



(NYSE American: AIRI)

[www.airindustriessgroup.com](http://www.airindustriessgroup.com)



**TAGLICH BROTHERS INVESTOR CONFERENCE  
MAY 2023**

# Safe Harbor Statement



Except for the historical information contained herein, the matters discussed in this presentation contain forward-looking statements. The accuracy of these statements is subject to significant risks and uncertainties. Actual results could differ materially from those contained in the forward-looking statements. See the Company's SEC filings on Forms 10-K and 10-Q for important information about the Company and related risks.

EBITDA is used as a supplemental liquidity measure because management finds it useful to understand and evaluate results, excluding the impact of non-cash depreciation and amortization charges, stock based compensation expenses, and nonrecurring expenses and outlays, prior to consideration of the impact of other potential sources and uses of cash, such as working capital items. This calculation may differ in method of calculation from similarly titled measures used by other companies.

# About Air Industries Group (AIRI)



- Tier 1 Manufacturer of Aerospace and Defense Precision Assemblies and Components for Mission Critical Applications
- Prime Contractor to U.S. Department of Defense
- Important, Diverse and Stable Customers and Platforms:
  - 5 Major Customers; 6 Major Platforms
- Growth Strategy Focused on:
  - Strategic investments in new equipment / capabilities
  - Core market expansion / further penetration
  - Expand into new relatively easily addressable markets

# Locations & Competencies



**Strategic Locations = Access to OEMs, Deep Talent Pool, Skilled Labor, Suppliers**

**2 Facilities**  
**150,000 Square Feet**  
**205**   
**80% Military**



## **BARKHAMSTED, CT**

### ***Turbine Engine Components***

- Jet Engine Components
- Ground Power Turbines
- Helicopter Assemblies
- Special Processes – *New Initiative!*



## **BAY SHORE, NY**

### ***Complex Machining***

- Landing & Arresting Gear
- Flight Safety Controls
- Aircraft Structural Assemblies
- Helicopter Assemblies



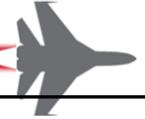
# Transition & Transformation



## **2022 - 2023**

- Working through significant, industry-wide supply chain disruption and related product delays.
- Continued vertical integration of key processes.
- Transforming Sterling Engineering subsidiary with more long-term agreements, such as Sikorsky for the CH-53K.
- Expanding into nuclear submarine market, winning two contracts from two major suppliers to Electric Boat.
- Making growth investments in capital equipment, supported by strong bank relationship.
- Promoting new leadership at the operational level.

# Major LTA “Wins” – 2022-2023 YTD



- **Blackhawk Helicopter**: \$30.0+ million in 12 new LTAs for critical components. Over 500 new Blackhawk aircraft are forecast to be produced in the next five years.
- **US Navy E-2D Advanced Hawkeye early warning aircraft**: \$12.4 million contract to produce complete main and nose landing gear and ancillary components.
- **PW-4000 Jet Engine**: \$6.0 million contract extension LTA for Turbine Exhaust Case components used on many Airbus and Boeing commercial aircraft.
- **CH-53K Helicopter**: \$5.2+ million LTA for “Chaff Pods” for the new heavy lift CH-53K helicopter - our first award for the latest version of the aircraft.
- **F404 Turbofan Jet Engine**: \$2.8 million order for engine components.
- **US Air Force B1-B**: \$1.9 million contract for landing gear with deliveries in 2023. Expands our product line for a long-established customer.
- **Nuclear Submarine Components**: Two contracts from two suppliers to Electric Boat, one of the two US submarine builders.

# Top Programs



Program	Market	% of '22A Revenue	Key Market & Program Dynamics
F-35	Military Fixed Wing	 21%	<ul style="list-style-type: none"> <li>• Recently introduced, growing strike fighter platform set to replace multiple legacy platforms</li> <li>• Steadily increasing U.S. and foreign military fleet</li> </ul>
UH-60 Blackhawk	Military Rotary Wing	 18%	<ul style="list-style-type: none"> <li>• Stable fleet outlook</li> <li>• Ongoing foreign military Blackhawk procurement</li> </ul>
E-2D	Military Fixed Wing	 17%	<ul style="list-style-type: none"> <li>• US Navy deliveries expected to be completed by 2027</li> <li>• Ongoing interest from foreign militaries beyond Navy contract</li> <li>• Carrier-based, extensive spare activity</li> </ul>
F-18	Military Fixed Wing	 15%	<ul style="list-style-type: none"> <li>• Production deliveries expected to be completed by 2025</li> <li>• Extensive deployment with foreign militaries</li> <li>• Heavily-spared landing gear components</li> </ul>
GTF	Commercial Aero	 13%	<ul style="list-style-type: none"> <li>• Served variants are primary power plants for Airbus A220 and Embraer E-2</li> <li>• Expansion into the PW1100G, used on the Airbus A320, could prove beneficial</li> </ul>
CH-53K	Military Rotary Wing	 7%	<ul style="list-style-type: none"> <li>• Program moving into Full Rate Production</li> <li>• Program has also secured a FMS customer (Israel)</li> </ul>

# Diverse Market



- Air Industries operates in the enormous market for High Precision Metallic Machined Componentry, with well over \$100B in annual spend.
- Prioritizing targets, aligning corporate goals and focusing company resources are imperative to our overall success.

# Growth Strategy



- The Company has been focused on operational and financial improvements along with getting the right equipment on the floor to support the long term plan.
  
