Ducommun



Q3 2026 Earnings Call

Stephen Oswald – Chairman, President and Chief Executive Officer
Suman Mookerji – Senior Vice President, Chief Financial Officer

November 5, 2026

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 progress towards and ability to exceed our expected top-line growth and margin expansion targets pursuant to our shareholder value creation strategy through 2027, our ability to attain the revenue, margin and free cash flow targets set forth in our VISION 2032 game plan for investors, expectations relating to our position on commercial single- and twin-aisle platforms positioning the Company well for the commercial aerospace recovery, expectations related to the U.S. Department of War's long-term framework agreements for key missile programs with defense primes and their impact on the growth of our defense business in 2027 and beyond, and the Company’s revenue outlook for 2026. 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/A for the year ended December 31, 2025, filed with the Securities and Exchange Commission (SEC) .

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/A for the year ended December 31, 2025, filed with the Securities and Exchange Commission (SEC) 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; our ability to generate sufficient amounts of cash to run our business; the cyclicality 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; risks associated with a prolonged U.S. federal government shutdown; 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; our ability to obtain necessary export approvals and licenses for proposed sales to foreign customers; legal and regulatory risks, including subrogation claims asserted by third-party insurers, specifically relating to that of the carrier of the entity that provides the labor and facilities for our Guaymas performance center through an arbitration proceeding currently pending in Arizona relating to the fire in 2020 that may become material; our ability to attract and retain key personnel and avoid labor disruptions; 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 adequately protect and enforce our intellectual property rights; our ability to manage the risks associated with international operations and sales; economic and geopolitical developments and conditions; 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 potential for environmental liabilities and litigation matters being resolved adversely against us, which may affect our financial results; 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.

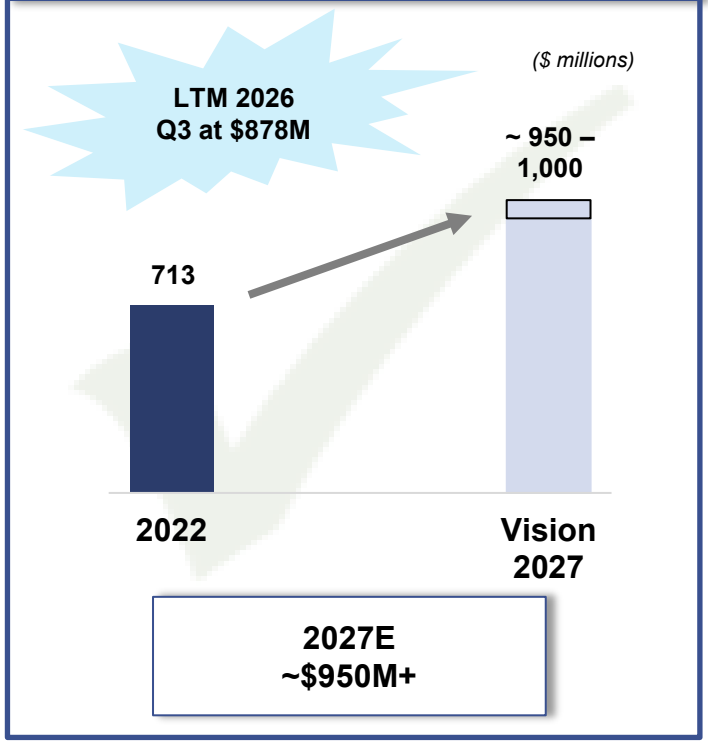
Industry and Customer Information: Market data and industry information used throughout this presentation are based on management’s knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon management’s review of independent industry surveys and 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 Operating Income, Adjusted Operating Income Margin, Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted Earnings Per Share. 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.

