

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 9, 2022**

ASTRONICS CORPORATION

(Exact name of registrant as specified in its charter)

New York
(State of Other Jurisdiction of Incorporation)

0-7087
(Commission File Number)

16-0959303
(I.R.S. Employer Identification No.)

130 Commerce Way
East Aurora, New York
(Address of principal executive offices)

14052
(Zip Code)

Registrant's telephone number, including area code: **(716) 805-1599**

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|-----------------------|--|
| Common Stock, \$.01 par value per share | ATRO | NASDAQ Stock Market |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

The disclosure set forth in Item 2.03 below is incorporated in this Item 1.01 by reference.

Item 2.02 Results of Operations and Financial Condition.

On August 10, 2022, Astronics Corporation issued a news release announcing its second quarter financial results for 2022. A copy of the press release is attached as Exhibit 99.1.

The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The information in this report including the exhibit hereto, shall not be deemed to be “filed” for purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Astronics Corporation (the “Company”) amended its existing credit facility on August 9, 2022 by entering into Amendment No. 3 (the “Amendment”) to the Fifth Amended and Restated Credit Agreement dated as of February 16, 2018, with HSBC Bank USA, National Association, as Agent, and the lenders signatory thereto. The Amendment extended the scheduled maturity date from May 30, 2023 to August 31, 2023. The Amendment also reduced the maximum amount that the Company can borrow under the revolving credit line from \$225 million to \$190 million as of August 9, 2022, with further reductions to \$180 million at September 12, 2022 and \$170 million at October 11, 2022.

Pursuant to the Amendment, the Company’s maximum net leverage ratio must not exceed 4.25 to 1 as of the quarter ended September 30, 2022 and 3.75 to 1 for all quarterly periods ended thereafter through the maturity date.

The Company will pay interest on the unpaid principal amount of the amended facility at a rate equal to one-, three- or six-month SOFR (which shall be at least 1.00%) plus an applicable margin ranging between 1.500% and 4.750% based upon the Company’s leverage ratio. The Company will also pay a commitment fee to the lenders in an amount equal to 0.10% to 0.40% on the undrawn portion of the Amended Facility, based upon the Company’s leverage ratio. The amendment provided for the payment of a consent fee of 10 basis points of the commitment for each consenting lender.

The above description does not purport to be complete and is qualified in its entirety by reference to the Amendment, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

| <u>Exhibit</u> | <u>Description</u> |
|----------------------|---|
| 10.1 | Amendment No. 3 (the "Amendment") to the Fifth Amended and Restated Credit Agreement dated as of August 9, 2022 |
| 99.1 | Press Release of Astronics Corporation dated August 10, 2022 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 10, 2022

Astronics Corporation
By: /s/ David C. Burney
Name: David C. Burney
Executive Vice President and Chief Financial
Officer

**AMENDMENT NO. 3 TO
FIFTH AMENDED AND RESTATED CREDIT AGREEMENT**

This Amendment No. 3 (“Amendment”) dated as of August 9, 2022 (the “Third Amendment Date”) to the Agreement, as defined below, is entered into by and among Astronics Corporation (“Borrower”), certain lenders under the Agreement (the “Lenders”) and HSBC Bank USA, National Association, as agent for the Lenders under the Agreement (“Agent”), and as the Swingline Lender and Issuing Bank. Terms used herein and not otherwise defined are used with their defined meanings from the Agreement.

Recitals

A. The Borrower, the Agent and the Lenders are the parties to a Fifth Amended and Restated Credit Agreement dated as of February 16, 2018, as amended by Amendment No. 1 to Fifth Amended and Restated Credit Agreement dated May 4, 2020 and Amendment No. 2 to Fifth Amended and Restated Credit Agreement dated March 1, 2022 (the “Agreement”).

B. Pursuant to Section 9.14 of the Agreement, the Borrower has requested that the Agent and the Lenders amend certain terms of the Agreement.

C. The Lenders and the Agent are agreeable to the foregoing to the extent set forth in this Amendment.

D. The Borrower and each of the Guarantors will benefit from the changes to the Agreement set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and of the loans or other extensions of credit heretofore, now or hereafter made by the Lenders to, or for the benefit of, the Borrower and its Subsidiaries, the parties hereto agree as follows:

1. Conditions Precedent to this Amendment. This Amendment shall be effective as of the date first written above once the following conditions precedent are satisfied:

1.1 Amendment Documentation. The Agent shall have received a copy of this Amendment executed by all parties hereto.

1.2 No Default. As of the date hereof, after giving effect hereto, no Default or Event of Default shall have occurred and be continuing.

1.3 Beneficial Ownership. If requested by any Lender, the Agent shall have received a Beneficial Ownership Certification in relation to the Borrower. As of the date hereof, the information included in any Beneficial Ownership Certification furnished to any of the Lenders, as applicable, is true and correct in all respects.

1.4 Representations and Warranties. The representations and warranties contained in the Agreement shall be true, correct and complete as of the date hereof as though made on such date, except to the extent such representations and warranties are expressly limited to a specific date.

1.5 Payment of Fee. The Borrower shall have paid to the Agent, for the ratable benefit of Lenders, a fee in the amount of 10 basis points of the Commitment for each Lender (the "Closing Date Fee"). Any fees or costs required to be paid on or before the effectiveness of this Amendment (including, without limitation, the Closing Date Fee and the cost in connection with any third party reports) shall have been paid.

2. Amendments. The Agreement is amended as follows:

2.1 Article I entitled "**Definitions**" is amended by deleting the definitions of "**Second Amendment Date**", "**Second Amendment Suspension Period**".

