



Triumph Group
Annual Report 2019

A clear view.



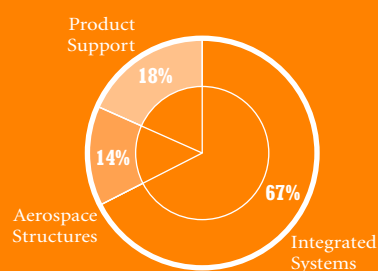
Financial Highlights

(in millions, except per share data)

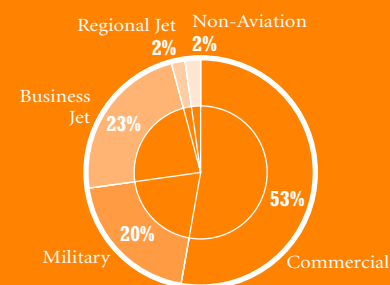
Fiscal year ended March 31

	2019	2018	2017
Net Sales	\$3,365	\$3,199	\$3,533
Adjusted operating income	166	143	343
Adjusted net income	116	120	323
Adjusted diluted earnings per share	\$ 2.49	\$ 2.41	\$ 6.54
Cash flow from operations	(174)	(289)	282
Total assets	\$2,855	\$3,807	\$4,415
Total debt	1,489	1,438	1,196
Total (deficit) equity	(573)	451	846
Non-GAAP reconciliation			
Operating loss – GAAP	\$ (275)	\$ (466)	\$ (31)
Forward losses	87	—	—
Restructuring	31	43	53
Loss on divestitures	235	31	19
Impairments	—	535	266
Other	87	—	36
Adjusted operating income	166	143	343
Interest & other	115	99	81
Less: Financing charges	(1)	(2)	—
Non-service defined benefit income	(62)	(103)	(88)
Less: Curtailments & settlements, net	(4)	26	—
Adjusted income before taxes	119	123	351
Income taxes	5	36	(19)
Tax effect of adjustments	—	(39)	(8)
Adjusted net income	125	120	323
Diluted earnings per share – GAAP	\$ (6.47)	\$ (8.60)	\$ (0.87)
Per share impact of adjustments	8.96	11.01	7.41
Adjusted diluted earnings per share	\$ 2.49	\$ 2.41	\$ 6.54
Weighted average diluted shares	50.0	49.7	49.4

Adjusted Segment Operating Income



Sales By End Market



Triumph Group, Inc., headquartered in Berwyn, Pennsylvania, designs, engineers, manufactures, repairs and overhauls a broad portfolio of aerospace and defense systems, components and structures. The company serves the global aviation industry, including original equipment manufacturers and the full spectrum of military and commercial aircraft operators.

To Our Valued Stockholders:

As we move into fiscal year 2020, Triumph Group is in a stronger position financially and operationally and is reaping the benefits of the transformation started three years ago. We've met and continue to overcome the challenges we face on our Path to Value as we position the company for profitability, positive free cash flow, sustainable growth and long-term value for our stockholders.



Daniel J. Crowley
President and Chief Executive Officer

Our Board of Directors and our management team appreciate the support of our stockholders as we continue to address risks, reshape our portfolio and upgrade talent and processes across the company. The difficult but necessary steps of the past few years enhanced our ability to deliver on our commitments to stockholders and customers, and become more financially predictable as we refocus the company on markets in which we can best compete and win.

BUILDING CONFIDENCE

The end of our fiscal year 2019 marked an inflection point for Triumph. We made positive changes that touched all aspects of our company, including divesting noncore operations, pursuing higher-margin growth opportunities, driving operational efficiencies, improving our backlog and attracting top talent. These actions provide a clear view into Triumph's desired future state, one that my leadership team and I are confident we are on track to achieve.

While we remain focused on creating long-term value, we were encouraged by investor support for Triumph shares during the last quarter of the fiscal year as we continue to “do what we say” and make the company better year over year. Through disciplined management of costs, working capital and our portfolio, we restored our liquidity to over \$0.5 billion, reinforcing bondholder confidence. Increasing transparency has helped our investors understand and support the company's vision and transformation efforts.

