



Investor Day

November 9, 2018

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 “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates” 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: projections; efficiencies/cost avoidance; cost savings; forward loss reserves; income and margins; earnings per share; growth; economies of scale; the macro economy; capital expenditures; future financing needs; future acquisitions and dispositions; litigation; potential and contingent liabilities; management’s plans; and integration related expenses.

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 “Risk Factors” and other cautionary statements included herein.

The information in this presentation is not a complete description of our business or the risks. There can be no assurance that other factors will not affect the accuracy of these forward-looking statements or that our actual results will not differ materially from the results anticipated in such forward-looking statements. Factors that could cause actual results to differ materially from those estimated by us include, but are not limited to, those factors or conditions described under “Risk Factors” in the Annual Report on Form 10-K for the year ended December 31, 2017 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 end-use markets are cyclical; we depend upon a selected base of industries and customers; a significant portion of our business depends upon U.S. Government defense spending; we are subject to extensive regulation and audit by the Defense Contract Audit Agency; contracts with some of our customers contain provisions which give the customers a variety of rights that are unfavorable to us; further consolidation in the aerospace industry could adversely affect our business and financial results; our ability to successfully make acquisitions or enter into joint ventures, including our ability to successfully integrate, operate or realize the projected benefits of such businesses; we rely on our suppliers to meet the quality and delivery expectations of our customers; we use estimates when bidding on fixed-price contracts which estimates could change and result in adverse effects on our financial results; the impact of existing and future laws and regulations; the impact existing and future accounting standards and tax rules and regulations; environmental liabilities could adversely affect our financial results; cyber security attacks, internal system or service failures may adversely impact our business and operations; 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.

Non-GAAP Financial Measures: This presentation includes certain non-GAAP financial measures, such as EBITDA and free cash flow. For a reconciliation of such non-GAAP financial measures to the closest GAAP measure as well as why management believes these measures are useful, 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.

Agenda

Welcome

Stephen Oswald

Companywide Strategy

Stephen Oswald

Electronic Systems Overview

Dave Wilmot

Structural Systems Overview

Jerry Redondo

BREAK

M&A Strategy

Suman Mookerji

Financial Outlook

Douglas Groves

Closing Remarks

Stephen Oswald

Q&A

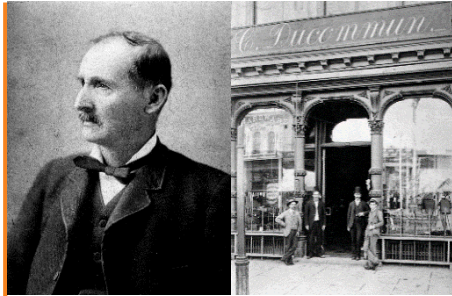


Companywide Strategy

Stephen Oswald

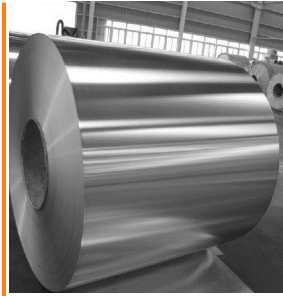
CHAIRMAN, PRESIDENT AND CEO

Our Rich History



1849

Founded as a watch business, then general store during Gold Rush years



1950s

Becomes largest metals materials supplier to the aerospace industry in SoCal



2000s

Expanded into engineered products through acquisitions



1848

California becomes part of the United States



1930s

Provides aircraft aluminum to aerospace pioneers Lindbergh, Douglas and Lockheed



1960s

Diversifies into distribution of electronic components to the aerospace industry



2017–

Sharpens strategic focus on A&D, and streamlines organization

Company Snapshot

Manufacturer of complex electronics and structural systems for commercial aerospace and military, defense and space programs



Extensive Offerings
on Commercial and
Military Fixed Wing Aircraft



Diverse Content on
Key Missile Platforms
Land, Sea and Air



Expansive Footprint
for Commercial and
Military Rotary Aircraft

Our Leadership – Today's Presenters



Stephen Oswald
Chairman, President and CEO
Previously with KKR and UTC



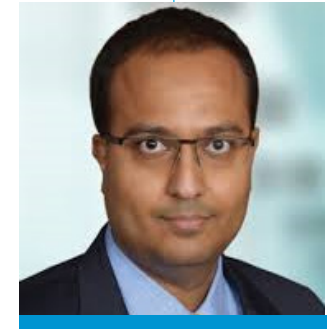
Jerry Redondo
**SVP of Operations &
Group VP of Structures**
*Previously with Parker
Aerospace*



Dave Wilmot
**VP, Electronics &
Engineered Products**
*Previously with GKN
Aerospace*



Doug Groves
VP, CFO and Treasurer
Previously with Danaher



Suman Mookerji
VP, Strategy and M&A
*Previously with UTC
Aerospace*

~100 years of combined executive experience with Fortune 100 companies

Our Vision

Vision

Ducommun Incorporated is dedicated to providing the aerospace and defense industry with leading engineered products, electronic and structural manufacturing and assembly services as well as aftermarket support.

The company supplies high value, niche products and services that deliver superior and sustainable value to our customers and all other stakeholders.

What Sets Us Apart

- ✓ Industry leading proprietary products
- ✓ Unique and niche capabilities in electronic and structural manufacturing services for products and assemblies
- ✓ Placement on industry leading commercial and military programs
- ✓ Developing and growing aftermarket support business
- ✓ Agile, flexible and efficient operating model and organization
- ✓ Executive leadership with Fortune 100 and top 5 private equity experience

We Go to Market as One Company with Broad Capabilities

Each business is built on a unique set of competencies

Focused Performance Centers of Excellence

Electronic Systems



- Cockpit systems including push-button switches, motors, resolvers, lighted keyboards and panels
- Lightning protection



- Circuit card assemblies
- Complex, low volume applications
- Ruggedized for harsh environments



- Integrated assemblies including box-level electronic and mechanical assembly



- Wire harnesses and cables
- Ruggedized, high-temperature, pressure, flexibility and frequency



- Composite materials, metal bonding and autoclave capabilities
- Spoilers, winglets, tail cones and rotor blades

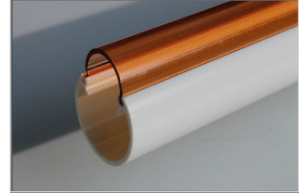
Structural Systems



- Titanium forming
- Engine ducts, pylons, firewalls, exhaust ducts, nacelles



- Aluminum forming and chemical milling
- Skins, leading edges, stabilizers, cargo doors



- Extruded plastics, compounds and alloys
- Aircraft interiors and other applications

