



UBS Virtual Conference

Stephen G. Oswald
Chairman, President & CEO

June 8, 2021

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 the commercial airline industry in light of the COVID-19 pandemic and air travel; estimated build rates for the B737 family and A320 platforms and expected demand and mix percentage of narrow body aircraft; the expected wave of airline fleet renewals in the near term; expected federal defense budgetary environments; expectations relating to the titanium sheet fabrication market; our expected top line and margin expansion growth through 2025; our efforts to develop and grow our aftermarket support business; our M&A strategy, vision and investment return, product, company and timing expectations; 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, 2020.

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, 2020 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 cyclicity 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.

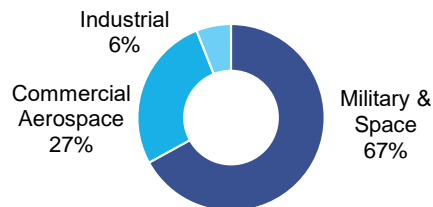
Our Company

2020 Net Revenues: \$629mm

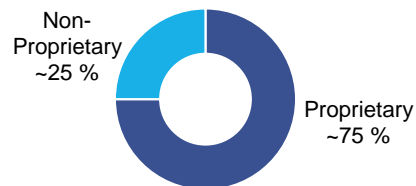
2020 Adjusted EBITDA Margin: 14.0%

Backlog: \$808mm

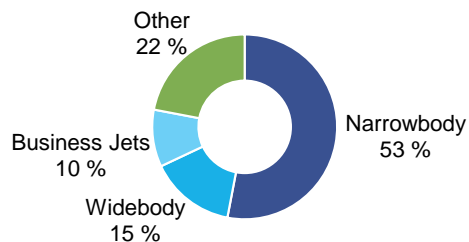
Revenue by End Market



Proprietary Content



Commercial Aerospace Mix¹



Diverse Product Content on Large and Growing Platforms...

Military Aircraft



JSF



Apache



F/A-18



Blackhawk

Commercial Aircraft



B737 Family



A320



A220



B787

Missiles



Patriot



Tomahawk



TOW Missile



SM3/6

Space & UAVs



Artemis



Predator



Triton



MQ-9 Reaper

...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

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

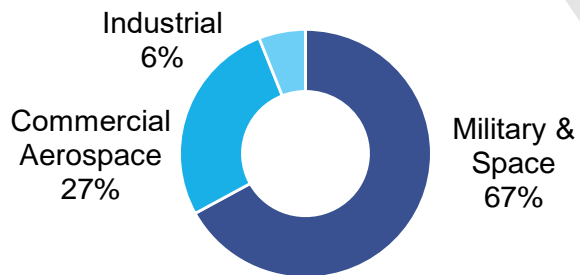
Significant opportunity for growth and shareholder value creation ahead through 2025

Tier 1 Industry Player Entirely Focused on Aerospace & Defense



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

Net Revenues by End Market



Defense Majors and Commercial Aerospace OEM Customers



Tier 2 Customers



中航工业沈阳飞机工业(集团)有限公司
AVIC SHENYANG AIRCRAFT CORPORATION

Tier 1 supplier to Defense majors and commercial aerospace OEMs

Well Positioned on Current Platforms

Case Study: Significant Growth with Raytheon



Entered into a Strategic Supplier Agreement with Raytheon Missile Systems in July 2019

Achieved significant share shift wins from long term incumbents

Delivered integrated composite structure and electronics solutions



TOW Missiles



Tomahawk



Patriot



SM2

Continued Share Gains With Defense Majors

Platforms

Highlights



GENERAL ATOMICS
Predator UAV

- Major share shift from incumbent supplier
- Great start in the relationship with opportunity for significant expansion



NORTHROP GRUMMAN
Triton UAV

- New wins on the Triton UAV program
- Top 3 Defense customer for Ducommun driven by significant new product sales



AEROJET ROCKETDYNE
RS-25 Engine

- New wins on propulsion system electronic assemblies and interconnects
- Opportunities to penetrate new programs including GBSD and Hypersonics

52 Defense programs with >\$1mm in Net Revenues in 2020, up from 34 in 2017

Ducommun is bolstering its strong relationships with key Defense Primes

Gaining Content on Next Generation Platforms

UAVs



Leveraging experience and capabilities to pursue content on next gen UAV platforms