2.2 Article I entitled "**Definitions**" is amended by deleting the present definitions of the terms set forth below and replacing them in their entirety with the following definitions:

"**Applicable Margin**" - (i) Initially, until changed in accordance with the following provisions, the Applicable Margin shall be 2.750% for ABR Loans and 3.750% for SOFR Loans; (ii) the Agent shall determine the Applicable Margin in accordance with the following matrix, based on the Leverage Ratio:

| <u>Level</u> | <u>Leverage Ratio</u> | <u>SOFR Rate Option</u> | <u>ABR Option</u> |
|--------------|-------------------------------|-------------------------|--------------------|
| 1 | ≤ 1.5 to 1.0 | *1.500% / **2.500% | *0.500% / **1.500% |
| 2 | > 1.5 to 1.0 but ≤ 2.0 to 1.0 | *1.625% / **2.625% | *0.625% / **1.625% |
| 3 | > 2.0 to 1.0 but ≤ 3.0 to 1.0 | *1.750% / **2.750% | *0.750% / **1.750% |
| 4 | > 3.0 to 1.0 but ≤ 3.5 to 1.0 | *2.375% / **3.375% | *1.375% / **2.375% |
| 5 | > 3.5 to 1.0 but ≤ 4.0 to 1.0 | *3.000% / **4.000% | *2.000% / **3.000% |
| 6 | > 4.0 to 1.0 | *3.750% / **4.750% | *2.750% / **3.750% |

* Prior to delivery of 9/30/22 financial statements

** Upon the earlier of delivery of 9/30/22 financial statements or the date such statements are due

Changes in the Applicable Margin shall become effective three (3) Business Days immediately following the date of delivery by Borrower to the Agent of a financial statement and a Compliance Certificate required to be delivered pursuant to Sections 5.2(a) and (b) of this Agreement, and shall be based upon the Leverage Ratio in effect at the end of the financial period covered by such financial statement and Compliance Certificate. Notwithstanding the foregoing provisions, during any period when the Borrower has failed to deliver such financial statement and Compliance Certificate when due, the Applicable Margin shall be applied at Level 6 above as of the first Business Day after the date on which such financial statement and Compliance Certificate were required to be delivered, regardless of the Leverage Ratio at such time, until the date the required financial statement and Compliance Certificate have been delivered. Any changes in the Applicable Margin shall be determined by the Agent in accordance with the provisions set forth in this definition and the Agent will promptly provide notice of such determinations to the Borrower and the Lenders. Any such determination by the Agent shall be conclusive absent manifest error. For the avoidance of doubt, with respect to any days prior to the Third Amendment Effective Date, the calculation of interest for such days with respect to any Loans outstanding shall utilize the definition of Applicable Margin in effect prior the Third Amendment Effective Date.

“**Maximum Limit**” - The maximum aggregate amount which the Borrower can borrow from time to time under the Revolving Credit, which (a) on the Third Amendment Date is \$190,000,000, (b) effective September 12, 2022 is \$180,000,000 and (c) effective October 11, 2022 is \$170,000,000. The Commitments of the Lenders will be reduced pro rata on September 12, 2022 and October 11, 2022.

“**Revolving Credit Maturity Date**” - August 31, 2023, which may be shortened in accordance with Section 7.2 of this Agreement.

“**Suspension Period**” - The period from the First Amendment date through the Revolving Credit Maturity Date.

“**Threshold Amount**” - As of any date, the greater of \$25,000,000 or 10% of Borrower’s Consolidated Net Tangible Assets as of the last fiscal quarter of the Borrower most recently ended, for which financial statements are available or required to be delivered under Section 5.2 of this Agreement. For the avoidance of doubt for purposes of Sections 6.1(g) and 6.3(c), any subsequent change in the Threshold Amount occurring after any Indebtedness was incurred or Investment was made will not result in a violation of this Agreement so long as such Indebtedness or Investment was permitted when incurred, made or taken, provided that the term “Threshold Amount” as used in the definition of “Material Indebtedness”, Section 6.1 and 6.3(c) of the Agreement shall be \$5,000,000.

“**Total Revolving Credit Commitment**” - The sum of the Revolving Credit Commitments of the Lenders, as in effect from time to time which shall not exceed the Maximum Limit.

2.3 Article I entitled “**Definitions**” is further amended to add the following new definition in the appropriate alphabetical order:

“**Third Amendment Effective Date**” means August 9, 2022.

2.4 Section 6.4 of the Agreement, entitled “**Equity Interest Repurchases and Dividends**” is deleted in its entirety and replaced with the following:

“**6.4 Equity Interest Repurchases and Dividends.** Neither the Borrower nor any Subsidiary will, directly or indirectly make any repurchase or repurchases of Equity Interests in the Borrower or any Subsidiary or pay any dividend, except for:

- (a) the repurchase by a Subsidiary of Equity Interests owned by the Borrower or another Subsidiary; and
- (b) the payment of a dividend by a Subsidiary to the Borrower or to another Subsidiary.”

2.5 Section 6.13 of the Agreement entitled “**Maximum Leverage Ratio**” is deleted and replaced with the following:

“**6.13 Maximum Leverage Ratio.** The Borrower will not permit, as of the end of any fiscal quarter set forth below, the Leverage Ratio to exceed the ratio set forth below:

Quarter Ending: Ratio:

| | |
|------------------------------------|-----------|
| March 31, 2018 - December 31, 2019 | 3.75x |
| March 31, 2020 - June 30, 2021 | Suspended |
| September 30, 2021 | 6.00x |
| December 30, 2021 | 5.50x |
| March 31, 2022 | 4.75x |
| June 30, 2022 | 4.75x |
| September 30, 2022 | 4.25x |
| December 31, 2022 and thereafter | 3.75x |

2.6 Section 7.1 entitled “**Events of Default**” is amended to add the following new clause (m):

“(m) **Financial Disclosure.** The filing of any disclosure by Borrower, including without limitation, a disclosure on any Form 10-Q or Form 10-K filed by Borrower with the United States Security and Exchange Commission with respect to the Revolving Credit contains a “Going Concern” or functionally equivalent qualification.”

2.7 The following is added as a new Section 10.19:

“**Section 10.19. Acknowledgement Regarding Any Supported QFCs.** To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply

to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 10.19, the following terms have the following meanings: “BHC Act Affiliate” of a party means an

“affiliate” (as such term is defined under,

and interpreted in accordance with, 12 U.S.C. 1841(k) of such party.

