# 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): January 28, 2019**

# TransDigm Group Incorporated
**(Exact name of registrant as specified in its charter)**

| Delaware | 001-32833 | 41-2101738 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| 1301 East 9th Street, Suite 3000, Cleveland, Ohio | 44114 |
|---|---|
| (Address of principal executive offices) | (Zip Code) |

**Registrant's telephone number, including area code: (216) 706-2960**

**Not Applicable**
**(Former name or former address, if changed since last report)**

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 2.02. Results of Operations and Financial Condition.**

TransDigm Group Incorporated ("TransDigm Group"), which includes, for purposes of this Item 2.02, its direct and indirect subsidiaries, is hereby furnishing the following information regarding its business, which has not been previously reported, in connection with the concurrent offerings of the Notes (as defined below), as discussed in Item 7.01 of this Current Report on Form 8-K.

TransDigm Group has not yet finalized its financial results for the thirteen-week period ended December 29, 2018. However, based on its unaudited preliminary analysis, it estimates that it will have the following selected results for the thirteen-week period ended December 29, 2018:

- Sales of $993 million (as compared to sales of $848 million for the thirteen-week period ended December 30, 2017);
- Net income of $196 million (as compared to net income of $315 million for the thirteen-week period ended December 30, 2017)(1); and
- EBITDA As Defined of $487 million (as compared to EBITDA As Defined of $402 million for the thirteen-week period ended December 30, 2017).

(1) The prior year period was favorably impacted by the enactment of the U.S. Tax Cuts and Jobs Act (tax reform) and included a one-time provisional net tax benefit of $147.1 million.

TransDigm Group's preliminary results for the thirteen-week period ended December 29, 2018 are preliminary, unaudited and represent the most current information available to TransDigm Group's management. TransDigm Group's actual results may differ from the preliminary results due to the completion of its financial closing procedures, final adjustments and other developments that may arise between the date of this Current Report on Form 8-K and the time that financial results for the thirteen-week period ended December 29, 2018 are finalized.

The preliminary results included herein have been prepared by, and are the responsibility of, TransDigm Group's management. Ernst & Young LLP, TransDigm Group's independent registered public accounting firm, has not audited, reviewed, compiled, or performed any procedures with respect to the preliminary financial results. Accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect thereto.

The following sets forth a reconciliation of net income to EBITDA and EBITDA As Defined (in thousands):

| | Thirteen-Week Period Ended | |
|---|---|---|
| | December 29, 2018 | December 30, 2017 |
| | (in thousands) | |
| Net income | $ 196,042 | $ 314,775 |
| Less: Income from discontinued operations, net of tax(1) | — | 2,764 |
| Income from continuing operations | 196,042 | 312,011 |
| Adjustments: | | |
| Depreciation and amortization expense | 35,418 | 30,639 |
| Interest expense, net | 172,000 | 160,933 |
| Income tax provision | 53,722 | (121,047) |
| EBITDA | 457,182 | 382,536 |
| Adjustments: | | |
| Inventory purchase accounting adjustments(2) | 4,120 | — |
| Acquisition integration costs(3) | 2,226 | 1,349 |
| Acquisition transaction-related expenses(4) | 5,393 | 725 |
| Non-cash stock compensation expense(5) | 17,730 | 11,113 |
| Refinancing costs(6) | 136 | 1,113 |
| Other, net(7) | (99) | 4,697 |
| EBITDA As Defined | $ 486,688 | $ 401,533 |

(1) Refer to Note 3, "Acquisitions and Divestitures," in TransDigm Group's Quarterly Report on Form 10-Q for the thirteen-week period ended December 30, 2017 for further information.

(2) Represents accounting adjustments to inventory associated with acquisitions of businesses and product lines that were charged to cost of sales when the inventory was sold.

(3) Represents costs incurred to integrate acquired businesses and product lines into TransDigm Group's operations, facility relocation costs and other acquisition-related costs.

(4) Represents transaction-related costs comprising deal fees; legal, financial and tax due diligence expenses; and valuation costs that are required to be expensed as incurred.

(5) Represents the compensation expense recognized by TransDigm Group under its stock incentive plans.

(6) Represents costs expensed related to debt financing activities, including new issuances, extinguishments, refinancings and amendments to existing agreements.

(7) Primarily represents foreign currency transaction gain or loss, payroll withholding taxes related to dividend equivalent payments and stock option exercises and gain or loss on sale of fixed assets.

**Item 7.01. Regulation FD Disclosure.**

On January 28, 2019, TransDigm Group issued a press release (the "Press Release") relating to the proposed concurrent offerings of senior subordinated notes (the "Senior Subordinated Notes") and senior secured notes (the "Senior Secured Notes" and, together with the Senior Subordinated Notes, the "Notes") by TransDigm Inc., its wholly-owned subsidiary, pursuant to separate confidential offering memoranda (the "Offering Memoranda") in private placements under Rule 144A and Regulation S under the Securities Act of 1933 (the "Securities Act"). A copy of the Press Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In the Offering Memoranda, TransDigm Group discloses pro forma net sales and pro forma EBITDA As Defined of $5,892.6 million and $2,215.8 million, respectively, for the fiscal year ended September 30, 2018. These amounts reflect the Company's estimates that if certain acquisitions, including the Esterline Acquisition (as defined below), had closed at the beginning of that period, the transactions would have contributed additional net sales and

EBITDA As Defined of approximately $2,081.5 million and $339.3 million, respectively, for the fiscal year ended September 30, 2018. The reconciliation of net income to EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined for the year ended September 30, 2018 is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

In addition, the Offering Memoranda contain unaudited pro forma condensed combined financial statements as of and for the year ended September 30, 2018. The unaudited pro forma condensed combined financial statements are furnished as Exhibit 99.3 to this Current Report on Form 8-K.