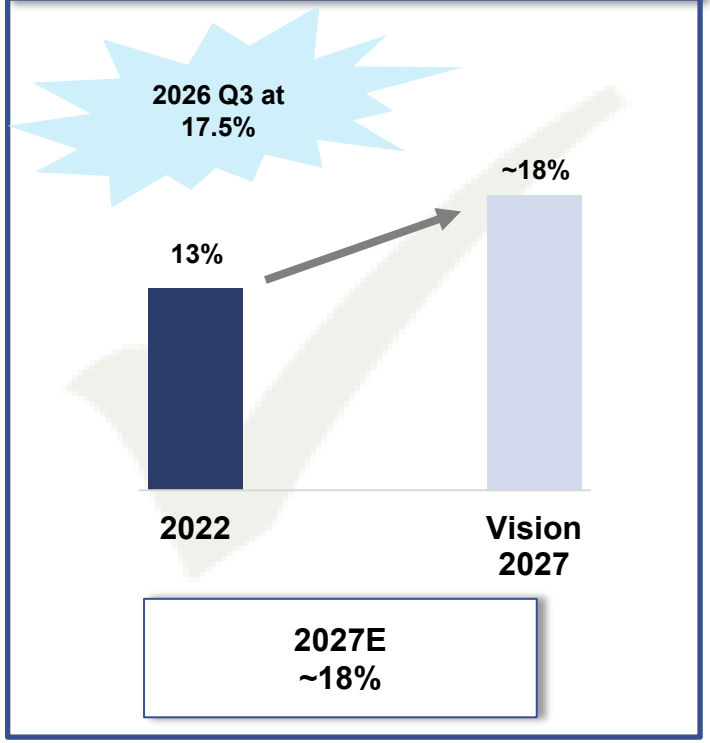
Other: The inclusion of information in this presentation does not indicate that such information is material or that disclosure of such information is required.

VISION 2027 – Performance against Key Metrics

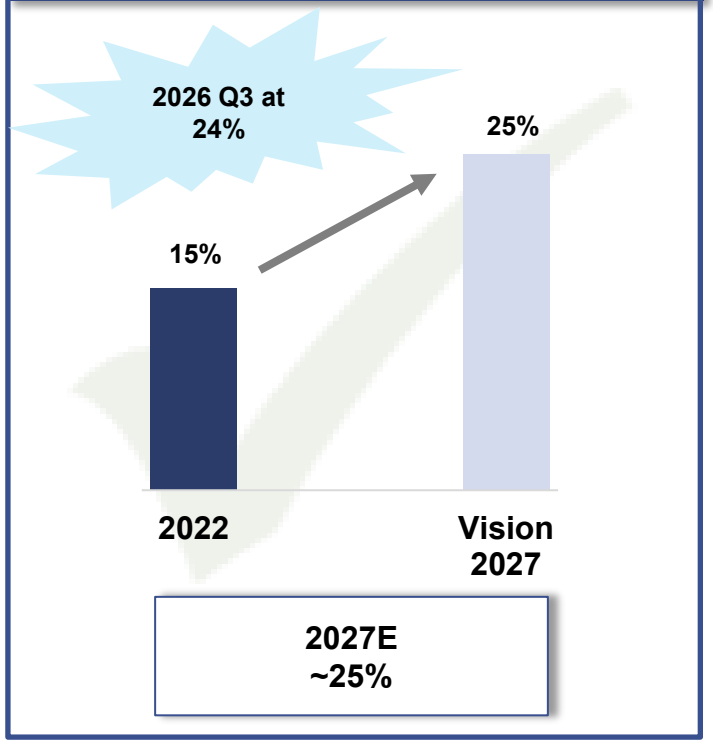
Revenue



Adj. EBITDA Margin (%)



EP[1] % Revenue



On Track to Meet or Exceed All Three Key Metrics under the VISION 2027 Plan!

1. *EP – Engineered Products*

Our VISION 2032 Targets

Total Revenue	EP Rev Mix	Adj. EBITDA%	FCF Conversion
$1.6 – 1.7 billion	**~40%**	**23%**	**90-100%[3]**
Organic Growth CAGR 7-8%[1] Acquisition Placeholder $250 – 300 million[2]	Increase by ~17% From 23% in LTM 2026 Q2	600 bps Expansion over 2026E[1]	Strong Cash Conversion

1. *Revenue growth CAGR and Adj. EBITDA margin expansion based on the current fiscal year 2026 estimates as a baseline*
2. *Represents placeholder for revenue added through acquisitions during VISION 2032*
3. *FCF conversion calculated against Adjusted Net Income*

