



Second Quarter FY 2017 Conference Call

November 3, 2016

Daniel J. Crowley

President, Chief Executive Officer

James F. McCabe, Jr.

Senior Vice President, Chief Financial Officer



Triumph Group

FORWARD LOOKING STATEMENTS

Parts of this presentation contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause Triumph's actual results, performance, or achievements to be materially different from any expected future results, performance, or achievements. For more information, see the risk factors described in Triumph's current Form 10-K and other SEC filings.

INTRODUCTION

FY17 Q2 Operational & Financial Summary

Net sales	\$874.8M
Operating income	\$70.5M
Net income	\$34.8M
EPS	\$0.70
Adjusted EPS	\$1.00
Cash used for Ops	\$47.2M

Reaffirming EPS and cash guidance, with \$100M reduction in revenue range

Highlights

- Improved execution and operational performance
- Retiring program risks
- Improved cash performance
- Pipeline and backlog growing
- Transformation on track

TRANSFORMATION PROGRESS

Goal	Key Elements	Year to Date
Reduce costs	<ul style="list-style-type: none"> • Supply Chain • Facility consolidations • Workforce reductions • Operating efficiency 	<ul style="list-style-type: none"> • \$22M savings achieved toward \$44M FY 17 target • Initiated all 5 planned consolidations; facility footprint reduced by 400K sq.ft. • Headcount reductions on track • Reducing program overruns
Improve cash from operations	<ul style="list-style-type: none"> • Cash to Cash conversion • DSO/DPO/DIO • CAPEX management 	<ul style="list-style-type: none"> • Sequential improvement in cash use in operations from \$84M in Q1 to \$47M in Q2
Optimize portfolio	<ul style="list-style-type: none"> • Divest non-core businesses • Transactions NTE 10% of sales 	<ul style="list-style-type: none"> • Completed sale of Newport News • Engaged investment bankers for other transactions
Deploy Triumph Operating System	<ul style="list-style-type: none"> • Lean operations • Rationalize IT • Shared services 	<ul style="list-style-type: none"> • 67 Lean events • All hardware & software baselined • Common HR, SCM & BD

Transformation on track to deliver expected results

DEVELOPMENT & KEY PROGRAMS

- Sunsetting programs will be replaced by programs in development and new starts
 - Embraer E2 transitioning to production
 - Gulfstream G650 ramping up
 - Bombardier Global 7000 preparing for test vehicle flights
- Achieving development milestones
- Initial revenue bearing production articles in flow
- Working with customers to resolve open assertions
- Development programs cash use expected to reduce in Q4



Joining of E2 aft fuselage to CFIII section



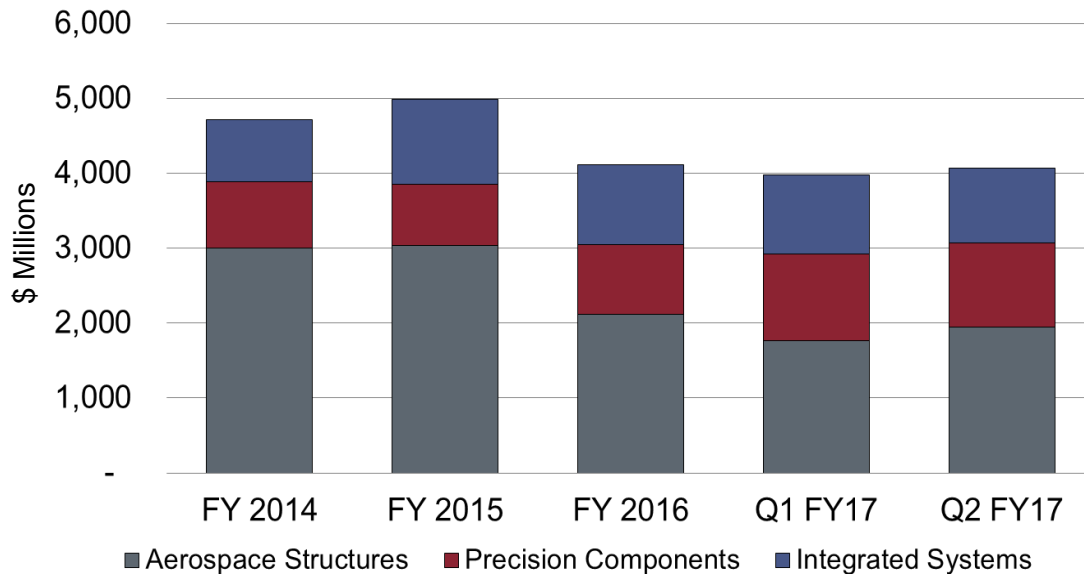
G650 wing production line in Tulsa, Okla.