Hypersonics



Partnering with leading Defense prime on Hypersonics programs

Rotorcraft



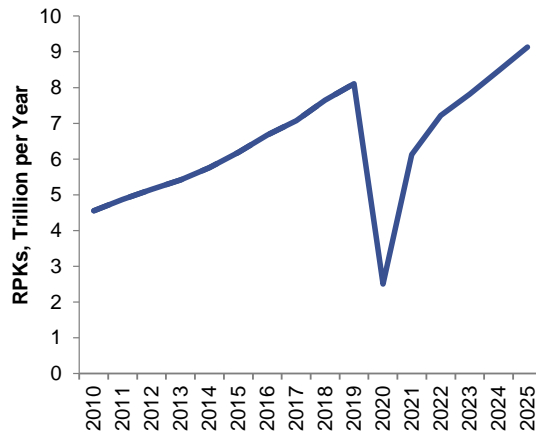
Well-positioned to pursue work on Future Attack Reconnaissance Aircraft (FARA)

Several avenues of growth through the next generation of defense platforms and priorities

Reopening Trade in Commercial Aerospace Through 2025 With High Share in Narrowbody

Swift Recovery in Air Travel

Global RPKs (trillions per year)



Recovery expected to continue in 2021

Improved RPKs drives increased fleet utilization and demand for new aircraft

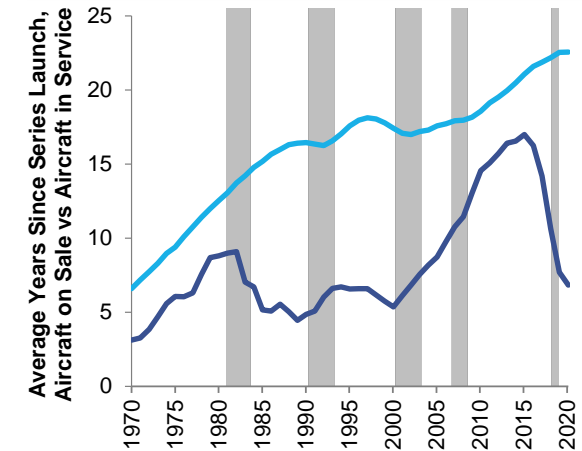
Build Rates Improving for Key Platforms

Platforms	Build Rates
B737 Family	Low rates in 2021; gradual increase to 31/mo in 2022
A320	40/mo , with gradual increase to 45/mo in Q4 2021