Carson, CA
Huntington Beach, CA
Saraburi, Thailand

Tulsa, OK
Appleton, WI

Huntsville, AR

Joplin, MO
Berryville, AR

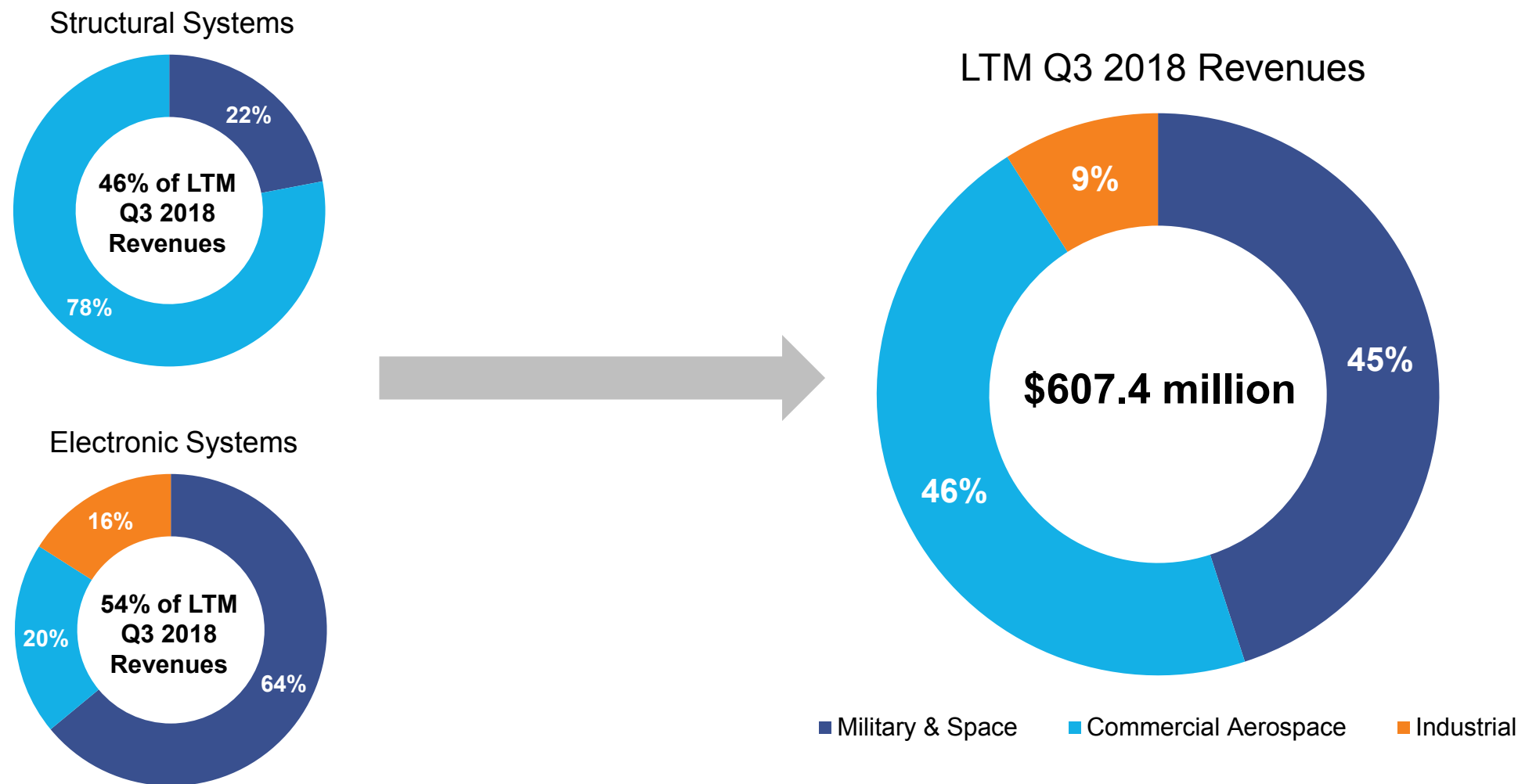
Monrovia, CA
Guaymas, Mexico

Coxsackie, NY
Parsons, KS

Gardena, CA
Orange, CA
El Mirage, CA

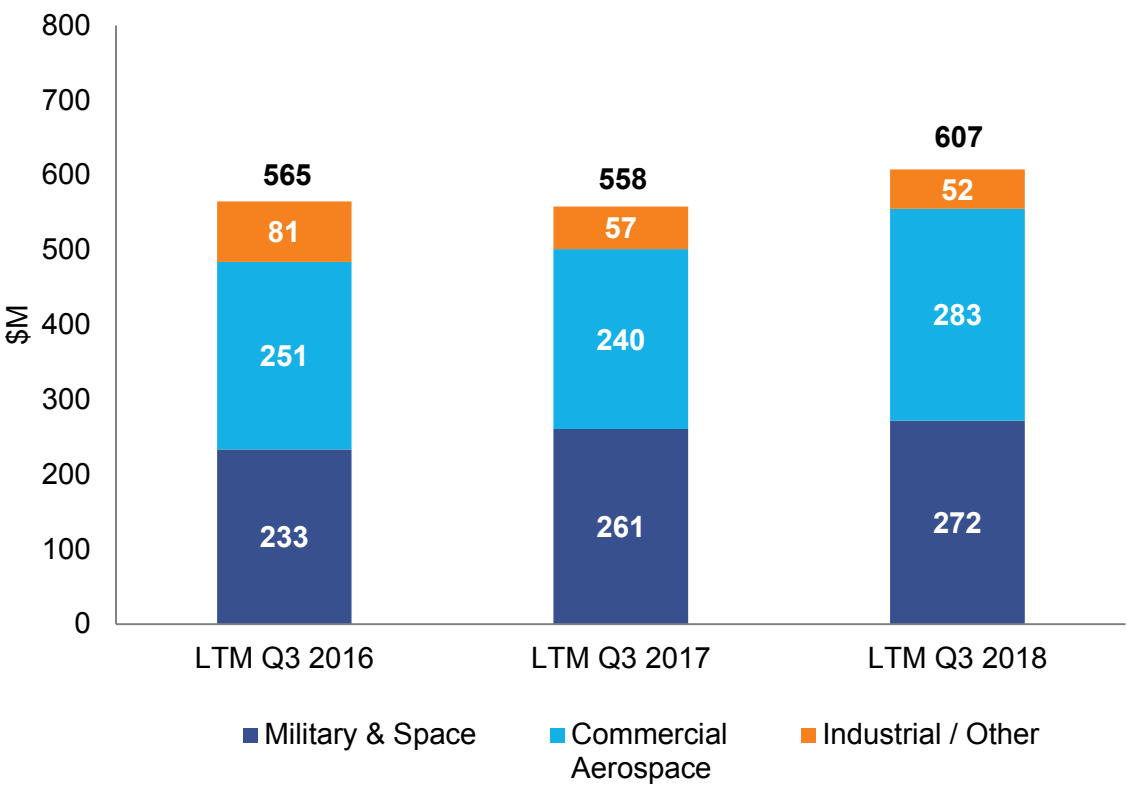
Santa Clarita, CA

Two Business Segments – Revenues

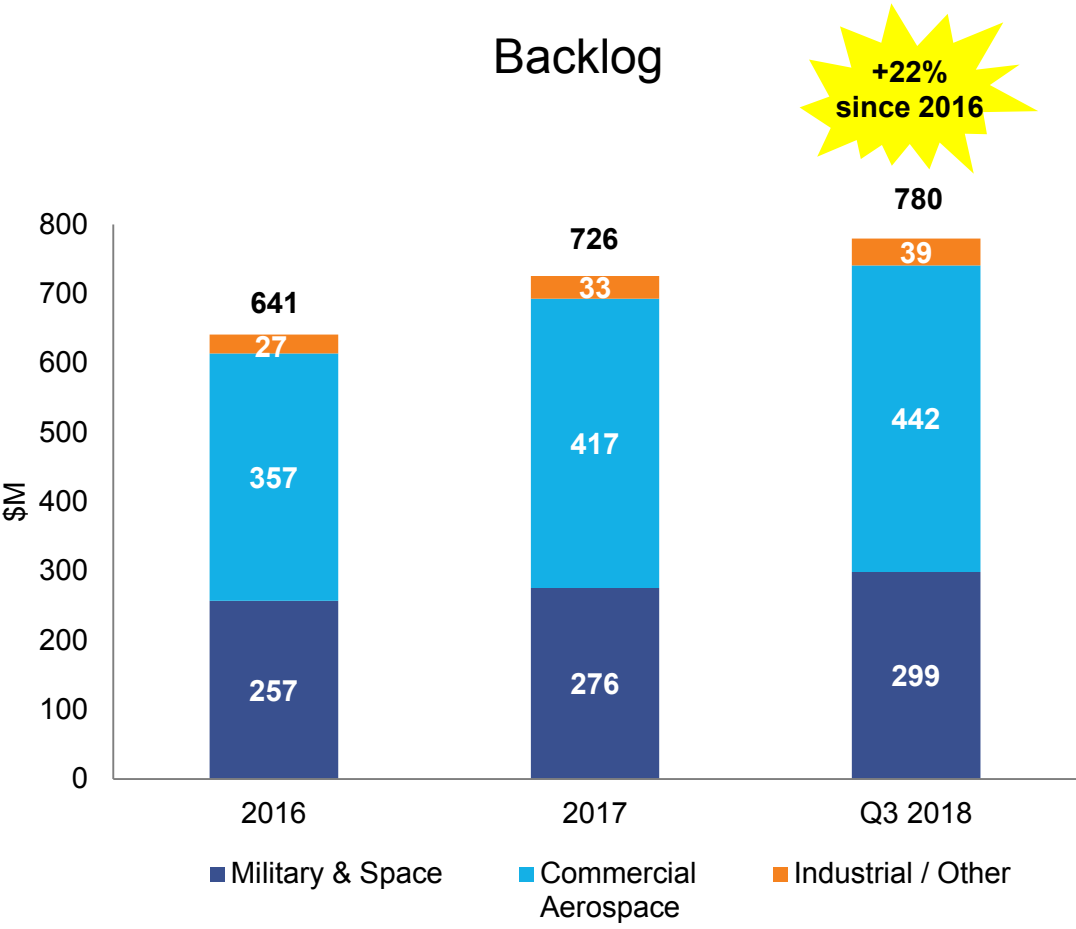


Historic Revenue and Backlog

Revenue



Backlog



Key Themes of Our Transformation Journey

**Streamlined
Organization and
Invested in New Talent**

**Enhanced Business Model
Including M&A**

**Implemented New DCO
Operating System**

**Optimized Capital
Allocation Strategy**

Our Transformation Journey

FROM ————— TO —————→

Streamlined Organization and Invested in New Talent

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Legacy view of the company• Low accountability culture• Slow to adapt• Multiple layers of management | <ul style="list-style-type: none">• New leadership with fresh perspective• Excellence and value-driven culture, focused on performance and results• Develop new and existing talent• Streamlined and flattened organization (50% reduction in VP roles), and reduced number of strategic business units |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Enhanced Business Model Including M&A

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Low margin and unprofitable contracts• No M&A activity since 2011• Capacity not aligned with customer needs | <ul style="list-style-type: none">• Rationalized product portfolio• Two acquisitions closed since September 2017...both accretive in year one• Restructured footprint |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Implemented New DCO Operating System

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Weak processes in certain areas• Significant levels of scrap and waste | <ul style="list-style-type: none">• Launched new DCO operating system in January 2018• Focused on key lean disciplines |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|

Optimized Capital Allocation Strategy

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Low returns on invested capital• Sole focus on organic growth• No M&A activity since 2011 | <ul style="list-style-type: none">• Improved balance of debt and funding of strategic acquisitions• Investments in organic growth with appropriate capital spending• Strategic acquisitions driving additional growth |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Our Strategic Priorities

**Focus on Profitable
Top-Line Growth**

**Drive Operational
Excellence and Efficiencies**

**Develop Results Focused
Culture and Talent Base**

**Strategic Acquisitions
to Drive Growth**

Our Key Priority is to Deliver Exceptional Value to All Stakeholders

Our Strategic Priorities

Focus on Profitable Top-Line Growth

- Focus on organic and inorganic growth opportunities with higher profitability
- Expand customer base and capture greater share per account
- Leverage niche manufacturing capabilities and unique proprietary products
- Reorganized commercial approach within strategic business units

Develop Results Focused Culture and Talent Base

- Drive more accountability through the organization with reduced management layers
- Continue model with high level executives
- Continuously raise the bar on expected performance standards
- Invest in new and existing human capital to meet rate rise

Drive Operational Excellence and Efficiencies



- Drive new DCO operating system based on lean principles
- Simplify metrics across all DCO Performance Centers
- Customer focus and intensity
- Improve supply chain execution

Strategic Acquisitions to Drive Growth

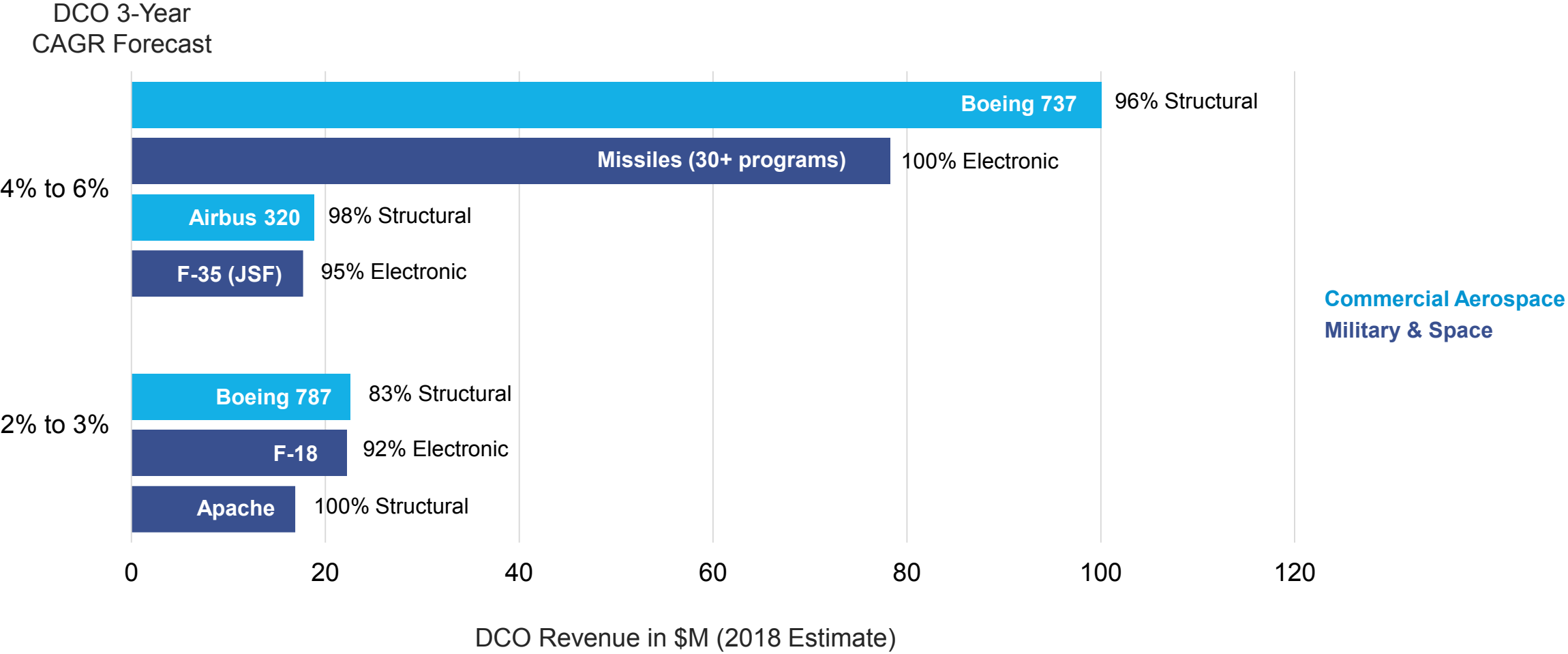
- New M&A function in place with top executive
- Well defined screening criteria and disciplined approach
- Strong post-close integration process and execution
- Build upon current track record