“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

2.8 Schedules 2.1 is deleted and replaced in its entirety by new Schedule 2.1 attached hereto

3. Reaffirmations.

3.1 The Borrower hereby acknowledges and reaffirms the execution and delivery of its Second Amended and Restated General Security Agreement dated as of July 18, 2013 and as supplemented prior to the date hereof (collectively, the “Borrower Security Agreement”), and agrees that the Borrower Security Agreement shall continue in full force and effect and continue to secure the “Obligations” as defined therein, including all indebtedness to the Agent, the Lenders and the Issuing Bank arising under or in connection with the Agreement, as amended hereby, and any renewal, extension or modification thereof, and the documents executed in connection therewith. The Borrower further acknowledges and reaffirms the authorization of any financing statements filed against the Borrower in connection with the Borrower Security Agreement and acknowledges, reaffirms, ratifies and agrees that the filing of such financing statement or financing statements shall continue in full force and effect and continue to perfect the Agent’s security interest in any and all collateral described therein granted to the Agent, for the benefit of the Agent and the Lenders, by the Borrower under the Borrower Security Agreement or otherwise.

3.2 Each of the Guarantors hereby acknowledges and reaffirms the execution and delivery of its respective Guaranty (collectively, the “Guaranty”) and its respective Security Agreement (collectively, the “Guarantor Security Agreement”), and agrees that such Guaranty and the Guarantor Security Agreement shall continue in full force and effect and continue to guarantee or secure, as applicable, all “Obligations” as defined therein, including all indebtedness of the Borrower to the Agent, the Lenders and the Issuing Bank arising under or in connection with the Agreement, as amended hereby, and any renewal, extension or modification thereof, and the documents executed in connection therewith. Each

Guarantor further acknowledges and reaffirms the authorization of any financing statements filed against such Guarantor in connection with the Guarantor Security Agreement and acknowledges, reaffirms, ratifies and agrees that the filing of such financing statement or financing statements shall continue in full force and effect and continue to perfect the Agent's security interest in any and all collateral described therein granted to the Agent by such Guarantor under the General Security Agreement or otherwise.

4. Reference to and Effect on Loan Documents.

(a) Upon the effectiveness hereof, each reference in the Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import, and each reference in the Loan Documents to the Agreement shall mean and be a reference to the Agreement as amended by this Amendment.

(b) The Agreement, as amended by this Amendment, represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof. This Amendment supersedes all prior negotiations and any course of dealing between the parties with respect to the subject matter hereof. This Amendment shall be binding upon each Borrower and its successors and assigns, and shall inure to the benefit of, and be enforceable by, the Agent, the Lenders and each of their successors and assigns. The Agreement, as amended hereby, is in full force and effect and, as so amended, is hereby ratified and reaffirmed in its entirety. Each Borrower acknowledges and agrees that the Agreement (as amended by this Amendment) and all other Loan Documents to which such Borrower is a party are in full force and effect, that such Borrower's obligations thereunder and under this Amendment are its legal, valid and binding obligations, enforceable against it in accordance with the terms thereof and hereof, and that such Borrower has no defense, whether legal or equitable, setoff or counterclaim to the payment and performance of such obligations.

(c) Except as expressly and specifically set forth herein, the terms, provisions and conditions of the Agreement shall remain in full force and effect and unchanged by the terms of this Amendment. Except as specifically set forth in this Amendment, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agent or the Lenders under the Agreement, nor constitute a waiver of any provision of the Agreement.

5. Other.

5.1 This Amendment may be executed in any number of counterparts, and by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same agreement. This Amendment, to the extent signed and delivered by means of a facsimile machine or e-mail scanned image, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or e-mail scanned image to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or by e-mail as a defense to the formation of a contract and each party forever waives such defense.

5.2 This Amendment shall be governed by and construed under the internal laws of the State of New York, as the same may be in effect from time to time, without regard to principles of conflicts of law.

5.3 Borrower shall take such other and further acts, and deliver to the Agent and the Lenders such other and further documents and agreements, as the Agent shall reasonably request in connection with the transactions contemplated hereby.

5.4 The Borrower agrees to pay on demand by Agent all expenses of Agent, including without limitation, fees and disbursements of counsel for Agent, in connection with the transactions contemplated by this Amendment, the negotiations for and preparation of this Amendment and any other documents related hereto, and the enforcement of the rights of Agent's and Lenders under the Loan Agreement as amended by this Amendment.

5.5 To induce Lenders to enter into this Amendment, Borrower and Guarantors each waives and releases and forever discharges Agent and each Lender and their respective officers, directors, attorneys, agents and employees from any defenses, liability, damage, claim, loss or expense of any kind that any of them may have against Agent and each Lender arising out of or relating to the Loan Documents. Borrower and Guarantors, jointly and severally, further agree to indemnify and hold Agent and each Lender and their respective officers, directors, attorneys, agents and employees harmless from any loss, damage, judgment, liability or expense (including attorneys' fees) suffered by or rendered against Agent or any Lender on account of any claims arising out of or relating to the Loan Documents. Borrower and Guarantors each further state that it has carefully read the foregoing release and indemnity, knows the contents thereof and grants the same as its own free act and deed.

[Signature Page Follows]

The parties hereto have caused this Amendment to be duly executed as of the date shown at the beginning of this Amendment.

