



Ducommun

Wells Fargo Industrials Conference

May 5, 2022

Disclosures

Forward-Looking Statements: This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be preceded by, followed by or include the words “believe,” “continue,” “estimate,” “expect,” “may,” “plan,” “potential,” “should,” “result,” “target” or similar expressions. These statements are based on the beliefs and assumptions of our management. Generally, forward-looking statements include information concerning our possible or assumed future actions, events or results of operations. Forward-looking statements specifically include, without limitation, the information in this presentation regarding: our growth and value creation strategy, including opportunities to expand current relationships and penetrate and/or increase share on new and existing programs and next generation programs in commercial and defense markets; our framework for driving growth and margin expansion; the recovery of, and estimated build rates for, the commercial aerospace industry in light of the COVID-19 pandemic and air travel; expected federal defense budgetary environments; our expected top growth through 2023 and backlog. Although we believe that the expectations reflected in the forward-looking statements are based on reasonable assumptions, these forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. We cannot guarantee future results, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. All written and oral forward-looking statements made in connection with this presentation that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by the risk factors and other cautionary statements contained in our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2021.

While it is impossible to identify all such factors, some factors that could cause actual results to differ materially from those estimated by us include, but are not limited to, the risk factors and other cautionary statements contained in our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2021 and the following: our ability to manage and otherwise comply with our covenants with respect to our outstanding indebtedness; our ability to service our indebtedness; our acquisitions, business combinations, joint ventures, divestitures, or restructuring activities may entail certain operational and financial risks; the cyclical nature of our end-use markets and the level of new commercial and military aircraft orders; industry and customer concentration; production rates for various commercial and military aircraft programs; the level of U.S. Government defense spending; we are subject to extensive regulation and audit by the Defense Contract Audit Agency; compliance with applicable regulatory requirements and changes in regulatory requirements, including regulatory requirements applicable to government contracts and sub-contracts; further consolidation of customers and suppliers in our markets; product performance and delivery; start-up costs, manufacturing inefficiencies and possible overruns on contracts; increased design, product development, manufacturing, supply chain and other risks and uncertainties associated with our growth strategy to become a supplier of higher-level assemblies; our ability to manage the risks associated with international operations and sales; economic and geopolitical developments and conditions; pandemics, such as COVID-19, significantly impacting the global economy and specifically, the commercial aerospace end-use market; disasters, natural or otherwise, damaging or disrupting our operations; unfavorable developments in the global credit markets; our ability to operate within highly competitive markets; technology changes and evolving industry and regulatory standards; possible goodwill and other asset impairments; the risk of environmental liabilities; the risk of cyber security attacks or not being able to detect such attacks; litigation with respect to us; and other risks and uncertainties.

We caution the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this presentation. We do not undertake any duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect actual outcomes, except as required by law.

Industry and Customer Information: Market data and industry information used throughout this presentation are based on management’s knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon management’s review of independent industry surveys and publications and other publicly available information prepared by a number of third party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified this information. While we believe the estimated market position, market opportunity and market size information included in this presentation are generally reliable, such information, which is derived in part from management’s estimates and beliefs, is inherently uncertain and imprecise. No representations or warranties are made by the Company or any of its affiliates as to the accuracy of any such statements or projections. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties. Further, the inclusion of customer logos or references to specific programs in this presentation is not an endorsement of the Company.

Non-GAAP Financial Measures: This presentation includes certain non-GAAP financial measures, such as Adjusted EBITDA, Adjusted EBITDA margin, and net debt. For a reconciliation of such non-GAAP financial measures to the closest GAAP measure not already included in this presentation, see “Non-GAAP Financial Measures” in the Appendix of this presentation.

Other: The inclusion of information in this presentation does not mean that such information is material or that disclosure of such information is required.

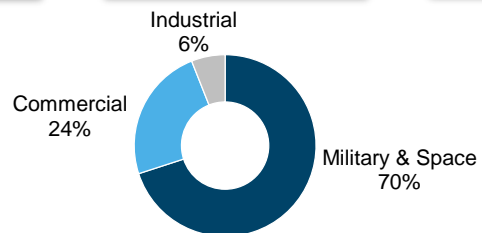
Our Company

2021 Revenue:
\$645mm

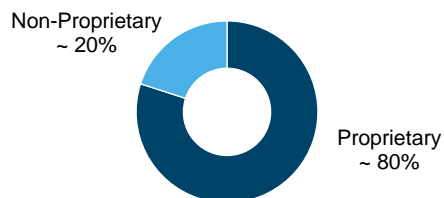
2021 Adjusted
EBITDA Margin:
14.4%

2021 Ending
Backlog:
\$905mm

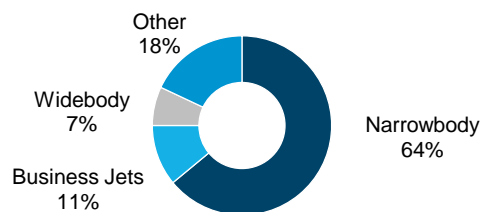
Revenue by
End Market



Proprietary
Content



Commercial
Aerospace Mix¹



Diverse Product Content on Large and Growing Platforms...