Our Key Priority is to Deliver Exceptional Value to All Stakeholders

Growth Drivers

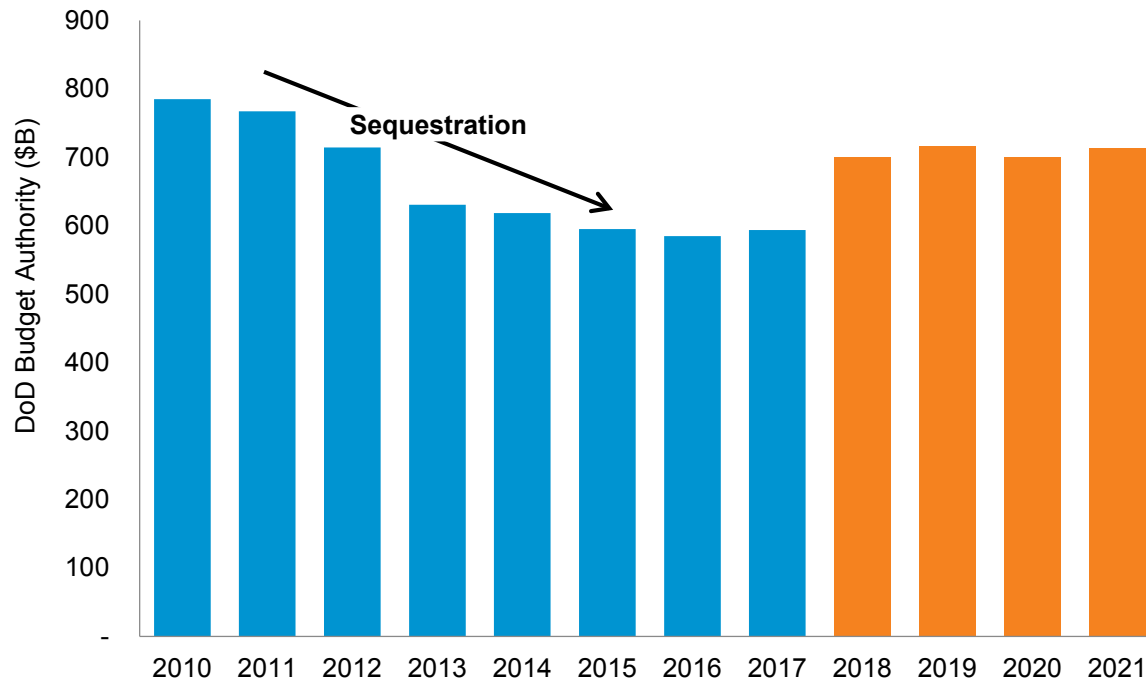
	% of LTM Q3 2018 Revenues ⁽¹⁾	% of Backlog at 9/30/18 ⁽¹⁾	Key Platforms	DCO 3-Year Growth Outlook
Commercial Aerospace	46%	57%	Boeing 737, 737 MAX and 787 Dreamliner Airbus A320, A320neo, A350 and A220	 5-7%
Military and Space	45%	38%	F-18 Aircraft Tomahawk Missile Patriot Missile F-35 (JSF) Aircraft Apache Helicopter	 2-4%

Growth Across Top Platforms for DCO



Defense Macro Trends – Defense Spending Outlook

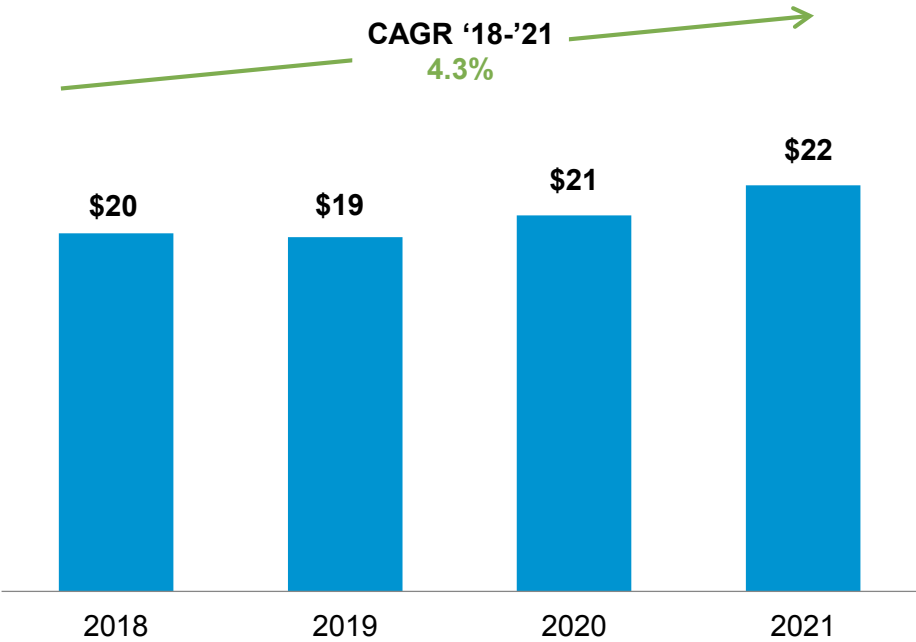
U.S. Defense Spending Outlook⁽¹⁾



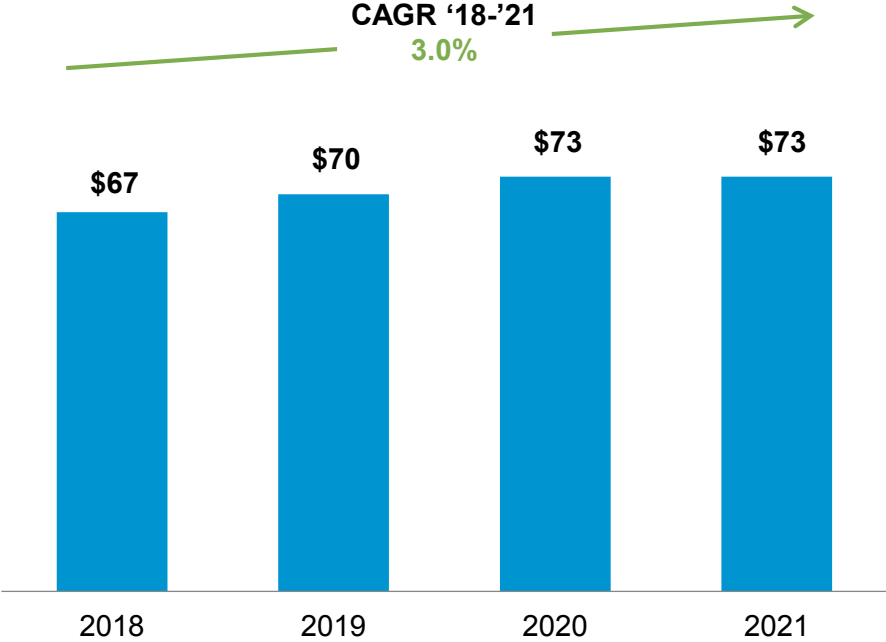
- Revitalization of military readiness with an increasing defense budget with solid funding on missile platforms
- Platform upgrades, especially for both military fixed wing and rotorcraft aircraft
- Foreign military sales driven by the administration

Defense Macro Trends – Global Market Forecasts

Missile Market Forecast (\$B)⁽¹⁾

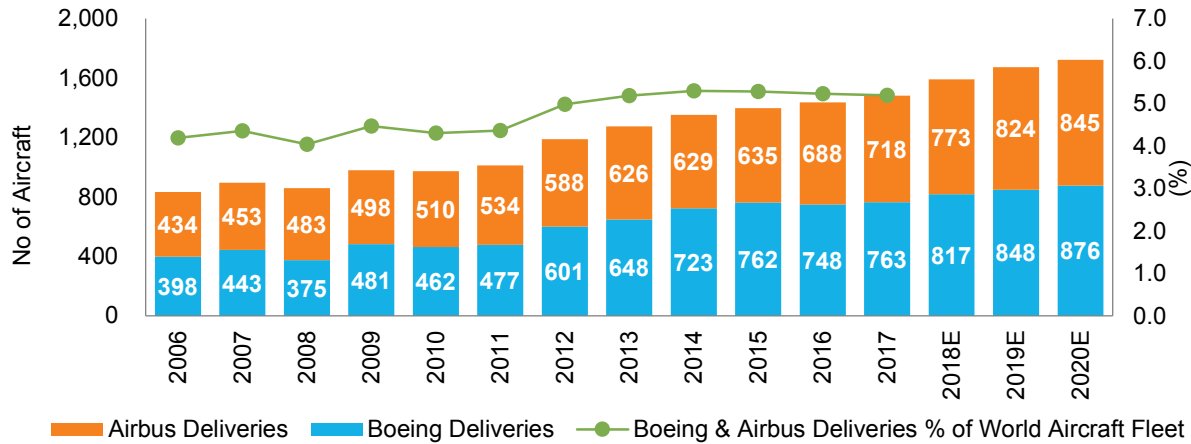


Military Aircraft Market Forecast (\$B)⁽¹⁾



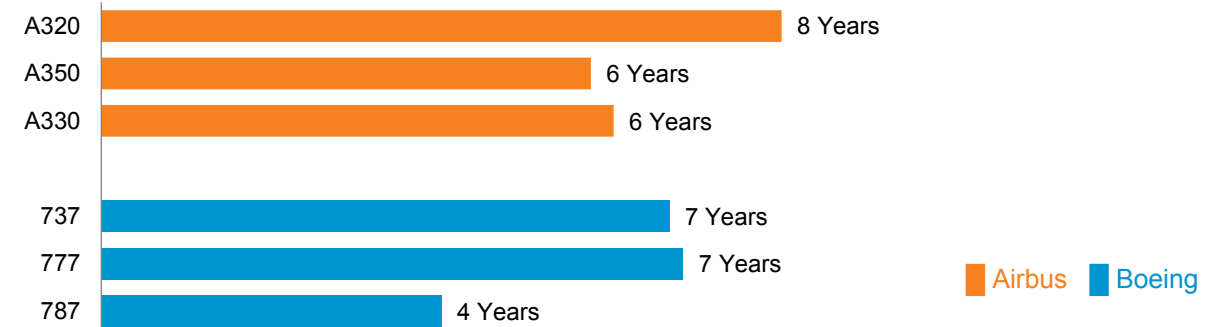
Commercial Macro Trends

Commercial Aircraft Deliveries | # of Aircraft



Commercial Aerospace Aircraft Backlogs⁽¹⁾

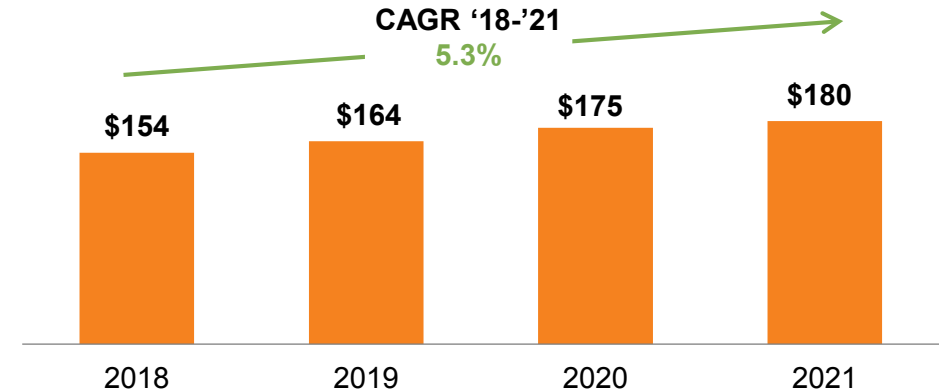
Airbus and Boeing have record backlogs, approaching 6 years on average



Long-term Growth Tailwinds

- OEM/Tier 1 outsourcing and supplier consolidation
- Expansion of titanium capabilities & content (titanium as a % of total material wide body aircraft has significantly increased for recent platforms, e.g. 3% of A330 to 14% of A350)
- Increased build rates on Boeing 737 and Airbus A320

Total Market Forecast (\$B)



(1) Airbus backlog as of 3/31/2018, Boeing backlog as of 5/31/2018. Production rate projections include: A320 - 63 / mo; A350 - 10 / mo; A330 - 4 / mo; 737 - 57 / mo; 777 - 5 / mo; 787 - 14 / mo.
Source: Teal Group, Flightglobal, Reuters, Boeing and Airbus.

