Ducommun

Investor Presentation

August 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.

Company Snapshot

Manufacturer of complex electronics and structural systems for commercial aircraft, military and space programs, and industrial applications

Strategically positioned on key platforms: Boeing 737, 787 & 777 and Airbus A320, A330 & A350

Commercial aerospace backlog and build rates are at record levels

Defense spending has stabilized in strategic areas, including missiles

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Investment Highlights

Defendable Niche

- Unique, sought-after range of capabilities
- Established relationships with blue-chip industry leaders
- Strategically positioned on key commercial aerospace and defense platforms

Improving Financials

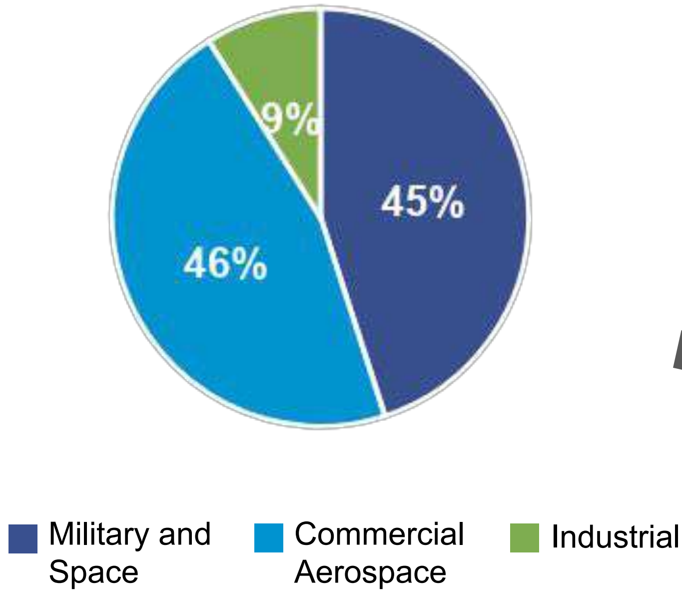
- Strong cash flow to reduce debt and fund long-term growth
- Focused on driving profitable top-line growth
- Asset optimization, process improvements and supply chain initiative to drive improved margins

Sharpened Business Strategy

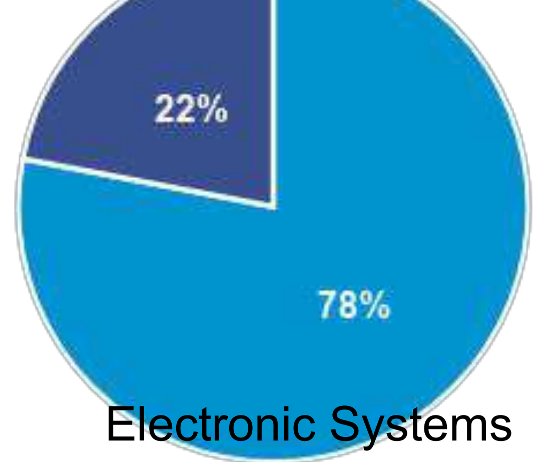
- Transforming into a higher margin innovative solutions provider
- Organizational and cultural changes underway
- Investment in inorganic growth and strategic acquisitions
- Relentless effort to drive companywide operational excellence

Two Business Segments – Revenues

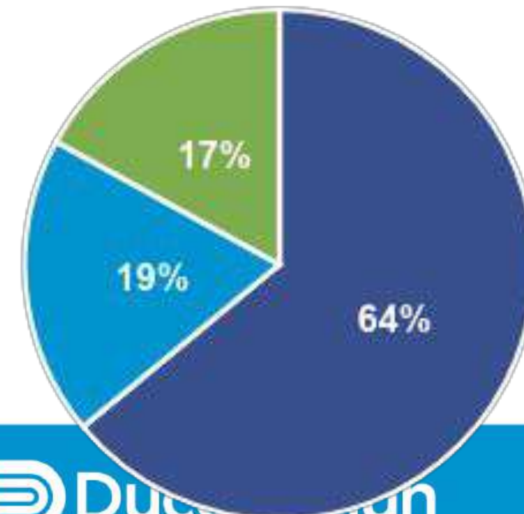
LTM Q2 2018 Revenues
$586.2 million



Structural Systems
(45% of LTM Q2 2018 Revenues)