We continue to work with customers and suppliers to manage challenging development programs and have negotiated several customer advances with favorable terms on cash-negative programs. Triumph addressed six major contracts in its Aerospace Structures business unit last year, which were the source of hundreds of millions of dollars in development and production program losses. Creative settlements of the Gulfstream G650 and G280, Bombardier Global 7500, Embraer E2, Bell 525 and Boeing 787 programs ensured continuity of supply to our customers and dramatically reduced our cash use. While more work is required, we continue to enhance our operational performance as part of our Return to Green initiative.

Our improvements in execution can be seen in the successful recovery of the U.S. Air Force Global Hawk wing program, which enabled the U.S. Navy to award Northrop Grumman the low rate initial production contract for the Triton unmanned reconnaissance aircraft that we support. Boeing's 747 and 767 programs also delivered on-time at high-quality levels as a result of joint engagement with our customers, while multiple machining and fabrication contracts recovered last year, enabling the sale of those businesses.

We achieved or exceeded all our financial guidance metrics in fiscal year 2019, including fulfilling a key objective of generating positive free cash flow in the fourth quarter. Sales were \$3.36 billion and adjusted earnings per diluted share were \$2.49. We completed the divestiture of six businesses in fiscal year 2019, shedding more than 15 facility locations and reducing our debt by over \$200 million. Since 2016, we have reduced our total footprint from 75 to 41 sites through consolidations and divestitures as we create a more focused and integrated "One Triumph."

A SHIFTED FOCUS AND REIMAGINED PORTFOLIO

From a portfolio perspective, we made tremendous progress in fiscal year 2019 to further streamline the company by exiting build-to-print, contract manufacturing businesses and cash-burdened programs. This shift allowed us to simplify our operational structure and drive greater value to our customers. As a result of the divestitures and organization streamlining, we reduced our number of operating companies from 22 to 9, which are equally split among our three business units.

The shape and scale of our portfolio better reflects the way our customers value and procure our products and services, whether they be actuation, fuel systems, hydraulics, geared solutions, MRO services for OEMs and air carriers, or complex military and other airframe structures.

As we continue to remake our portfolio and strengthen operations, our unwavering commitment to our mission remains the same – to partner with customers to triumph over the hardest aerospace, defense and industrial challenges. Our actions are translating into new wins. Bolstering our business development and R&D efforts yielded growth in our backlog and increased customer engagements company wide. In fiscal year 2019, we secured major wins with military and commercial customers on programs including the T-X Trainer, MQ-25, Saab Gripen and Airbus A320neo. We enter fiscal year 2020 with a healthier backlog and a greater ability to expand margins and invest in our products and factories.

AN ENHANCED FOCUS ON OPERATIONAL EFFICIENCY

We continued to drive down cost last year to enhance margins and competitiveness, including reductions in selling, general, administrative and overhead expenses. We introduced new policies and controls over discretionary spend and inventory, while lowering the cost of poor quality and eliminating waste.

In fiscal year 2019, we accelerated the deployment of the Triumph Operating System (T.O.S.), our one-company operating philosophy and lean toolset, across all our sites. This cultural change helps us streamline work, better control operating costs and inventory, promote standardization, and drive efficiency and cost effectiveness in all we do.

More than 500 Triumph Change Agents – internal champions of T.O.S. – participated in over 1,200 lean events, benefiting on-time delivery, inventory and quality levels. These lean events saved over \$130 million in operational costs since the beginning of the transformation. Cost reduction and increasing our operational performance are mandatory to achieving peer-like margins.

Our work to drive operational efficiency extends beyond productivity and cost savings. After years of investment in structures programs, we ramped up investments in process and product R&D to create innovative, high-quality solutions and provide responsive service our customers can trust for the full lifecycle of their aircraft.

A COMMITTED AND TALENTED TEAM

With increasing diversity and unified purpose, the new Triumph Group looks and performs differently than it did when we started our transformation. Throughout the organization, our goals and priorities are aligned. Renewal of our management team has been key to restoring customer confidence, meeting new challenges and preparing for the future.

In fiscal year 2019, we recruited two new business unit leaders from well-regarded Tier 1 aerospace companies.

Frank Dubey joined as Executive Vice President of Integrated Systems, bringing more than 20 years of leadership and industry experience from Thales, Parker-Hannifin and Eaton where he managed global factories in support of the same OEMs as Triumph.