Investment Thesis

1

Proprietary and unique ranges of manufacturing capabilities, industry leading products, and aftermarket services

2

Refining and developing business model

3

Building a winning culture with top talent

4

Improving financials with significant runway

5

Strong customer relationships with OEMs and Tier 1s

6

Strong cash flow at greater than 100% of net income

Our Key Priority is to Deliver Exceptional Value to All Stakeholders



Electronic Systems

Dave Wilmot

VP, ELECTRONICS AND ENGINEERED PRODUCTS

Overview: Key Products

- **Engineered Products**

- Human Machine Interface
- Lightning Protection Systems
- Motion Control Devices
- Radio Frequency



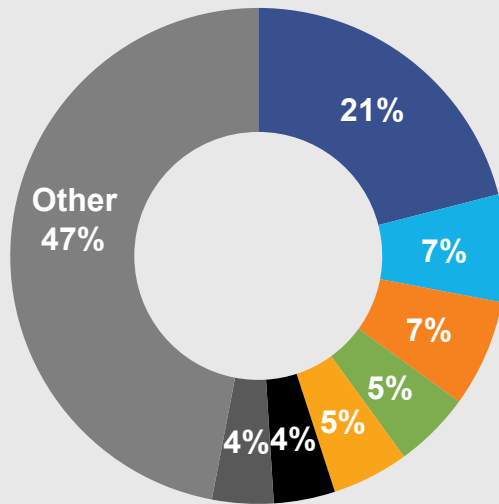
- **Electronic Solutions**

- Wire Harness Assemblies
- Circuit Card Assemblies
- Integrated Box Build Assemblies



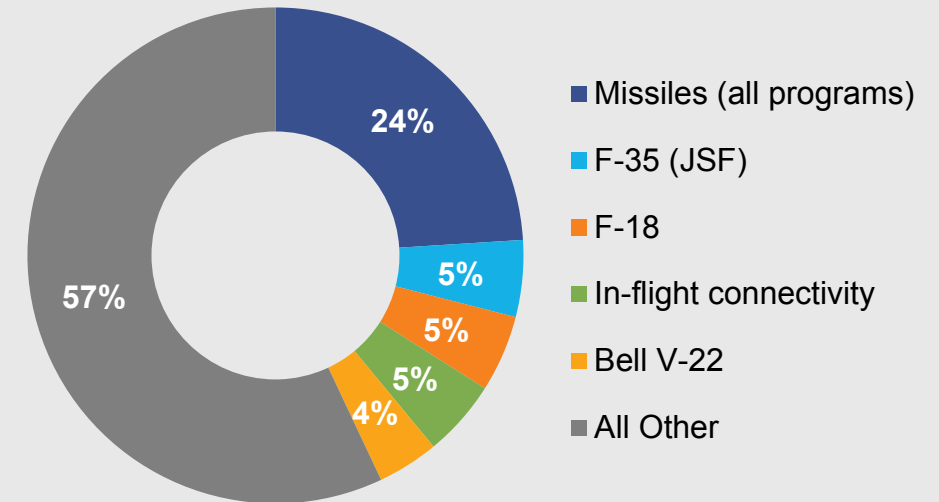
Overview: Top Customers & Platforms

Top Customers⁽¹⁾



Selling Direct to OEMs and Tier 1s

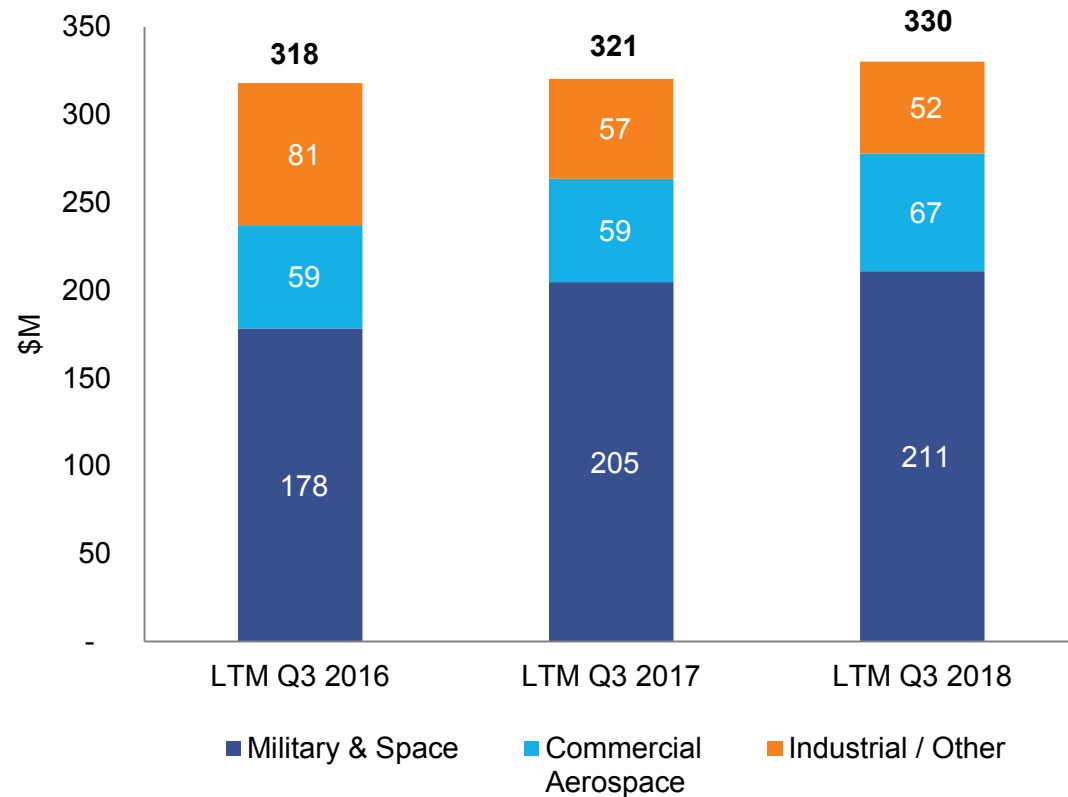
Top Platforms⁽¹⁾



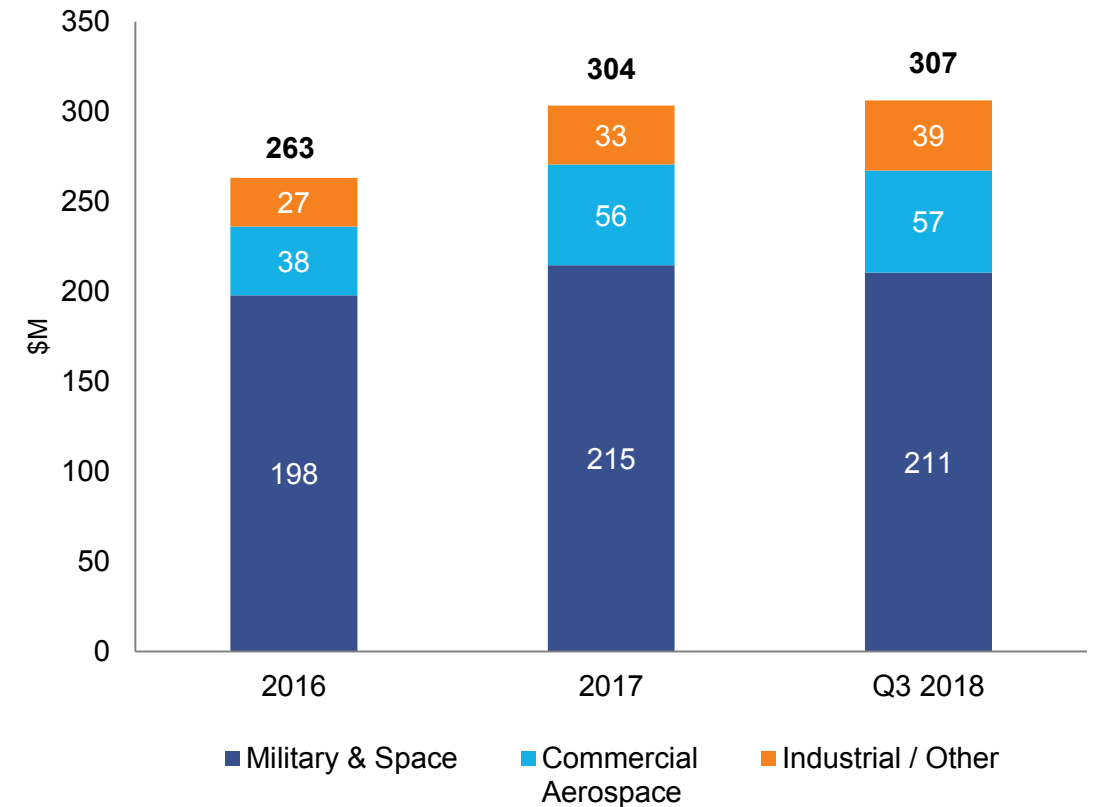
Strong Presence on High Growth Platforms

