited to, statements of expectations of or assumptions about strategic actions, objectives, expectations, intentions, aerospace market conditions, aircraft production rates, financial and operational performance, revenue and earnings growth and profitability and earnings results. These statements are based on the current projections, expectations and beliefs of Triumph’s management. These forward looking statements involve known and unknown risks, uncertainties and other factors which could cause actual results to differ materially from any expected future results, performance or achievements, including, but not limited to, competitive and cyclical factors relating to the aerospace industry, dependence on some of Triumph’s business from key customers, requirements of capital, uncertainties relating to the integration of acquired businesses, general economic conditions affecting Triumph’s business segments, product liabilities in excess of insurance, technological developments, limited availability of raw materials or skilled personnel, changes in governmental regulation and oversight and international hostilities and terrorism. Further information regarding the important factors that could cause actual results, performance or achievements to differ from those expressed in any forward looking statements can be found in Triumph’s reports filed with the SEC, including in the risk factors described in Triumph’s Annual Report on Form 10-K for the fiscal year ended March 31, 2017.

FY18 Highlights

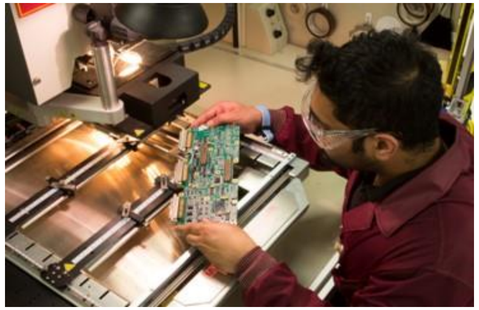
- Finished FY18 in Q4 on an upswing
- High end of full year revenue range
- Organic sales increased sequentially
- Strengthened the balance sheet
- De-risking Aerospace Structures backlog
- Executed G650 agreement with Gulfstream
- Grew backlog to $4.5B - BTB ratio 1.16:1

*See appendix for adjustments

	FY'18 Q4 Financial Summary	FY'18 YTD Financial Summary
Net Sales	$897M	$3,199M
Adjusted EPS *	$1.01	$2.53
Free Cash Use	($101M)	($331M)

Achieved Guidance for FY 18 Sales, Adjusted EPS and Free Cash Use

Transformation Progress



- ✓ Combined Aerospace Structures and Precision Components - benefits on track
- ✓ Completed 1025 continuous improvement events in FY18
- ✓ Achieved in-year cost reduction target of $96M – on track for three year goal of $300M
- ✓ Portfolio reshaping through divestitures, consolidations and strategic outsourcing
- ✓ Enterprise-wide Inventory Attack Team (IAT) reducing physical inventory
- ✓ Customer recognition of our Return To Green efforts
- ✓ New business pipeline, win rate, BTB, and backlog all up

Executing our Path To Value

De-risking our Structures Backlog

Gulfstream G650

Bombardier Global 7000

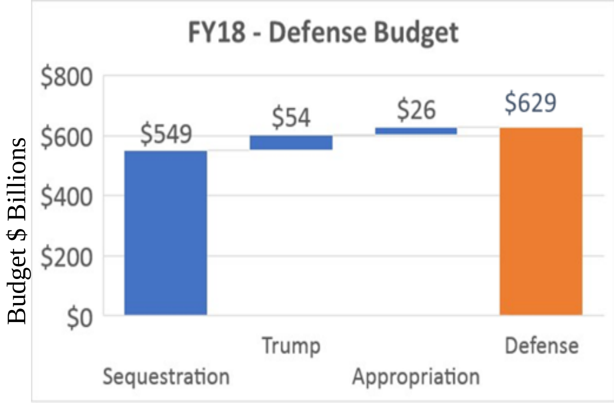
Embraer E2

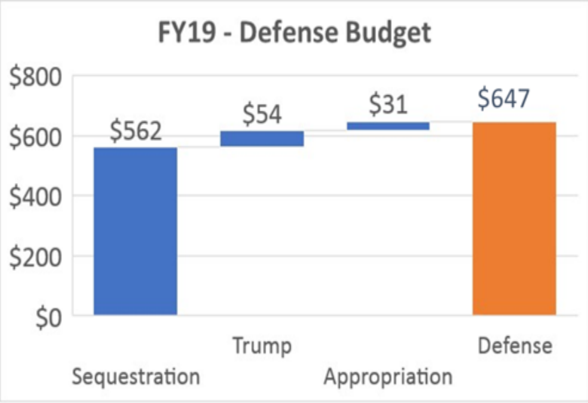
Boeing 767

Market Trends

Military

- Defense Budget - FY18 and FY19 ($165B above sequestration)
- Aging fleet replacements and SLEPs creating opportunities:
  - T-X, MQ-25, OA-X, T38, A-10, F18, F-15
  - Lockheed MQ-25 Partnership (also supporting Boeing and GA)
  - T-38 SLEP - TAS wing qualification attained
- Key new starts - T-X and MQ-25 (Summer decisions)