William Kircher joined as Executive Vice President of our Product Support business unit, bringing more than 20 years of executive experience with demonstrated achievement in leading multinational businesses in the aerospace repair and services market, including leadership roles at Pratt & Whitney in their Asian aftermarket business. All three business unit Executive Vice Presidents' bring extensive subject matter expertise and leadership skills and have contributed immensely to our turnaround.

Investments in top talent across the organization extend beyond profit and loss roles. **Jennifer Allen** joined our corporate team last year as Senior Vice President, General Counsel and Secretary. Jennifer played a central role in the recent contract negotiations. Her strong business acumen and extensive legal expertise have immediately benefitted Triumph as we work to complete our transformation.

We continue to enhance talent in functional areas that support our business units. We strengthened our expertise in contracts, communications, program management, operations, supply chain and quality to enhance operational performance and employee engagement, with positive customer feedback. In fiscal year 2019, we better aligned our performance measurement and compensation systems to ensure accountability and reward top performers.

Our people are the driving force behind Triumph, and I am immensely proud of the collaborative performance model that we've developed and embraced across the company. The exceptional talent we attracted across the enterprise complement an experienced workforce so we can successfully execute on higher-value growth opportunities in the future. Triumph will continue to refresh its ranks with a focus on value-added expertise that will benefit shareholders and our company.

LOOKING AHEAD

Our annual Triumph Leadership Summit of the top company leaders in April 2019 provided an opportunity to drive alignment around our key focus areas for fiscal year 2020. Our leaders are engaged, committed and aligned to what the Board of Directors and I fully expect to be a year of accelerating recovery and financial performance.

With much of the hard work of consolidations and divestitures behind us, Triumph is positioned for follow-through and greater predictability in fiscal year 2020. We will achieve this by successfully delivering our core programs, improving cash flow, investing in new capabilities, and growing backlog in commercial and military markets with strong fundamentals.

With a loyal and growing customer base, a modernized structure, streamlined portfolio, strengthened financial foundation, and exceptional teams throughout our company to oversee the operational execution, we are more confident than ever that we are doing the right work to compete, succeed and drive long-term value creation.

On behalf of the Board of Directors, management and our employees, I want to thank our stockholders, customers, suppliers and the members of our local communities for your continued support and the trust you have placed in Triumph Group. On your behalf, we will work tirelessly to ensure Triumph meets your expectations and we achieve our potential.



Daniel J. Crowley
President and Chief Executive Officer

Our path to value.

People. Delivery. Trust.

One Triumph

Implementing the One Triumph operating philosophy sharpens the company's focus, leverages our scale, and equips us to improve performance and better meet customer commitments. The transformation ensures Triumph will continue to be a global aerospace leader.

This transformation will enable Triumph Group to better serve its customers and provide quality jobs for employees and value to our investors. The "One Triumph" transformation includes consolidating the business, reducing costs, creating centers of excellence and the launch of simplified customer interfaces through market-facing business units.

Fiscal Year 2017

REALIGNMENT of organizational and financial reporting structure into four market facing business units, and reduction of operating companies from 47 to 22

INTRODUCED Triumph Operating System business management system to promote lean operations through standard repeatable practices and a focus on continuous improvement

ESTABLISHMENT of the Transformation Delivery Office to drive implementation of the transformation plan and One Triumph strategy

BUSINESS IMPERATIVES

- INTRODUCED** to drive performance:
- Deliver on Commitments
 - Become Predictably Profitable
 - Drive Organic Growth

COMPLETED SALE of Triumph Aerospace Systems – Newport News, Triumph Air Repair APU Overhaul Operations, Triumph Engines – Tempe

CONSOLIDATION of Triumph Structures – Everett and Triumph Actuation Systems – Connecticut

NEW VISION, MISSION, VALUES AND STRATEGIC GOALS launched company wide

TCA TRAINING ESTABLISHED and first group of trainees return to their business driving operational change

“An important part of leadership is being able to hold two things in your mind at once: dealing with the reality, whatever it may be, and focus on hope for the future. Any leader helping an organization through challenges needs to be able to do both.”