Continued demand for single-aisle, narrowbody aircraft

Expect narrowbody mix to increase to ~75% as 737 MAX production resumes

Coming Wave of Fleet Renewals



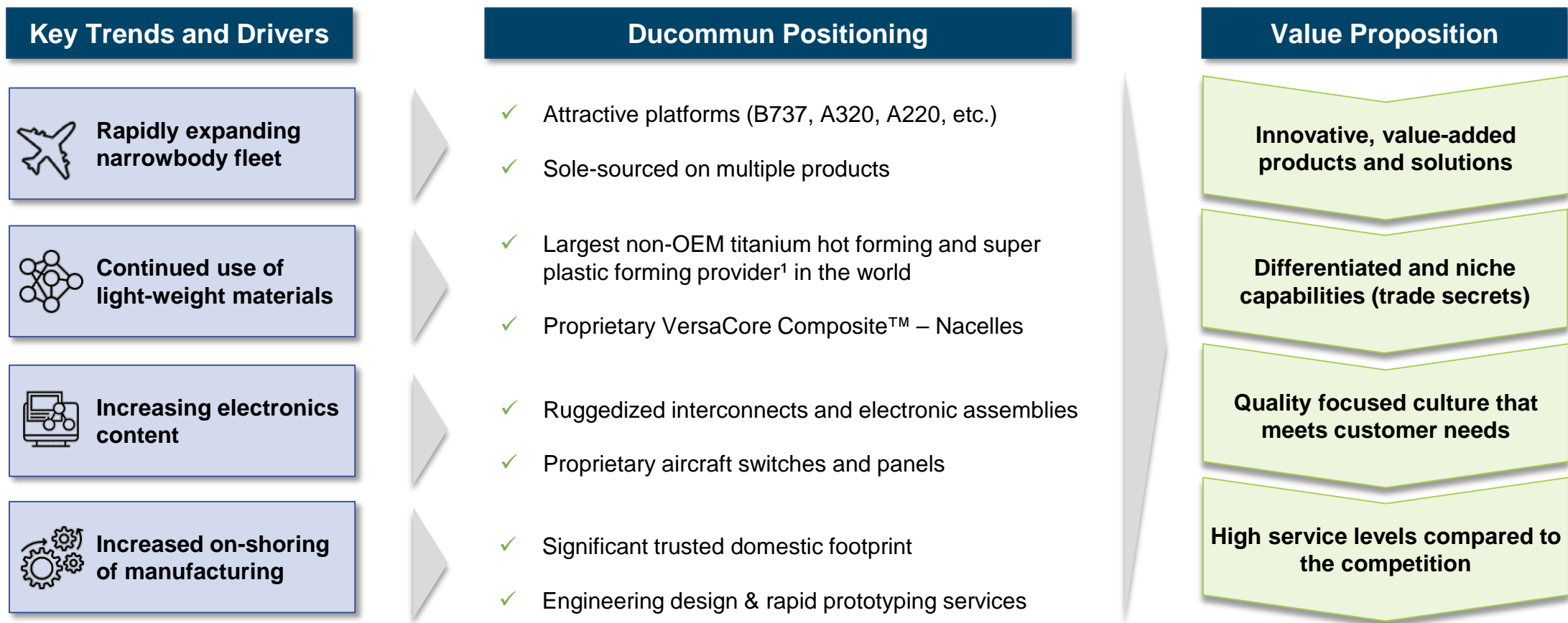
— A/c on Sale, Avg. Years Since Series Launch
— A/c in Service, Avg. Years Since Series Launch

Relative cost advantages from new-gen planes

Lower average fleet age helps improve operational efficiency

Recovery in commercial aerospace should accelerate top line growth, Airbus will be a big driver

Expanding Portfolio of Proprietary Capabilities Positioned Around Key Aerospace & Defense Trends



Differentiated capabilities supported by significant IP including trade secrets and know-how

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

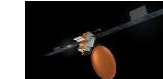
- Interconnects and complex electronic boxes
- Interconnects for the hull penetrator on warfare systems
- Electronic assemblies for the controller & detector
- Circuit card assemblies for advance naval radar systems



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 Processes

Commercial Aircraft



B737

A320



A220

Titanium hot and super plastic formed detailed parts

Composite / metal bond secondary flight control surfaces

Large aluminum stretch formed and chemical milled fuselage and airframe skins

VersaCore Composite™ nacelle components

Extruded thermoplastics



Military Rotorcraft



Apache

Blackhawk



CH-47

Metal bond blades and abrasion strips

Titanium exhaust ducts

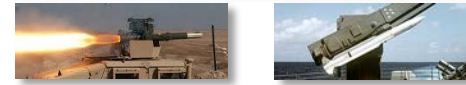
Titanium door surrounds and bulkheads

Ammunition handling systems

Approved OEM / Government repair depot



Missiles, Ground Vehicles, and Other



TOW Missile

SM2



JSF



F/A-18

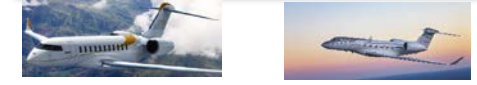
Composite missile cases with integrated electronics