The Notes will not be registered under the Securities Act or any state securities laws and may not be offered or sold in the United States without registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. Neither the Press Release nor this Current Report on Form 8-K constitutes an offer to sell or the solicitation of an offer to buy the Notes, nor shall there be any sale of the Notes in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. The offerings of Senior Subordinated Notes and Senior Secured Notes are not contingent upon each other and there can be no assurance that the offerings will be consummated or otherwise completed. Any offer to sell the Senior Secured Notes or the Senior Subordinated Notes will be made only by a separate offering memorandum.

TransDigm Inc. intends to use of the net proceeds from the offering of the Senior Subordinated Notes and the offering of the Senior Secured Notes to fund a portion of the purchase price for its acquisition (the “Esterline Acquisition”) of all of the outstanding stock of Esterline Technologies Corporation (“Esterline”).

The information in this Current Report on Form 8-K and in the Press Release shall not be deemed “filed” for purposes of Section 18 of the Exchange Act of 1934 (the “Exchange Act”), nor shall it be deemed incorporated by reference in filings under the Securities Act.

**NON-GAAP FINANCIAL MEASURES**

This Current Report on Form 8-K contains non-GAAP financial measures such as EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined, none of which are measurements of financial performance under generally accepted accounting principles in the United States (“GAAP”). TransDigm Group defines “EBITDA” as earnings before interest, taxes, depreciation and amortization, “EBITDA As Defined” as EBITDA plus certain non-operating items, refinancing costs, acquisition-related costs, transaction-related costs and non-cash charges incurred in connection with certain employee benefit plans and “Pro Forma EBITDA As Defined” as EBITDA As Defined plus management’s estimates of the impact of the acquisition of Esterline and certain other acquisitions as if such acquisitions occurred at the beginning of fiscal year 2018. TransDigm Group presents EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined because it believes they are useful indicators for evaluating operating performance and liquidity.

TransDigm Group’s management believes that EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined are useful to investors because they are frequently used by securities analysts, investors and others to measure operating performance among companies with differing capital structures, effective tax rates and tax attributes, capitalized asset values and employee compensation structures, all of which can vary substantially from company to company depending upon, among other things, accounting methods, book value of assets and the method by which assets are acquired. These measures are useful to evaluate TransDigm Group’s business between time periods without regard to items such as interest expense, income tax expense and depreciation and amortization. TransDigm Group also believes EBITDA is useful to investors as a measure of comparative operating performance among companies and between time periods as it is reflective of changes in pricing decisions, cost controls and other factors that affect operating performance.

TransDigm Group’s management also believes that EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined are useful as indicators of liquidity because securities analysts, investors, rating agencies and others use EBITDA to evaluate a company’s ability to incur and service debt. In addition, EBITDA As Defined is useful to investors because the revolving credit facility under TransDigm Group’s senior secured credit facilities requires compliance under certain circumstances, on a pro forma basis, with a financial covenant that measures the ratio of the amount of TransDigm Group’s total net indebtedness to the amount of its Consolidated EBITDA, defined in substantially the same manner as it defines EBITDA As Defined herein. This financial covenant is a material term of the revolving credit facility under TransDigm Group's senior secured credit facilities as the failure to comply with such financial covenant could result in an event of default in respect of its senior secured credit facilities (and such an event of default could, in turn, result in an event of default under the indentures governing its notes).

In addition to the above, TransDigm Group's management uses EBITDA As Defined to review and assess the performance of the management team in connection with employee incentive programs and to prepare its annual budget and financial projections. Moreover, TransDigm Group's management uses EBITDA As Defined to evaluate acquisitions.

Although TransDigm Group uses EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined as measures to assess the performance of its business and for the other purposes set forth above, the use of these non-GAAP financial measures as analytical tools has limitations, and you should not consider any of them in isolation, or as a substitute for analysis of TransDigm Group's results of operations as reported in accordance with GAAP. Some of these limitations are:

- none of EBITDA, EBITDA As Defined or Pro Forma EBITDA As Defined reflect the significant interest expense of, or the cash requirements necessary to service interest payments on, TransDigm Group's indebtedness;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, none of EBITDA, EBITDA As Defined or Pro Forma EBITDA As Defined reflect any cash requirements for such replacements;
- the omission of the substantial amortization expense associated with TransDigm Group's intangible assets further limits the usefulness of EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined;
- none of EBITDA, EBITDA As Defined or Pro Forma EBITDA As Defined include the payment of taxes, which is a necessary element of TransDigm Group's operations; and
- EBITDA As Defined and Pro Forma EBITDA As Defined exclude the cash expense we have incurred to integrate acquired businesses into our operations, which is a necessary element of certain of TransDigm Group's acquisitions.

Because of these limitations, EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined should not be considered as measures of discretionary cash available to TransDigm Group to invest in the growth of its business. Management compensates for these limitations by not viewing EBITDA, EBITDA As Defined or Pro Forma EBITDA As Defined in isolation and specifically by using other GAAP measures, such as net income, net sales and operating profit, to measure TransDigm Group's operating performance. None of EBITDA, EBITDA As Defined or Pro Forma EBITDA As Defined is a measurement of financial performance under GAAP, and none should be considered as an alternative to net income or cash flow from operations determined in accordance with GAAP. TransDigm Group's calculation of EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined may not be comparable to the calculation of similarly titled measures reported by other companies.