Global 7000 FTV-4 wingset shipment

Triumph managing through our change in business base

DRIVING ORGANIC GROWTH



Order Backlog Stands at \$4.1 Billion.*

* Backlog only includes those firm orders that we are going to deliver over the next 24 months. Product Support does not have substantial backlog.

Backlog & New Wins

- Backlog up sequentially 2.1%
- Excluding 747-8, G450/550 and C-17 programs, backlog is up 4.7%
- G650 extension through 2018 (\$300M)
- SNC-Lavalin nuclear machining (\$48M)
- USN Triton Milestone C
- F-35, B-21, T-X RFPs

FY17 Q2 CONSOLIDATED RESULTS

(\$ in thousands)	FY17 Q2	FY16 Q2	Variance
Net Sales	\$ 874,769	\$ 954,774	(8)%
Operating Income	70,486	110,047	(36)%
Operating Margin (%)	8.1	11.5	
Adjusted EBITDA	90,069	122,218	(26)%
Adjusted EBITDA Margin (%)	10.7	13.2	

- Net sales decrease due to:
 - Rate reductions on 747-8, G450/550, C-17
 - Partially offset by:
 - Increased production on 767/Tanker, A350
 - \$9.5M from Fairchild acquisition
- Operating income includes:
 - \$14M of restructuring costs
 - \$5M loss on divestiture
 - Excluding these items, operating margin was 10.2%

FY17 Q2 ADJUSTED EPS

	Quarter Ended	
<i>(Shares in thousands)</i>	September 30, 2016	September 30, 2015
Earnings per share (GAAP - Diluted)	\$ 0.70	\$ 1.25
Adjustments to earnings per share:		
Loss on divestiture	0.10	—
Restructuring costs (non-cash)	0.05	0.07
Restructuring costs (cash)	0.15	—
Adjusted earnings per share (Non-GAAP - Diluted)	\$ 1.00	\$ 1.32
Weighted-average shares outstanding (diluted)	49,432	49,308

INTEGRATED SYSTEMS FY17 Q2 RESULTS

(\$ in thousands)	FY17 Q2	FY16 Q2	Variance
Net Sales	\$ 245,367	\$ 261,481	(6)%
Operating Income	45,797	51,100	(10)%
Operating Margin (%)	18.7	19.5	
Adjusted EBITDA	46,818	51,228	(9)%
Adjusted EBITDA Margin (%)	19.8	20.4	



Triumph Integrated Systems selected for AH-64 Apache gun turret actuator upgrade.

- Net sales decrease due to softness in commercial rotorcraft market and spares aftermarket, and \$5 million from currency, partially offset by approximately \$9.5 million sales from the October 2015 acquisition of Fairchild Controls
- Continued strong margin performance at 18.7%
- Announced consolidation of three CT facilities
- Completed addition to UK facility to insource certain final assembly and test work for A320, A380, 787
- TTM book to bill of 1.1 : 1

AEROSPACE STRUCTURES FY17 Q2 RESULTS

(\$ in thousands)	FY17 Q2	FY16 Q2	Variance
Net Sales	\$ 320,283	\$ 385,471	(17)%
Operating Income	24,867	36,682	(32)%
Operating Margin (%)	7.8	9.5	
Adjusted EBITDA	22,605	32,898	(31)%
Adjusted EBITDA Margin (%)	7.5	9.0	



Triumph Aerospace Structures delivered the 750th G550 wingset to Gulfstream in September.