Q3 2026 Recap

Revenue, up 6% y-o-y with double digit growth in commercial of 28% and temporary military and space decline of -7%

Q3 book-to-bill ratio of 1.6x with Strong bookings of $354M

Record Gross margins of 28.9%, up 140bps y-o-y

GAAP Net income of $13.9M or 6.1% of revenue

Adjusted EBITDA of $39.7M or 17.5% of revenue, moving closer to VISION 2027 target of 18%

Q3 2026

Revenue
$227M
Up 6%
y-o-y

GAAP OI
$26M
Up $101M
y-o-y

Adjusted OI*
$28M
Up $1.5M
y-o-y

GAAP EPS
$0.89

Adj EPS*
$1.21





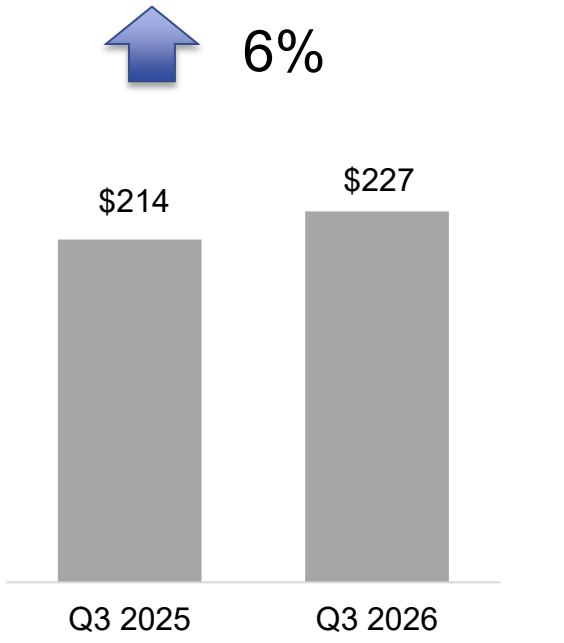
Record third quarter revenue and margins with book to bill of 1.6x

*See Appendix for additional information regarding this non-GAAP financial measure.

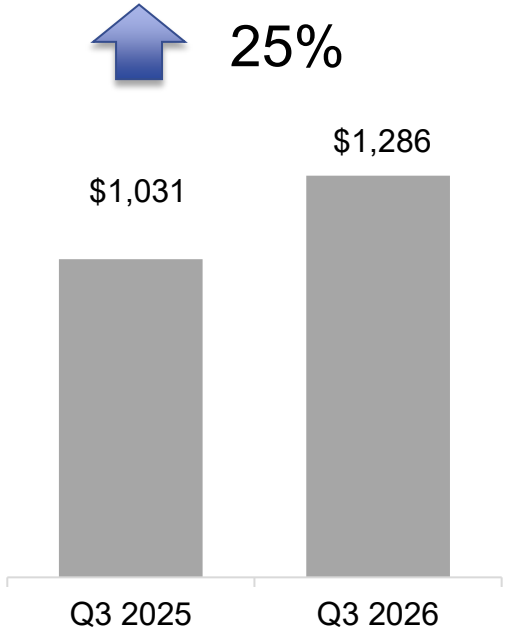
Strong Revenue Performance & Growing RPO

($ millions)

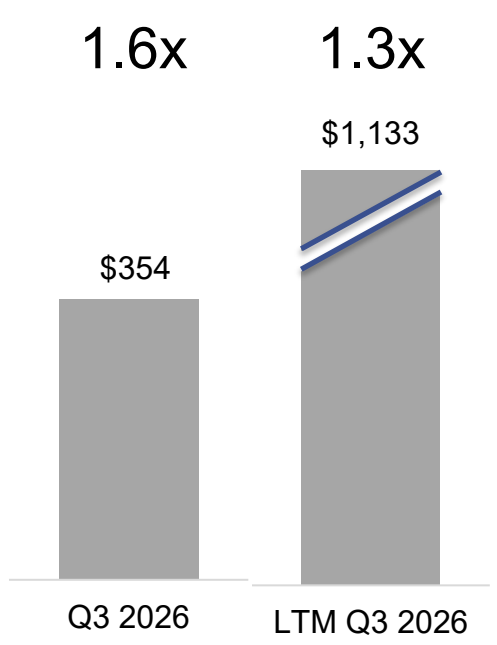
Revenue



Remaining Performance Obligations



Bookings[1]