**FORWARD-LOOKING STATEMENTS**

This Current Report on Form 8-K contains forward-looking statements within the meaning of Section 21E of the Exchange Act, and 27A of the Securities Act. When used in this Current Report on Form 8-K, the words "believe," "may," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate" or "continue" and other words and terms of similar meaning are intended to identify forward-looking statements. These forward-looking statements are based on current expectations about future events affecting TransDigm Group and are subject to uncertainties and factors relating to, among other things, TransDigm Group's operations and business environment, all of which are difficult to predict and many of which are beyond TransDigm Group's control. Although TransDigm Group believes that its plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, such forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made in this Current Report on Form 8-K. The more important of such risks and uncertainties are set forth under "Item 1A. Risk Factors" in TransDigm Group's Annual Report on Form 10-K for the fiscal year ended September 30, 2018 and other reports that TransDigm Group or its subsidiaries have filed with the Securities and Exchange Commission ("SEC"). Many such factors are outside the control of TransDigm Group. Consequently, such forward-looking statements should be regarded solely as TransDigm Group's current plans, estimates and beliefs. TransDigm Group does not undertake, and specifically declines, any obligation, to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. All forward-looking statements attributable to TransDigm Group or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

Important factors that could cause actual results to differ materially from the forward-looking statements made in this Current Report on Form 8-K include, but are not limited to: the ability to successfully complete the offerings of the Notes; the sensitivity of TransDigm Group's business to the number of flight hours that its customers' planes spend aloft and our customers' profitability, both of which are affected by general economic conditions; future geopolitical or other worldwide events; cyber-security threats and natural disasters; TransDigm Group's reliance on certain customers; the U.S. defense budget and risks associated with being a government supplier; failure to maintain government or industry approvals; failure to complete or successfully integrate acquisitions, including TransDigm Group's planned acquisition of Esterline, expected to be completed in the first half of 2019, subject to the satisfaction of customary closing conditions, including regulatory approval; TransDigm Group's indebtedness; potential environmental liabilities; liabilities arising in connection with litigation; increases in raw material costs, taxes and labor costs that cannot be recovered in product pricing; risks and costs associated with TransDigm Group's international sales and operations; and other factors. Please refer to "Risk Factors" in TransDigm Group's Annual Report on Form 10-K for the fiscal year ended September 30, 2018 and other reports that TransDigm Group or its subsidiaries have filed with the SEC for additional information regarding the foregoing factors that may affect TransDigm Group's business.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits*

The following exhibits are being furnished with this Current Report on Form 8-K:

| Exhibit Number | Description |
|---|---|
| 99.1 | Press Release |
| 99.2 | Reconciliation of Net Income to EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined for the Fiscal Year Ended September 30, 2018 |
| 99.3 | Unaudited Pro Forma Condensed Combined Financial Statements as of and for the Fiscal Year Ended September 30, 2018 |

## 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.

TRANSDIGM GROUP INCORPORATED

By: /s/ Michael J. Lisman
Name: Michael J. Lisman
Title: Chief Financial Officer

Dated: January 29, 2019

**Exhibit 99.1**

**TransDigm Group Announces Proposed Private Offerings of
Senior Subordinated Notes and Senior Secured Notes**

CLEVELAND, Jan. 28, 2019 /PRNewswire / — TransDigm Group Incorporated ("TransDigm Group") (NYSE: TDG) announced today that its wholly-owned subsidiary, TransDigm Inc., is planning, subject to market and other conditions, to offer senior subordinated notes (the "Senior Subordinated Notes") and senior secured notes (the "Senior Secured Notes" and, together with the Senior Subordinated Notes, the "Notes") in concurrent private offerings that will be exempt from the registration requirements of the Securities Act of 1933 (the "Securities Act"). It is expected that the Notes will be guaranteed, with certain exceptions, by TransDigm Group, TransDigm UK Holdings plc and certain of TransDigm Inc.'s existing and future U.S. subsidiaries on a senior subordinated basis or senior secured basis, as applicable.

TransDigm Inc. intends to use the net proceeds from the offering of the Senior Subordinated Notes and the offering of the Senior Secured Notes to fund a portion of the purchase price for its acquisition (the "Esterline Acquisition") of all of the outstanding stock of Esterline Technologies Corporation ("Esterline").

All of the Notes will be subject to a special mandatory redemption at a redemption price of 100% of the issue price of the Notes, plus accrued and unpaid interest, if (a) the Esterline Acquisition is not consummated, or the purchase agreement for the Esterline Acquisition is terminated, on or prior to the later of October 9, 2019 and the End Date (as defined in the merger agreement for the Esterline Acquisition) or (b) TransDigm Inc. announces that it will not pursue the consummation of the Esterline Acquisition.

The offerings of the Senior Subordinated Notes and the Senior Secured Notes are not contingent upon each other and there can be no assurance that the offerings will be consummated or otherwise completed.

This is not an offer to sell or the solicitation of an offer to buy any securities. The Notes and related guarantees are being offered only to qualified institutional buyers in reliance on the exemption from registration set forth in Rule 144A under the Securities Act, and outside the United States to non-U.S. persons in reliance on the exemption from registration set forth in Regulation S under the Securities Act. The Notes and the related guarantees have not been registered under the Securities Act, or the securities laws of any state or other jurisdiction, and may not be offered or sold in the United States without registration or an applicable exemption from the Securities Act and applicable state securities or blue sky laws and foreign securities laws.

**About TransDigm Group**

TransDigm Group, through its wholly-owned subsidiaries, is a leading global designer, producer and supplier of highly engineered aircraft components for use on nearly all commercial and military aircraft in service today. Major product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include mechanical/electro-mechanical actuators and controls, ignition systems and engine technology, specialized pumps and valves, power conditioning devices, specialized AC/DC electric motors and generators, NiCad batteries and chargers, engineered latching and locking devices, rods and locking devices, engineered connectors and elastomers, databus and power controls, cockpit security components and systems, specialized cockpit displays, aircraft audio systems, specialized lavatory components, seat belts and safety restraints, engineered interior surfaces and related components, lighting and control technology, military personnel parachutes, high performance hoists, winches and lifting devices, and cargo loading, handling and delivery systems.