Commercial

- Desire to convert backlog leading Boeing and Airbus to increase narrow body rates. Opportunities are created.
- Narrow-bodies driving Integrated Systems growth
  - Systems represent hightest shipset content (actuation, insulation, ducting)
  - LEAP engine deliveries rising, driving +30% YOY revenue growth on gearing
- Strong ultra long range business jet market demand
  - Delivery ramp up on Global 7000
- Asian Fleet Growth - Partnership MOA with China Southern

Triumph Benefiting from Defense Budget and Commercial Rate Increases

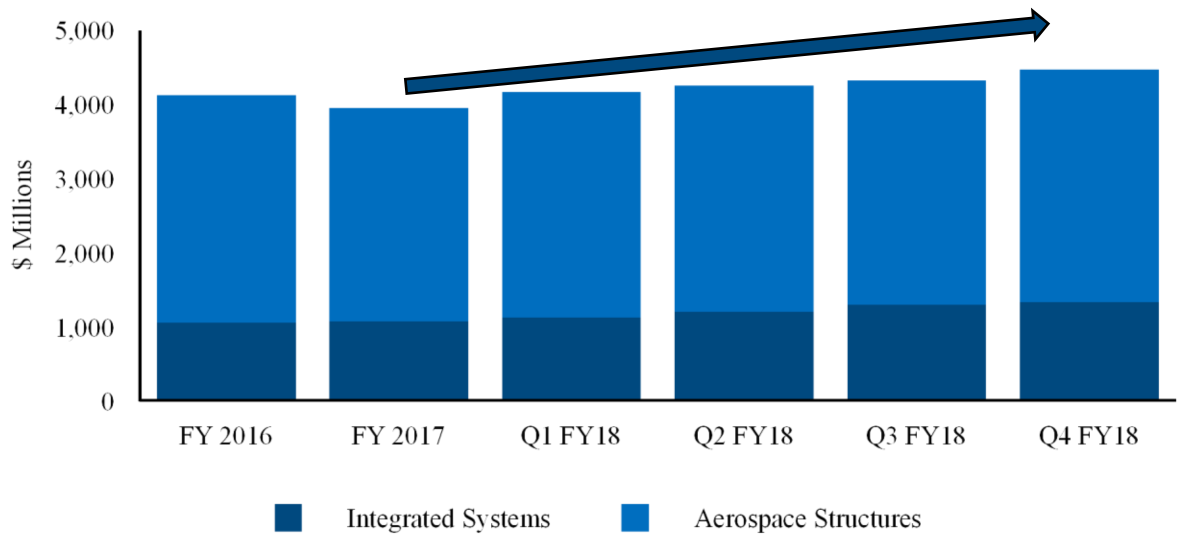
Driving Organic Growth

Competitive Wins	Customer	BU
Engine LRU's Support	P&W V2500/4168	TPS
AMAD - Gearbox (Takeaway)	Saab Grippen	TIS
Performance based logistics	Sikorsky Ch-53E	TIS

Follow-on Business	Customer	BU
Composite Fuselage Frames	Boeing 787	TAS

Partnership	Customer	BU
Industrial Partner	Lockheed MQ-25	TAS
MOA for JV and Fleet Support	China Southern	TPS
Elite Supplier Status	Sikorsky	TAS
Supplier of the Year	Sikorsky	TIS

Backlog Trend



Reshaping Pipeline ($12B, ~50% Military), Improved Win Rates, Backlog Up 13%

FY19 Outlook

- Operational performance stability in FY19
- Revenue guidance of $3.3B - $3.4B
- GAAP EPS guidance $0 - $0.50 per share; adjusted EPS guidance of $1.50 - $2.10 per share
- Reduced cash use YOY - restructuring and development expenses declining, deliveries increasing
- Portfolio changes focus company on higher value-added offerings