RPO of $1.3 billion and book-to-bill ratio[2] of 1.3x for LTM Q3 2026

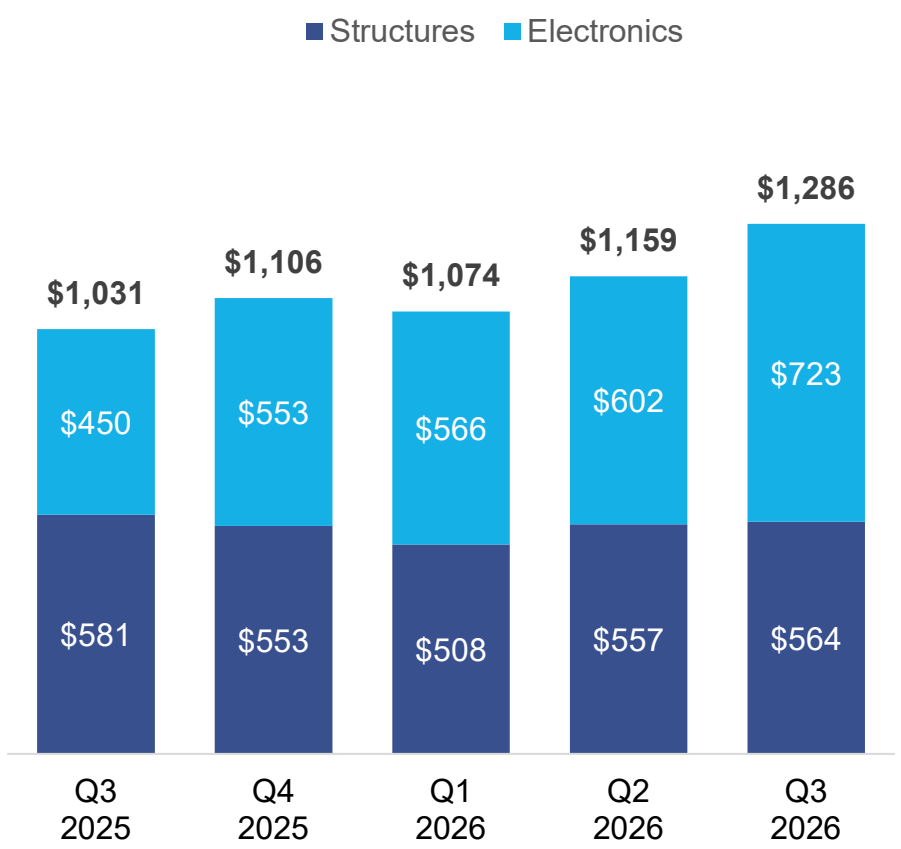
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[1] Bookings defined as orders net of cancellations in the period.
[2] Book-to-bill ratio defined as bookings divided by reported revenue.