- Now pivoting towards growth opportunities:
  - Expanding existing platforms
  - Expansion into new platforms
  - In-roads into naval markets
  - Developing design capabilities
  - Vertical integration
  - Potential acquisitions
  
- Carefully looking at the attractiveness of opportunities.
  - Military fixed wing new & legacy – (High)
  - Helicopters – (High)
  - Defense Logistics Agency rotary & fixed wing – (High)
  - Navy – (Medium)
  - Missiles – (Medium)
  - Space – (Medium)

# Addressable Market



Relevant Market  
Opportunities  
\$70B+

Most Attractive  
Opportunities  
~ \$4B

Addressable  
Market  
~ \$1.3B

## OPPORTUNITY GROUPS (Highly Attractive)

### Near-Term (0-2 years)

- Military fixed-wing landing gear, (served)
- Helicopter (served)
- Commercial thrust struts (served)
- U.S. Defense Logistics Agency – rotary & fixed

### Medium-Term (1-3 years)

- Military fixed-wing Landing Gear (unserved, legacy)
- Commercial engines & thrust struts (legacy platforms)

## ATTRACTIVE / ACTIONABLE

We have addressed opportunities on several factors including:

- Capability fit
- Potential margins
- Market dynamics
- Competitive dynamics
- Volume
- Visibility
- Actionable timeframe

# Core Market Expansion



Platform	FY23 – FY27 Market	OEM
PW1000G	\$2,849M	
UH-60	\$998M	
F-35 A&C	\$299M	
CH-53	\$247M	
S-92	\$97M	
F-35B	\$82M	
S-76	\$63M	

NEAR-TERM  
(0-1 year)

- Increasing the number of part groups within existing platforms.
- Establish dedicated lines for the most attractive core platforms.
- Establish advanced material procurement and a demand planning process.

# DLA Aftermarket



Platform	FY23 – FY27 Market	OEM
AH-64	\$454M	 <b>BOEING</b>
CH-47	\$392M	 <b>BOEING</b>
V-22	\$233M	  <b>BOEING</b>
AH-1	\$106M	
UH-1	\$75M	
F-15	\$62M	 <b>BOEING</b>
Lockheed F-16	\$40M	<b>LOCKHEED MARTIN</b> 
F/A-18E/F	\$26M	 <b>BOEING</b>

NEAR-TERM  
(0-1 year)

- Capitalize on an existing relationship with the DLA and distribution partners.
- In-House experience with assembling SAR Packages.
- Leverage distribution partners to issue SAR Packages.

# Legacy Commercial



Platform	FY23 – FY27 Market	OEM
A320neo	\$433M	AIRBUS
PW800	\$309M	
CFM56	\$265M	
CF6-80	\$152M	 GE Aviation
PW4000	\$116M	
A350XWB	\$89M	AIRBUS
CF34	\$89M	 GE Aviation
V2500-A5	\$65M	 International Aero Engines.
787	\$64M	 BOEING
Cseries	\$63M	BOMBARDIER AIRBUS

Mid-Term  
(1-3 years)

- Legacy platforms provide a in-road with less penetrated customers.
- Likely to face less competition serving legacy platforms with robust spares and aftermarket activity.
- Lower volumes with greater profit margins.

# Constrained Markets



Platform	FY23 – FY27 Market	OEM
MSE Missile	\$250M	LOCKHEED MARTIN 
Joint Air-Surface Standoff Missile	\$221M	LOCKHEED MARTIN 
Standard Missile	\$204M	 Raytheon Technologies
Guided MLRS Rocket	\$185M	LOCKHEED MARTIN 
Long Range Standoff Weapon	\$175M	 Raytheon Technologies
Precision Strike Missile	\$152M	LOCKHEED MARTIN 
AMRAAM	\$142M	 Raytheon Technologies
ESSM	\$113M	 Raytheon Technologies
SM-3 Block IIA	\$110M	 Raytheon Technologies
Strategic Mid-Range Capability	\$97M	LOCKHEED MARTIN 

Mid-Term  
(1-3 years)

- Supply chain constraints on specific missile programs going to the Ukraine has caused a need to expand the supply base.
- Focus on parts that align well with the company's current capabilities and do not require upfront investment.

# Business Jet Landing Gear



Platform	FY23 – FY27 Market	OEM
<b>G500-G600</b>	<b>\$291M</b>	Gulfstream
<b>G650</b>	<b>\$268M</b>	Gulfstream
<b>Global 7000-8000</b>	<b>\$176M</b>	<b>BOMBARDIER</b>
<b>Light</b>	<b>\$164M</b>	<b>Various</b>
<b>Ultra-Long Jet</b>	<b>\$154M</b>	<b>Various</b>
<b>Midsize</b>	<b>\$138M</b>	<b>Various</b>
<b>Global 5000-6000</b>	<b>\$132M</b>	<b>BOMBARDIER</b>
<b>Medium</b>	<b>\$115M</b>	<b>Various</b>
<b>Heavy</b>	<b>\$112M</b>	<b>Various</b>
<b>Very Light Jet</b>	<b>\$44M</b>	<b>Various</b>

Mid-Term  
(3-5 years)

- Business jet landing gear is within the size capabilities of our existing equipment and requires no further Cap-X.
- Since the onset of Covid-19, the business jet market has dramatically grown.

# Why Air Industries Group



## Solid Position in Defense Ecosystem

- Defense orientation is complemented by selected opportunities in commercial aviation

## Important and Stable Aircraft Platforms and Customers

- Supported by 6 aircraft platforms and 5 customers that are stable and important to national defense

## Sharply Focused Growth Strategy

- Targeting core markets and addressable opportunities aligned with capabilities

## Winning New Orders

- Significant new or expanded Long-Term Agreements – some running through 2025

## Capital Resources to Invest in Growth

- \$20M revolving loan facility, \$5M term loan, \$2M equipment line of credit
- \$2.3M invested in 2022, \$ 2.5 - \$3.0M budgeted for 2023



THANK YOU FOR YOUR ATTENTION