Triumph Celebrating 25th Anniversary As We Complete Turnaround

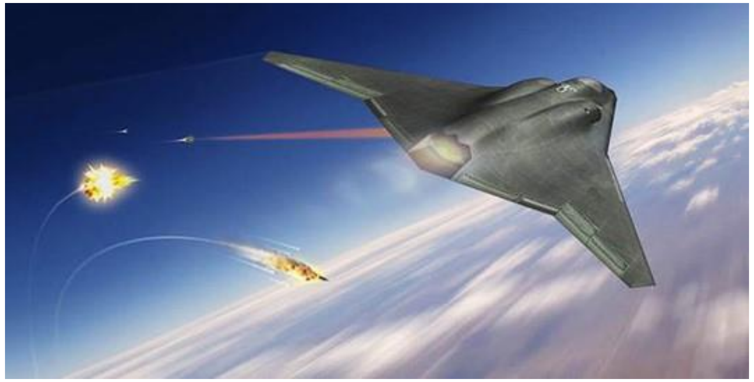
Consolidated Quarterly Results

($ in millions)	FY’18 Q4	FY’17 Q4	Variance %
Net Sales	$897	$920	(3)%
Operating Loss	(280)	(115)	142%
Operating Margin	(31)%	(13)%	
Adjusted Operating Income	71	165	(57)%
Adjusted Operating Margin	8%	18%	

Achieved FY '18 Revenue & Adjusted Earnings Guidance

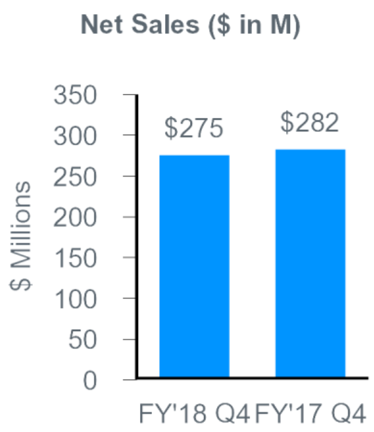
- Organic sales increased $7M
- Net sales decrease includes:
  - Divestitures
  - Increased deliveries on Global Hawk/Triton, Global 7000 & G650
  - Offset by Boeing and Gulfstream program completions and rate reductions
- Adjusted operating income excludes:
  - $345M goodwill impairment
  - $(11M) OPEB curtailment gain
  - $10M loss on divestiture
  - $7M restructuring costs
- Adjusted operating income and margin improved sequentially

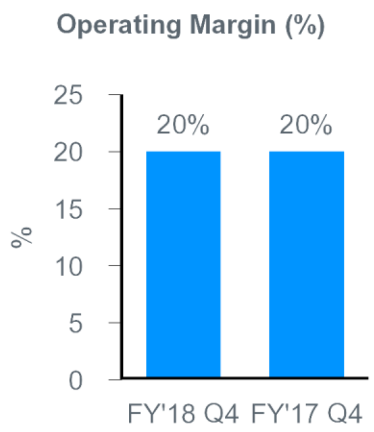
Integrated Systems



Triumph Integrated Systems is providing fuel pumps and actuators for the advanced jet engine for the sixth generation U.S. Air Force fighter jets.

Year Over Year Comparison





Highlights

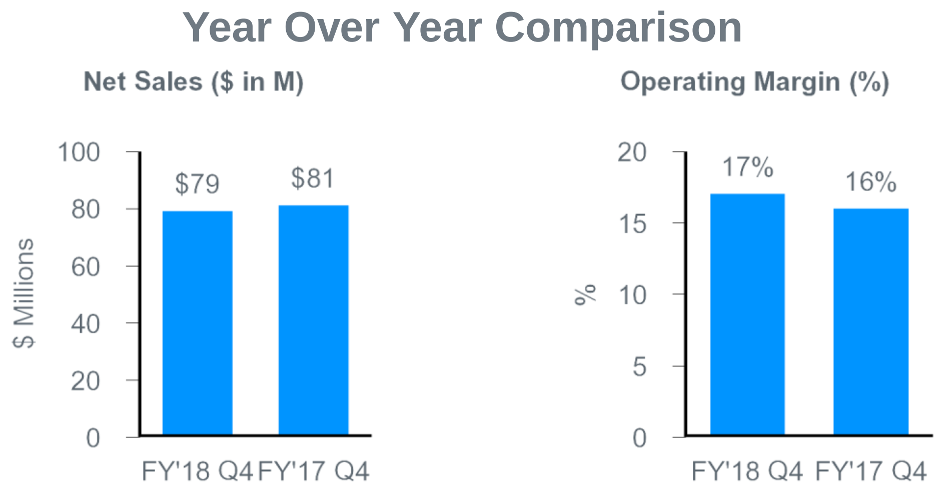
- Recognized by Lockheed Martin Rotary & Mission Systems as Supplier of the Year for exceptional support of the S-97 Raider program
- Selected to design, develop and produce fuel pumps and actuators for an advanced jet engine for sixth-generation U.S. Air Force fighter jets
- YTD Book to Bill of 1.26:1