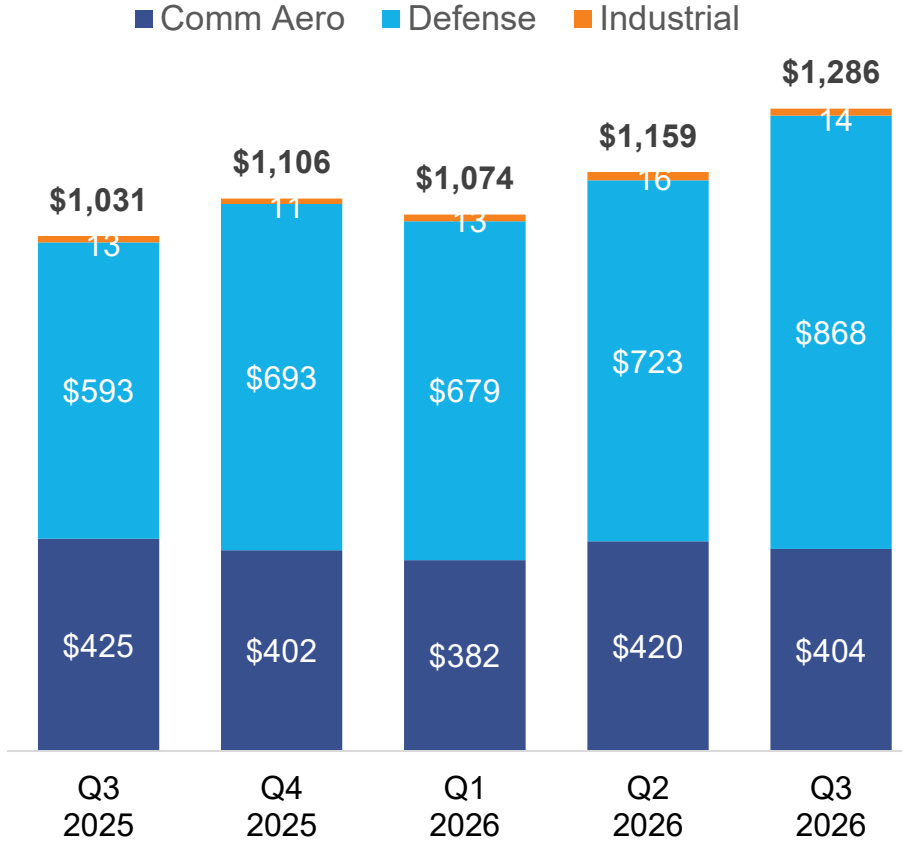
Record Remaining Performance Obligations

($ millions)

By Segment



By End Market



Reiterating 2026 Full Year Outlook

2026 Revenue Growth

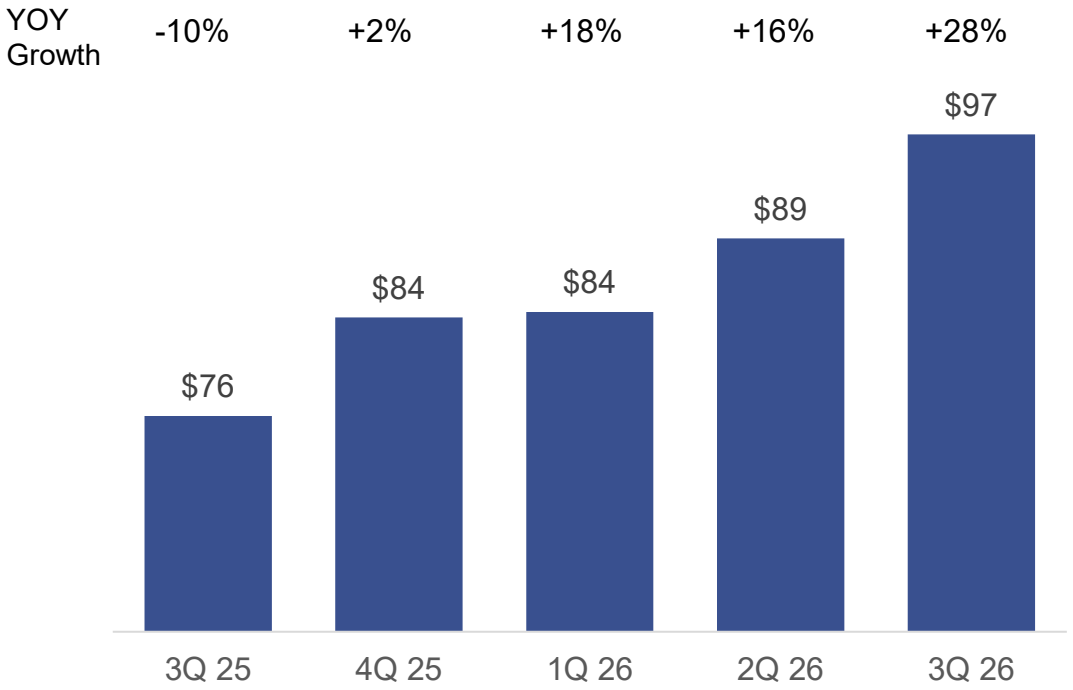
Mid to High Single Digit

Expect to finish the year at the higher end of the previously provided range of $880M to $890M