ASTRONICS CORPORATION

By: /s/ David C. Burney
David C. Burney
Vice President - Finance

Consented to, and Agreed, as of the date of this Amendment by the following Guarantors:

**ASTRONICS ADVANCED ELECTRONIC
SYSTEMS CORP.
ASTRONICS CONNECTIVITY SYSTEMS &
CERTIFICATION CORP.
ASTRONICS CUSTOM CONTROL CONCEPTS INC.
ARMSTRONG AEROSPACE, INC.
LUMINESCENT SYSTEMS, INC.
ASTRONICS DME LLC
ASTRONICS AEROSAT CORPORATION
PECO, INC.
ASTRONICS TEST SYSTEMS INC.**

By: /s/ David C. Burney
David C. Burney, Treasurer

**HSBC BANK USA, NATIONAL ASSOCIATION
as Agent**

By: /s/ Ershad Sattar
Name: Ershad Sattar
Title: Vice President

**HSBC BANK USA, NATIONAL ASSOCIATION
as a Lender, Swingline Lender and Issuing Bank**

By: /s/ Shaun R. Kleinman
Name: Shaun R. Kleinman
Title: Senior Vice President

BANK OF AMERICA, N.A., as a Lender

By: /s/ Kelly Werbecki

Name: Kelly Werbecki

Title: Senior Vice President

MANUFACTURERS AND TRADERS TRUST COMPANY, as a Lender

By: /s/Deborah Urtz-Gleeson
Name: Deborah Urtz-Gleeson
Title: Senior Vice President

TRUIST BANK, as a Lender
By: /s/ Juan De Jesus-Caballero
Name: Juan De Jesus-Caballero
Title: Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Nancy Kallianas

Name: Nancy Kallianas

Title: SVP



NEWS RELEASE

Astronics Corporation • 130 Commerce Way • East Aurora, NY • 14052-2164

For more information, contact:

Company:

David C. Burney, Chief Financial Officer

Phone: (716) 805-1599, ext. 159

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Investor Relations:

Deborah K. Pawlowski, Kei Advisors LLC

Phone: (716) 843-3908

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FOR IMMEDIATE RELEASE

Astronics Corporation Reports Second Quarter 2022 Financial Results

- **Sales for the quarter were \$129.1 million, up 16% over prior-year period**
- **Operating loss was \$8.4 million without benefit of AMJP grant and earnouts**
- **Bookings totaled \$148.4 million, up 17% over prior-year period; Achieved book-to-bill ratio of 1.15**
- **Backlog increased 19% from year end 2021 to a record \$494.4 million; Aerospace backlog reached a record \$410.8 million**

EAST AURORA, NY, August 10, 2022 – Astronics Corporation (Nasdaq: ATRO) (“Astronics” or the “Company”), a leading supplier of advanced technologies and products to the global aerospace, defense and other mission critical industries, today reported financial results for the three and six months ended July 2, 2022.

Peter J. Gundermann, Chairman, President and Chief Executive Officer, commented, “Our second quarter sales of \$129 million were our highest since the pandemic took hold in the first quarter of 2020, significantly exceeding the average revenue of \$114 million in our previous four quarters. Demand stayed strong through the quarter, with consolidated bookings of \$148 million. Our cumulative bookings for the last four quarters were \$655 million, easily exceeding shipments during that same period of \$473 million. These orders have resulted in another record backlog at the end of the second quarter and is expected to drive a significant sales ramp in the second half of 2022.”

He added, “Margins were under pressure in the second quarter, in part because we did not receive any AMJP nor earnout benefits like we have in recent quarters, but also because of inflation and supply chain challenges that are common these days. We are passing these costs on as we can, but our ability to respond in the short term is limited. Encouragingly, we have some evidence that our supply chain is beginning to loosen up, although risks remain.”

-MORE-

Second Quarter Results

| (\$ in thousands) | Three Months Ended | | | Six Months Ended | | |
|-------------------------------------|--------------------|--------------|----------|------------------|--------------|----------|
| | July 2, 2022 | July 3, 2021 | % Change | July 2, 2022 | July 3, 2021 | % Change |
| Sales | \$ 129,127 | \$ 111,158 | 16.2 % | \$ 245,303 | \$ 217,015 | 13.0 % |
| Loss from Operations | \$ (8,396) | \$ (5,920) | (41.8)% | \$ (12,563) | \$ (15,432) | 18.6 % |
| <i>Operating Margin %</i> | (6.5)% | (5.3)% | | (5.1)% | (7.1)% | |
| Net Gain on Sale of Business | \$ — | \$ — | | \$ (11,284) | \$ — | |
| Net Loss | \$ (11,010) | \$ (8,099) | (35.9)% | \$ (14,111) | \$ (20,008) | 29.5 % |
| <i>Net Loss %</i> | (8.5)% | (7.3)% | | (5.8)% | (9.2)% | |
| *Adjusted EBITDA | \$ 1,209 | \$ 363 | 233.1 % | \$ 856 | \$ (133) | 743.6 % |
| <i>*Adjusted EBITDA Margin %</i> | 0.9 % | 0.3 % | | 0.3 % | (0.1)% | |

*Adjusted EBITDA is a Non-GAAP Performance Measure. Please see the attached table for a reconciliation of adjusted EBITDA to GAAP net income

Second Quarter 2022 Results (compared with the prior-year period, unless noted otherwise)

Consolidated sales were up \$18.0 million from the second quarter of 2021. Aerospace sales were up \$20.1 million, or 22.5%, while Test System sales decreased \$2.1 million.

Consolidated operating loss was \$8.4 million, compared with operating loss of \$5.9 million in the prior-year period. The prior year period benefited by a \$2.2 million non-cash reduction of the fair value of a contingent consideration liability related to the 2019 acquisition of Diagnosys Test Systems that offset SG&A expenses. Compared with the first quarter of 2022, operating loss increased as a result of not having the benefit of the \$6.0 million Aviation Manufacturing Jobs Protection Program grant combined with the impact of material and labor inflation, addressing supply chain constraints to meet customer requirements, the lag in price increases implemented where possible to offset higher costs and product mix.

Tax expense in the quarter was \$0.6 million primarily due to the impact of the required capitalization of research and development costs for tax purposes.

Consolidated net loss was \$11.0 million, or \$0.34 per diluted share, compared with net loss of \$8.1 million, or \$0.26 per diluted share, in the prior year.

Consolidated adjusted EBITDA improved to \$1.2 million, or 0.9% of consolidated sales, compared with adjusted EBITDA of \$0.4 million, or 0.3% of consolidated sales, in the prior-year period.