- Net sales decrease due to production rate reductions on 747-8, G450/550 and C-17, partially offset by the increase in 767/ Tanker
- Delivered:
 - 750th G550 wingset to Gulfstream

PRECISION COMPONENTS FY17 Q2 RESULTS

(\$ in thousands)	FY17 Q2	FY16 Q2	Variance
Net Sales	\$ 259,458	\$ 265,825	(2)%
Operating Income	12,063	25,457	(53)%
Operating Margin (%)	4.6	9.6	
Adjusted EBITDA	25,385	38,466	(34)%
Adjusted EBITDA Margin (%)	9.8	14.5	



Precision Components' new small and medium parts Center of Excellence in Edgerton, Kansas.

- Net sales decrease due primarily to Boeing commercial production rate reductions, unfavorable model mix, partially offset by increased A350 production rates
- Lower operating margin driven by decreased sales, A350 and other new program start-up costs and unfavorable model mix
- Announced closure of Everett, Wash., Long Island, N.Y. and Kilgore, Texas facilities
- Dedicated new Kansas facility to support A350 ramp-up

PRODUCT SUPPORT FY17 Q2 RESULTS

(\$ in thousands)	FY17 Q2	FY16 Q2	Variance
Net Sales	\$ 85,826	\$ 73,777	16%
Operating Income	14,265	9,125	56%
Operating Margin (%)	16.6	12.4	
Adjusted EBITDA	16,717	11,553	45%
Adjusted EBITDA Margin (%)	19.5	15.7	



Triumph Product Support shipped the 100th KC-10 Aerial Refueling Boom to the U.S. Air Force in September.

- Net sales increase due primarily to key contract wins in structures, interiors and accessories
- Announced closure of facility in Oakdale, Penn.
- Strong margins supported by increased sales

CASH USE SUMMARY

Operating Activities <i>(\$ in millions)</i>	FY17 Q1	FY17 Q2	YTD 2017
Cash use in operations	\$ (84.0)	\$ (47.2)	\$ (131.2)
Capital Expenditures	(12.8)	(11.2)	(24.0)
Sale of assets	0.9	9.1	10.0
Free cash use	\$ (95.9)	\$ (49.3)	\$ (145.2)

YTD Key Elements

- Investments in development programs including Bombardier and Embraer \$126M
- Incremental customer and vendor financing \$100M
- G650/G280 cash use \$47M
- Liquidation of customer advances \$65M
- Restructuring costs of \$17M
- Strike costs of \$16M

CAPITALIZATION AND BANK AMENDMENT

<i>(\$ in millions)</i>	9/30/2016
Cash	\$ (36)
Revolver & Term Loan	716
Securitized Debt (Accounts Receivable & Capital Leases)	230
2013 Senior Notes Due 2021	375
2014 Senior Notes Due 2022	300
Other Debt	8
Net Debt	\$ 1,593
Shareholders' Equity	966
Total Book Capitalization	\$ 2,558
Net Debt-to-Capitalization	62%

Key Elements of Bank Amendment

- Total leverage 4.5X to 5.0X
- Senior secured leverage 3.00X to 3.25X
- Permits targeted divestitures
- Increases permitted exclusions from bank EBITDA
- We are in compliance with our bank covenant as of September 30
- This amendment was to provide additional flexibility through the transformation

Financial flexibility to fund transformation and operations

FY 2017 GUIDANCE

Revenue	\$3.6- \$3.7B \$3.5- \$3.6B
EPS	\$3.15 - \$3.45/share
Free Cash Use	(\$100 - \$120M)
Capital Expenditures	\$85 - \$100M \$40 - \$60M*
Effective Tax Rate	~ 18%**
Cash Tax Rate	~ 15% ~ 5%***

* Updated to be net of leasing as reported

** Potential opportunity to lower through release of valuation allowance and use of deferred tax benefits from Newport News sale.

*** Updated to reflect expected tax payments in fiscal 2017

CONCLUDING REMARKS

- Delivering on customer commitments
- On track for overall transformation
- Stabilizing operational and financial performance
- Rebuilding our pipeline and backlog



MQ-4C Triton Unmanned Aircraft System.

