



Innovative Aerosystems, Inc. (f/k/a Innovative Solutions and Support) (ISSC)

Betsy Wills

Director, Rocky Mountain Chapter

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IA Overview

- IA is a US based Original Equipment Manufacturer (OEM) that designs, develops, and manufactures sophisticated, reliable and cost-effective avionics solutions and services for the aviation industry
- Founded 1988 (f/k/a Innovative Solutions & Support)
- Based in Exton, PA (near Philadelphia)
- Employees: 147 full-time, part-time as needed

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IA Expertise and Customer Choice

IA Expertise

- Systems integration
- Flight Management, monitoring, command and control systems
- Full compliment of smart displays
- Extensive range of aircraft sensors
- Flight Control Systems
 - Autothrottle
 - Control surface actuation
- Maintenance, Repair and Overhaul
- Global customer support

Why customers choose IA

- A leader in all aviation market verticals
- Decades of proven experience
- Industry leading infrastructure and facilities
- A high-performance culture with a track record of innovation
- All U.S. based operations accelerates time to market, mitigates supply risk

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Systems Integration

- End-to-end systems that combine mechanical, electrical, software, and avionics components into an integrated solution
- Activities as an integrator include:
 - System design and analysis
 - Integration and testing
 - Regulatory compliance and documentation
 - Lifecycle support

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Five Product Portfolios

- **Integrated Flight Deck Systems COCKPIT/IP®:** includes primary flight/navigation displays, crew alerting and engine displays, integrated standby instruments and mission displays
- **Navigation Systems:** includes flight management systems, mission computers, navigation radios and transponders
- **Communication Systems:** include communication radios, audio panels and radio management units

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Five Product Portfolios

- **Sensors and Control Systems:** includes air data computers, attitude and heading reference systems, magnetometers, inertial reference units, GPS receivers, utility management systems and flight control computers
- **Advanced Flight Actuators:** includes an array of linear and rotary smart-actuators for movement of aircraft levers and surfaces

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One Stop Solution for Avionics

Select Control, Navigation & Measurement Systems

ThrustSense® Autothrottle

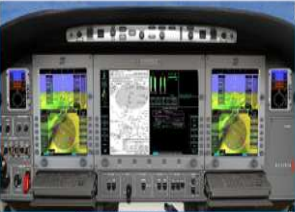
Utilities Management System

Flight Management Systems

GPS Receiver

Air Data Instruments

Selected Avionics Solutions



Systems Integration Expertise

IS&S's superior system integration expertise is a key differentiator within the market and provides a compelling value to its Company's customer base

Improved system performance

Ease of Installation

Reduced aircraft downtime during installation

Reduced system complexity

Select Display Systems

Flat Panel Display

Integrated Standby Unit

Fuel/Engine Measurement System

Engine Indicating & Crew Alerting

Aerial Refueling Control Display



Leading Platforms Served

Significant platform expansion opportunity

- Boeing 737, 747, 757, 767
- Airbus A300, A310
- Gulfstream V
- Citation
- F-16

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PRODUCT ACQUISITION FROM HONEYWELL AEROSPACE

In 2024, IA acquired the Display Generator and Flight Control Computer for the F-16 Platform

Transaction expands product portfolio within the military markets, while creating significant facility utilization and cross-selling potential with Lockheed Martin

Compelling Transaction Rationale

✓

The exclusive licensing of these product lines from Honeywell is a unique opportunity for the Company to enhance its current offerings in the military market

✓

Significant cost synergy potential, as IA leverages its skilled engineering capability and existing manufacturing capacity drive operating leverage improvements

✓

Transaction further enhances IA's position in the global military aviation market

UPGRADE OPPORTUNITIES



The Countries That Use F-16 Fighter Jets

Global inventory of active/on order F-16 aircraft, by country



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Customers

- U.S. federal government (including the DoD, the Department of Interior and the Department of Homeland Security)
- Air Transport Services Group Inc. (“ATSG”)
- Amazon, FedEx Corporation, Deutsche Post DHL Group
- American Airlines, Inc., Iceland Air
- Boeing
- L3Harris Technologies, Inc.
- Lockheed Martin Corporation

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Leading Brands/Customers



The slide displays ten logos of leading brands and customers, arranged in three rows. The first row includes Amazon, American Airlines, and Boeing. The second row includes DHL, Lockheed Martin, and FedEx. The third row includes the U.S. Coast Guard, U.S. Navy, Pilatus, and Textron.