Titanium dorsal fins

Ammunition handling systems



Business Jets



Global 7500/8000

G500/600



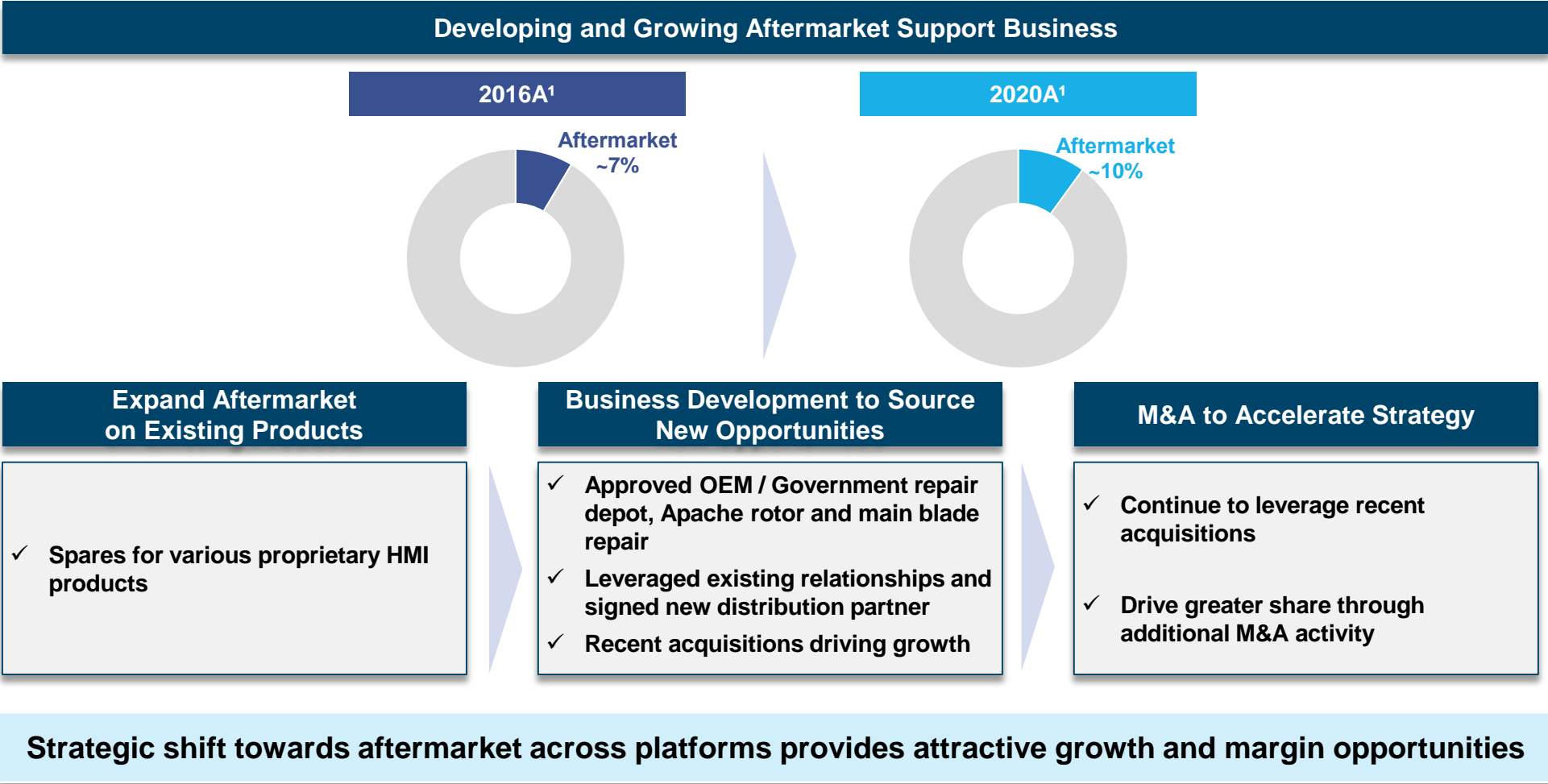
G650/700

Superplastic formed titanium inlet ducts

Stretch formed aluminum lithium wing support structures



Aftermarket Franchise Gaining Momentum



M&A Strategy




Vision

Build a portfolio of industry leading niche and proprietary A&D businesses focused on innovation and customer satisfaction