Q & A

APPENDIX

TOP PROGRAMS

Integrated Systems		Aerospace Structures		Precision Components	
1.	Airbus A320, A321	1.	Gulfstream	1.	Boeing 777
2.	Boeing 737	2.	Boeing 767, Tanker	2.	Boeing 787
3.	Boeing 787	3.	Airbus A330, A340	3.	Airbus A350
4.	Boeing V-22	4.	Boeing 747	4.	Boeing 737
5.	Sikorsky UH60	5.	Bombardier Global	5.	Boeing 767, Tanker
6.	Boeing CH-47	6.	Boeing 777	6.	Boeing V-22
7.	Lockheed Martin C-130	7.	Boeing V-22	7.	Boeing F-15
8.	Airbus A380	8.	NG Global Hawk	8.	Sikorsky UH60
9.	Boeing 777	9.	Boeing C-17	9.	NG Global Hawk
10.	Boeing AH-64	10.	Bell Helicopter 525	10.	Bell Helicopter AH1
Represents 55% of Integrated Systems backlog		Represents 97% of Aerospace Structures backlog		Represents 76% of Precision Components backlog	

PENSION/OPEB ANALYSIS

Pension/OPEB Analysis	Fiscal Year 2016	Fiscal Year 2017
Pension Expense (Income)	≈ (\$57) million	≈ (\$67) million
Cash Pension Contribution	≈ \$0	≈ \$0
OPEB Expense (Income)	≈ (\$8) million	≈ (\$14) million
Cash OPEB Contribution	≈ \$21 million	≈ \$16 million

SALES BY MARKET

(\$ in millions)	Q2 FY 2017		Q2 FY 2016			
	Sales	% of Total	Sales	% of Total	\$ Change	% Change
Commercial	\$512	59%	\$545	57%	\$(33)	(6)%
Military	174	20%	204	21%	(30)	(15)%
Business Jets	151	17%	176	18%	(25)	(14)%
Regional Jets	25	3%	17	2%	8	47%
Non-Aviation	13	1%	13	1%	—	—%
Total Sales	\$875	100%	\$955	100%	\$(80)	(8)%
OEM		83%		85%		
Aftermarket		16%		14%		
Other		1%		1%		
Total		100%		100%		

SALES ANALYSIS

Organic Sales

(\$ in millions)

	Q2 FY 2017	Q2 FY 2016	Change
Integrated Systems	\$236	\$261	(10)%
Aerospace Structures	320	385	(17)%
Precision Components	259	266	(2)%
Product Support	86	74	16%
Total Organic Sales *	\$901	\$986	(9)%
*Includes Intercompany sales			

Export Sales

(\$ in millions)

	Q2 FY 2017	Q2 FY 2016	Change
Export Sales	\$183	\$188	(3)%

NON-GAAP DISCLOSURE

FINANCIAL DATA (UNAUDITED)
TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures

We prepare and publicly release quarterly unaudited financial statements prepared in accordance with GAAP. In accordance with Securities and Exchange Commission (the "SEC") guidance on Compliance and Disclosure Interpretations, we also disclose and discuss certain, non-GAAP financial measures in our public releases. Currently, the non-GAAP financial measures that we disclose is Adjusted EBITDA, which is our net income before interest, income taxes, amortization of acquired contract liabilities, curtailments, settlements and early retirement incentives, legal settlements, depreciation and amortization. We disclose Adjusted EBITDA on a consolidated and an operating segment basis in our earnings releases, investor conference calls and filings with the SEC. The non-GAAP financial measures that we use may not be comparable to similarly titled measures reported by other companies. Also, in the future, we may disclose different non-GAAP financial measures in order to help our investors more meaningfully evaluate and compare our future results of operations to our previously reported results of operations.