**Safe Harbor Statement**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve risks and uncertainties that could cause TransDigm Group's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, TransDigm Group. These risks and uncertainties include but are not limited to: the ability to successfully complete the offerings of the Notes; the sensitivity of our business to the number of flight hours that our customers' planes spend aloft and our customers' profitability, both of which are affected by general economic conditions; future geopolitical or other worldwide events; cyber-security threats and natural disasters; our reliance on certain customers; the U.S. defense budget and risks associated with being a government supplier; failure to maintain government or industry approvals; failure to complete or successfully integrate acquisitions, including our planned acquisition of Esterline, expected to be completed in the first half of 2019, subject to the satisfaction of customary closing conditions, including regulatory approval; our indebtedness; potential environmental liabilities; liabilities arising in connection with litigation; increases in raw material costs, taxes and labor costs that cannot be recovered in product pricing; risks and costs associated with our international sales and operations; and other factors. Further information regarding the important factors that could cause actual results to differ materially from projected results can be found in TransDigm Group's Annual Report on Form 10-K and other reports that TransDigm Group or its subsidiaries have filed with the Securities and Exchange Commission. Except as required by law, TransDigm Group undertakes no obligation to revise or update any forward-looking statements contained in this press release.

**Contact:** Liza Sabol
Investor Relations
216-706-2945
ir@transdigm.com

## Reconciliation of Net Income to EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined for the Fiscal Year Ended September 30, 2018

EBITDA represents earnings from continuing operations before interest, taxes, depreciation and amortization. EBITDA As Defined represents EBITDA plus, as applicable for each relevant period, certain adjustments as set forth in the reconciliation of net income to EBITDA and EBITDA As Defined and the reconciliation of net cash provided by operating activities to EBITDA and EBITDA As Defined presented below. Pro Forma EBITDA As Defined (for the fiscal year ended September 30, 2018) represents EBITDA As Defined plus management's estimates of the impact of the acquisition of assets and certain liabilities of the Kirkhill elastomers business ("Kirkhill"), Extant Aerospace ("Extant"), Skandia Inc. ("Skandia") and Esterline Technologies Corporation ("Esterline") had such transactions occurred at the beginning of the fiscal year ended September 30, 2018.

The following sets forth a reconciliation of net income to EBITDA, EBITDA As Defined and Pro Forma EBITDA As Defined:

| | Fiscal Year Ended September 30, 2018 (Dollars in thousands) |
|---|---|
| Net income | $ 957,062 |
| **Less: Income (loss) from discontinued operations, net of tax(a)** | (4,474) |
| Income from continuing operations | 961,536 |
| **Add:** | |
| Depreciation and amortization | 129,844 |
| Interest expense, net | 663,008 |
| Interest tax provision | 24,021 |
| EBITDA | 1,778,409 |
| **Adjustments:** | |
| Inventory purchase accounting adjustments(b) | 7,080 |
| Acquisition integration costs(c) | 17,484 |
| Acquisition transaction-related expenses(d) | 3,886 |
| Non-cash stock and deferred compensation expense(e) | 58,481 |
| Refinancing costs(f) | 6,396 |
| Other items, net(g) | 4,822 |
| EBITDA As Defined | $ 1,876,558 |
| Pro forma adjustments(h) | $ 339,265 |
| Pro forma EBITDA As Defined | $ 2,215,823 |

(a) During the fourth quarter of fiscal 2017, we committed to disposing of Schroth Safety Products Group ("Schroth") in connection with the settlement of a Department of Justice investigation into the competitive effects of the acquisition. Therefore, Schroth was classified as held-for-sale beginning September 30, 2017. On January 26, 2018, we completed the sale of Schroth in a management buyout to a private equity fund and certain members of Schroth management for approximately $61.4 million, which includes a working capital adjustment of $0.3 million that was settled in July 2018.

(b) Represents accounting adjustments to inventory associated with acquisitions of businesses and product lines that were charged to cost of sales when the inventory was sold.

(c) Represents costs incurred to integrate acquired businesses and product lines into TransDigm Group Incorporated's operations, facility relocation costs and other acquisition-related costs.

(d) Represents transaction-related costs comprising deal fees; legal, financial and tax due diligence expenses; and valuation costs that are required to be expensed as incurred.

(e) Represents the compensation expense recognized by TransDigm Group Incorporated under its stock incentive plans.

(f) Represents costs expensed related to debt financing activities, including new issuances, extinguishments, refinancings and amendments to existing agreements.

(g) Primarily represents foreign currency transaction gain or loss, payroll withholding taxes on dividend equivalent payments and stock option exercises, and gain or loss on sale of fixed assets.

(h) Represents management's estimates of the impact of the transactions relating to Kirkhill, Extant, Skandia and Esterline had such transactions occurred at the beginning of the year ended September 30, 2018.

**Exhibit 99.3**

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements are presented to illustrate the estimated effects of TransDigm Group Incorporated's ("TD Group") acquisition (the "Esterline Acquisition") of Esterline Technologies Corporation ("Esterline") and the related transactions, including the concurrent private offerings of senior subordinated notes and senior secured notes by TransDigm Inc., TD Group's wholly-owned subsidiary, the use of proceeds thereof and the redemption of Esterline's outstanding 3.625% senior notes due 2023 (collectively with the Esterline Acquisition, the "Transactions").

The following unaudited pro forma condensed combined balance sheet as of September 30, 2018 and the unaudited pro forma condensed combined statement of income for the fiscal year ended September 30, 2018 (collectively, the "Pro Forma Statements") have been prepared in compliance with the requirements of Regulation S-X under the Securities Act of 1933 using accounting policies in accordance with generally accepted accounting principles in the United States. The Pro Forma Statements are based on TD Group's historical consolidated financial statements and Esterline's historical consolidated financial statements as adjusted to give effect to the Transactions.