Overview: Historic Revenue and Backlog

Revenue



Backlog

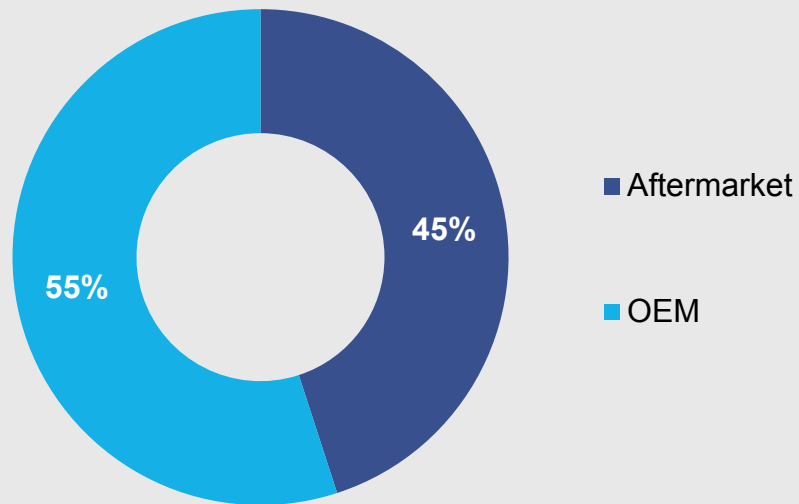


ELECTRONIC SYSTEMS

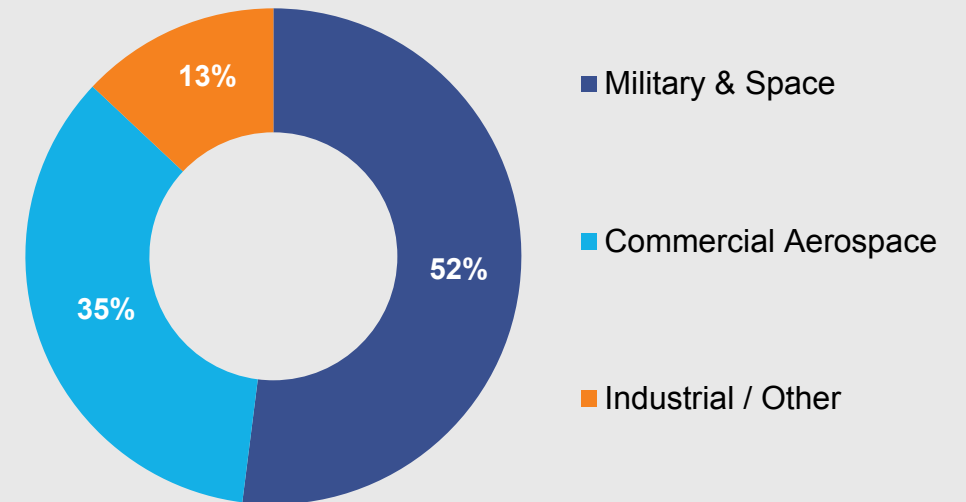
Engineered Products

Engineered Products – Overview

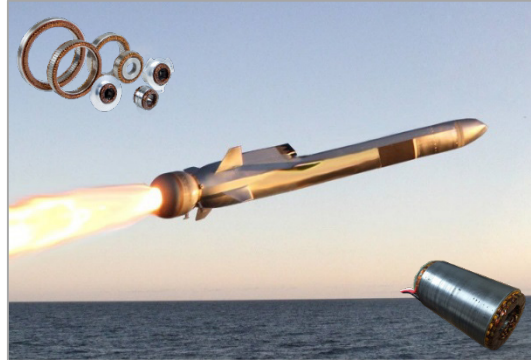
Revenue Mix⁽¹⁾⁽²⁾



Vertical Markets⁽¹⁾



Engineered Products – Value Proposition



- Innovative engineered products
- Sole source proprietary positions
- Leaders in niche segments
- High reliance applications

Engineered Products – Trends & Growth Strategies

Industry Trends

- Focus on smaller, lighter and thinner products
- Strong growth trends in both commercial and defense segments
- Continued aftermarket growth and demand
- High barriers to entry continue, due to complex and niche nature of products

DCO Growth Strategies

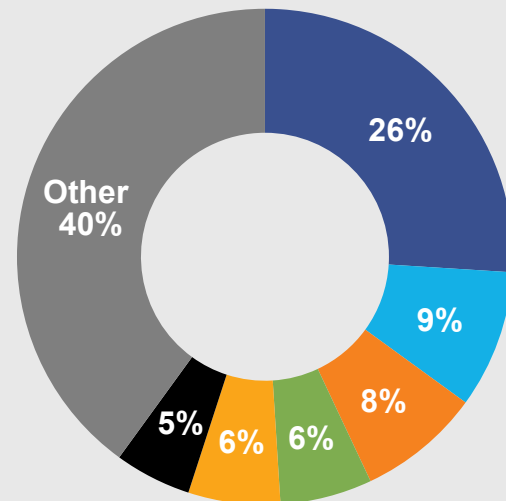
- Aftermarket represents significant growth opportunity
- DCO already well positioned in the market
- Share gain opportunities exist and being pursued
- Building the team to support growth plan

ELECTRONIC SYSTEMS

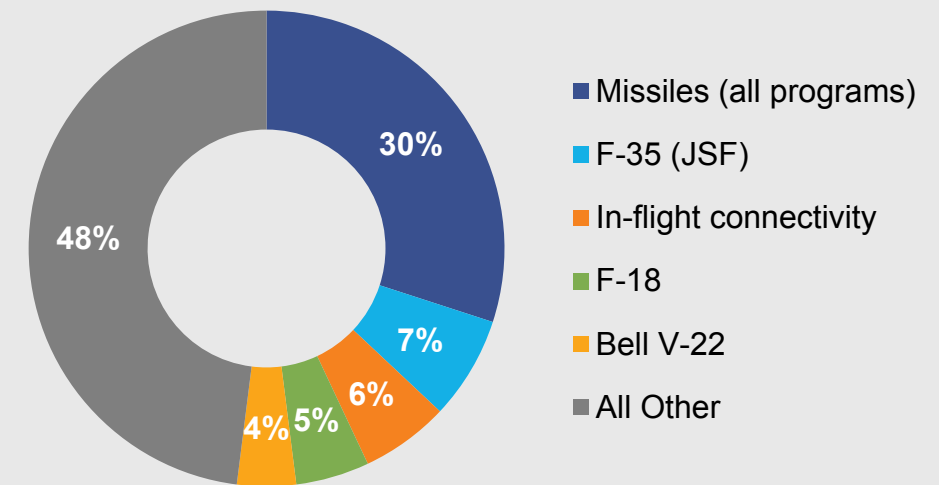
Electronic Solutions

Electronic Solutions – Overview

Top Customers⁽¹⁾



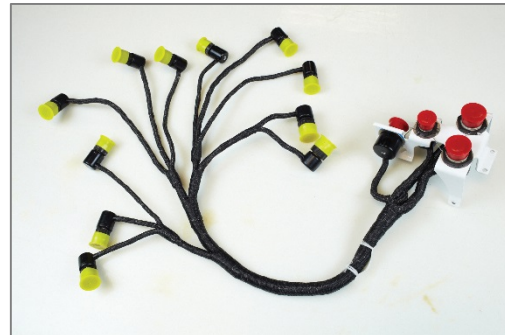
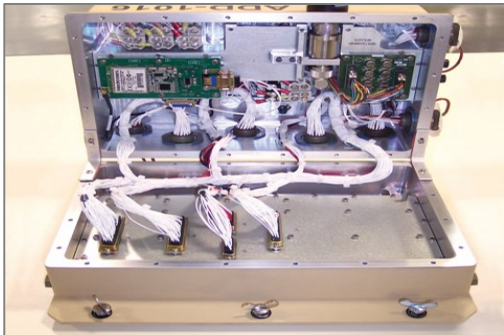
Programs⁽¹⁾



UTC Aerospace Systems



Electronic Solutions – Value Proposition



- High complexity / low volume solutions
- Integrated subsystems and assemblies
- Ruggedized for harsh environments
- Rapid prototyping
- Obsolescence management

Electronic Solutions – Trends & Growth Strategies

Industry Trends

- Increased defense spending activity
- Increased need for ruggedized products for harsh environments
- Number of new missile programs
- Strong growth in high speed data management systems for F-35 and other platforms
- Shift in GPS technology to M-Code receivers for multiple weapon programs

DCO Growth Strategies

- Leverage integrated capabilities throughout the business
- Grow missile business with key defense primes
- Pursue value opportunities in air, land and sea based applications
- Well positioned to support current rate increases and new initiatives

Electronic Systems Strategy Summary

**Extend Leadership
Position in Proprietary
Products and Solutions**

**Grow Strategic
Relationships With Major
Aerospace & Defense
OEM Customers**

**Focus on Value Added
Products and Services
to Drive Sustainable
Profitability**

- Focus innovation on proprietary product lines
- Leverage integrated capabilities across DCO to increase value add content
- Grow missile business with key defense primes
- Pursue opportunities by focusing on value add in early stage programs
- Drive aftermarket growth



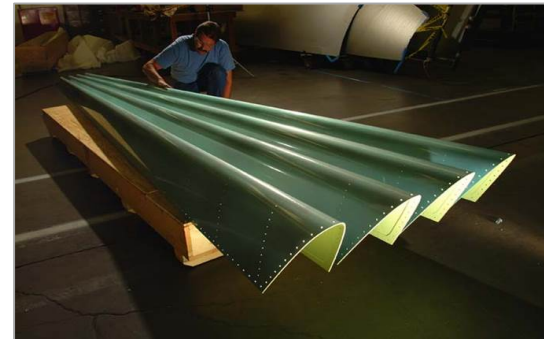
Structural Systems

Jerry Redondo

SVP OF OPERATIONS AND GROUP VP OF STRUCTURES

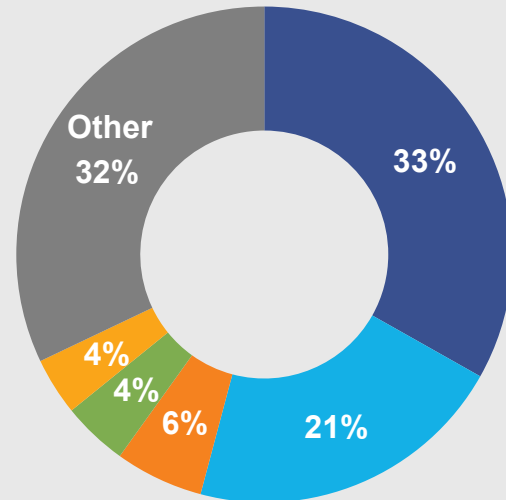
Overview: Key Products

- Titanium Forming
- Composites
- Aluminum Forming and Chemical Milling
- Extruded Plastics