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Sales Contracts

- IA's sales arrangements with customers: generally, provide for IA to design, develop, manufacture and deliver:
 - Large flat panel display systems
 - Flight information computers, autothrottles and advanced monitoring systems that measure and display critical flight information, including data relative to aircraft separation, airspeed, altitude and engine and fuel data measurements

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Intellectual Property

- History of technological innovation, new product development and technical expertise across multiple platforms
- As of September 30, 2025, IA held 171 U.S. and international patents relating to its products and systems
- IA invests heavily in engineering and development, with approximately 37% of full-time employees serving in engineering-related roles as of September 30, 2025

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IA Financial Snapshot Q3 2026 (6/30/26)

- Net Revenues: \$26.7MM
- Net Income: \$4.5 MM = \$.25 per share (diluted)
- Gross Margin: 52%
- Backlog: \$83MM (up ~7% QoQ)
- Profitable for 9 of last 10 years (2018 outlier)
- 27% debt to capital
- Only 18.2 MM shares outstanding

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Principal Points of Competition: (per Form 10-K for FYE 9/30/25)

Competition is with suppliers of competitive products and services

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Points of Competition:

Product quality	Reliability	Price	Design and engineering capabilities	Product development	Conformity to customer specifications	Timeliness of delivery	Effectiveness of the distribution organization	Quality of support after the sale
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Competitors (per Form 10-K for FYE 9/30/25)

- Honeywell Aerospace
- Collins Aerospace
- GE Aerospace
- Thales Defense & Security, Inc.
- Elbit Systems
- Garmin Ltd.

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SWOT - Strengths

- Strong margin trajectory: Gross margin hit 51.7% in Q326, up from 35.6% in Q325: fourth consecutive quarter at or above 50%
- Robust organic growth: Organic revenue growth exceeded 40% year-over-year in Q326
- Established niche and long track record: Founded in 1988, IA has built a strong reputation over more than three decades for air-data systems and flight displays
- Index recognition: IA was added to the Russell 3000 Index in June 2026, boosting institutional visibility

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SWOT - Weaknesses

- Small company: IA has only 147 full-time employees, and quarterly revenue in the \$22–27 million range is small relative to major aerospace/defense peers, limiting negotiating leverage and R&D capability
- Ambitious targets vs. realistic base case: Management's \$250 million revenue target by fiscal 2029 implies over 30% annual growth, which is more than independent analysts forecast

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SWOT - Opportunities

- **New market:** eVTOL (electric Vertical Take-Off and Landing) \$50 million contract for the production of over 400 aircraft for a leading Japanese developer
 - eVTOL refers to aircraft that use electric propulsion to take off, hover, and land vertically – no need for runways
- **Aftermarket and retrofit demand:** focus on both OEM and retrofit applications for fixed-wing and rotary aircraft captures upgrade cycles on aging fleets, a steadier revenue source than new-build programs
- **Brand repositioning from legacy niche supplier to growing diversified avionics/systems supplier:** the rebrand and ticker change to "IA" coincide with tangible operational wins (index inclusions, earnings beats), giving IA a chance to reset investor perception

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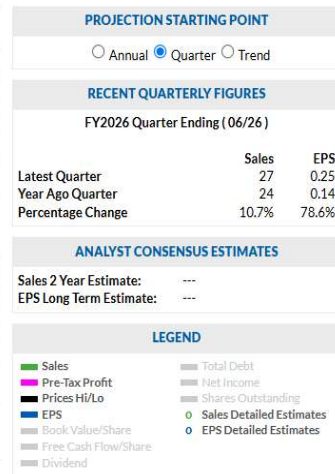
SWOT - Threats

- **Program and customer concentration:** Reliance on specific defense programs (e.g., F-16-related work) and a contract dependent on a single overseas eVTOL developer exposes IA to program cancellation, delay, or customer-specific setbacks
- **Competitive and cyclical pressure:** IA competes against larger, better-resourced avionics and systems companies and exposes it to broader commercial aviation and defense-spending cycles, supply chain constraints, and certification timelines that could disrupt guidance
- **Aggressive M&A pace:** Integrating multiple acquisitions (Honeywell assets and others) in quick succession raises integration risk, and margin/earnings volatility

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► Company: Innovative Solns (IA) Study Name: IA RMC MC 9/10/26

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