Accounting policies used in the preparation of the Pro Forma Statements are based on the audited consolidated financial statements of TD Group for the fiscal year ended September 30, 2018.

The Transactions have not been consummated. The pro forma adjustments are based on preliminary estimates and currently available information and assumptions that TD Group management believes are reasonable. The notes to the Pro Forma Statements provide a discussion of how such adjustments were derived and presented in the Pro Forma Statements. Changes in facts and circumstances or discovery of new information may result in revised estimates. As a result, there may be material adjustments to the Pro Forma Statements.

The Pro Forma Statements should be read in conjunction with the "Basis of Presentation," "Risk Factors," "Capitalization," "Financial Information," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," sections of TD Group's Annual Report on Form 10-K for the fiscal year ended September 30, 2018, the audited consolidated financial statements of TD Group as of and for the fiscal year ended September 30, 2018 included in TD Group's Annual Report on Form 10-K for the fiscal year ended September 30, 2018 and the audited consolidated financial statements of Esterline as of and for the fiscal year ended September 28, 2018 included in Esterline's Annual Report on Form 10-K for the fiscal year ended September 28, 2018.

The unaudited pro forma condensed combined statement of income gives effect to the Transactions as if they had occurred on October 1, 2017, and the unaudited pro forma condensed consolidated balance sheet gives effect to the Transactions as if they had occurred on September 30, 2018. In the opinion of TD Group's management, these Pro Forma Statements include all material adjustments necessary to be in accordance with Article 11 of Regulation S-X under the Securities Act of 1933.

The Pro Forma Statements are presented for illustrative purposes only and do not purport to be indicative of the results of operations or financial condition that would have occurred if the events reflected therein had been in effect on the dates indicated or the results which may be obtained in the future. In preparing the Pro Forma Statements, no adjustments have been made to reflect the potential operating synergies and administrative cost savings or the costs of integration activities that could result from the Transactions. Actual amounts recorded upon consummation of the Transactions will differ from the Pro Forma Statements, and the differences may be material.

**Unaudited Pro Forma Condensed Combined Balance Sheet**
**as of September 30, 2018**
**(In thousands)**

| | TransDigm (1) | Esterline (1) | Adjustments for the Acquisition of Esterline | | Adjustments for Acquisition Financing | | Pro Forma |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| **CURRENT ASSETS:** | | | | | | | |
| Cash and cash equivalents | $ 2,073,017 | $ 372,406 | $(4,257,621) | **(2)** | $3,644,500 | **(8)** | $ 1,832,302 |
| Trade accounts receivable—net | 704,310 | 441,696 | (2,082) | **(3)** | — | | 1,143,924 |
| Inventories | 805,292 | 457,226 | 106,062 | **(4)** | — | | 1,368,580 |
| Prepaid expenses and other | 74,668 | 32,549 | — | | — | | 107,217 |
| Total current assets | 3,657,287 | 1,303,877 | (4,153,641) | | 3,644,500 | | 4,452,023 |
| **PROPERTY, PLANT AND EQUIPMENT—NET** | 388,333 | 314,806 | — | | — | | 703,139 |
| **GOODWILL** | 6,223,290 | 1,030,667 | 1,227,812 | **(4)** | — | | 8,481,769 |
| **OTHER INTANGIBLE ASSETS—NET** | 1,788,404 | 306,085 | 685,915 | **(4)** | — | | 2,780,404 |
| **DEFERRED INCOME TAX BENEFITS** | — | 44,008 | — | | — | | 44,008 |
| **DERIVATIVE ASSETS** | 97,286 | 482 | — | | — | | 97,768 |
| **OTHER** | 42,867 | 32,767 | — | | — | | 75,634 |
| **NON—CURRENT ASSETS HELD FOR SALE** | — | 4,225 | — | | — | | 4,225 |
| **TOTAL ASSETS** | $12,197,467 | $3,036,917 | $(2,239,914) | | $3,644,500 | | $16,638,970 |
| **LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY** | | | | | | | |
| **CURRENT LIABILITIES:** | | | | | | | |
| Current portion of long—term debt | $ 75,817 | $ 17,546 | $ (15,308) | **(2)** | $ — | | $ 78,055 |
| Short—term borrowings—trade receivable securitization facility | 299,519 | — | — | | — | | 299,519 |
| Accounts payable | 173,603 | 147,438 | (2,082) | **(3)** | — | | 318,959 |
| Accrued liabilities | 351,443 | 237,890 | (6,420) | **(2),(6)** | — | | 582,913 |
| Liabilities held for sale | — | 144 | (144) | **(5)** | — | | — |
| Total current liabilities | 900,382 | 403,018 | (23,954) | | — | | 1,279,446 |
| **LONG—TERM DEBT** | 12,501,946 | 654,922 | (543,977) | **(2)** | 3,644,500 | **(2)** | 16,257,391 |
| **DEFERRED INCOME TAXES** | 399,496 | 28,899 | 171,000 | **(4)** | — | | 599,395 |
| **OTHER NON—CURRENT LIABILITIES** | 204,114 | 106,951 | — | | — | | 311,065 |
| Total liabilities | 14,005,938 | 1,193,790 | (396,931) | | 3,644,500 | | 18,447,297 |
| Total TransDigm and Esterline stockholders' (deficit) equity | (1,808,471) | 1,831,843 | (1,831,699) | | — | | (1,808,327) |
| Noncontrolling interests | — | 11,284 | (11,284) | | — | | — |
| Total stockholders' (deficit) equity | (1,808,471) | 1,843,127 | (1,842,983) | **(7)** | — | | (1,808,327) |
| **TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY** | $12,197,467 | $3,036,917 | $(2,239,914) | | $3,644,500 | | $16,638,970 |

**Notes to Unaudited Pro Forma Condensed Combined Balance Sheet**
**as of September 30, 2018**

The pro forma financial information has been derived from the application of pro forma adjustments to TD Group's historical financial statements as of the date noted.