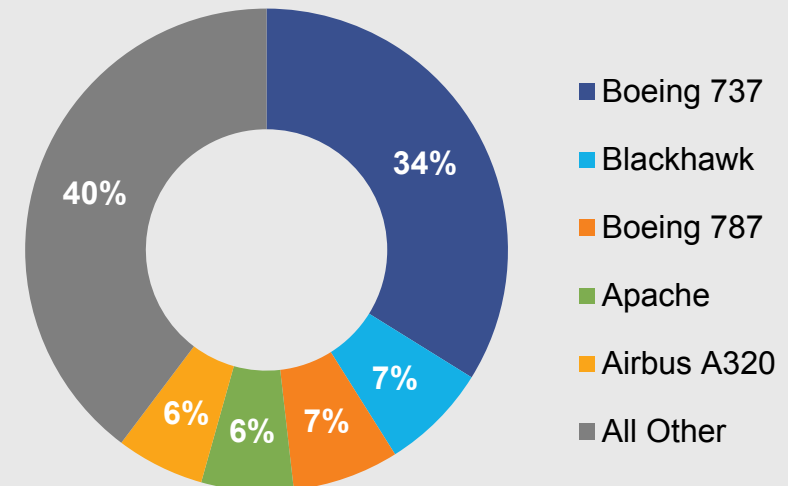
Overview: Top Customers & Platforms

Top Customers⁽¹⁾



Selling Direct to OEMs and Tier 1s

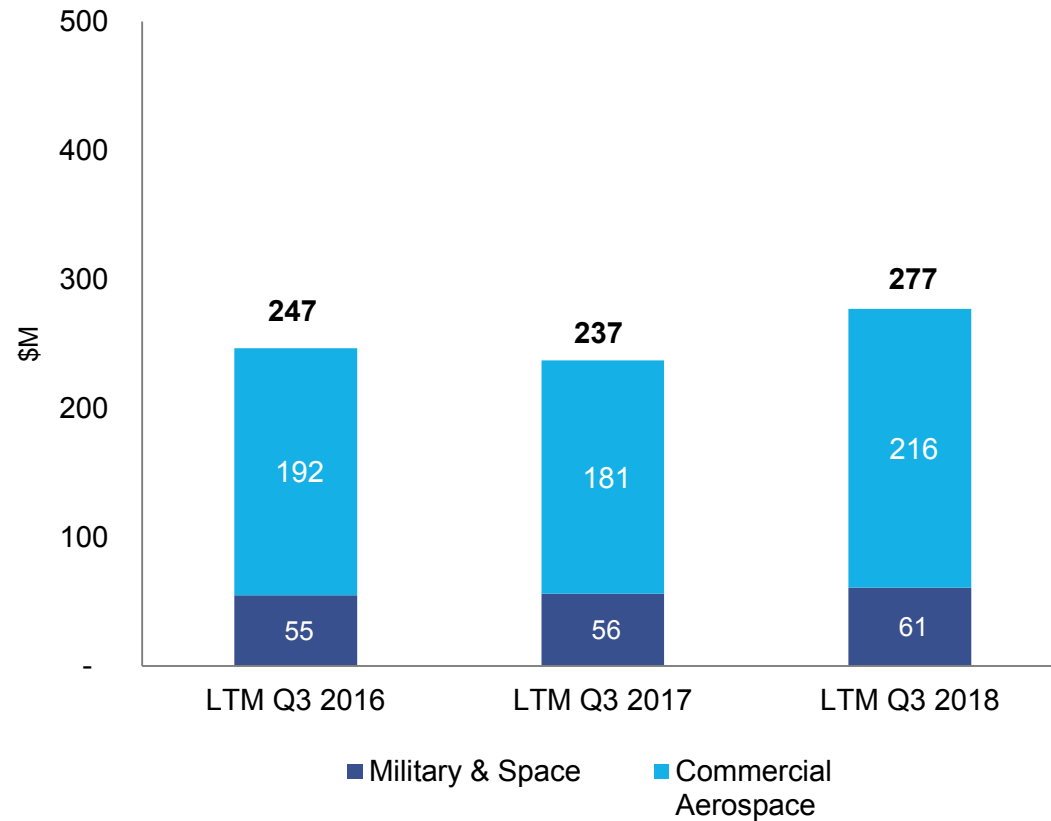
Top Platforms⁽¹⁾



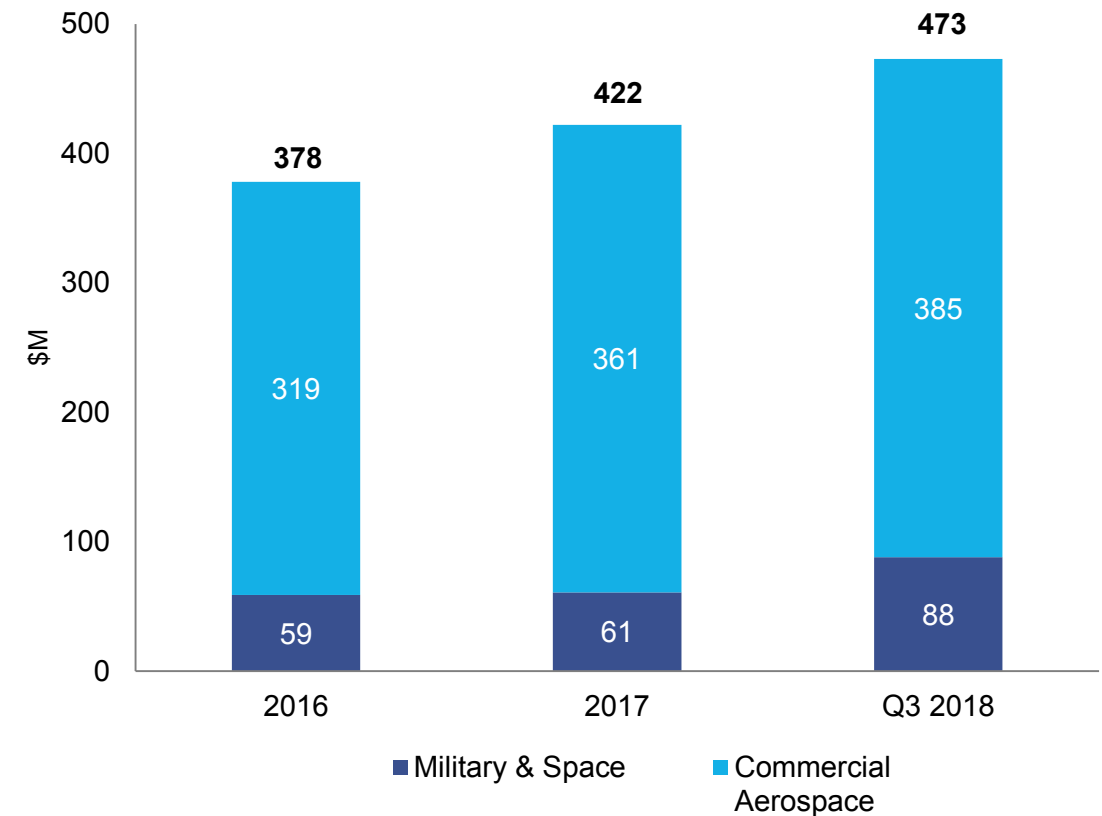
Strong Presence on High Growth Platforms

Overview: Historic Revenue and Backlog

Revenue



Backlog

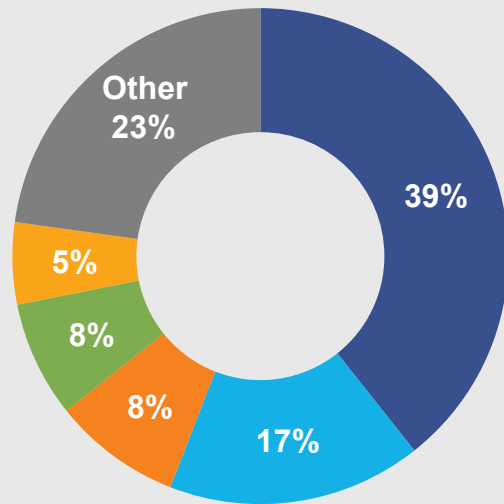


STRUCTURAL SYSTEMS

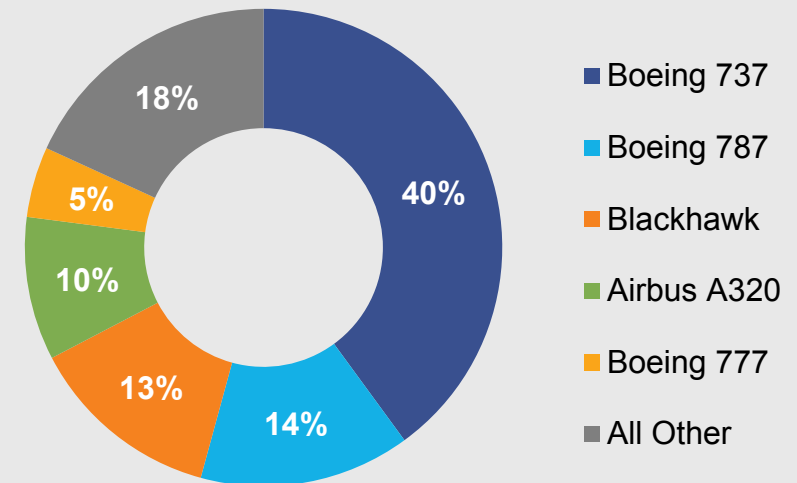
Titanium Forming

Titanium Forming – Overview

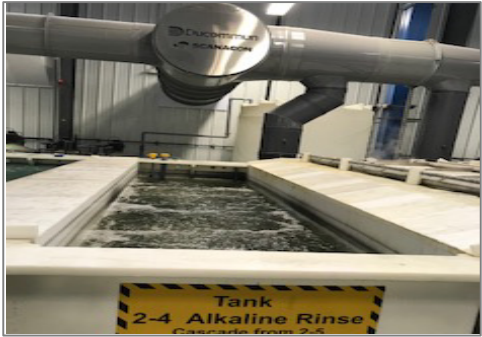
Top Customers⁽¹⁾



Top Platforms⁽¹⁾



Titanium Forming – Value Proposition



- Large, complex close tolerance contoured shapes
- Vertically integrated, rate ready and customer focused
- Unique portfolio of capabilities
- Proprietary processes with design assist engineering

Leverage Industry Capacity and Capability Constraints for Complex Forming

Titanium Forming – Trends & Growth Strategies

Industry Trends

- Increased OEM outsourcing to redirect higher level value-add, support rates and mitigate risk
- Increased use of titanium parts in new generation aircraft
- Increased technology, automation and robotics in manufacturing process
- Longer contract terms, typically 5-7 years

DCO Growth Strategies

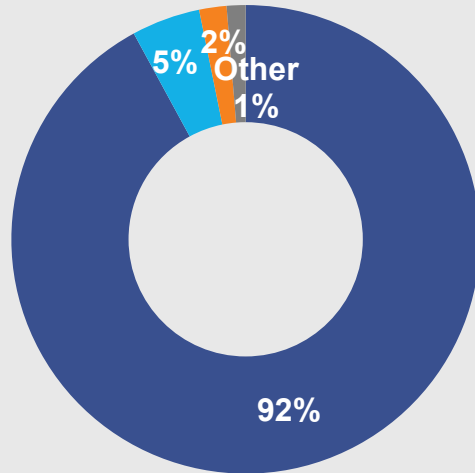
- Focus and align to customer's operational, sourcing and risk mitigation strategies
- Increase capacity to meet rate readiness requirements
- Invest in talent, technologies, and new DCO operating system
- Continue to provide high quality and complex value added solutions