Alan Mulally

Former President and Chief Executive Officer of the Ford Motor Company

Fiscal Year 2018

OPERATING COMPANIES

REDUCED from 22 to 19

TRIUMPH REACHES A SETTLEMENT with Bombardier resolving all outstanding commercial disputes related to design, manufacture and supply of Global 7500 Wings

TRIUMPH REACHES AGREEMENT with Boeing for legacy programs and 777X

BUSINESS UNITS CONSOLIDATED to three with the combination of Triumph Precision Components and Aerospace Structures; Pete Wick named Executive Vice President of new business unit

TRIUMPH SELECTED as a major supplier for Boeing’s offering for the T-X Air Force training jet

TRIUMPH ANNOUNCES outsourcing of E2 Wing Program

COMPLETED SALE of Triumph Processing – Embee, Triumph Structures Long Island

ACHIEVES BOOK TO BILL of 1.16 and increases backlog by 11 percent

Fiscal Year 2019

TRIUMPH INVENTORY ATTACK

TEAM launched to support inventory reduction initiatives

TRIUMPH PARTNERS with Gulfstream to optimize structures supply chain on G650, G500, and G600 platforms

WILLIAM KIRCHER, FRANK DUBEY AND JENNIFER ALLEN join Triumph’s Senior Leadership Team

COMPLETED THE TRANSFER of the Global 7500 Wing Program to Bombardier

COMPLETED SALE of Triumph Aerospace Structures Long and Large machining and metal finishing operation, the Triumph Aviation Services Asia APU Repair Product Line, Triumph Structures – East Texas, NAAS Line Maintenance Service, Triumph’s Fabrications businesses and Triumph’s Machining operations

SUCCESSFULLY DE-RISKED

portfolio and positioned TGI for FY20 and beyond

OPERATING COMPANIES

REDUCED from 19 to 9

TRIUMPH SUCCESSFULLY ACHIEVES \$300 million in cost savings over three years

Integrity

Safety. Honor. Respect.

At Triumph Group, we do what is right for all our stakeholders – our stockholders, employees, customers, members of the flying public, the military, and the communities in which we live and work. Each group plays an important role on our Path to Value.

We proudly recognize the contributions of employees who go above and beyond in demonstrating their commitment to safety. These heroes are lauded by their colleagues and leaders across the company. Introduced in January 2019, the Safety Heroes program has been embraced with enthusiasm with employees being recognized around the world, from sites in Texas to Thailand. Presented with a certificate and commemorative pin, employees are celebrated for their efforts in ensuring the safety of their fellow employees and work environment. Their actions are shared widely, highlighting best practices and inspiring others.

“Helping others through volunteerism is a virtue we value at Triumph and participating in the Wings program is another way we demonstrate Integrity and Teamwork, which are part of our core Company Values.”

Stacey Clapp
Vice President, Contracts

volunteer their time to cumulatively reach 25,000 volunteer hours. The One Triumph spirit is proudly displayed as employees and teams partner with local and national organizations including The United Way, The American Red Cross, The Salvation Army, Boys and Girls Club of Middle Tennessee, Ouachita Children’s Center, Los Angeles Regional Food Bank, Second Harvest Food Bank and many other partners.

Our Wings Community Outreach program gives Triumph Group employees around the world an opportunity to uplift their communities by completing meaningful volunteer projects. As part of our celebration of Triumph’s 25TH anniversary we challenged each of our sites to sponsor volunteer projects and encouraged our employees to

Continuous Improvement


Relentlessly raise the bar.

Our intentional focus on Quality applies to everything we do across Triumph Group. It touches every employee, every function and every site. We have shifted our focus from inspecting for quality (post production), to designing quality into our products at every phase.

Our new quality framework focuses on reengineering our processes, to understand variation at each step and its impact on the system. Our quality focus encourages us to take PRIDE in all we do:

Personal accountability
Relentless pursuit of zero defects and waste elimination
Integrity at all levels
Delivering on commitments
Excellence in daily execution of our responsibilities

We salute our network of Triumph Change Agents (TCAs) who are trained and empowered to lead events, and build and sustain a culture of problem solving and continuous improvement using Lean principles to tackle operational challenges. From conducting multiple gap analyses and data deep-dives across assembly lines to mitigating and reducing defects, they are improving flow in our

A photograph showing a person's hands working on a large, circular metal flange assembly. The person is using a tool to adjust a component. In the background, there are yellow and red storage bins filled with small parts. The scene is set in a factory or workshop environment.