(1) For purposes of preparing this pro forma condensed combined balance sheet, TD Group utilized its consolidated balance sheet as of September 30, 2018, the last day of its fourth fiscal quarter, and Esterline's consolidated balance sheet as of September 28, 2018, the last day of its fourth fiscal quarter.

The following items are presented as reclassifications in the unaudited pro forma condensed combined balance sheet for purposes of conforming Esterline's classification of certain assets and liabilities to TD Group's classification for the combined presentation:

- $9.1 million of income taxes refundable, $20.0 million of prepaid expenses and $3.5 million of other current assets have been reclassified as a component of prepaid expenses and other at September 30, 2018.
- $0.5 million of non-current derivative assets have been reclassified from a component of other assets to derivative assets at September 30, 2018.
- $5.2 million of current U.S. and foreign income taxes payable have been reclassified as a component of accrued liabilities at September 30, 2018.
- $32.9 million of pension and post-retirement obligations and $16.3 million of long-term U.S. income taxes payable have been reclassified as a component of other non-current liabilities at September 30, 2018.

(2) Set forth below are the estimated sources and uses of funds pertaining to the Transactions. The sources and uses below assume that the Transactions were consummated on September 30, 2018.

| | **(In thousands)** |
|---|---|
| **Sources of Funds** | |
| New notes (a) | $ 3,700,000 |
| **Total Sources** | **$ 3,700,000** |
| **Use of Funds** | |
| Payment to Esterline equity holders | $ 3,691,916 |
| Repayment of Esterline long—term debt | 559,285 |
| Payment of Esterline accrued interest | 6,420 |
| Total Purchase Price (including cash acquired of $372 million) | 4,257,621 |
| Debt issue costs (b) | 55,500 |
| Cash from Balance Sheet | (613,121) |
| **Total Uses** | **$ 3,700,000** |
| **Long—Term Debt Adjustments for Acquisition Financing** | |
| New notes (a) | $ 3,700,000 |
| Debt issue costs | (55,500) |
| | **$ 3,644,500** |

(a) The proceeds from the new notes are presented as $3,700 million in aggregate principal from the issuance and sale of the notes, which include a combination of secured and unsecured notes.

(b) Debt issue costs represent the fees and commissions paid by TD Group in connection with the issuance and sale of the new notes, which include a combination of secured and unsecured notes. The pro forma adjustment to long-term debt related to debt issue costs is as follows:

| | (in thousands) |
|---|---|
| **Debt Issue Costs—Net** | |
| Debt issue costs associated with the Transactions | 55,500 |
| | **$ 55,500** |

(3) The pro forma adjustment reflects a $2.1 million elimination of intercompany accounts receivable and accounts payable between TD Group and Esterline.

(4) The preliminary allocation of the purchase price to the fair values of the net assets acquired in connection with the Transactions are as follows:

| | (in thousands) |
|---|---|
| Payment to Esterline equity holders (a) | $ 3,691,916 |
| Plus extinguishment of Esterline debt: | |
| Long—term debt | 559,285 |
| Accrued interest | 6,420 |
| **Extinguishment of Debt** | **565,705** |
| **Total Purchase Price** | **$ 4,257,621** |
| **Total Purchase Price (including cash acquired of $372 million)** | $ 4,257,621 |
| Less: extinguishment of debt | (565,705) |
| Less: Esterline historical stockholders' equity | (1,843,127) |
| **Total purchase price in excess of net book value** | **$ 1,848,789** |
| **Preliminary allocation of excess purchase price over net assets acquired and related purchase accounting adjustments: (b)** | |
| Inventories (c) | $ 106,062 |
| Property, plant and equipment (d) | — |
| Goodwill (e) | 1,227,812 |
| Other intangible assets (f) | 685,915 |
| Non—current deferred income taxes (g) | (171,000) |
| **Total** | **$ 1,848,789** |

(a)

| | |
|---|---|
| Cash consideration paid for each outstanding share of Esterline common stock entitled to the merger consideration: | |
| (Dollars and shares in thousands, except per share amounts) | |
| Total outstanding shares of Esterline common stock entitled to the merger consideration | 29,453 |
| Cash consideration paid per Esterline common share | $ 122.50 |
| **Cash consideration paid to Esterline shareowners** | **$3,608,010** |
| Cash consideration paid for Esterline outstanding equity awards settled in cash, per the merger agreement: | |
| (Dollars and shares in thousands, except per share amounts) | |
| Share equivalent of Esterline equity awards settled in cash, per the merger agreement | 685 |
| Cash consideration paid per Esterline common share | $ 122.50 |
| **Cash consideration paid to holders of Esterline equity awards** | **$ 83,906** |
| **Total payment to Esterline equity holders** | **$3,691,916** |

(b) At this time, TD Group has not completed a detailed valuation analyses to determine the fair value of Esterline's assets and liabilities. Accordingly, the preliminary purchase price allocation for purposes of these Pro Forma Statements is based upon management's assumptions and estimates that, while considered reasonable under the circumstances, are subject to changes, which may be material. Upon completion of detailed valuation analyses, there may be additional increases or decreases to the recorded book values of Esterline's assets and liabilities that may give rise to additional depreciation and amortization expense not reflected in the Pro Forma Statements. Accordingly, once the necessary due diligence has been performed, the final purchase price has been determined and the purchase price allocation has been completed, actual results may differ materially from the information presented in the Pro Forma Statements.

(c) The inventories adjustment represents management's estimate of the step-up in basis to fair value of Esterline's inventory balances as of September 30, 2018.