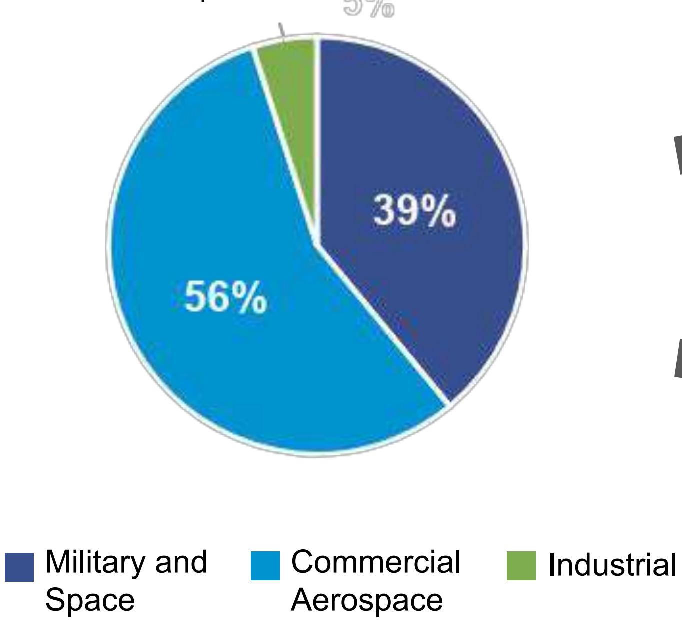


Electronic Systems
(55% of LTM Q2 2018 Revenues)

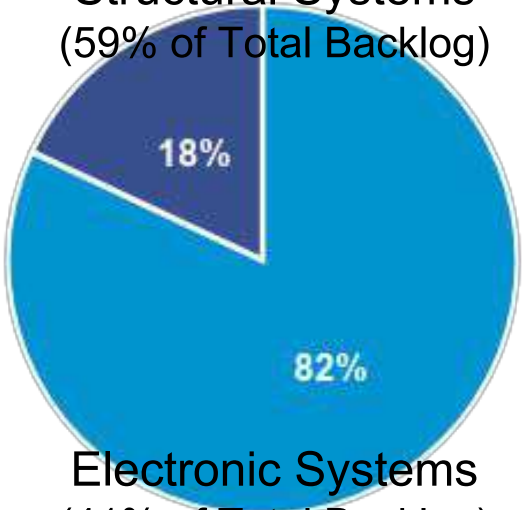


Backlog Supports Focus on Aerospace and Defense Strategy

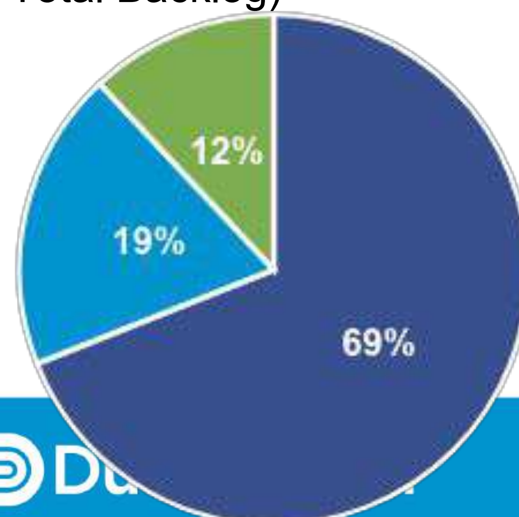
Total Backlog at June 30, 2018
$823.0 million



Structural Systems
(59% of Total Backlog)



Electronic Systems
(41% of Total Backlog)



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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

- RF and HMI products
- Lightning Diversion Systems

- Low-to-medium volume
- High mix
- High rate of change

- Box-level electronic, electro-mechanical and mechanical assembly

- Cables and wiring harnesses
- High-temperature, pressure, flexibility, and frequency

Carson, CA
Huntington Beach, CA
Saraburi, Thailand
Tulsa, OK
Appleton, WI
Huntsville, AR
Phoenix, AZ
Joplin, MO
Berryville, AR