Financial

- Net sales change included:
  - Divestitures ($11M), partially offset by
  - Organic growth ~2% driven by OE volumes in A320, 737 and 787
- Continued strong operating margin with favorable balance of OE and aftermarket volumes

Product Support

Triumph Product Support signed MOU to provide nacelle maintenance and for a potential JV.



Highlights

- Signed MOU with China Southern Airlines (6th largest airline in the world) for nacelle maintenance, as well as establishment of potential JV
- Selected by Boeing to provide aftermarket support in Asia Pacific region for flight controls and engine nacelles program
- Signed agreement with Pratt & Whitney for engine Line Replaceable Unit (LRU) repairs

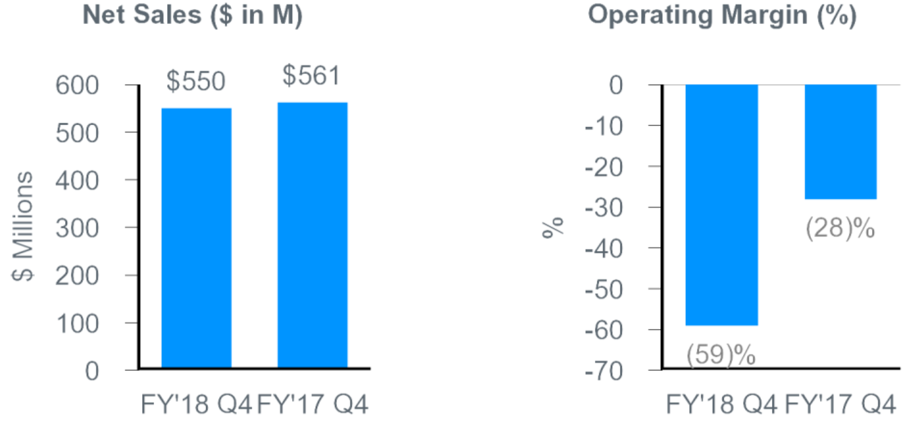
Financial

- Organic sales increased 20% due primarily to increased demand of accessory components
  - Q4 FY17 sales included $15M from divested businesses
- Operating margin improved 140 basis points year over year

Aerospace Structures

Triumph's Aerospace Structures produces 787 section 47/48 fuselage for integration into the aft body section of the airplane.

Year Over Year Comparison



Highlights

- Follow-on contract award for 787 & 767 programs
- Achieved Global 7000 first production wing
- Partnered with Gulfstream to optimize supply chain model on G650
- YTD Book to Bill 1.13:1 supported by Global 7000, E2 and 767/Tanker orders

Financial

- Net favorable cumulative catch-up adjustments on long-term contracts of $7.4M
- Net sales and operating margin decreased as expected due to completion of and continued rate reductions on certain Boeing and Gulfstream programs, partially offset by increased deliveries on Global Hawk/Triton, Global 7000 and G650 programs
- Operating margins impacted by previously disclosed $345M goodwill impairment

Triumph Group

Free Cash Flow Walk - FY'18 Q4

Consolidated ($ in millions)	FY’18 Q4	FY’18 YTD
Net Loss	$ (299)	$ (420)
Non-cash items:		
Depreciation & Amortization	384	694
Interest Expense & Other	27	99
Amortization of Acquired Contracts	(33)	(125)
Loss on divestiture	10	30
Pension Income	(15)	(60)
OPEB Income	(14)	(37)
Income Tax Benefit	(8)	(42)
Cash uses:		
Working Capital Change	(108)	(319)
Interest Payments	(32)	(86)
Capital Expenditures	(10)	(42)
OPEB Payments	(3)	(13)
Tax Payments	—	(10)
Free Cash Flow (Use)	$ (101)	$ (331)