Bookings were \$148.4 million in the quarter resulting in a book-to-bill ratio of 1.15:1. Backlog at the end of the quarter reached another record of \$494.4 million for the third consecutive quarter. Approximately \$278.0 million, or 56%, of backlog is expected to ship in the remainder of 2022.

Aerospace Segment Review (refer to sales by market and segment data in accompanying tables)

Aerospace Second Quarter 2022 Results (compared with the prior-year period, unless noted otherwise)

Aerospace segment sales increased \$20.1 million, or 22.5%, to \$109.3 million. Commercial aerospace sales increased 44.9%, or \$21.5 million, and drove the improvement. Sales to this market were \$69.2 million compared with \$47.8 million in the second quarter of 2021. Improving

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domestic airline travel that is driving higher fleet utilization and increased narrowbody production rates, including the 737 MAX, resulted in higher demand for Astronics' products.

General Aviation sales increased \$3.1 million, or 20.9%, to a near record \$18.1 million due in part to higher demand in the business jet market for antenna products. The Company expects the strong end user demand in the business jet industry to drive higher OEM production rates in the near future, resulting in higher demand for its products.

Military Aircraft sales decreased \$2.9 million, or 17.3%, to \$13.9 million. The prior-year period benefited from incremental non-recurring engineering revenue associated with development programs and higher sales of avionics products.

Aerospace segment operating loss was \$3.3 million compared with operating loss of \$2.7 million for the same period last year. Higher operating losses were driven by inflationary impacts on input costs and inefficiencies associated with production execution due to supply chain constraints that restricted shipment volume.

Aerospace bookings in the second quarter of 2022 were \$126.0 million for a book-to-bill ratio of 1.15:1. Bookings were down 22% sequentially, but up 7% over the comparator quarter of 2021, continuing the strong trend of improvement since the pandemic took hold. Backlog for the Aerospace segment was a record \$410.8 million at the end of the second quarter of 2022.

Mr. Gundermann commented, "During the quarter, we announced some significant program wins. These included the award by Southwest Airlines to provide in-seat power systems, selection by Safran to provide satellite communication hardware for Airbus aircraft and being named the designer and developer of the electrical power distribution system for the Lilium eVTOL aircraft, our first announced eVTOL program. While these wins did not contribute meaningfully to bookings in the quarter, we expect they will be major drivers for our business going forward."

Test Systems Segment Review *(refer to sales by market and segment data in accompanying tables)*

Test Systems Second Quarter 2022 Results (compared with the prior-year period, unless noted otherwise)

Test Systems segment sales were \$19.8 million, down \$2.1 million compared with the prior-year period driven by lower defense revenue.

Test Systems was nearly break-even compared with operating loss of \$0.9 million, or (4.3)% of sales, in the second quarter of 2021. Continued lower volume has driven operating losses in the second quarters of 2022 and 2021.

Bookings for the Test Systems segment in the quarter were \$22.4 million, for a book-to-bill ratio of 1.13:1 for the quarter. Backlog was \$83.6 million at the end of the second quarter of 2022.

Mr. Gundermann noted, "Our Test business has been pursuing some significant awards which have been delayed to the second half of the year. Our go-forward plan assumes that these awards will be made in the near future, supporting our plans for 2023 and beyond."

Liquidity and Financing

Cash on hand at the end of the quarter was \$10.7 million and capital expenditures in the quarter were \$1.3 million. Net debt was down to \$125.3 million, compared with \$133.2 million at the end of 2021.

On August 9, 2022, the Company entered into an amended and extended revolving credit facility with its bank group. The purpose of the amendment was to extend the scheduled expiration of the

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agreement from May 30, 2023 to August 31, 2023, giving the Company more time to complete the refinancing of its revolving credit facility, which it expects to have complete in the coming months. The Company was in compliance with its financial covenants as of July 2, 2022.

Dave Burney, Chief Financial Officer, commented, "We have made steady progress towards refinancing our existing lending facility, and we expect the process will be completed in the coming weeks. The extension gives us time to finalize an appropriate agreement in collaboration with our bank group."

2022 Outlook

Mr. Gundermann commented, "We are revising our expected 2022 revenue to be in the range of \$550 million to \$580 million, which incorporates a reduction at the high end of the range from previous guidance. The midpoint of this range would mean growth for the year of 27% over 2021 and implies average quarterly revenue of \$160 million in the second half, a significant step up from recent levels. This ramp is expected to be weighted more toward the fourth quarter, however, and while we continue to be challenged by ongoing supply chain challenges, we believe today that this expansion in revenue is necessary and achievable. Higher volume will help satisfy customer demand, along with improved profitability and momentum as we close out 2022."

Planned capital expenditures for 2022 are expected to be approximately \$9 million to \$10 million.

Second Quarter 2022 Webcast and Conference Call

The Company will host a teleconference today at 11:00 a.m. ET. During the teleconference, management will review the financial and operating results for the period and discuss Astronics' corporate strategy and outlook. A question-and-answer session will follow.

The Astronics conference call can be accessed by calling 201.493.6784. The listen-only audio webcast can be monitored at investors.astronics.com. To listen to the archived call, dial 412.317.6671 and enter replay pin number 13731543. The telephonic replay will be available from 2:00 p.m. on the day of the call through Wednesday, August 17, 2022. A transcript of the call will also be posted to the Company's Web site once available.

About Astronics Corporation

Astronics Corporation (Nasdaq: ATRO) serves the world's aerospace, defense, and other mission critical industries with proven, innovative technology solutions. Astronics works side-by-side with customers, integrating its array of power, connectivity, lighting, structures, interiors, and test technologies to solve complex challenges. For over 50 years, Astronics has delivered creative, customer-focused solutions with exceptional responsiveness. Today, global airframe manufacturers, airlines, military branches, completion centers, and Fortune 500 companies rely on the collaborative spirit and innovation of Astronics. The Company's strategy is to increase its value by developing technologies and capabilities that provide innovative solutions to its targeted markets.