Military Aircraft



Commercial Aircraft



Missiles



Space & UAVs



...Across a Broad Range of Customers



Leading manufacturer mainly as a Tier 1 supplier of complex electronics and structural systems for the commercial aerospace, defense, and space markets

Electronic Systems – Key Sectors & Applications

Missiles



TOW Missile



Patriot



Tomahawk



SM3/6

- Circuit cards controlling actuation & interconnects
- Integrated missile case interconnects
- Wing deploy & control actuation system motors
- Actuation control units



Military Aircraft and UAVs



Joint Strike Fighter



MQ-9 Reaper



F/A-18



Predator

- Integrated electronic boxes and radar racks
- Interconnects for avionics, radar, sensors, fuel and weapons systems
- Circuit card assemblies
- Cockpit panel assemblies and switches
- Lightning protection
- RF components



Naval



Virginia-class Submarine



AN/BLQ-10



Aegis/DDG-51

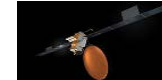
- Interconnects and complex electronic boxes
- Interconnects for the hull penetrator on warfare systems
- Electronic assemblies for the controller & detector
- Circuit card assemblies for advance naval radar systems



Space and Communications



Viasat



Inmarsat 6



Artemis



Mars Rover

- Modem and server electronic boxes for In-flight Entertainment (IFE) systems
- Interconnect products for solid fuel boosters
- IFE radome lightning protection
- Resolvers for Mars Rover
- Satellite high power RF switch units



Commercial and Business Aviation



B787



B737 MAX



Legacy aftermarket

- Engine start switch modules including legacy models
- Time delay relays and other cockpit panels and switches
- Nose, fuselage and tail radome lightning protection
- Surge suppression for power distribution and common core systems
- Strong legacy aftermarket across many programs



Structural Systems – Key Sectors & Applications

Commercial Aircraft



- Titanium hot and super plastic formed detailed parts
- VersaCore Composite™ nacelle components & metal bond secondary flight control surfaces
- Large aluminum stretch formed fuselage and airframe skins
- Extruded thermoplastics
- Magnetic seals



Military Rotorcraft



- Metal bond blades and abrasion strips
- Titanium exhaust ducts, door surrounds, and bulkheads
- Ammunition handling systems
- Approved OEM / Government repair depot
- Magnetic and mechanical seals



Missiles, Ground Vehicles, and Other



- Composite missile cases with integrated electronics
- Titanium dorsal fins
- Ammunition handling systems
- Magnetic seals



Business Jets



- Superplastic formed titanium inlet ducts
- Stretch formed aluminum lithium wing support structures
- Magnetic seals



What Ducommun Isn't – Post 2018

What Ducommun Isn't

Mainly build-to-print supplier

Minimal competitive advantage

Mainly focused on commercial aerospace structures

Low margin, commoditized products

Forging / casting supplier

Primarily large structural parts (wings, etc.)