“We will achieve improved Quality results by working together to apply systems thinking, developing repeatable processes and leveraging our Triumph Operating System to continuously improve those processes.”

Sean Dukes

Vice President, Performance Excellence

factories by incorporating point of use tooling, removing barriers and improving training and procedures. We continue to invest in our TCA network training an additional 165 employees in FY19. Moving forward our goal is to provide 200 employees with TCA training per year.

Teamwork & Innovation

One team. One Company.

The Triumph Innovation and Technology (I&T) Council brings together engineering leaders from across the business to develop everything from near term solutions to market disrupting new products that allow Triumph to better respond to customers' needs and address burgeoning market developments. The I&T Council works together to understand the factors that drive innovation including macro trends, market needs, technology enablers, customer needs and corporate strategy.

Shifting from the former decentralized engineering organization, the I&T Council embodies the One Triumph spirit of teamwork to advance the company. This centralized council allows engineering talent across Triumph access to a greater pool of innovation while still being able to represent the unique needs of our customers.

“Teamwork is more than a collection of people working together. It’s a group of people that leverage the strengths of each member in relentless pursuit of a goal or an objective.”

Melissa Scheppele
Chief Information Officer



There is no greater demonstration of teamwork than coming together to triumph over problems. Established at the start of fiscal year 2019, Triumph’s multidisciplinary Inventory Attack “Tiger” Teams partnered with the top 12 sites that had the largest identified need for inventory reduction. The teams implemented sales, inventory, operations and

planning business management methods to drive new ways of operational process thinking within these organizations. They used inventory diagnostic data to identify areas of focus, work across multiple departments and functions, and implement process improvement activities including adjusting planning system settings, controlling shop floor material,

implementing Kanban systems, categorizing correct parts and optimizing of the design change process. On average these sites saw a 15 percent reduction in inventory thanks to the efforts of the Inventory Attack Team.

Act with Velocity

Partner. Communicate. Anticipate.



As a Tier 1 and Tier 2 supplier we work collaboratively with our customers, suppliers and OEM manufacturers to ensure products and services are built as designed, using the right materials and adhering to quality requirements, all while meeting delivery expectations. We value acting with velocity because it encourages partnership, enhances communication and highlights our ability to anticipate potential challenges.

“Acting with Velocity is about addressing needs rapidly, having the right people in place to respond and empowering them to do something about it.”

Peter Wick

Executive Vice President, Triumph Aerospace Structures

This allows us to work together within the supply chain to provide unique solutions to best serve the needs of our customers.

Our Integrated Systems site in Park City, Utah identified a raw material issue with a customer approved supplier that would impact production of finished gears manufactured at the site, and ultimately had the potential to disrupt engine builds for Rolls-Royce. The team in Park City acted with velocity, working collaboratively with the raw material supplier and the customer, to procure new material, and expedite the manufacture

and shipping of the finished gears 30 percent faster than average. Their swift action allowed the engine line to be reopened in time to avoid delivery delays to the aircraft manufacturer.

At its core, acting with velocity is more about actively managing risks than speed. It requires preparedness and full attention so that missteps don't negatively impact the programs and customers we support.

Photo by employee photo contest winner: Sergio Soria, Quality Supervisor – Triumph Aerospace Structures – Mexicali

Senior Leadership Team



FRONT ROW *(left to right)*

S. Melissa Scheppele
Vice President and Chief Information Officer

James F. McCabe Jr.
Senior Vice President and Chief Financial Officer

Daniel J. Crowley
President and Chief Executive Officer

Lance R. Turner
Senior Vice President and Chief Human Resources Officer

Jennifer H. Allen
Senior Vice President, General Counsel and Secretary

MIDDLE ROW *(left to right)*

Stacey W. Clapp
Vice President, Contracts

Frank Dubey
Executive Vice President, Triumph Integrated Systems

William C. Kircher
Executive Vice President, Triumph Product Support

D. Sean Dukes
Vice President *(Interim)*, Performance Excellence

BACK ROW *(left to right)*

Daniel J. Ostrosky
Vice President, Supply Chain

Peter Wick
Executive Vice President, Aerospace Structures

Gary V. Tenison
Vice President, Strategy and Business Development

Corporate Officers

“We are now implementing our transformation as we take decisive action to improve execution, reduce costs and operate as an integrated enterprise as part of an overall effort to drive value...We remain confident in our strategic plan and the path we are taking to position Triumph for long-term success.”