Mission

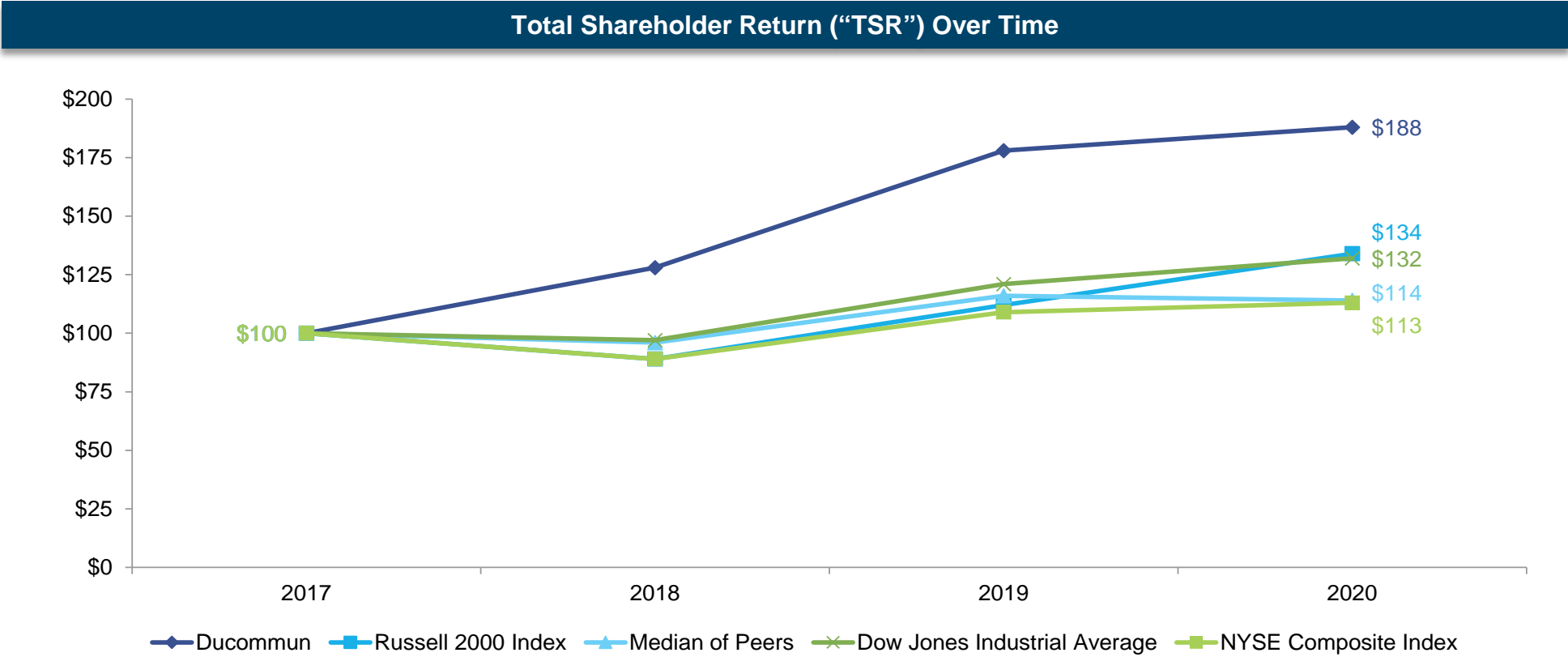
Acquire proprietary A&D engineered product businesses with EBITDA runway and execute on profit expansion plan

Track Record of Successful Acquisitions

Transaction	PP (\$mm) ¹	Overview	Rationale and Highlights	Ahead of Plan? ²
 NOBLES WORLDWIDE 2019	\$77	High performance ammunition handling systems for military aircraft, helicopters, ground vehicles and shipboard systems	✓ Advancing the company's strategy of increasing revenue mix in customized, value-driven engineered products with aftermarket support	✓
 CERTIFIED THERMOPLASTICS 2018	\$31	Precision profile extrusions and extruded assemblies of engineered thermoplastic resins, compounds and alloys	✓ Provides proprietary capabilities which continues diversification into customized, higher value, engineered products	✓
 LIGHTNING DIVERSION SYSTEMS 2017	\$60	Lightning protection for radome systems	✓ Expanded the portfolio of proprietary products with greater aftermarket potential	✓

Extensive acquisition experience and track record of successful integration

Total Shareholder Return



Our TSR compared to the Russell 2000 Index over the 3-year period between 2018 and 2020 was in the 86th percentile, ranking 235th out of 2000 companies¹

Note: Peers include AAR Corp; Aerojet Rocketdyne Holdings, Inc.; Astronics Corporation; Barnes Group Inc.; CIRCOR International, Inc.; Cubic Corporation; Heico Corporation; Kaman Corporation; Kratos Defense & Security Solutions, Inc.; Mercury Systems, Inc.; and RBC Bearings Incorporated. ¹ Source: "Final Report Determination for Performance Shares Granted in 2018," Willis Towers Watson, January 21, 2021.