Structural Systems

- Composite materials
- Spoilers, winglets, tail cones, rotor blades

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

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

- Certified Thermoplastics (plastic extrusion products)

Monrovia, CA
Guaymas, Mexico
Coxsackie, NY
Parsons, KS
El Mirage, CA
Gardena, CA
Orange, CA
Santa Clarita, CA

Expansive Footprint on Commercial and 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)

Trends helping to drive significant long-term growth opportunities in aerospace segment:

- OEM/Tier 1 outsourcing and supplier consolidation
- Expansion of titanium capabilities and content
- Strategically positioned on key platforms
- Increased build rates on Boeing 737 and Airbus A320

Expansive Footprint on Commercial and Military Rotary Aircraft

Trends helping to drive significant long-term growth opportunities in defense segment:

- Supplier consolidation favors larger suppliers
- Increasing defense budget with solid funding on missile platforms
- Platform upgrades
- Foreign military sales

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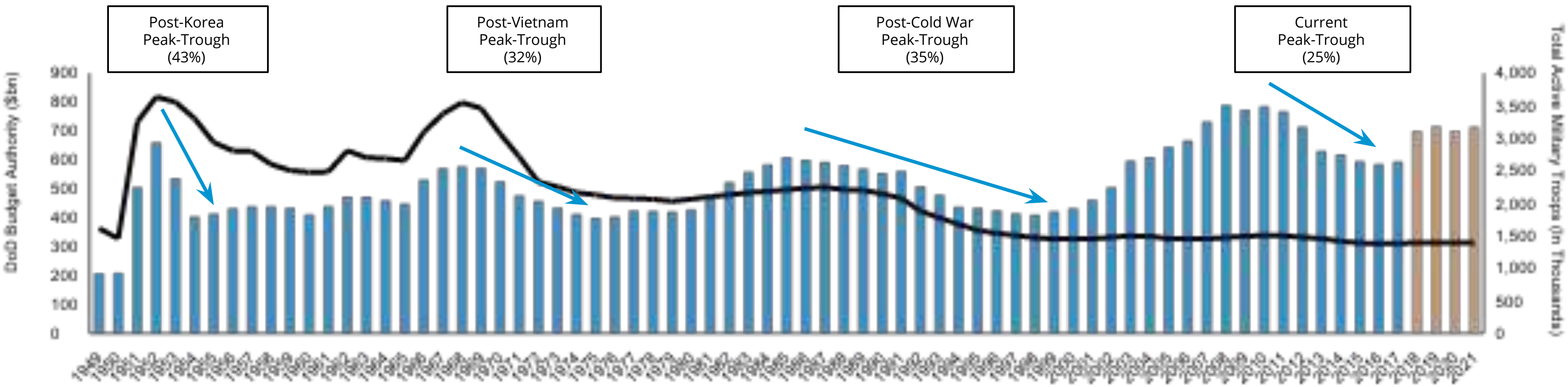
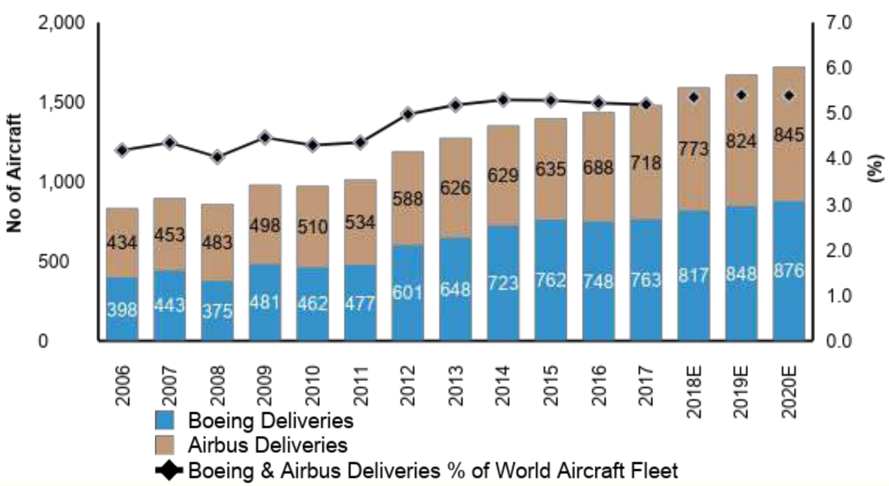
Diverse Content on Key Missile Platforms
Land, Sea and Air