Q4 & FY 18 Cash Drivers

- Development programs used $18M in Q4 & $105M YTD
- Restructuring used $6M in Q4 and $40M YTD
- Net working capital growth of $108M in Q4 and $319M YTD includes:
  - Reduction of $55M of prior customer advances in Q4 and $264M YTD
  - Build of Global 7000 production inventory of $57M in Q4 and $232M YTD

Improving Free Cash Flow

Net Debt & Liquidity

($ in millions)		FY'18 Q4
Cash	$	(36)
$800M Revolving Credit Facility		113
$125M Receivable Securitization Facility		108
Capital Leases		60
2013 Senior Notes Due 2021		375
2014 Senior Notes Due 2022		300
2017 Senior Notes Due 2025		500
Net Debt	$	1,420

- Cash and Availability ~ $680M
- Senior Secured Leverage Ratio ~ 1.3x vs. 3.5x
- Interest Coverage Ratio ~ 3.1x vs. 2.75x

Sufficient Financial Capacity & Liquidity

FY'19 Guidance

Net Sales	$3.3B - $3.4B
Adjusted EPS *	$1.50 - $2.10
Effective Tax Rate ^	~ 17%
Capital Expenditures	$50M - $70M

4% - 7% Organic Sales Growth

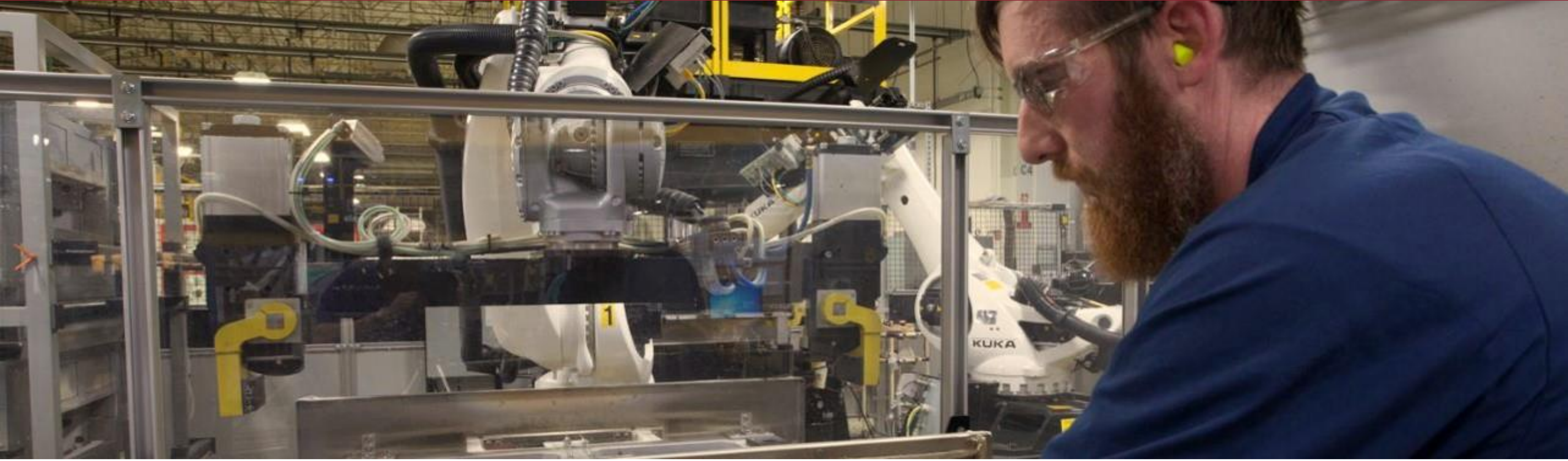
*see adjustments in the appendix
^ Potential opportunity to lower through release of valuation allowance and use of deferred tax benefits from prior divestitures.

FY'19 Earnings per Share Drivers

	FY 18	FY 19
Headwinds		
Decline in Amortization of Acquired Contract Liabilities	$125M	$65M - $75M
Increased Income Tax Rate	~2%	~17%
Increased Interest Expense & Other	$99M	$102M - $108M
Decreased Pension/OPEB Income	~$72M	~$61M
Tailwinds		
Organic Sales Growth		4% - 7%
Cost Reductions		Up to 1% of sales

Concluding Remarks

- Financial performance improving
- Strong market tail winds – Triumph reversing four year revenue contraction in FY19
- Program and portfolio actions creating streamlined company
- Systems and Aftermarket priorities for reinvestment



Our Vision

We aspire to be the premier design, manufacturing and support company whose comprehensive capabilities, integrated processes and innovative employees advance the safety and prosperity of the world.