We view Adjusted EBITDA as an operating performance measure and as such we believe that the GAAP financial measure most directly comparable to it is net income. In calculating Adjusted EBITDA, we exclude from net income the financial items that we believe should be separately identified to provide additional analysis of the financial components of the day-to-day operation of our business. We have outlined below the type and scope of these exclusions and the material limitations on the use of these non-GAAP financial measures as a result of these exclusions. Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered as a measure of liquidity, as an alternative to net income (loss), income from continuing operations, or as an indicator of any other measure of performance derived in accordance with GAAP. Investors and potential investors in our securities should not rely on Adjusted EBITDA as a substitute for any GAAP financial measure, including net income (loss) or income from continuing operations. In addition, we urge investors and potential investors in our securities to carefully review the reconciliation of Adjusted EBITDA to net income set forth below, in our earnings releases and in other filings with the SEC and to carefully review GAAP financial information included as part of our Quarterly Reports on Form 10-Q and our Annual Reports on Form 10-K that are filed with the SEC, as well as our quarterly earnings releases, and compare the GAAP financial information with our Adjusted EBITDA.

Adjusted EBITDA is used by management to internally measure our operating and management performance and by investors as a supplemental financial measure to evaluate the performance of our business that, when viewed with our GAAP results and the accompanying reconciliation, we believe provides additional information that is useful to gain an understanding of the factors and trends affecting our business. We have spent more than 20 years expanding our product and service capabilities partially through acquisitions of complementary businesses. Due to the expansion of our operations, which included acquisitions, our net income has included significant charges for depreciation and amortization. Adjusted EBITDA excludes these charges and provides meaningful information about the operating performance of our business, apart from charges for depreciation and amortization. We believe the disclosure of Adjusted EBITDA helps investors meaningfully evaluate and compare our performance from quarter to quarter and from year to year. We also believe Adjusted EBITDA is a measure of our ongoing operating performance because the isolation of non-cash income and expenses, such as amortization of acquired contract liabilities, depreciation and amortization, and non-operating items, such as interest and income taxes, provides additional information about our cost structure, and, overtime, helps track our operating progress. In addition, investors, securities analysts and others have regularly relied on Adjusted EBITDA to provide a financial measure by which to compare our operating performance against that of other companies in our industry.

Set forth below are descriptions of the financial items that have been excluded from our net income to calculate Adjusted EBITDA and the material limitations associated with using this non-GAAP financial measure as compared to net income:

- Divestitures may be useful for investors to consider because they reflect gains or losses from sale of operating units. We do not believe these earnings necessarily reflect the current and ongoing cash earnings related to our operations.
- Legal settlements may be useful to investors to consider because they reflect gains or losses from disputes with third parties. We do not believe that these gains or losses necessarily reflect the current and ongoing cash earnings related to our operations.
- Curtailments, settlements and early retirement incentives may be useful to investors to consider because it represents the current period impact of the change in defined benefit obligation due to the reduction in future service costs. We do not believe these charges (gains) necessarily reflect the current and ongoing cash earnings related to our operations.
- Amortization of acquired contract liabilities may be useful for investors to consider because it represents the non-cash earnings on the fair value of below market contracts acquired through acquisitions. We do not believe these earnings necessarily reflect the current and ongoing cash earnings related to our operations.
- Amortization expenses (including impairments) may be useful for investors to consider because it represents the estimated attrition of our acquired customer base and the diminishing value of product rights and licenses. We do not believe these charges necessarily reflect the current and ongoing cash charges related to our operating cost structure.
- Depreciation may be useful for investors to consider because they generally represent the wear and tear on our property and equipment used in our operations. We do not believe these changes necessarily reflect the current and ongoing cash charges related to our operating cost structure.

-More-

NON-GAAP DISCLOSURE

(Continued)

FINANCIAL DATA (UNAUDITED)
TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures (continued)

- The amount of interest expense and other we incur may be useful for investors to consider and may result in current cash inflows or outflows. However, we do not consider the amount of interest expense and other to be a representative component of the day-to-day operating performance of our business.
- Income tax expense may be useful for investors to consider because it generally represents the taxes which may be payable for the period and the change in deferred income taxes during the period and may reduce the amount of funds otherwise available for use in our business. However, we do not consider the amount of income tax expense to be a representative component of the day-to-day operating performance of our business.