Very little aftermarket exposure

No pricing power

Breakeven or loss position in some part production

Boeing and Raytheon House

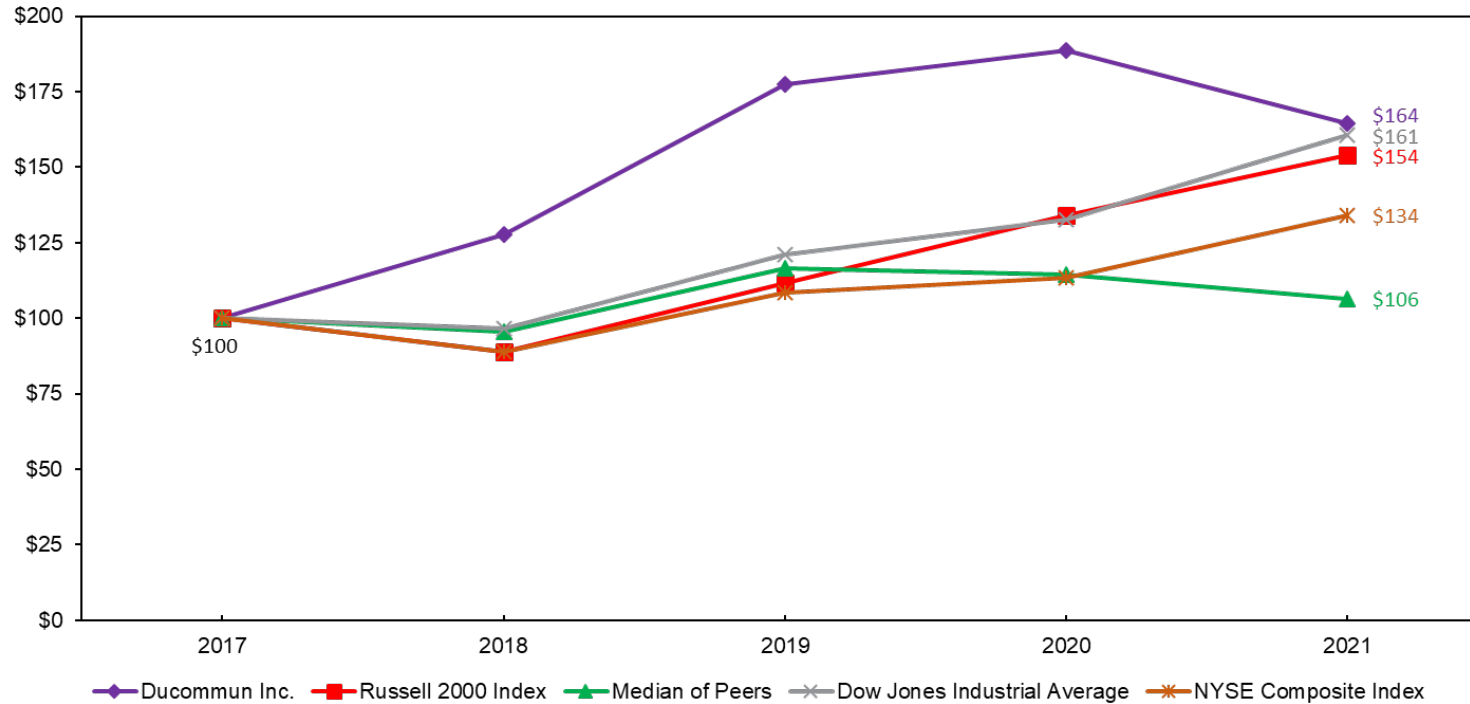
Historical Key Financial Data

Historical Key Financial Data						
(\$M, unless stated otherwise)						
	Year Ending					
	2016	2017	2018	2019	2020	2021
Revenue	551	558	629	721	629	645
Adj. EBITDA	55	54	71	92	88	93
<i>Adj. EBITDA %</i>	10.1%	9.7%	11.2%	12.8%	14.0%	14.4%
Net Debt	163	216	223	270	264	211
<i>Net Debt / Adj EBITDA</i>	2.9	4.0	3.2	2.9	3.0	2.3
Backlog	641	726	864	910	808	905

Total Shareholder Return

Total Shareholder Return ("TSR") Over Time

Comparison of 4 Year Cumulative Total Return
Assumes Initial Investment of \$100
January 2018 - December 2021



Our TSR over the 4-year period between 2018 and 2021 was ~10x that of our peer group median!

Key Investment Highlights for Your Consideration

- 1 Tier 1 Industry Player Entirely Focused on Aerospace & Defense
- 2 Growing Defense Business Well Positioned for Changing Budget Environment
- 3 Reopening Trade in Commercial Aerospace Through 2025 with High Share in Narrowbody
- 4 Expanding Portfolio of Proprietary Capabilities with #1 Market Share Position in Titanium¹
- 5 Aftermarket Franchise Gaining Momentum
- 6 Operational Excellence System in Place with Margin Improvement Runway
- 7 Demonstrated M&A Strategy and Execution
- 8 Good Environmental, Social, and Corporate Governance Track Record

Significant opportunity for growth and shareholder value creation ahead through 2025



Q&A



Appendix

Non-GAAP Financial Measures

Note Regarding Non-GAAP Financial Information: This presentation contains non-GAAP financial measures, including Adjusted EBITDA (which excludes interest expense, income tax expense (benefit), depreciation, amortization, stock-based compensation expense, restructuring charges, net gain on divestitures, Guaymas fire related expenses, inventory purchase accounting adjustments, and business interruption insurance), and Adjusted Operating Income, Adjusted Net Income and Adjusted Earnings per Share.

The Company believes the presentation of these non-GAAP financial measures provide important supplemental information to management and investors regarding financial and business trends relating to its financial condition and results of operations. The Company's management uses these non-GAAP financial measures along with the most directly comparable GAAP financial measures in evaluating the Company's actual and forecasted operating performance, capital resources and cash flow. The non-GAAP financial information presented herein should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company discloses different non-GAAP financial measures in order to provide greater transparency and to help the Company's investors to more meaningfully evaluate and compare the Company's results to its previously reported results. The non-GAAP financial measures that the Company uses may not be comparable to similarly titled financial measures used by other companies.