STRUCTURAL SYSTEMS

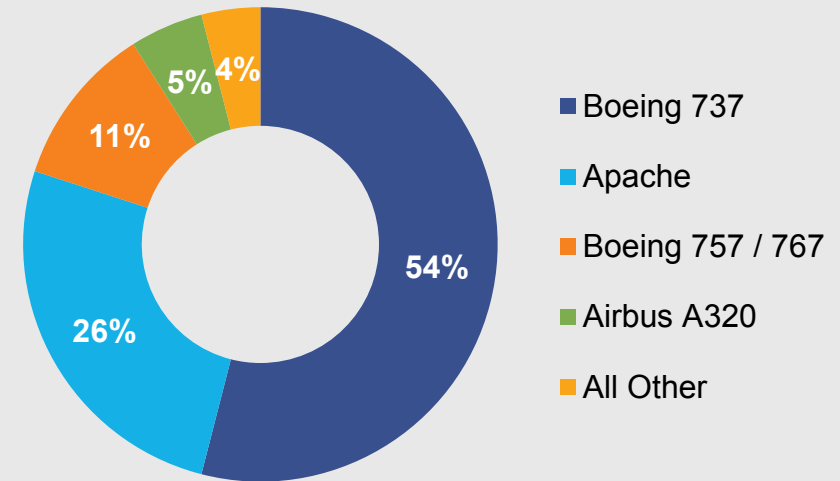
Composites

Composites – Overview

Top Customers⁽¹⁾



Top Platforms⁽¹⁾

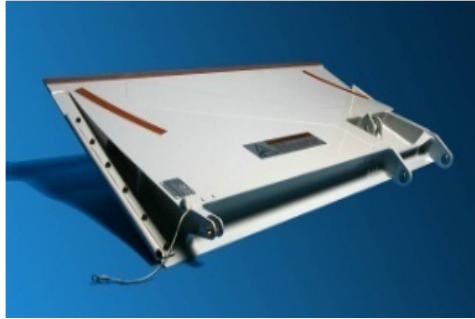


- Boeing 737
- Apache
- Boeing 757 / 767
- Airbus A320
- All Other

Composites – Value Proposition



VersaCore fairings



Flight control surface assemblies



Rotorcraft defense applications



Rotorcraft blade repair station

- Proprietary VersaCore Composite™ technology
- OEM approved rotorcraft blade repair station
- Composite, metal bonding & autoclave processing
- Complex, critical flight surfaces
- Lean U.S. and Mexico operations

Composites – Trends & Growth Strategies

Industry Trends

- Adoption in new wide body designs expected to drive significant growth
- Increasing use of composites replacing metal
- Increased automation at OEMs and Tier 1s
- OEM focus on higher level assemblies vs. component manufacturing
- New manufacturing technologies driving lower costs

DCO Growth Strategies

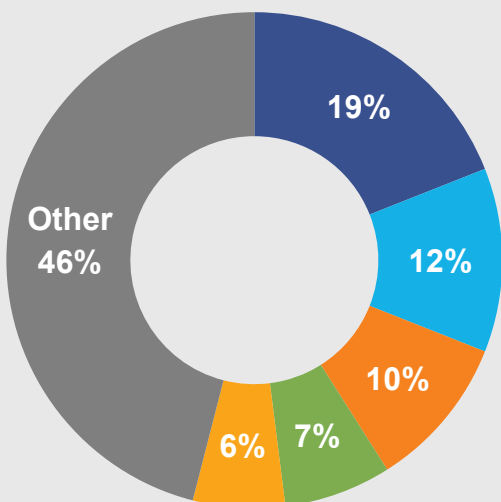
- Proprietary VersaCore Composite™ technology and process
- Grow helicopter blade MRO business
- Maintain and leverage existing platforms
- Expand on missile defense and integrated product technology
- Expansion of Mexico capabilities and capacity

STRUCTURAL SYSTEMS

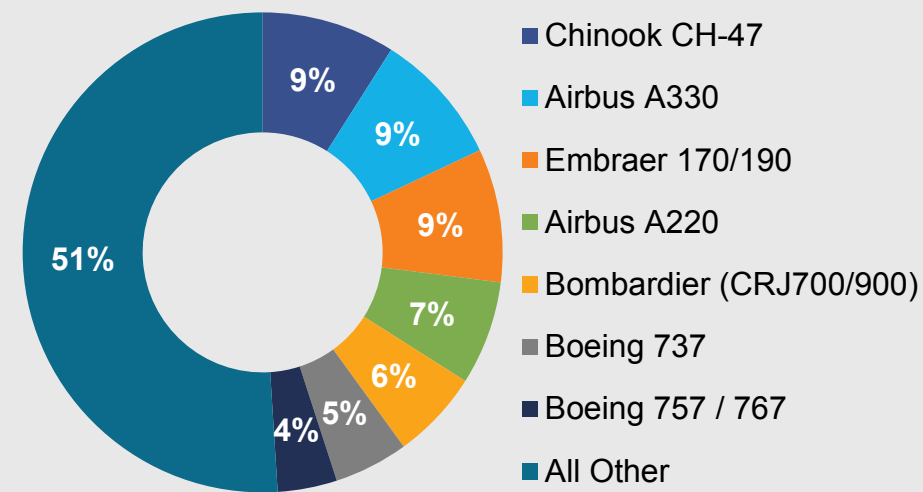
Aluminum Forming and Chemical Milling

Aluminum Forming and Chemical Milling – Overview

Top Customers⁽¹⁾



Top Platforms⁽¹⁾



BOMBARDIER



Aluminum Forming and Chemical Milling – Value Proposition



CNC



High-speed machining



Brake press (large, complex)



Chemical milling

- Proprietary forming methodology
- Integrated large and complex forming, chemical milling, machining and assembly
- Differentiated manufacturing processes and tool design
- Highly experienced team and available capacity provide rate readiness

Aluminum Forming and Chemical Milling – Trends & Growth Strategies

Industry Trends

- Niche segment with limited number of competitors
- Initial high cost of capital is a barrier to entry for more competition
- Limited competition with chemical milling capabilities for complex, large parts
- Capability consolidation through M&A

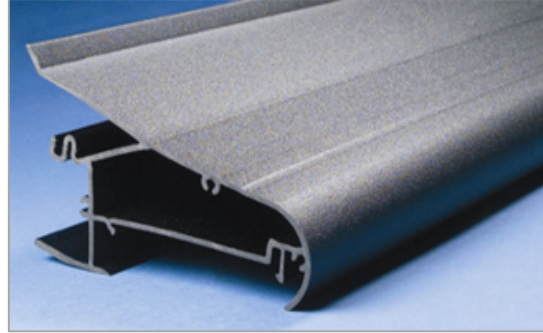
DCO Growth Strategies

- Focus niche capabilities as a solution provider for the most complex products
- Increase workshare on fuselage, wing, engine inlet, leading edge skins and rotorcraft blade abrasion strips
- Leverage scale & unique capabilities for large, complex aluminum and aluminum-lithium applications which require chemical milling

STRUCTURAL SYSTEMS

Extruded Plastics

Extruded Plastics – Value Proposition



- High technology extrusions
- Proprietary DCO materials
- Fabrication capability for value add
- Capacity to support significant growth

Limited Number of Players in a Niche Market

Extruded Plastics – Trends & Growth Strategies

Industry Trends

- Thermoplastic extrusions expected to continue to grow
- Replacing aluminum parts with fiber reinforced thermoplastics
- Customer experience, cabin density changes and premium upgrades driving spending on retrofits and interiors modifications

DCO Growth Strategies

- Drive share gain from competitors
- Expand capabilities to capture more value-add for customers
- Expand reach to MRO network through new channels

Structural Systems Strategy Summary

**Extend Leadership
Position in Proprietary
Products and Solutions**

**Grow Strategic
Relationships With Major
Aerospace & Defense
OEM Customers**

**Focus on Value Added
Products and Services
to Drive Sustainable
Profitability**

- Continue to leverage niche capabilities to address complex solutions
- Leverage post restructuring cost structure and lean production practices to win new business
- Significantly grow Airbus business
- Expand presence on high volume, high growth platforms
- Drive new technology VersaCore Composite™



M&A Strategy

Suman Mookerji

VP, STRATEGY AND M&A

M&A Strategy

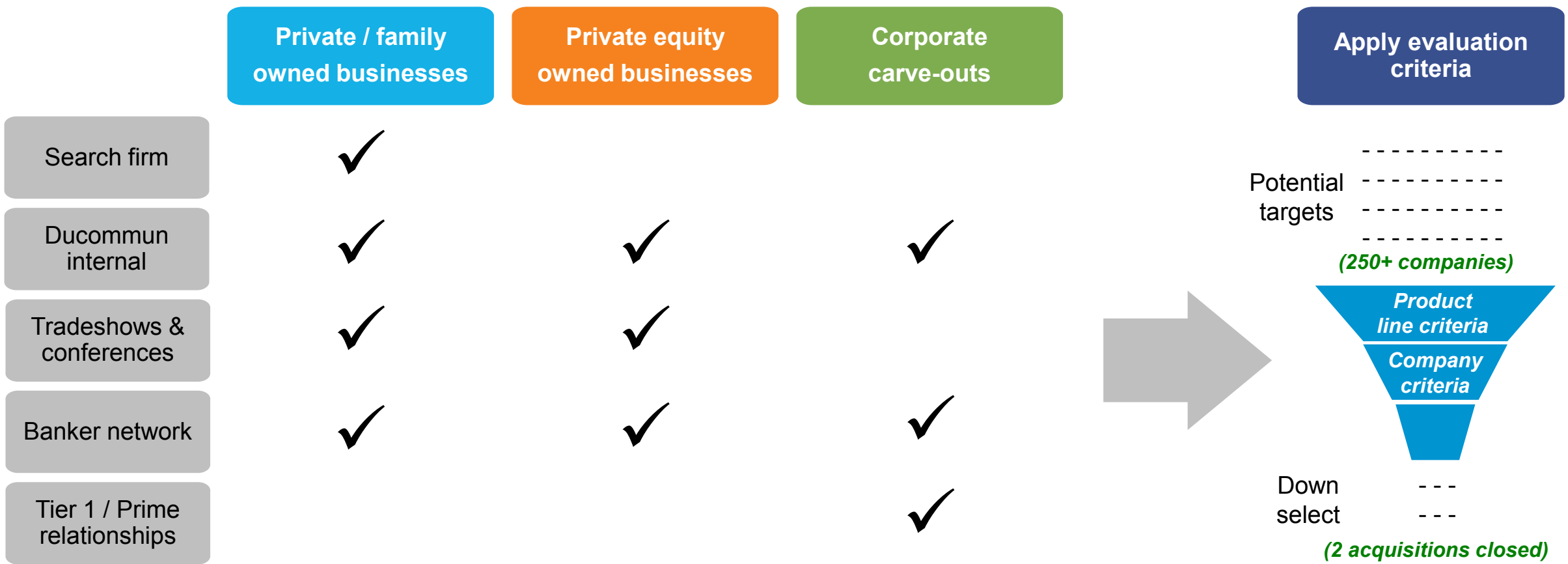
Vision

Build a portfolio of niche and proprietary A&D businesses that are industry leaders in innovation and customer satisfaction