Management compensates for the above-described limitations of using non-GAAP measures by using a non-GAAP measure only to supplement our GAAP results and to provide additional information that is useful to gain an understanding of the factors and trends affecting our business.

The following table shows our Adjusted EBITDA reconciled to our net income for the indicated periods (in thousands):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2016	2015	2016	2015
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):				
Net Income	\$ 34,807	\$ 61,612	\$ 54,541	\$ 124,343
Add-back:				
Income Tax Expense	17,783	32,804	26,648	59,823
Interest Expense and Other	17,896	15,631	36,023	33,747
Curtailment Charge	—	—	—	2,863
Loss on divestiture	4,774	—	4,774	—
Amortization of Acquired Contract Liabilities	(30,477)	(30,404)	(59,825)	(65,502)
Depreciation and Amortization	45,286	42,575	90,748	86,109
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 90,069	\$ 122,218	\$ 152,909	\$ 241,383
Net Sales #	\$ 874,769	\$ 954,774	\$ 1,768,022	\$ 1,914,412
Adjusted EBITDA Margin #	10.7%	13.2%	9.0%	13.1%

Net Sales includes Amortization of Acquired Contract Liabilities. Since Adjusted EBITDA excludes Amortization of Acquired Contract Liabilities, we've also excluded it from Net Sales in arriving at Adjusted EBITDA margin throughout this document.

NON-GAAP DISCLOSURE

(Continued)

FINANCIAL DATA (UNAUDITED)
TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures (continued)

	For the Three Months Ended September 30, 2016					
	Segment Data					
	<u>Total</u>	<u>Integrated Systems</u>	<u>Aerospace Structures</u>	<u>Precision Components</u>	<u>Product Support</u>	<u>Corporate/ Eliminations</u>
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):						
Net Income	\$ 34,807					
Add-back:						
Income Tax Expense	17,783					
Interest Expense and Other	17,896					
Operating Income (Loss)	\$ 70,486	\$ 45,797	\$ 24,867	\$ 12,063	\$ 14,265	\$ (26,506)
Loss on divestiture	4,774	—	—	—	—	4,774
Amortization of Acquired Contract Liabilities	(30,477)	(9,136)	(20,647)	(694)	—	—
Depreciation and Amortization	45,286	10,157	18,385	14,016	2,452	276
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 90,069	\$ 46,818	\$ 22,605	\$ 25,385	\$ 16,717	\$ (21,456)
Net Sales	\$ 874,769	\$ 245,367	\$ 320,283	\$ 259,458	\$ 85,826	\$ (36,165)
Adjusted EBITDA Margin	10.7%	19.8%	7.5%	9.8%	19.5%	n/a

NON-GAAP DISCLOSURE

(Continued)

FINANCIAL DATA (UNAUDITED)
TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures (continued)

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	For the Six Months Ended September 30, 2016					
	Segment Data					
	<u>Total</u>	<u>Integrated Systems</u>	<u>Aerospace Structures</u>	<u>Precision Components</u>	<u>Product Support</u>	<u>Corporate/ Eliminations</u>
Net Income	\$ 54,541					
Add-back:						
Income Tax Expense	26,648					
Interest Expense and Other	36,023					
Operating Income (Loss)	\$ 117,212	\$ 93,783	\$ 34,031	\$ 4,281	\$ 28,324	\$ (43,207)
Loss on divestiture	4,774	—	—	—	—	4,774
Amortization of Acquired Contract Liabilities	(59,825)	(19,473)	(39,085)	(1,267)	—	—
Depreciation and Amortization	90,748	20,461	36,347	28,345	4,936	659
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 152,909	\$ 94,771	\$ 31,293	\$ 31,359	\$ 33,260	\$ (37,774)
Net Sales	\$ 1,768,022	\$ 502,723	\$ 651,879	\$ 514,060	\$ 170,025	\$ (70,665)
Adjusted EBITDA Margin	9.0%	19.6%	5.1%	6.1%	19.6%	n/a

NON-GAAP DISCLOSURE

(Continued)

FINANCIAL DATA (UNAUDITED)
TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures (continued)