Evolution of Ducommun's Financial Profile

(\$ millions)

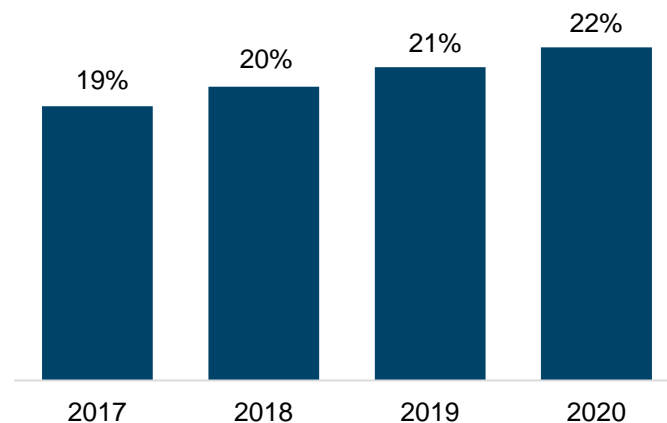
		FY 2016	FY2020	Change
Market Statistics	Market Capitalization ¹	\$289	\$639	121%
	Enterprise Value ²	\$460	\$913	98%
Financial	Net Revenues	\$551	\$629	14%
	Adj. EBITDA	\$55	\$88	58%
	% Margin	10%	14%	~400 bps

¹ FY2016 based on closing share price of \$25.56 as of December 31, 2016 and 11.3mm diluted shares outstanding assuming 0.4mm options (\$20.07 weighted average strike price), 0.2mm RSUs and 0.1mm PSUs. FY2020 based on closing share price of \$53.70 as of December 31, 2020 and 11.9mm diluted shares outstanding assuming 0.4mm options (\$35.46 weighted average strike price), 0.2mm RSUs, and 0.3mm PSUs.

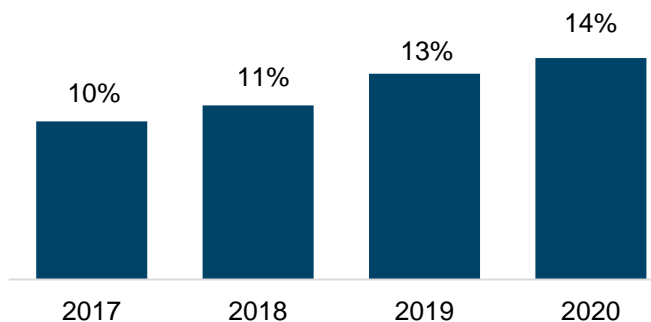
² FY2016 further assumes \$160 net debt and \$11mm pension liability. FY2020 further assumes \$262 in net debt and \$12mm of pension liability.

Financial Performance

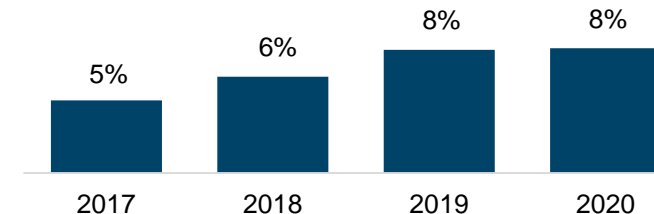
Gross Margin (%)



Adj. EBITDA Margin (%)



Adj. Operating Income Margin (%)