Full year outlook at $885M to $890M

Commercial Aerospace

($ millions)



- Q3 2026 Revenue grew 28% to $97M
- Destocking with Boeing unwinding through Q4
- New aftermarket win on the 737 driving growth in the current quarter and beyond



B737 Family



A320



A220



B787



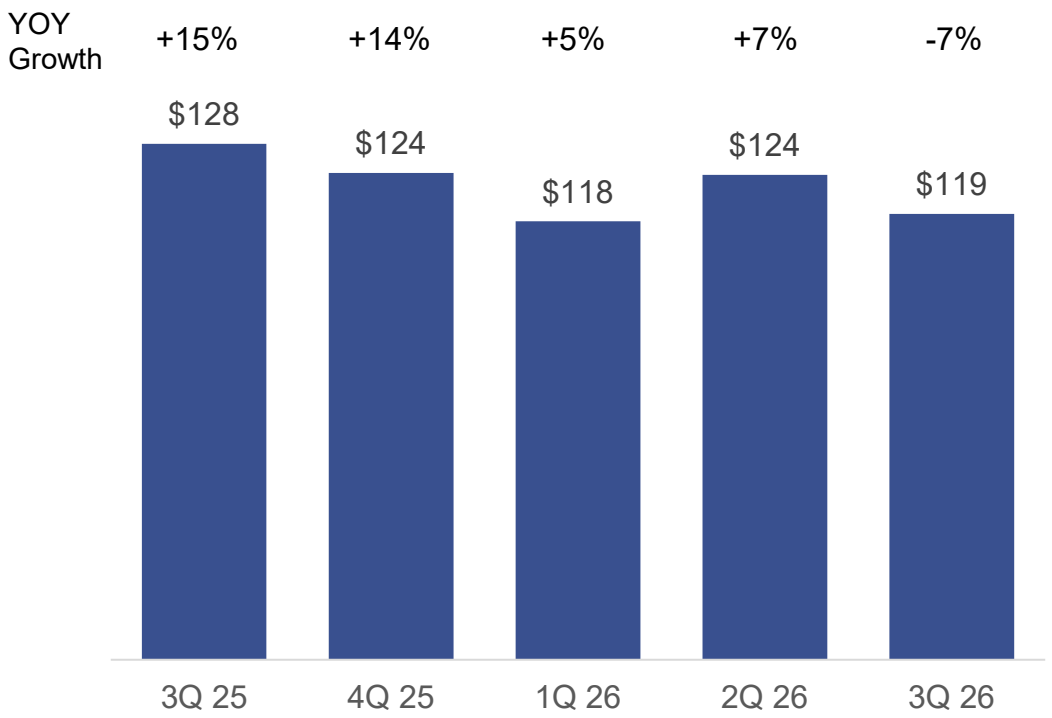
Gulfstream family



S-92

Military and Space

($ millions)



- Q3 2026 book-to-bill at 2.2x
- Q3 2026 Revenue lower by 7% to $119M due to production timing
- Remaining Performance Obligations (RPO) of $868M

Military Aircraft


F-35

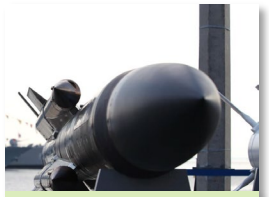

Blackhawk


F-15


Apache

Missiles & Radar


PAC-3


Tomahawk

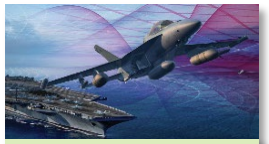

AMRAAM


THAAD


SM3


SM6


SPY-6


NGJ


TOW

DoW Missile Framework Agreements Catalyst for Defense Growth

	RTX				LOCKHEED MARTIN	
	AMRAAM	SM3 -IIA	SM3 - IB	SM6	Tomahawk	PAC-3	THAAD
							
*Current Annual Estimated Production**	~1,100	~70		125	55 - 90	~600	96
*Revised Annual Production over Next 7 years**	1.5x	2x - 4x		4x	10x	3x	4x
DCO Incumbent Supplier	☑	☑	☑	☑	☑	☑	☑