Safe Harbor Statement

This news release contains forward-looking statements as defined by the Securities Exchange Act of 1934. One can identify these forward-looking statements by the use of the words "expect," "anticipate," "plan," "may," "will," "estimate" or other similar expressions and include all statements with regard to the impact of COVID-19 on the Company and its future, reaching any revenue or Adjusted EBITDA margin expectations, being in compliance with credit agreement covenants and executing a revised credit agreement, expected revenue from recently announced programs, the recovery of the commercial aerospace and test systems markets, expected program awards for the Test segment, and the outcome of demand streams or expectations of demand by customers and markets. Because such statements apply to future events, they are subject to risks and

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uncertainties that could cause actual results to differ materially from those contemplated by the statements. Important factors that could cause actual results to differ materially from what may be stated here include the continued global impact of COVID-19 and related governmental and other actions taken in response, trend in growth with passenger power and connectivity on airplanes, the state of the aerospace and defense industries, the market acceptance of newly developed products, internal production capabilities, the timing of orders received, the status of customer certification processes and delivery schedules, the demand for and market acceptance of new or existing aircraft which contain the Company's products, the need for new and advanced test and simulation equipment, customer preferences and relationships, and other factors which are described in filings by Astronics with the Securities and Exchange Commission. The Company assumes no obligation to update forward-looking information in this news release whether to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial conditions or prospects, or otherwise.

FINANCIAL TABLES FOLLOW

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ASTRONICS CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS DATA
(Unaudited, \$ in thousands except per share data)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|-------------------|--------------------|--------------------|
| | 7/2/2022 | 7/3/2021 | 7/2/2022 | 7/3/2021 |
| Sales | \$ 129,127 | \$ 111,158 | \$ 245,303 | \$ 217,015 |
| Cost of products sold | 113,418 | 95,763 | 209,661 | 187,347 |
| Gross profit | 15,709 | 15,395 | 35,642 | 29,668 |
| Gross margin | 12.2 % | 13.8 % | 14.5 % | 13.7 % |
| Selling, general and administrative ¹ | 24,105 | 21,315 | 48,205 | 45,100 |
| SG&A % of sales | 18.7 % | 19.2 % | 19.7 % | 20.8 % |
| Loss from operations | (8,396) | (5,920) | (12,563) | (15,432) |
| Operating margin | (6.5)% | (5.3)% | (5.1)% | (7.1)% |
| Net gain on sale of business | — | — | (11,284) | — |
| Other expense, net of other income | 291 | 547 | 753 | 1,081 |
| Interest expense, net | 1,662 | 1,699 | 3,293 | 3,457 |
| Loss before tax | (10,349) | (8,166) | (5,325) | (19,970) |
| Income tax expense (benefit) | 661 | (67) | 8,786 | 38 |
| Net loss | \$ (11,010) | \$ (8,099) | \$ (14,111) | \$ (20,008) |
| Net loss % of sales | (8.5)% | (7.3)% | (5.8)% | (9.2)% |
| | | | | |
| *Basic loss per share: | \$ (0.34) | \$ (0.26) | \$ (0.44) | \$ (0.65) |
| *Diluted loss per share: | \$ (0.34) | \$ (0.26) | \$ (0.44) | \$ (0.65) |
| | | | | |
| *Weighted average diluted shares outstanding (in thousands) | 32,082 | 30,926 | 32,007 | 30,914 |
| | | | | |
| Capital expenditures | \$ 1,333 | \$ 1,661 | \$ 2,493 | \$ 3,566 |
| Depreciation and amortization | \$ 7,000 | \$ 7,426 | \$ 14,088 | \$ 14,879 |

¹ Includes fair value adjustment of contingent consideration liabilities, which was a \$2.2 million benefit in the three and six months ended July 3, 2021.

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ASTRONICS CORPORATION

SEGMENT DATA

(Unaudited, \$ in thousands)

| | Three Months Ended | | Six Months Ended | |
|--|---------------------------|-------------------|-------------------------|--------------------|
| | 7/2/2022 | 7/3/2021 | 7/2/2022 | 7/3/2021 |
| Sales | | | | |
| Aerospace | \$ 109,300 | \$ 89,220 | \$ 210,694 | \$ 170,650 |
| Less inter-segment | (10) | — | (10) | (14) |
| Total Aerospace | 109,290 | 89,220 | 210,684 | 170,636 |
| Test Systems | 19,840 | 21,938 | 34,638 | 46,683 |
| Less inter-segment | (3) | — | (19) | (304) |
| Total Test Systems | 19,837 | 21,938 | 34,619 | 46,379 |
| Total consolidated sales | 129,127 | 111,158 | 245,303 | 217,015 |
| Segment operating (loss) profit and margins | | | | |
| Aerospace | (3,276) | (2,706) | (226) | (8,269) |
| | (3.0)% | (3.0)% | (0.1)% | (4.8)% |
| Test Systems | (26) | (946) | (1,813) | 243 |
| | (0.1)% | (4.3)% | (5.2)% | 0.5% |
| Total segment operating loss | (3,302) | (3,652) | (2,039) | (8,026) |
| Net gain on sale of business | — | — | (11,284) | — |
| Interest expense | 1,662 | 1,699 | 3,293 | 3,457 |
| Corporate expenses and other ¹ | 5,385 | 2,815 | 11,277 | 8,487 |
| Loss before taxes | \$ (10,349) | \$ (8,166) | \$ (5,325) | \$ (19,970) |

¹ Includes fair value adjustment of contingent consideration liabilities, which was a \$2.2 million benefit in the three and six months ended July 3, 2021.