(d) Property, plant and equipment is required to be measured at fair value as of the acquisition date. The acquired assets can include assets that are not intended to be used or sold, or that are intended to be used in a manner other than their highest and best use. TD Group has not yet determined the fair value of the property, plant and equipment acquired; therefore, carrying value has been used in the preliminary purchase price allocation and in the Pro Forma Statements. This assumption is subject to change and could differ materially from the actual adjustment upon the completion of the third-party valuation to be completed upon consummation of the Esterline Acquisition.

(e) Goodwill is calculated as the difference between the acquisition date fair value of the estimated consideration transferred and the values assigned to the assets acquired and liabilities assumed. Goodwill is not amortized but rather subject to an annual impairment test.

(f) The adjustment to other intangible assets is based on management's preliminary estimate of identifiable intangible assets as follows:

| Other Intangible Assets | Estimated Useful Life | (in thousands) |
|---|---|---|
| Trademark and trade names | Indefinite | $ 249,000 |
| Order or production backlog | 1.5 Years | 77,500 |
| Customer relationships | 20 Years | 156,000 |
| Unpatented technology | 20 Years | 509,500 |
| | | 992,000 |
| Historical carrying value of trademarks and trade names and other intangible assets at September 30, 2018 | | (306,085) |
| **Other intangible assets, net adjustment** | | **$ 685,915** |
| **Increase in deferred tax liability on net increase in intangible assets** | | **$ (171,000)** |

Upon completion of detailed valuation analyses, there may be additional increases or decreases to the estimated fair values of Esterline's assets and liabilities that may give rise to additional depreciation and amortization expense not reflected in the Pro Forma Statements. A 10% change in the valuation of intangible assets of $992 million would cause a corresponding increase or decrease in the balance of goodwill and an increase or decrease in annual amortization expense of approximately $8.5 million.

(g) Deferred taxes were recorded for all pro forma adjustments using TD Group's best estimate of the applicable statutory rate in the tax jurisdiction where the underlying asset or liability resides.

The non-current deferred tax liability adjustment reflects the increase in the deferred tax liability related to the estimated net increase in other intangible assets.

(5) The reduction in liabilities held for sale of $0.1 million reflects the removal of the held-for-sale entities, previously recorded as held for sale by Esterline as of September 30, 2018.

(6) The pro forma adjustment to accrued liabilities reflects a decrease in the accrued interest payable of $6.4 million related to Esterline's existing indebtedness to be repaid in connection with the closing of the Transactions.

(7) The pro forma adjustments to stockholders' (deficit) equity for the Transactions represent the elimination of Esterline's historical stockholders' equity in conjunction with the purchase price allocation and the pro forma adjustments below.

| | (in thousands) |
|---|---|
| **Stockholders' (Deficit) Equity Pro Forma Acquisition Adjustment** | |
| Esterline historical stockholders' equity | $(1,843,127) |
| Elimination of liabilities held for sale (5) | 144 |
| | **$(1,842,983)** |

(8)

| | (in thousands) |
|---|---|
| **Cash and Cash Equivalents Pro Forma Acquisition Financing Adjustment** | |
| Total sources of funds (2) | $3,700,000 |
| Less: debt issue costs (2) | (55,500) |
| | **$3,644,500** |

**Unaudited Pro Forma Condensed Combined Statement of Income**
**for the Fiscal Year Ended September 30, 2018**
**(In thousands, except per share amounts)**

| | TransDigm (1) | Esterline (1) | Adjustments for the Acquisition of Esterline (2) | | Adjustments for Acquisition Financing (3) | | Other Acquisitions (4) | Pro Forma |
|---|---|---|---|---|---|---|---|---|
| **NET SALES** | $3,811,126 | $2,034,839 | $(13,943) | (a) | $ — | | $ 60,628 | $5,892,650 |
| **COST OF SALES** | 1,633,616 | 1,368,531 | (10,819) | (a) | — | | 38,702 | 3,030,030 |
| **GROSS PROFIT** | 2,177,510 | 666,308 | (3,124) | | — | | 21,926 | 2,862,620 |
| **OPERATING EXPENSES:** | | | | | | | — | |
| Selling and administrative expenses | 450,095 | 435,829 | (7,192) | (b) | — | | 2,881 | 881,613 |
| Amortization of intangible assets | 72,454 | 47,900 | 37,042 | (c) | — | | 3,990 | 161,386 |
| Total operating expenses | 522,549 | 483,729 | 29,850 | | — | | 6,871 | 1,042,999 |
| **INCOME FROM OPERATIONS** | 1,654,961 | 182,579 | (32,974) | | — | | 15,055 | 1,819,621 |
| **INTEREST EXPENSE—Net** | 663,008 | 29,003 | (24,332) | (d) | 242,825 | (a) | — | 910,504 |
| **REFINANCING COSTS** | 6,396 | — | — | | — | | — | 6,396 |
| **INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | 985,557 | 153,576 | (8,642) | | (242,825) | | 15,055 | 902,721 |
| **INCOME TAX PROVISION** | 24,021 | 83,827 | (2,333) | (e) | (65,563) | (b) | 4,065 | 44,017 |
| **INCOME FROM CONTINUING OPERATIONS INCLUDING NONCONTROLLING INTERESTS** | $ 961,536 | $ 69,749 | $ (6,308) | | $(177,262) | | $ 10,990 | $ 858,704 |
| **INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS** | — | (956) | — | | — | | — | (956) |
| **INCOME FROM CONTINUING OPERATIONS ATTRIBUTABLE TO TRANSDIGM AND ESTERLINE** | $ 961,536 | $ 68,793 | $ (6,308) | | $(177,262) | | $ 10,990 | $ 857,748 |
| **(LOSS) INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX** | (4,474) | 665 | 3,809 | (f) | — | | — | — |
| **NET INCOME** | $ 957,062 | $ 69,458 | $ (2,499) | (5) | $(177,262) | | $ 10,990 | $ 857,748 |
| **NET INCOME APPLICABLE TO COMMON STOCK** | $ 900,914 | $ 69,458 | $ (2,499) | | $(177,262) | | $ 10,990 | $ 801,600 |
| Net earnings per share: | | | | | | | | |
| Net earnings per share from continuing operations—basic and diluted | $ 16.28 | | | | | | | $ 14.42 |
| Net loss per share from discontinued operations—basic and diluted | (0.08) | | | | | | | — |
| Net earnings per share | $ 16.20 | | | | | | | $ 14.42 |
| Weighted average shares outstanding: | | | | | | | | |
| Basic and Diluted | 55,597 | | | | | | | 55,597 |