Macro Trends

Historical Defense Spending[1]

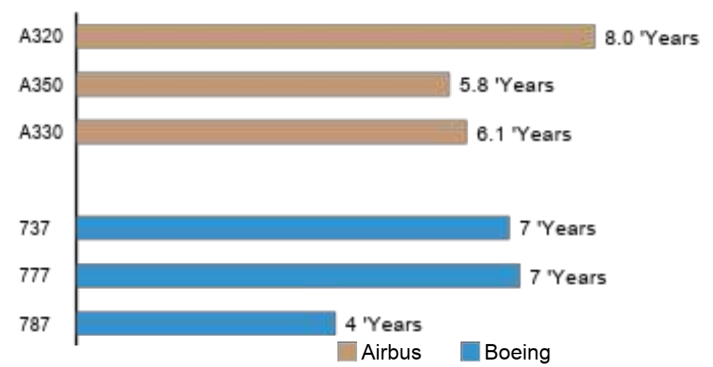


Commercial Aircraft Deliveries | # of Aircraft



Air Transport Aircraft Backlogs[2]

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



(1) Defense spending forecasts from President's FY2019 Budget Request.
(2) 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.

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Where Our Growth Will Come From

	% of LTM Q2 2018 Revenues	% of Backlog at 6/30/18	Key Platforms	Growth Outlook	Commentary
Commercial Aerospace	46%	56%	Boeing 737, 737 MAX and 787 Dreamliner Airbus A320, A320neo, A330 and A350 Gulfstream 500/600 and 650	5-7%	Aircraft and engine OEM build rates and shipset gains support growth through the medium-term.
Military and Space	45%	39%	Black Hawk Helicopter Paveway Bomb Tomahawk Missile SM-3 Missile CH-53K Helicopter	2-4%	Current administration supports continued strong funding of various defense platforms.
Industrial	9%	5%	High-end industrial and medical products	0-1%	Continued strong relationships with existing strategic customers on a more focused customer base.

Why We Win

- ✓ Innovative, value-added solutions for tough technical challenges (e.g., temperature, weight, vibration, pressure)
- ✓ Proprietary engineered products with aftermarket support
- ✓ Diverse product capabilities – customers want fewer, more sophisticated supplier-partners
- ✓ Agile, flexible and adaptable
- ✓ Electronics and structural integration capabilities for increased technology content
- ✓ Engineering design and rapid prototyping services support innovative outcomes

Why to Invest in Ducommun

- Defendable niche
  - Unique range of capabilities are in demand
  - Long-term relationships with broad base of blue-chip customers
- Well-positioned in large, growing A&D markets
  - Strategically positioned on key platforms
- Transformation into higher margin innovative solutions
- Consistently strong cash flows to reduce debt and fund long-term growth

Appendix

Key Facts

Ducommun Incorporated

Exchange/Ticker NYSE: DCO

Share price(1) $33.33

52-week high/low(1) $35.89/$25.06

Diluted shares outstanding(2) 11.6 million

Market cap(1) $379.3 million

Cash(2) $3.5 million

Net debt outstanding(2) $229.2 million

Enterprise value $608.5 million

LTM Q2 2018 revenues $586.2 million

LTM Q2 2018 consolidated adjusted EBITDA(3) $61.4 million

(1) As of 7/31/18
(2) As of 6/30/18
(3) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation, please see "Non-GAAP Financial Measures" in the Appendix of this presentation

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 of 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 Q2 2018

(dollars in thousands)	
Net income	$ 18,330
Interest expense	11,423
Income tax expense (benefit)	(13,602)
Depreciation	13,276
Amortization	10,354
Stock-based compensation	3,626
Restructuring charges	16,417
Inventory step-up	1,564
Adjusted EBITDA	**$ 61,388**

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