Mission

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

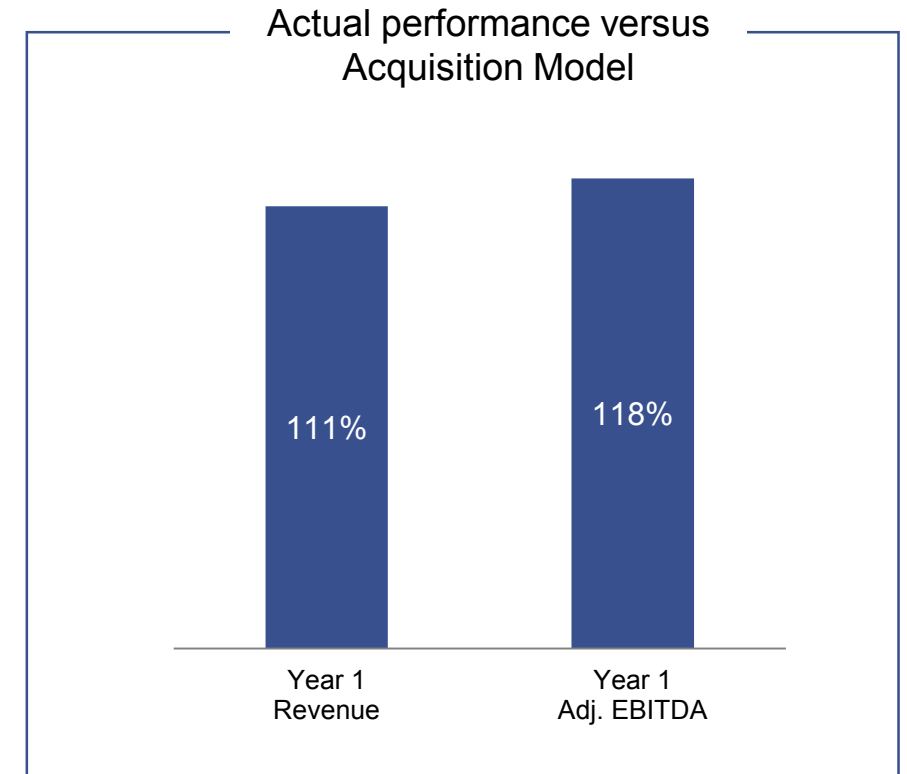
Pipeline Development and Screening



Proactive Pipeline Development

Case Study: Lightning Diversion Systems (LDS)

- Acquired in September 2017 for \$60 million
- World leader in radome lightning protection systems
- Advanced proprietary technology used on commercial, business and general aviation fixed wing aircraft and rotorcraft
- Over 90% of revenues on sole source basis
- Leverages macro trend of more 'connected aircraft'
- Accretive to earnings within first year
- Successfully integrated into Ducommun



Acquisitions of LDS and CTP Provide Successful Models to Follow

M&A Outlook

- ✓ Continue building the pipeline of targets that meet the defined criteria
- ✓ Maintain cadence of closing acquisitions
- ✓ Aggressively execute EBITDA expansion plan for each deal

Execute Strategic Acquisitions to Drive Shareholder Value



Financial Outlook

Doug Groves

VP, CFO AND TREASURER

Historic Financial Performance

Historical Financials - LTM Q3

(\$M, unless stated otherwise)

	LTM Q3		
	2016	2017	2018
Revenue	564.7	558.4	607.4
Adj. EBITDA	50.8	54.6	64.8
<i>Adj. EBITDA %</i>	<i>9.0%</i>	<i>9.8%</i>	<i>10.7%</i>
Gross Debt	180.0	224.7	230.7
Cash	9.5	3.7	3.6
Net Debt	170.5	221.0	227.1
<i>Trailing Net Debt / EBITDA</i>	<i>3.4</i>	<i>4.0</i>	<i>3.5</i>

Significant Steps Taken to Drive Future Success

Transformed & Realigned the Business

- Streamlined the organization through our restructure program
- Executed two strategic acquisitions
- Rationalized product portfolio

Reduced Costs & Improved Efficiency

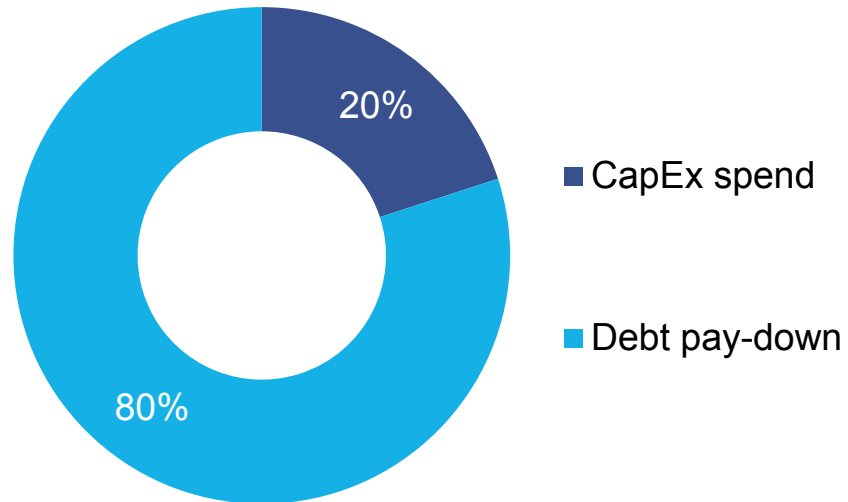
- Optimized and consolidated supply chain
- Improved asset utilization
- Improved operations will deliver sustainable profitability

Optimized Capital Structure

- Debt refinancing in process to provide more flexibility
- Changed capital allocation strategy to fund acquisitions
- Balance sheet management continues to drive strong cash flow

Balanced Capital Allocation Strategy

2016



2018 – 2021

- ✓ CapEx spend at ~2% of revenues
- ✓ Debt pay-down remains a priority
- ✓ Disciplined M&A transactions

Financial Priorities

GROW revenue at a mid-single digit and operating income at double digit CAGR from 2018 through 2021

IDENTIFY strategic organic investment and acquisition opportunities to drive growth

DISCIPLINED capital allocation to drive higher return on invested capital and refinance existing credit facilities to provide more flexibility for investments

CONVERT greater than 100% of net income to cash each year

Investment Thesis

1

Proprietary and unique ranges of manufacturing capabilities, industry leading products, and aftermarket services

2

Refining and developing business model

3

Building a winning culture with top talent

4

Improving financials with significant runway

5

Strong customer relationships with OEMs and Tier 1s

6

Strong cash flow at greater than 100% of net income

Our Key Priority is to Deliver Exceptional Value to All Stakeholders



Closing Remarks

What Sets Us Apart

- ✓ Industry leading proprietary products
- ✓ Unique and niche capabilities in electronic and structural manufacturing services for products and assemblies
- ✓ Placement on industry leading commercial and military programs
- ✓ Developing and growing aftermarket support business
- ✓ Agile, flexible and efficient operating model and organization
- ✓ Executive leadership with Fortune 100 and top 5 private equity experience



Q&A



Appendix

Key Facts

Ducommun Incorporated

Exchange/Ticker	NYSE: DCO
Share price ⁽¹⁾	\$37.16
52-week high / low ⁽¹⁾	\$41.40 / \$25.06
Diluted shares outstanding ⁽²⁾	11.7 million
Market cap ⁽¹⁾	\$423.7 million
Cash ⁽²⁾	\$3.6 million
Net debt outstanding ⁽²⁾	\$227.1 million
Enterprise value	\$650.8 million
LTM Q3 2018 revenues	\$607.4 million
LTM Q3 2018 consolidated adjusted EBITDA ⁽³⁾	\$64.8 million

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, net gain on divestitures, loss on extinguishment of debt, goodwill impairment, intangible asset impairment, and restructuring charges).

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 "Reconciliation of GAAP to Non-GAAP Measures" tables.

Adjusted EBITDA for LTM Q3 2018

(dollars in thousands)

Net income	\$	17,846
Interest expense		11,859
Income tax expense (benefit)		(14,423)
Depreciation		13,309
Amortization		11,022
Stock-based compensation		3,825
Restructuring charges		19,726
Inventory step-up		<u>1,681</u>
Adjusted EBITDA	\$	<u>64,845</u>

Content on Commercial & Military Fixed Wing Aircraft



ELECTRONICS

- ① Avionics systems
- ② Cockpit controls, lighted panels and switches
- ③ Radar assemblies
- ④ Fuel management systems
- ⑤ Brake systems
- ⑥ Engine and nacelle electronics
- ⑦ Flight surface control systems
- ⑧ Communication and countermeasure systems
- ⑨ Lightning diverter strips and suppressors

STRUCTURES

- ⑩ Ailerons, spoilers, winglets and other flight control surfaces
- ⑪ Tail cones
- ⑫ Fuselage skins
- ⑬ Passenger and cargo doors
- ⑭ Window surrounds
- ⑮ Engine ducts
- ⑯ Exhaust ducts and nozzles
- ⑰ Extruded plastics (interior)

Content on Commercial & Military Rotary Aircraft



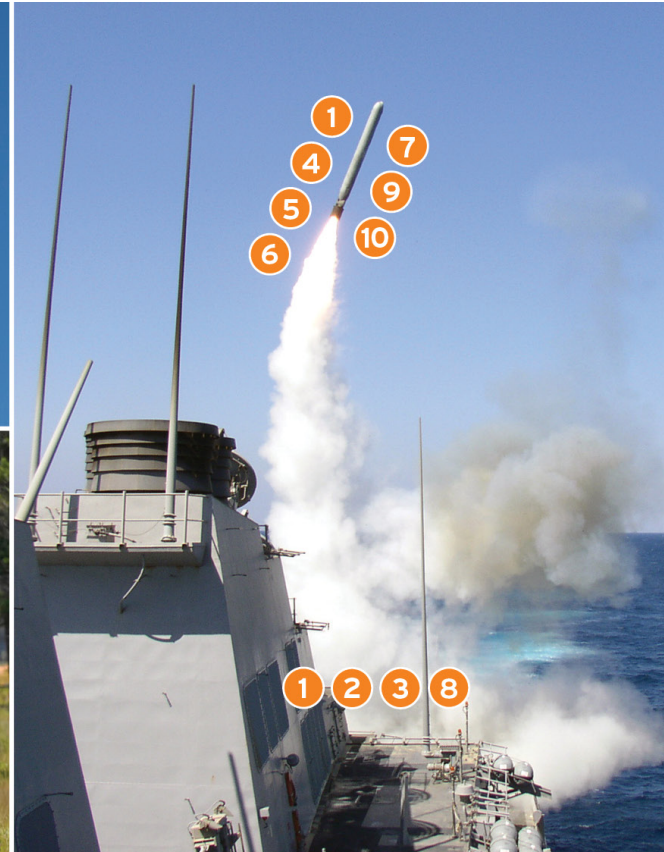
ELECTRONICS

- 1 Cockpit controls, lighted panels and switches
- 2 Communication systems
- 3 Fuel management systems
- 4 Sensor suites
- 5 Avionics systems
- 6 Radar systems
- 7 De-icing systems

STRUCTURES

- 8 Rotor blades and blade abrasion strips
- 9 Engine ducts, nozzles and heat shields
- 10 Door surrounds and bulkheads
- 11 Window surrounds

Content on Key Missile Platforms Land, Sea & Air



ELECTRONICS

- ① Target acquisition systems
- ② Launch systems
- ③ Command and control systems
- ④ Range safety antennas
- ⑤ Guidance systems
- ⑥ Navigation systems
- ⑦ Warhead electronics
- ⑧ Umbilical container cables
- ⑨ Automated test systems
- ⑩ Mission critical components and assemblies for missile defense programs



Investor Day

November 9, 2018