We define backlog as customer placed purchase orders and long-term agreements with firm fixed prices and firm delivery dates of 24 months or less. Backlog is subject to delivery delays or program cancellations, which are beyond our control. Backlog is affected by timing differences in the placement of customer orders and tends to be concentrated in several programs to a greater extent than our net revenues. Backlog in industrial markets tends to be of a shorter duration and is generally fulfilled within a 3-month period. As a result of these factors, trends in our overall level of backlog may not be indicative of trends in our future net revenues.

For more information on our non-GAAP financial measures and a reconciliation of such measures to the nearest GAAP measure, please see the "Non-GAAP Reconciliation" slides on the following pages.

Non-GAAP Reconciliation for Adjusted EBITDA

(\$ millions)

	2016	2017	2018	2019	2020	2021
Net Revenues	\$ 551	\$ 558	\$ 629	\$ 721	\$ 629	\$ 645
Net Income	\$ 25	\$ 20	\$ 9	\$ 32	\$ 29	\$ 136
Interest Expense	9	9	13	18	14	11
Income Tax Expense (Benefit)	13	(12)	1	5	3	35
Depreciation	13	13	13	14	14	14
Amortization	10	10	12	15	15	14
Stock-Based Compensation Expense	3	4	5	7	9	11
Restructuring Charges ¹	0	9	15	-	2	-
Gain on Divestitures, Net ²	(18)	-	-	-	-	-
Guaymas Fire Related Expenses	-	-	-	-	2	3
Inventory Purchase Accounting Adjustments ³	-	1	1	1	-	0
Loss on Extinguishment of Debt	-	-	1	0	-	-
Other Debt Refinancing Costs	-	-	1	0	-	-
Gain on sale-leaseback ⁴	-	-	-	-	-	(131)
Adjusted EBITDA	\$ 55	\$ 54	\$ 71	\$ 92	\$ 88	\$ 93
% of Net Revenues	10.1%	9.7%	11.2%	12.8%	14.0%	14.4%

Note: May not sum due to rounding.

¹ 2017 and 2018 included \$0.5 million and \$0.1 million, respectively, of restructuring charges that were recorded as cost of goods sold.

² 2016 included gain on divestitures, net in our electronic systems operating segment related to the divestitures of our Pittsburgh and Miltec operations.

³ 2017, 2018, 2019, and 2021 included inventory purchase accounting adjustments of inventory that was stepped up in the purchase price allocation from acquisitions of Lightning Diversion Systems, LLC, Certified Thermoplastics Co., LLC, Nobles Worldwide, and MagSeal Corporation on Sep 2017, Apr 2018, Oct 2019, and Dec 2021, respectively, and is part of our Electronic Systems, Structural Systems, Structural Systems, and Structural Systems operating segments, respectively.

⁴ 2021 includes a sale-leaseback transaction for the building and related land for our Gardena performance center located in Carson, CA and the success bonus related to the completion of this transaction on Dec 2021.

Non-GAAP Reconciliation for Net Debt

(\$ millions)

	2016	2017	2018	2019	2020	2021
Adjusted EBITDA	\$ 55	\$ 54	\$ 71	\$ 92	\$ 88	\$ 93
Current Portion of Long Term Debt	0	0	2	7	7	7
Long Term Debt	170	218	231	303	313	280
Cash & Cash Equivalents	(7)	(2)	(10)	(40)	(56)	(76)
Net Debt	\$ 163	\$ 216	\$ 223	\$ 270	\$ 264	\$ 211
Net Debt / Adj EBITDA	2.9	4.0	3.2	2.9	3.0	2.3

Non-GAAP Reconciliation for Backlog

(\$ millions)

	<u>2016</u> ¹	<u>2017</u> ¹	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Remaining Performance Obligations ²	<u>N/A</u>	<u>N/A</u>	<u>\$723</u>	<u>\$745</u>	<u>\$780</u>	<u>\$814</u>
Backlog ³	<u>\$641</u>	<u>\$726</u>	<u>\$864</u>	<u>\$910</u>	<u>\$808</u>	<u>\$905</u>

Note: There is no reconciliation between GAAP remaining performance obligations and the non-GAAP backlog amount.

¹ The Company adopted ASC 606 in 2018 using the modified retrospective method so it was N/A for 2017 and 2016.

² Based on customer placed purchase orders with firm fixed price and firm delivery dates.

³ Based on customer placed purchase orders and long-term agreements with firm fixed price and expected delivery dates of 24 months or less.