DoW significantly ramping production for key missiles through long-term framework agreements with primes

DCO favorably positioned with primes as existing supplier on all these programs

Driving Strong Defense Growth in 2027 and Beyond

**Current production and growth figures taken from published reports. See Appendix for links providing details*

Structural Systems Segment Highlights

($ millions)

	Reported	YOY Var	Adjusted*	YOY Var.*
Revenue	$97.4	9.3%	$97.4	9.3%
Operating income	$11.9	-2.2%	$13.8	-5.4%
Operating income margin	12.3%	(140)bps	14.2%	(220)bps

- Higher revenue in large commercial (737MAX, A320), and missiles partially offset temporary weakness in military rotorcraft
- Facility consolidation synergies and engineered products mix are flowing through P&L
- Well positioned across major programs to execute planned rate increases



737MAX



A220



787



A320 family

Strong position on marquee single and twin aisle platforms

Well positioned for Commercial Aerospace recovery

**See Appendix for additional information regarding these non-GAAP financial measures.*

Electronic Systems Segment Highlights

($ millions)

	Reported	YOY Var	Adjusted*	YOY Var.*
Revenue	$129.6	3.5%	$129.6	3.5%
Operating income	$28.7	23.5%	$29.1	22.7%
Operating income margin	22.2%	360 bps	22.5%	350 bps

- Higher revenue driven by strong growth in commercial aerospace, missiles, and military fixed wing aircraft, partially offset by temporary weaknesses in radar, and other miscellaneous platforms
- Higher volume and operating leverage drove better margins



RTX NORTHROP GRUMMAN LOCKHEED MARTIN

Growing missile and radar franchise with defense replenishment tailwinds

Defense tailwinds and offloading strategy driving revenue alongside record operating margins

**See Appendix for additional information regarding these non-GAAP financial measures.*

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Appendix

Non-GAAP Financial Measures

Note Regarding Non-GAAP Financial Information: This presentation contains non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Operating Income, Adjusted Operating Income Margin, 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.

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

Reconciliation of Net Income to Adjusted EBITDA

($ millions)

	Q3 2026	Q3 2025	Var. PY
Net Revenues	**$ 227.0**	**$ 214.4**	**$ 12.6**
Net Income (Loss)	**$ 13.9**	**($60.8)**	**$ 74.7**
Interest Expense	$ 3.1	$ 2.9	$ 0.2
Income Tax Expense (Benefit)	$ 4.9	($17.4)	$ 22.4
Depreciation	$ 4.1	$ 4.0	$ 0.0
Amortization	$ 4.3	$ 4.3	($0.0)
Stock-Based Compensation Expense	$ 5.6	$ 4.1	$ 1.5
Restructuring Charges	$ 0.0	$ 0.6	($0.6)
Litigation Settlement and Related Costs, Net	$ 0.0	$ 99.7	($99.7)
Pension Plan Settlement Loss	$ 3.9	$ 0.0	$ 3.9
Adjusted EBITDA	**$ 39.7**	**$ 37.4**	**$ 2.4**
Net Income (Loss) as a % of Net Revenues	***6.1%***	***(28.4%)***	***34.5%***
Adjusted EBITDA as a % of Net Revenues	***17.5%***	***17.4%***	***0.1%***

**Amount may not total due to rounding.*

GAAP to Non-GAAP Operating Income Reconciliation

($ millions)

	Ducommun		Structural		Electronic	
	Q3 2026	Q3 2025	Q3 2026	Q3 2025	Q3 2026	Q3 2025
Net Revenues	**$ 227.0**	**$ 214.4**	**$ 97.4**	**$ 89.2**	**$ 129.6**	**$ 125.3**
GAAP Operating Income (Loss)	**$ 25.8**	**($75.3)**	**$ 11.9**	**$ 12.2**	**$ 28.7**	**$ 23.3**
Restructuring Charges	-	$ 0.6	-	$ 0.5	-	$ 0.1
Amortization of Acquisition Related Assets[1]	$ 2.2	$ 2.2	$ 1.9	$ 1.9	$ 0.4	$ 0.4
Litigation Settlement and Related Costs, Net	-	$ 99.7	-	-	-	-
Non-GAAP Adjusted Operating Income	**$ 28.0**	**$ 27.2**	**$ 13.8**	**$ 14.6**	**$ 29.1**	**$ 23.7**
% of Net Revenues	***12.3%***	***12.7%***	***14.2%***	***16.4%***	***22.5%***	***18.9%***