Our Mission

As One Team, we partner with our customers to triumph over the hardest aerospace, defense and industrial challenges, enabling us to deliver value to our shareholders.

Our Values

Integrity

Continuous Improvement

Teamwork

Innovation

Act with Velocity

Appendix

Top Programs

Integrated Systems

Boeing 737

Airbus A320, A321

Boeing 787

Boeing AH-64

Boeing CH-47

Boeing V-22

Lockheed Martin C-130

Lockheed Martin F-35

Sikorsky UH60

Boeing 777

Represents 59% of Integrated Systems backlog

Aerospace Structures

Bombardier Global

Boeing 767/Tanker

Gulfstream

Boeing 777

Airbus A330, A340

Boeing 747

Boeing 787

Airbus A350

Boeing 737

Boeing V-22

Represents 81% of Aerospace Structures backlog

Supplemental Data

Pension/OPEB Analysis ($ in millions)	FY’18	FY’19
Pension Expense (Income) ^	≈ ($61)	≈ ($51)
Cash Pension Contribution	≈ $5	≈ $2
OPEB Expense (Income) ^	≈ ($11)	≈ ($10)
Cash OPEB Contribution	≈ $12	≈ $12

- The Company anticipates the cumulative effect from the adoption of ASC 2017-07 to be approximately $88M to $92M and will be recorded as a current period charge to earnings in our first quarter of fiscal year ended March 31, 2019.

^ Excludes impact from one-time adjustments such as curtailments, settlements or special termination benefits

ASC 606 Adoption

- The adoption of this standard may impact the amount and timing of revenue recognition and the accounting treatment of capitalized pre-production costs for certain of our contracts.
- The units-of-delivery method is no longer viable and some performance obligations may be satisfied over time which may change the timing of recognition of revenue and associated production costs for certain contracts.
- For performance obligations satisfied over time, will most likely use an input method as basis for recognizing revenue
  Ex. resources consumed, labor hours expended, costs incurred, time lapsed, or machine hours used
- We will continue to record forward losses relating to unfulfilled contracts and options consistent with historical accounting policies
- Accounting for tooling, and certain other costs to fulfill contracts are expected to continue under existing guidance

Non-GAAP Disclosure

FINANCIAL DATA (UNAUDITED)

TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures

Adjusted income from continuing operations, before income taxes, adjusted income from continuing operations and adjusted income from continuing operations per diluted share, before non-recurring costs has been provided for consistency and comparability. These measures should not be considered in isolation or as alternatives to income from continuing operations before income taxes, income from continuing operations and income from continuing operations per diluted share presented in accordance with GAAP. The following tables reconcile income from continuing operations before income taxes, income from continuing operations, and income from continuing operations per diluted share, before non-recurring costs.

	Three Months Ended		
	March 31, 2018		
	Pre-Tax	After-Tax	Diluted EPS
Loss from Continuing Operations - GAAP	$ (307,172)	$ (298,796)	$ (6.04)
Adjustments:			
Goodwill impairment	345,000	341,970	6.91
Loss on divestitures	10,370	10,370	0.21
Curtailment & settlement, net	(11,146)	(8,694)	(0.17)
Restructuring costs (non-cash)	467	364	0.01
Restructuring costs (cash)	6,319	4,929	0.10
Adjusted Income from Continuing Operations - Non-GAAP	$ 43,838	$ 50,143	$ 1.01

	Twelve Months Ended		
	March 31, 2018		
	Pre-Tax	After-Tax	Diluted EPS
Loss from Continuing Operations - GAAP	$ (461,848)	$ (419,356)	$ (8.48)
Adjustments:			
Goodwill impairment	535,227	523,510	10.59
Loss on divestitures	30,741	30,741	0.62
Curtailment & settlement, net	(25,722)	(17,491)	(0.35)
Refinancing costs	1,986	1,350	0.03
Restructuring costs (non-cash)	3,005	2,043	0.04
Restructuring costs (cash)	40,069	27,247	0.55
Estimated impact of Tax Reform	—	(22,398)	(0.45)
Adjusted Income from Continuing Operations - Non-GAAP	$ 123,458	$ 125,647	$ 2.53 *

* Difference due to rounding

Non-GAAP Disclosure

FINANCIAL DATA (UNAUDITED)

TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures (continued)

Adjusted income from continuing operations, before income taxes, adjusted income from continuing operations and adjusted income from continuing operations per diluted share, before non-recurring costs has been provided for consistency and comparability. These measures should not be considered in isolation or as alternatives to income from continuing operations before income taxes, income from continuing operations and income from continuing operations per diluted share presented in accordance with GAAP. The following tables reconcile income from continuing operations before income taxes, income from continuing operations, and income from continuing operations per diluted share, before non-recurring costs.