Dan Crowley

President and CEO, Triumph Group

Jennifer H. Allen

Senior Vice President, General Counsel and Secretary

Daniel J. Crowley

President and Chief Executive Officer

Frank Dubey

Executive Vice President, Triumph Integrated Systems

William C. Kircher

Executive Vice President, Triumph Product Support

James F. McCabe Jr.

Senior Vice President and Chief Financial Officer

Daniel J. Ostrosky

Vice President, Supply Chain

Thomas A. Quigley, III

Vice President and Contoller

Brian R. Scheuer

Vice President and Treasurer

Sheila G. Spagnolo

Vice President, Tax

Lance R. Turner

Senior Vice President and Chief Human Resources Officer

Peter Wick

Executive Vice President, Triumph Aerospace Structures

Directors



Paul Bourgon
President,
Aeroengine Division
SKF USA



Daniel J. Crowley
President and
Chief Executive Officer,
Triumph Group, Inc.



Ralph E. Eberhart
Chairman,
Triumph Group, Inc.
President,
Armed Forces Association
General, U.S. Air Force (Retired)



Daniel Garton
Former Chief Executive
Officer and President,
American Eagle,
American Airlines



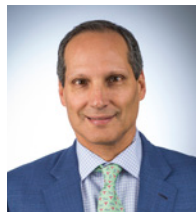
Dawne S. Hickton
Executive Vice President,
Jacobs Engineering Group, Inc.



William L. Mansfield
Chairman and
Chief Executive Officer,
The Valspar Corporation (Retired)



Adam J. Palmer
Managing Director
The Carlyle Group



Joseph M. Silvestri
Managing Partner,
Court Square Capital



Larry O. Spencer
General, U.S. Air Force (Retired)

Stockholders Information

TRIUMPH GROUP

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610-251-1000
www.triumphgroup.com

ANNUAL MEETING

July 18, 2019 at 9:00 a.m. EDT
Triumph Group
899 Cassatt Road
Suite 210
Berwyn, PA 19312

FINANCIAL INFORMATION

A copy of the Company's Form 10-K filed with the Securities and Exchange Commission may be obtained without charge upon written request. Requests for Triumph Group's 10-K or other stockholder inquiries should be directed to:
Michael Pici

Vice President, Investor Relations
Triumph Group
899 Cassatt Road
Suite 210
Berwyn, PA 19312
610-251-1000

FISCAL 2019 STOCK PRICES

Per Common Share
High – \$26.00
Low – \$11.16
Year-End – \$19.06
Common Stock
Triumph Group Common Stock is listed on the NYSE.
Ticker symbol: TGI

INDEPENDENT AUDITORS

Ernst & Young LLP
2005 Market Street
Suite 700
Philadelphia, PA 19103

TRANSFER AGENT

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College Station, TX 77842-3170

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800-622-6757

Outside the U.S., Canada and Puerto Rico:
781-575-4735

TDD/TTY for hearing impaired: 800-952-9245

E-mail: web.queries@computershare.com
www.computershare.com/investor

EQUAL OPPORTUNITY AT TRIUMPH GROUP

Triumph Group is committed to providing equal opportunities in the workplace.

FORWARD-LOOKING STATEMENTS

In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the company notes that certain statements contained in this report are forward-looking in nature. These forward-looking statements include matters such as our expectations for our industry, our markets, our company's business strategy and potential, and other future-oriented matters. Such matters inherently involve many risks and uncertainties that may cause actual results to differ materially from expected results. For additional information, please refer to the company's Securities and Exchange Commission filings, including its Form 10-K for the fiscal year ended March 31, 2019.

CERTIFICATIONS

The certifications by the Chief Executive Officer and Chief Financial Officer of Triumph Group, Inc. required under Section 302 of the Sarbanes-Oxley Act of 2002 have been filed as exhibits to Triumph Group's 2019 Annual Report on Form 10-K. In addition, on July 23, 2018, the Chief Executive Officer of Triumph Group, Inc. certified to the New York Stock Exchange (NYSE) that he is not aware of any violation by the Company of NYSE corporate governance listing standards, as required by Section 303A.12(a) of the NYSE Corporate Governance Rules.



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