[1] Q3 2026 and Q3 2025 include amortization of acquisition related assets from acquisitions of Lightning Diversion Systems, LLC, Certified Thermoplastics Co., LLC, Nobles Worldwide, MagSeal Corporation, and BLR Aerospace in Sep 2017, Apr 2018, Oct 2019, Dec 2021, and Apr 2023 respectively, and is part of our Electronic Systems, Structural Systems, Structural Systems, Structural Systems, and Structural Systems operating segments, respectively
**Amount may not total due to rounding.*

GAAP to Non-GAAP EPS

($ millions, except EPS)

	Q3 2026	Q3 2025
GAAP Net Income (Loss)	**$13.9**	**($60.8)**
GAAP EPS	**$0.89**	**($4.06)**
Restructuring Charges	-	0.6
Amortization of Acquisition Related Assets	2.2	2.2
Litigation Settlement and Related Costs, Net	-	99.7
Pension Plan Settlement Loss	3.9	-
Total Adjustments to GAAP	**6.1**	**102.5**
Income Tax Effect (20%)	(1.2)	(22.9)
Non-GAAP Adjusted Net Income	**$18.8**	**$18.8**
Adjusted EPS	**$1.21**	**$1.22**
Diluted Shares Outstanding	*15.6*	*15.4*

Effective tax rate of 20.0% used for both 2026 and 2025 adjustments, except for litigation settlement and related costs in 2025, net which utilized the incremental tax

**Amount may not total due to rounding.*

NON-GAAP BOOK-TO-BILL RATIO

($ thousands)

	Q3 2026	LTM Q3
Non-GAAP Bookings, net	$354.3	$1,132.6
GAAP Net revenues	$227.0	$877.7
Non-GAAP book-to-bill ratio	***1.6x***	***1.3x***

Sources for Missile Production and Growth

- https://militarnyi.com/en/news/raytheon-doubles-production-of-aim-120-amraam-air-defense-missiles/
- https://defence-industry.eu/rtx-raytheon-secures-long-term-pentagon-frameworks-to-expand-u-s-production-of-critical-missiles-nationwide/
- https://www.rtx.com/news/news-center/2026/02/04/rtxs-raytheon-partners-with-department-of-war-on-five-landmark-agreements-to-exp
- https://www.navalnews.com/naval-news/2025/06/u-s-navy-bets-on-reconciliation-for-sm-6-interceptors-risking-production-shutdown-if-bill-fails/
- https://www.reuters.com/business/aerospace-defense/us-tomahawk-missile-shipments-ukraine-unlikely-sources-say-2025-10-02/
- https://www.manufacturingdive.com/news/trump-lockheed-martin-l3harris-missiles-arsenal-dib-defense-war-strategy/811029/
- https://www.csis.org/analysis/did-us-defense-israel-missile-attacks-meaningfully-deplete-its-interceptor-inventory
- https://thedefensepost.com/2026/02/05/raytheon-missile-production-pentagon/
- https://militarywatchmagazine.com/article/us-finances-surge-iron-dome
- https://news.lockheedmartin.com/2026-01-06-Lockheed-Martin-and-Department-of-War-Advance-Landmark-Acquisition-Transformation-to-Accelerate-PAC-3-R-MSE-Production
- https://news.lockheedmartin.com/2026-01-29-Lockheed-Martin-and-U-S-Department-of-War-Sign-Framework-Agreement-to-Quadruple-THAAD-Interceptor-Production-Capacity
- https://news.usni.org/2023/03/14/fy-2024-budget-pentagon-asks-for-30-6b-to-beef-up-munitions-stockpile-citing-lessons-from-ukraine-war

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