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Reconciliation to Non-GAAP Performance Measures

In addition to reporting net income, a U.S. generally accepted accounting principle ("GAAP") measure, we present Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, non-cash equity-based compensation expense, goodwill, intangible and long-lived asset impairment charges, equity investment income or loss, legal reserves, settlements and recoveries, restructuring charges, gains or losses associated with the sale of businesses and grant benefits recorded related to the AMJP program), which is a non-GAAP measure. The Company's management believes Adjusted EBITDA is an important measure of operating performance because it allows management, investors and others to evaluate and compare the performance of its core operations from period to period by removing the impact of the capital structure (interest), tangible and intangible asset base (depreciation and amortization), taxes, equity-based compensation expense, goodwill, intangible and long-lived asset impairment charges, equity investment income or loss, legal reserves, settlements and recoveries, restructuring charges, fair value adjustments to the valuation of contingent consideration liabilities, gains or losses associated with the sale of businesses and grant benefits recorded related to the AMJP program, which is not commensurate with the core activities of the reporting period in which it is included. As such, the Company uses Adjusted EBITDA as a measure of performance when evaluating its business and as a basis for planning and forecasting. Adjusted EBITDA is not a measure of financial performance under GAAP and is not calculated through the application of GAAP. As such, it should not be considered as a substitute for the GAAP measure of net income and, therefore, should not be used in isolation of, but in conjunction with, the GAAP measure. Adjusted EBITDA, as presented, may produce results that vary from the GAAP measure and may not be comparable to a similarly defined non-GAAP measure used by other companies.

ASTRONICS CORPORATION RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA

(Unaudited, \$ in thousands)

| | <u>Consolidated</u> | | | |
|--|---------------------------|-----------------|-------------------------|-----------------|
| | <u>Three Months Ended</u> | | <u>Six Months Ended</u> | |
| | <u>7/2/2022</u> | <u>7/3/2021</u> | <u>7/2/2022</u> | <u>7/3/2021</u> |
| Net loss | \$ (11,010) | \$ (8,099) | \$ (14,111) | \$ (20,008) |
| Add back (deduct): | | | | |
| Interest expense | 1,662 | 1,699 | 3,293 | 3,457 |
| Income tax expense (benefit) | 661 | (67) | 8,786 | 38 |
| Depreciation and amortization expense | 7,000 | 7,426 | 14,088 | 14,879 |
| Equity-based compensation expense | 1,620 | 1,604 | 3,721 | 3,701 |
| Contingent consideration liability fair value adjustment | — | (2,200) | — | (2,200) |
| Restructuring-related charges including severance | 90 | — | 174 | — |
| Non-cash accrued 401K contribution | 1,186 | — | 2,197 | — |
| AMJP grant benefit | — | — | (6,008) | — |
| Net gain on sale of business | — | — | (11,284) | — |
| Adjusted EBITDA | <u>\$ 1,209</u> | <u>\$ 363</u> | <u>\$ 856</u> | <u>\$ (133)</u> |
| Sales | \$ 129,127 | \$ 111,158 | \$ 245,303 | \$ 217,015 |
| Adjusted EBITDA margin | 0.9 % | 0.3 % | 0.3 % | (0.1)% |

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ASTRONICS CORPORATION
CONSOLIDATED BALANCE SHEET DATA

(\$ in thousands)

| | (unaudited) 7/2/2022 | 12/31/2021 |
|---|-------------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 10,684 | \$ 29,757 |
| Accounts receivable and uncompleted contracts | 118,342 | 107,439 |
| Inventories | 175,204 | 157,576 |
| Other current assets | 20,126 | 45,089 |
| Property, plant and equipment, net | 90,837 | 95,236 |
| Other long-term assets | 22,198 | 21,439 |
| Intangible assets, net | 86,638 | 94,320 |
| Goodwill | 58,252 | 58,282 |
| Total assets | \$ 582,281 | \$ 609,138 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current maturities of long-term debt | \$ — | \$ — |
| Accounts payable and accrued expenses | 98,176 | 91,257 |
| Customer advances and deferred revenue | 26,790 | 27,356 |
| Long-term debt | 136,000 | 163,000 |
| Other liabilities | 70,639 | 70,921 |
| Shareholders' equity | 250,676 | 256,604 |
| Total liabilities and shareholders' equity | \$ 582,281 | \$ 609,138 |

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ASTRONICS CORPORATION
CONSOLIDATED CASH FLOWS DATA
(Unaudited, \$ in thousands)

| <i>(Unaudited, \$ in thousands)</i> | Six Months Ended | |
|--|-------------------------|-----------------|
| | 7/2/2022 | 7/3/2021 |
| Cash flows from operating activities: | | |
| Net loss | \$ (14,111) | \$ (20,008) |
| Adjustments to reconcile net loss to cash from operating activities: | | |
| Depreciation and amortization | 14,088 | 14,879 |
| Provisions for non-cash losses on inventory and receivables | 677 | 2,145 |
| Equity-based compensation expense | 3,721 | 3,701 |
| Non-cash accrued 401(k) contribution | 2,197 | — |
| Deferred tax benefit | — | (153) |
| Operating lease non-cash expense | 2,928 | 2,343 |
| Net gain on sale of business, before taxes | (11,284) | — |
| Contingent consideration liability fair value adjustment | — | (2,200) |
| Other | 1,320 | 2,105 |
| Cash flows from changes in operating assets and liabilities: | | |
| Accounts receivable | (11,449) | (5,281) |
| Inventories | (19,293) | 720 |
| Accounts payable | 11,660 | 4,210 |
| Accrued expenses | (458) | (946) |
| Other current assets and liabilities | (3,030) | (70) |
| Customer advance payments and deferred revenue | (389) | (927) |
| Income taxes | 16,909 | (51) |
| Operating lease liabilities | (3,601) | (2,606) |
| Supplemental retirement plan and other liabilities | (215) | (199) |
| Cash flows from operating activities | (10,330) | (2,338) |
| Cash flows from investing activities: | | |
| Proceeds on sale of business and assets | 21,977 | — |
| Capital expenditures | (2,493) | (3,566) |
| Cash flows from investing activities | 19,484 | (3,566) |
| Cash flows from financing activities: | | |
| Proceeds from long-term debt | 52,625 | 5,000 |
| Principal payments on long-term debt | (79,625) | (5,000) |
| Stock award activity | 104 | (59) |
| Finance lease principal payments | (55) | (854) |
| Debt acquisition costs | (771) | — |
| Cash flows from financing activities | (27,722) | (913) |
| Effect of exchange rates on cash | (505) | (8) |
| Decrease in cash and cash equivalents | (19,073) | (6,825) |
| Cash and cash equivalents at beginning of period | 29,757 | 40,412 |
| Cash and cash equivalents at end of period | \$ 10,684 | \$ 33,587 |