	For the Three Months Ended September 30, 2015					
	Segment Data					
	<u>Total</u>	<u>Integrated Systems</u>	<u>Aerospace Structures</u>	<u>Precision Components</u>	<u>Product Support</u>	<u>Corporate/ Eliminations</u>
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):						
Net Income	\$ 61,612					
Add-back:						
Income Tax Expense	32,804					
Interest Expense and Other	15,631					
Operating Income (Loss)	\$ 110,047	\$ 51,100	\$ 36,682	\$ 25,457	\$ 9,125	\$ (12,317)
Amortization of Acquired Contract Liabilities	(30,404)	(10,011)	(19,430)	(963)	—	—
Depreciation and Amortization	42,575	10,139	15,646	13,972	2,428	390
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 122,218	\$ 51,228	\$ 32,898	\$ 38,466	\$ 11,553	\$ (11,927)
Net Sales	\$ 954,774	\$ 261,481	\$ 385,471	\$ 265,825	\$ 73,777	\$ (31,780)
Adjusted EBITDA Margin	13.2%	20.4%	9.0%	14.5%	15.7%	n/a

NON-GAAP DISCLOSURE

(Continued)

FINANCIAL DATA (UNAUDITED)
TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures (continued)

	For the Six Months Ended September 30, 2015					
	<u>Total</u>	Segment Data				
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):		<u>Integrated Systems</u>	<u>Aerospace Structures</u>	<u>Precision Components</u>	<u>Product Support</u>	<u>Corporate/ Eliminations</u>
Net Income	\$ 124,343					
Add-back:						
Income Tax Expense	59,823					
Interest Expense and Other	33,747					
Operating Income (Loss)	\$ 217,913	\$ 101,657	\$ 78,480	\$ 50,362	\$ 19,112	\$ (31,698)
Curtailment charge	2,863	—	—	—	—	2,863
Amortization of Acquired Contract Liabilities	(65,502)	(20,512)	(43,208)	(1,782)	—	—
Depreciation and Amortization	86,109	20,657	31,579	28,193	4,890	790
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 241,383	\$ 101,802	\$ 66,851	\$ 76,773	\$ 24,002	\$ (28,045)
Net Sales	\$ 1,914,412	\$ 520,052	\$ 780,591	\$ 530,966	\$ 148,522	\$ (65,719)
Adjusted EBITDA Margin	13.1%	20.4%	9.1%	14.5%	16.2%	n/a

NON-GAAP DISCLOSURE

(Continued)

FINANCIAL DATA (UNAUDITED)
TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures (continued)

Adjusted income from continuing operations, before income taxes, adjusted income from continuing operations and adjusted income from continuing operations per diluted share, before non-recurring costs has been provided for consistency and comparability. These measures should not be considered in isolation or as alternatives to income from continuing operations before income taxes, income from continuing operations and income from continuing operations per diluted share presented in accordance with GAAP. The following tables reconcile income from continuing operations before income taxes, income from continuing operations, and income from continuing operations per diluted share, before non-recurring costs.

	Three Months Ended		
	September 30, 2016		
	Pre-Tax	After-Tax	Diluted EPS
Income from Continuing Operations - GAAP	\$ 52,590	\$ 34,807	\$ 0.70
Adjustments:			
Loss on divestiture	4,774	4,774	0.10
Restructuring costs (non-cash)	3,740	2,581	0.05
Restructuring costs (cash)	10,462	7,219	0.15
Adjusted Income from continuing operations - Non-GAAP	<u>\$ 71,566</u>	<u>\$ 49,381</u>	<u>\$ 1.00</u>

	Six Months Ended		
	September 30, 2016		
	Pre-Tax	After-Tax	Diluted EPS
Income from Continuing Operations - GAAP	\$ 81,189	\$ 54,541	\$ 1.10
Adjustments:			
Triumph Precision Components - Strike related costs	15,701	10,834	0.22
Triumph Precision Components - Inventory write-down	6,089	4,201	0.08
Triumph Aerospace Structures - UAS program	14,200	9,798	0.20
Loss on divestiture	4,774	4,774	0.10
Restructuring costs (non-cash)	7,231	4,989	0.10
Restructuring costs (cash)	17,113	11,808	0.24
Adjusted Income from continuing operations - Non-GAAP	<u>\$ 146,297</u>	<u>\$ 100,945</u>	<u>\$ 2.04</u>