Improved product mix

Pricing strategy focused on value

Overall better operating performance

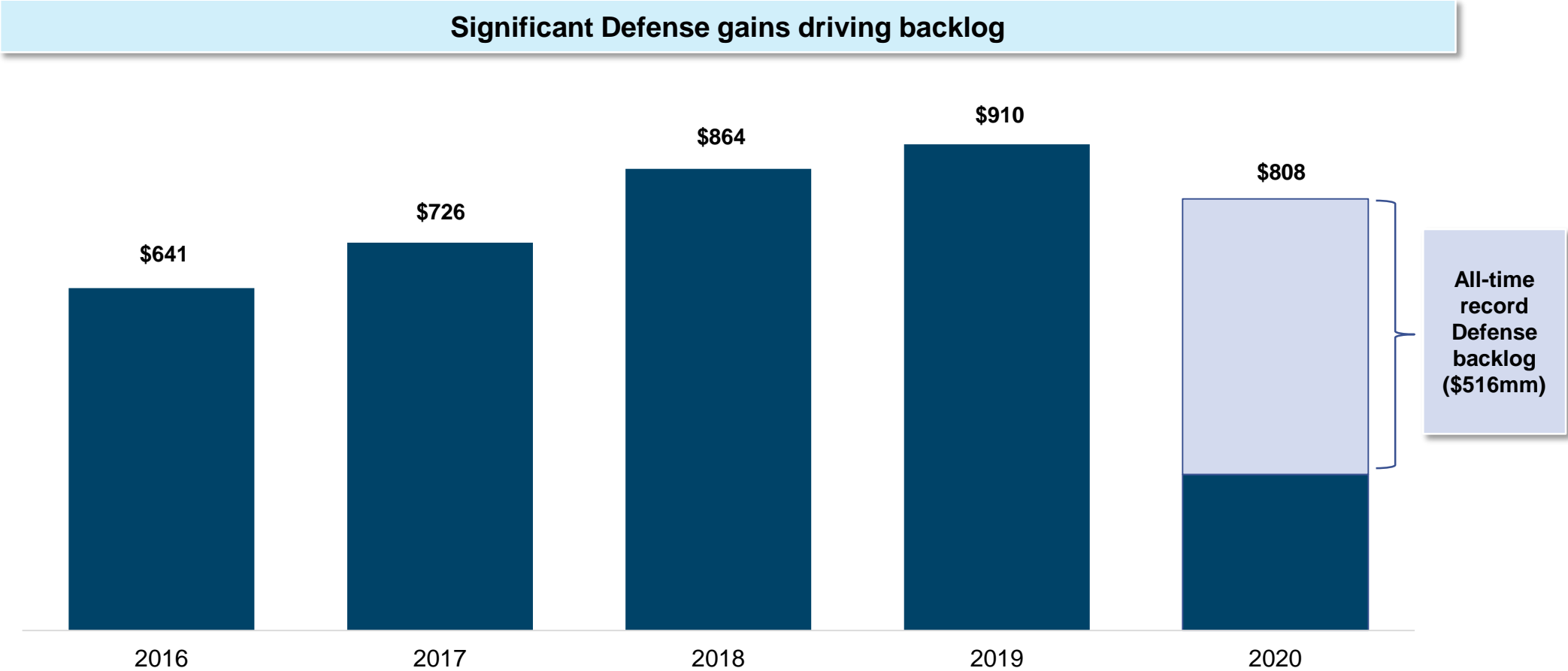
Implemented pay-for-performance culture

Cost reductions and improved investment decisions

Reduced layers of management

Backlog Over Time

(\$ millions)





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, loss on extinguishment of debt, and other debt refinancing costs).

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.

Non-GAAP Reconciliation for Adj. EBITDA

(\$ millions)

	2016	2017	2018	2019	2020
Net Revenues	\$ 551	\$ 558	\$ 629	\$ 721	\$ 629
Net Income	\$ 25	\$ 20	\$ 9	\$ 32	\$ 29
Interest Expense	9	9	13	18	14
Income Tax Expense (Benefit)	13	(12)	1	5	3
Depreciation	13	13	14	14	14
Amortization	10	10	12	15	15
Stock-Based Compensation Expense	3	5	5	7	9
Restructuring Charges ¹	-	9	15	-	2
Gain on Divestitures, Net ²	(18)	-	-	-	-
Guaymas Fire Related Expenses	-	-	-	-	2
Inventory Purchase Accounting Adjustments ³	-	1	1	1	-
Loss on Extinguishment of Debt	-	-	1	-	-
Other Debt Refinancing Costs	-	-	1	-	-
Adj. EBITDA	\$ 55	\$ 54	\$ 71	\$ 92	\$ 88
% of Net Revenues	10 %	10 %	11 %	13 %	14 %

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 and 2019 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 and Nobles Worldwide on Sep 2017, Apr 2018 and Oct 2019, respectively, and is part of our Electronic Systems, Structural Systems, and Structural Systems operating segments, respectively.

Non-GAAP Reconciliation for Backlog

(\$ millions)

	<u>2016¹</u>	<u>2017¹</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Remaining Performance Obligations ²	<u>N/A</u>	<u>N/A</u>	<u>\$ 723</u>	<u>\$ 745</u>	<u>\$ 780</u>
Backlog ³	<u>\$ 641</u>	<u>\$ 726</u>	<u>\$ 864</u>	<u>\$ 910</u>	<u>\$ 808</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.



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