	Three Months Ended March 31, 2017		
	Pre-Tax	After-Tax	Diluted EPS
Income from Continuing Operations - GAAP	$ (140,270)	$ (126,825)	$ (2.57)
Adjustments:			
Goodwill Impairment	266,298	266,298	5.38
Restructuring costs (non-cash)	501	461	0.01
Restructuring costs (cash)	13,997	12,882	0.26
Adjusted Income from Continuing Operations - Non-GAAP	$ 140,526	$ 152,816	$ 3.09

	Twelve Months Ended March 31, 2017		
	Pre-Tax	After-Tax	Diluted EPS
Income from Continuing Operations - GAAP	$ (23,612)	$ (42,952)	$ (0.87)
Adjustments:			
Goodwill Impairment	266,298	266,298	5.39
Loss on divestitures	19,124	17,980	0.36
Triumph Aerospace Structures - Strike related costs	15,701	14,450	0.29
Triumph Aerospace Structures - Inventory write-down	6,089	5,604	0.11
Triumph Aerospace Structures - UAS program	14,200	13,068	0.26
Restructuring costs (non-cash)	10,797	9,937	0.20
Restructuring costs (cash)	42,177	38,816	0.79
Adjusted Income from Continuing Operations - Non-GAAP	$ 350,774	$ 323,201	$ 6.54 *

* Difference due to rounding

Non-GAAP Disclosure

(Continued)

FINANCIAL DATA (UNAUDITED)

TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures (continued)

Cash provided by operations has been provided for consistency and comparability. We also use free cash flow available for debt reduction as a key factor in planning for and consideration of strategic acquisitions, stock repurchases and the repayment of debt. This measure should not be considered in isolation, as a measure of residual cash flow available for discretionary purposes, or as an alternative to operating results presented in accordance with GAAP. The following table reconciles cash provided by operations to free cash flow.

	Three Months Ended	Twelve Months Ended	Twelve Months Ended
	March 31, 2018	March 31, 2018	March 31, 2017
Cash flow from operations	$ (90,615)	$ (288,893)	$ 281,522
Less:			
Capital expenditures	(10,118)	(42,050)	(51,832)
Free cash flow	$ (100,733)	$ (330,943)	$ 229,690

The Company provides earnings per share guidance on an adjusted non-GAAP basis excluding the effects of transformation related costs, gains (losses) on divestitures, impairments, one-time pension & OPEB benefits (charges) and other non-recurring items, such as the adoption ASU 2017-07. The following table reconciles earnings per share on a GAAP basis to adjusted earnings per diluted share guidance.

Guidance - earnings per diluted share - GAAP	$0.00 - $0.50
Per share effect of:	
Cumulative effect of adoption of ASU 2017-07 (Pension)	$1.46 - $1.52
Transformation related costs	$0.04 - $0.08
Guidance - adjusted earnings per diluted share	$1.50 - $2.10

Non-GAAP Disclosure

(Continued)

FINANCIAL DATA (UNAUDITED)

TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures (continued)

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	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2018	2017	2018	2017
Operating (loss) income - GAAP	$ (279,959)	$ (115,490)	$ (362,406)	$ 56,889
Adjustments:				
Goodwill & tradename impairments	345,000	266,298	535,227	266,298
Restructuring costs (non-cash)	467	501	3,005	10,797
Restructuring costs (cash)	6,319	13,997	40,069	42,177
Loss on divestitures	10,370	—	30,741	19,124
Triumph Precision Components - Strike related costs	—	—	—	15,701
Other inventory impairments	—	—	—	20,289
Curtailment & settlement, net	(11,146)	—	(25,722)	—
Adjusted Operating income - non-GAAP	$ 71,051	$ 165,306	$ 220,914	$ 431,275



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