CPI Aero announced in March 2018 that it had entered into a definitive agreement with Air Industries Group to purchase one of its subsidiary companies, Welding Metallurgy Inc. ("WMI"). WMI is located just a few miles away in Hauppauge, NY, and provides specialty welded products and assemblies, large diameter bended tube assemblies, and integrated electronic assemblies, among other capabilities, to a variety of customers, predominantly within the defense and aerospace markets. Among some of WMI’s defense customers are Sikorsky, Lockheed Martin, Northrop Grumman, GE Aviation, Raytheon, and GKN Aerospace.

The acquisition of WMI will add capabilities to CPI Aero’s aerostructures and aerosystems businesses and broaden the content footprint on shared defense programs. WMI will complement the company’s aerostructures business by providing additional opportunities with existing customers and programs including the Northrop Grumman E-2D, Lockheed Martin F-35, Sikorsky Black Hawk CH-53K, thereby increasing CPI Aero’s content on these key defense programs. WMI will also broaden CPI Aero’s technical capabilities in the areas of specialty welding and large diameter tube bending and diversify our aerosystems business to include electronics integration and wire harness solutions, thereby enhancing its ability to expand its content share of defense programs and adding to its growing bid pipeline of larger and more complex programs.

CPI Aero anticipates the transaction will close during the second quarter of 2018 and is subject to customary closing conditions. Post-closing, WMI will become a subsidiary of CPI Aero and will, over a period of several months, transition to operate fully within CPI Aero’s existing 171,000 square foot facility.

Message from Douglas McCrosson, President and CEO

We’ve Got a Deal!

About a year ago I announced that we were seeking to augment our internal growth through acquisitions. I knew the first acquisition I made had to send the right strategic message about where CPI Aero was heading and what direction it wanted to go. Growth for growth’s sake was not what we wanted. After exploring options across the United States and even abroad, how fantastic it was to find Welding Metallurgy, Inc., literally a ten minute drive away. From the start of discussions, this made sense, and we are excited at the prospects after we achieve the customary closing conditions and can begin to operate WMI under our management. WMI ticked off most of the boxes on our wish list: predominantly defense products; specialty manufacturing capabilities and process approval certifications from the leading OEMs; presence on newer military platforms.

Because we share some of the same customers, WMI’s unique and specialized capabilities will allow CPI the flexibility to offer a more complete, cost-effective solution to these customers. The new capabilities will also introduce us to other new customers and platforms, resulting in a more expansive portfolio for CPI.

I anticipate closing on this transaction sometime during the next month or so. Soon after that time, we will begin the physical relocation of equipment, in a phased approach that considers customers’ production schedules so that we continue to satisfy requirements. But most importantly, we are looking forward to welcoming the newest members of our valued staff to our facilities here in Edgewood. When fully integrated, we will have nearly 300 highly skilled and professional aerospace workers operating within CPI Aero’s current 171,000 square foot facility. It is expected that WMI will continue to maintain its identity as a subsidiary of CPI Aero.

CPI Aero has had an amazing story of growth - from its small consulting firm beginnings in 1980 to one of the most-respected names in aerospace manufacturing today. This success has been rooted in the dedication and hard work from our employees. We are eager to welcome the WMI personnel to our location, where we will continue working toward our common goals together as one team.

Lots of exciting things are happening here at CPI Aero! We appreciate your support and look forward to the new and growing opportunities to come.
CPI Aero Hires James (Jay) Mulhall
New Sr. Director of Business Development and Strategy for Defense Markets Has Extensive Roots in Defense and Aerospace Industry


His last position at NGC was Senior Director of Business Development with the Military Aircraft Systems (MAS) Division, a unit of Northrop Grumman Aerospace Systems. In that role, he was responsible for coordination of all customer engagement and business development activities for all program and captures within a MAS portfolio that included E-2D Advanced Hawkeye (US Navy and International), E-8C Joint STARS (legacy and recapitalization), Directed Energy Programs (laser programs), F-18 and F-35 (subcontracts with Boeing and Lockheed Martin).

Douglas McCrosston remarked: “We are excited to have Jay join CPI Aero where he will be a key member of my direct-reporting staff. We anticipate that increased spending by the United States and other countries will create new avenues of growth for CPI Aero, particularly in the area of electronic warfare (EW), intelligence, surveillance and reconnaissance (ISR), and autonomous systems. Jay’s experience at one of the world’s most successful global defense companies will be invaluable as we seek to accelerate our pursuit of these emerging opportunities.”