**Notes to Unaudited Pro Forma Condensed Combined Statement of Income**
**for the Fiscal Year Ended September 30, 2018**

(1) TD Group's fiscal year 2018 ended on September 30, 2018 and Esterline's fiscal year 2018 ended on September 28, 2018. For purposes of preparing this pro forma condensed combined statement of income for the fiscal year ended September 30, 2018, TD Group utilized its statement of income for its fiscal year ended September 30, 2018, and Esterline's statement of income for its fiscal year ended September 28, 2018.

The following items are presented as reclassifications in the unaudited pro forma condensed combined statement of income for purposes of conforming Esterline's classification of certain income and expenses to TD Group's classification for the combined presentation:

- $47.9 million of intangible asset amortization expense has been reclassified from selling, general and administrative expense to amortization of intangible assets for the year ended September 30, 2018.
- $90.0 million of research, development and engineering expense, $7.2 million of transaction costs, $3.7 million loss on sale of business and $5.3 million of license fee income have been reclassified as components of selling and administrative expenses for the fiscal year ended September 30, 2018.
- $1.9 million of interest income has been reclassified as a component interest expense – net for the fiscal year ended September 30, 2018.

(2) Represents the adjustments necessary to give effect to the Transactions as if they had occurred as of October 1, 2017. Adjustment (c) is based upon a preliminary allocation of the purchase price. TD Group is in the process of obtaining third-party valuations of certain tangible and intangible assets as the Transactions have not yet been consummated. Accordingly, the values attributed to assets acquired and liabilities assumed are subject to adjustment.

(a) Represents the elimination of sales and purchases among TD Group and Esterline within net sales and the elimination of the costs related to the intercompany sales between TD Group and Esterline within cost of sales.

(b) Represents the elimination of historical, non-recurring transaction costs of $7.2 million incurred by Esterline for the fiscal year ended September 30, 2018.

(c) Represents the change in amortization expense resulting from the amortization of the amortizable intangible assets recorded in connection with the Transactions using the straight-line method. In accordance with TD Group's accounting policy all intangible asset amortization is classified as an operating expense, within the pro forma condensed combined statement of income for the fiscal year ended September 30, 2018.

| | Estimated Useful Life | Estimated Fair Value | Pro Forma Adjustment |
|---|---|---|---|
| | | | (in thousands) |
| **Amortizable Other Intangible Assets** | | | |
| Order or production backlog | 1.5 Years | $ 77,500 | $ 51,667 |
| Customer relationships | 20 Years | 156,000 | 7,800 |
| Unpatented technology | 20 Years | 509,500 | 25,475 |
| | | **$743,000** | **84,942** |
| Less historical Esterline amortization charged to operating expense | | | (47,900) |
| **Net adjustment to operating expense** | | | **$ 37,042** |

Upon completion of detailed valuation analyses, there may be additional increases or decreases to the recorded book values of Esterline's assets and liabilities that may give rise to additional depreciation and amortization expense not reflected in the Pro Forma Statements. A 10% change in the valuation of intangible assets would cause a corresponding increase or decrease in the balance of goodwill and an increase or decrease in annual amortization expense of approximately $8.5 million.

(d) Represents the elimination of historical interest expense of Esterline indebtedness to be repaid in connection with the closing of the Transactions.

(e) Represents the tax effect of pro forma adjustments to income before income taxes and is based on an estimated combined effective income tax rate of 27.0%.

(f) Represents the pro forma adjustment to remove the effects of discontinued operations related to TD Group and Esterline for the fiscal year ended September 30, 2018.

(3) Represents the adjustments necessary to give effect to the issuance and the sale of the new notes, which include a combination of secured and unsecured notes.

(a) For purposes of the pro forma interest expense adjustment, the assumed weighted-average interest rate on the new debt was estimated to be 6.3%. The pro forma interest expense adjustment also includes estimated amortization of the debt issue costs. A hypothetical 25-basis point change in the assumed weighted average interest rate would change our pro forma cash interest expense by approximately $9.3 million.

(b) Represents the tax effect of pro forma adjustments to income before income taxes and is based on an estimated combined effective income tax rate of 27.0%.

(4) Other acquisitions represent pro forma adjustments to reflect the acquisitions of Extant Components Group Holdings, Inc. on April 24, 2018 and Skandia, Inc. on July 13, 2018, as if those acquisitions had occurred as of October 1, 2017. The acquisitions are immaterial on both an individual and aggregate basis and are therefore presented separately from the Transactions. All respective purchase price adjustments and related amortization have been taken into consideration for purposes of the pro forma presentation of the condensed combined statement of income for the fiscal year ended September 30, 2018. No adjustments were made related to the acquisition of the assets and certain liabilities of the Kirkhill elastomers business ("Kirkhill") as Kirkhill's results prior to the acquisition by TD Group on March 15, 2018 are reflected in the Esterline consolidated financial statements for the period Kirkhill was under Esterline ownership for the fiscal year ended September 30, 2018.

(5) The unaudited pro forma condensed combined statement of income does not reflect any cost savings, operating synergies or revenue enhancements that TD Group may achieve as a result of the Transactions nor does it include the costs to combine the operations of TD Group and Esterline or the costs necessary to achieve any such cost savings, operating synergies and revenue enhancements.