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ASTRONICS CORPORATION
SALES BY MARKET
(Unaudited, \$ in thousands)

| | <u>Three Months Ended</u> | | | <u>Six Months Ended</u> | | | <u>% of Sales</u> |
|-----------------------------|---------------------------|-------------------|-----------------|-------------------------|-------------------|-----------------|-------------------|
| | <u>7/2/2022</u> | <u>7/3/2021</u> | <u>% Change</u> | <u>7/2/2022</u> | <u>7/3/2021</u> | <u>% Change</u> | |
| Aerospace Segment | | | | | | | |
| Commercial Transport | \$ 69,243 | \$ 47,793 | 44.9 % | \$ 133,332 | \$ 86,001 | 55.0 % | 54.3 % |
| Military | 13,897 | 16,801 | (17.3)% | 28,873 | 37,783 | (23.6)% | 11.8 % |
| General Aviation | 18,130 | 14,994 | 20.9 % | 33,997 | 29,022 | 17.1 % | 13.9 % |
| Other | 8,020 | 9,632 | (16.7)% | 14,482 | 17,830 | (18.8)% | 5.9 % |
| Aerospace Total | <u>109,290</u> | <u>89,220</u> | <u>22.5 %</u> | <u>210,684</u> | <u>170,636</u> | <u>23.5 %</u> | <u>85.9 %</u> |
| Test Systems Segment | <u>19,837</u> | <u>21,938</u> | <u>(9.6)%</u> | <u>34,619</u> | <u>46,379</u> | <u>(25.4)%</u> | <u>14.1 %</u> |
| Total Sales | <u>\$ 129,127</u> | <u>\$ 111,158</u> | <u>16.2 %</u> | <u>\$ 245,303</u> | <u>\$ 217,015</u> | <u>13.0 %</u> | |

SALES BY PRODUCT LINE
(Unaudited, \$ in thousands)

| | <u>Three Months Ended</u> | | | <u>Six Months Ended</u> | | | <u>% of Sales</u> |
|-----------------------------|---------------------------|-------------------|-----------------|-------------------------|-------------------|-----------------|-------------------|
| | <u>7/2/2022</u> | <u>7/3/2021</u> | <u>% Change</u> | <u>7/2/2022</u> | <u>7/3/2021</u> | <u>% Change</u> | |
| Aerospace Segment | | | | | | | |
| Electrical Power & Motion | \$ 42,135 | \$ 34,748 | 21.3 % | \$ 86,602 | \$ 64,092 | 35.1 % | 35.4 % |
| Lighting & Safety | 31,388 | 24,368 | 28.8 % | 60,599 | 51,468 | 17.7 % | 24.7 % |
| Avionics | 24,406 | 18,021 | 35.4 % | 43,281 | 32,864 | 31.7 % | 17.6 % |
| Systems Certification | 1,669 | 960 | 73.9 % | 2,671 | 1,838 | 45.3 % | 1.1 % |
| Structures | 1,672 | 1,491 | 12.1 % | 3,049 | 2,544 | 19.9 % | 1.2 % |
| Other | 8,020 | 9,632 | (16.7)% | 14,482 | 17,830 | (18.8)% | 5.9 % |
| Aerospace Total | <u>109,290</u> | <u>89,220</u> | <u>22.5 %</u> | <u>210,684</u> | <u>170,636</u> | <u>23.5 %</u> | <u>85.9 %</u> |
| Test Systems Segment | <u>19,837</u> | <u>21,938</u> | <u>(9.6)%</u> | <u>34,619</u> | <u>46,379</u> | <u>(25.4)%</u> | <u>14.1 %</u> |
| Total Sales | <u>\$ 129,127</u> | <u>\$ 111,158</u> | <u>16.2 %</u> | <u>\$ 245,303</u> | <u>\$ 217,015</u> | <u>13.0 %</u> | |

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ASTRONICS CORPORATION
ORDER AND BACKLOG TREND
(Unaudited, \$ in thousands)

| | Q3 2021 10/2/2021 | Q4 2021 12/31/2021 | Q1 2022 4/2/2022 | Q2 2022 7/2/2022 | Trailing Twelve Months 7/2/2022 |
|------------------------|----------------------|-----------------------|---------------------|---------------------|---------------------------------------|
| Sales | | | | | |
| Aerospace | \$ 95,766 | \$ 98,836 | \$ 101,394 | \$ 109,290 | 405,286 |
| Test Systems | 16,075 | 17,216 | 14,782 | 19,837 | 67,910 |
| Total Sales | \$ 111,841 | \$ 116,052 | \$ 116,176 | \$ 129,127 | 473,196 |
| Bookings | | | | | |
| Aerospace | \$ 142,484 | \$ 147,689 | \$ 160,778 | \$ 126,012 | 576,963 |
| Test Systems | 11,052 | 29,651 | 14,844 | 22,377 | 77,924 |
| Total Bookings | \$ 153,536 | \$ 177,340 | \$ 175,622 | \$ 148,389 | 654,887 |
| Backlog | | | | | |
| Aerospace | \$ 285,806 | \$ 334,659 | \$ 394,043 | \$ 410,765 | |
| Test Systems | 68,598 | 81,033 | 81,095 | 83,635 | |
| Total Backlog | \$ 354,404 | \$ 415,692 | \$ 475,138 | \$ 494,400 | N/A |
| Book:Bill Ratio | | | | | |
| Aerospace | 1.49 | 1.49 | 1.59 | 1.15 | 1.42 |
| Test Systems | 0.69 | 1.72 | 1.00 | 1.13 | 1.15 |
| Total Book:Bill | 1.37 | 1.53 | 1.51 | 1.15 | 1.38 |

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