Hopeful News Regarding the A-10
Approved Funding in 2018 Omnibus Spending Bill Intended for Re-starting Wing Replacement Program;
House Armed Services Committee Authorizes Continued Funding and Program Acceleration in 2019

As a major supplier to Boeing on its program to provide wing structures for the A-10 aircraft, CPI Aero was deeply affected by the U.S. Air Forces announced plan to retire the A-10 and send them to the boneyard. Citing the aircraft’s age, and their belief that other aircraft could perform the vital Close Air Support role, the Air Force decided to focus its attention and funding on other aircraft. Since then, CPI Aero has joined other A-10 proponents in Congress to prevent the Air Force from retiring the A-10 and that funding be reinstated for the wing replacement program. Earlier this year, these attempts to rally support of the A-10 were given new life. The $1.3 trillion omnibus spending bill signed by President Donald Trump earlier this year included $103 million needed to restart the program. In February, the Air Force released a draft request for proposals that it would seek to purchase up to 112 wing sets.

CPI Aero is encouraged by these recent events, and remains cautiously optimistic that it won’t be long before we will once again be a part of supporting the wings of this iconic American military aircraft.

CPI Aero Receives $3.8M Contract Amendment From Bell Helicopter
In March, CPI Aero received an amendment from Bell Helicopters for the manufacture of engine cowl assemblies and support assemblies for the AH-1Z Viper attack helicopter. The contract amendment extends the period of performance by one year and is valued at $3.8 million. The IDIQ contract, previously announced by CPI Aero in January 2017, now has a potential value of $18.6 million based on the estimated order quantity during the period of performance ending December 31, 2021.

Purchase Orders for Japanese E-2D Received
Northrop Grumman Corporation has submitted purchase orders to CPI Aero to supply structural components and kits for the Outer Wing Panel (OWP) on the third and fourth production E-2D Advanced Hawkeye airborne early warning and control (AEW&C) aircraft to be delivered to Japan. With these orders, CPI is now actively working on all four E-2D aircraft that have been approved by the State Department to be sold to Japan.
Preparing for WMI Acquisition

Anticipated Transition Spurs Careful Planning and Reconfiguration of CPI Aero Facilities

These days there’s a lot of buzz on the manufacturing floor. Not only is the factory alive with the sounds of rivet guns and drills as we produce some of the highest quality aircraft structures and systems but also with our facilities staff preparing our building for the new teammates and machinery we plan to welcome from WMI later this year. WMI’s specialization in welded products, tubing, and electronic assemblies require specialty hardware and machinery as well as trained personnel, all of which will be moved to CPI Aero’s facility in Edgewood.

In anticipation of the move, CPI has been working diligently to prepare for the influx of the new, large machinery by planning for and creating open space on the manufacturing floor. Automatic vertical storage systems have been ordered to shrink our inventory footprint and allow us to recover and preserve precious manufacturing floor space while improving the speed, accuracy, and efficiency of stocking operations. Many areas on the floor are being cleared out, with some items being moved to storage and/or being returned to customers to make way for the new machines and manpower. The office areas are also being reworked and rearranged, with new desk space and computers being arranged for new office personnel. It is our hope that with this planning and foresight, CPI can make the anticipated transition not disruptive to our employees, seamless to our customers, and welcoming to our new co-workers from WMI.

Congratulations to our Honda team on the 1st shipment of the –600 inlets!
We Appreciate
Our Outstanding Employees
Meet our most recent Employee of the Month winners at CPI Aero

December, 2017
“Rich’s positive attitude and outstanding work habits are an example for others around him.”

January, 2018
“John’s leadership and expertise has helped CPI immeasurably with supporting one of our newest programs.”

February, 2018
“Hector has been invaluable dealing with a tricky situation that demands careful attention to detail and turn-around within a short time span.”

March, 2018
“Mike has been an integral part of the Manufacturing staff with his positive work ethic and ability to bring out the best in his colleagues as well.”

CPI Aero on Social Media
https://www.facebook.com/cpiaero
https://www.twitter.com/cpiaero
Company page: CPI Aerostructures

Our Values
Customer Service Create the best possible buying experience for our customers
Pride In our work, the quality of our products and in our company
Integrity Do the right thing at all times and in all circumstances
Adaptability React efficiently and quickly to succeed in changing situations
Employee Involvement In the decisions that impact how they perform their jobs
Respect For each other, our customers and suppliers
Ownership Hold ourselves accountable for the success of the company