NON-GAAP DISCLOSURE

(Continued)

FINANCIAL DATA (UNAUDITED)
TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures (continued)

Adjusted income from continuing operations, before income taxes, adjusted income from continuing operations and adjusted income from continuing operations per diluted share, before non-recurring costs has been provided for consistency and comparability. These measures should not be considered in isolation or as alternatives to income from continuing operations before income taxes, income from continuing operations and income from continuing operations per diluted share presented in accordance with GAAP. The following tables reconcile income from continuing operations before income taxes, income from continuing operations, and income from continuing operations per diluted share, before non-recurring costs.

	Three Months Ended		
	September 30, 2015		
	<u>Pre-Tax</u>	<u>After-Tax</u>	<u>Diluted EPS</u>
Income from Continuing Operations - GAAP	\$ 94,416	\$ 61,612	\$ 1.25
Adjustments:			
Facility consolidation costs	5,360	3,484	0.07
Adjusted Income from continuing operations - Non-GAAP	<u>\$ 99,776</u>	<u>\$ 65,096</u>	<u>\$ 1.32</u>

	Six Months Ended		
	September 30, 2015		
	<u>Pre-Tax</u>	<u>After-Tax</u>	<u>Diluted EPS</u>
Income from Continuing Operations - GAAP	\$ 184,166	\$ 124,343	\$ 2.52
Adjustments:			
Facility consolidation costs	5,360	3,484	0.07
Curtailment charge	2,863	1,861	0.04
Adjusted Income from continuing operations - Non-GAAP	<u>\$ 192,389</u>	<u>\$ 129,688</u>	<u>\$ 2.63</u>

The following table reconciles our Operating income to Adjusted Operating income as noted above.

	Three Months Ended	
	September 30, 2016	
Operating loss - GAAP	\$	70,486
Adjustments:		
Loss on divestiture		4,774
Restructuring costs (non-cash)		3,740
Restructuring costs (cash)		10,462
Adjusted Operating Income - non-GAAP	<u>\$</u>	<u>89,462</u>

NON-GAAP DISCLOSURE

(Continued)

FINANCIAL DATA (UNAUDITED)
TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measures Disclosures (continued)

Cash provided by operations, before pension contributions has been provided for consistency and comparability. We also use free cash flow available for debt reduction as a key factor in planning for and consideration of strategic acquisitions, stock repurchases and the repayment of debt. This measure should not be considered in isolation, as a measure of residual cash flow available for discretionary purposes, or as an alternative to operating results presented in accordance with GAAP. The following table reconciles cash provided by operations, before pension contributions to cash provided by operations, as well as cash provided by operations to free cash flow available for debt reduction.

	Three Months Ended		Six Months Ended
	June 30,	September 30,	September 30,
	2016	2016	2016
Cash used in operations	\$ (84,034)	\$ (47,202)	\$ (131,236)
Less:			
Capital expenditures	12,723	11,244	23,967
Sale of assets	948	9,096	10,044
Free cash flow available for debt reduction, acquisitions and share repurchases	\$ (95,809)	\$ (49,350)	\$ (145,159)

We use "Net Debt to Capital" as a measure of financial leverage. The following table sets forth the computation of Net Debt to Capital:

	September 30,	March 31,
	2016	2016
<u>Calculation of Net Debt</u>		
Current portion	\$ 47,374	\$ 42,441
Long-term debt	1,568,315	1,374,879
Total debt	1,615,689	1,417,320
Plus: Deferred debt issuance costs	13,234	8,971
Less: Cash	(36,215)	(20,984)
Net debt	\$ 1,592,708	\$ 1,405,307
<u>Calculation of Capital</u>		
Net debt	\$ 1,592,708	\$ 1,405,307
Stockholders' equity	965,746	934,944
Total capital	\$ 2,558,454	\$ 2,340,251
Percent of net debt to capital	62.3%	60.0%