

## **Park Electrochemical Corp.**

### **June 22, 2018 Investor Conference Call – Supplementary Financial Information**

The financial and other data contained herein (the “Supplementary Data”) is being provided pursuant to the requirements of Regulation G promulgated by the U.S. Securities and Exchange Commission (the “SEC”). The Supplementary Data is time-sensitive information and is accurate as of June 22, 2018. Park Electrochemical Corp. (“Park” or the “Company”) is under no obligation to (and expressly disclaims any such obligation to) update or alter the Supplementary Data whether as a result of new information, future events or otherwise.

The Supplementary Data should be read in conjunction with our 2019 first quarter earnings news release dated June 22, 2018 and the reports and documents that we file from time to time with the SEC. In particular, please read our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K that we may file from time to time. Park currently expects to file its Quarterly Report on Form 10-Q for the first quarter ended May 27, 2018 on or about June 28, 2018. We make available free of charge on or through our website located at [www.parkelectro.com](http://www.parkelectro.com) our SEC filings on Forms 10-K, 10-Q and 8-K and any amendments to those filings as soon as reasonably practicable after electronic filing with the SEC.

Information to be presented at the June 22, 2018 investor conference call by P. Matthew Farabaugh, Senior Vice President and Chief Financial Officer

Certain statements we may make during the course of this discussion which do not relate to historical financial information may be deemed to constitute forward-looking statements. Any forward-looking statements are subject to various factors that could cause actual results to differ materially from our expectations. We have set forth in our most recent Annual Report on Form 10-K for the fiscal year ended February 25, 2018 various factors that could affect future results. Those factors are found in Items 1 and 1A of that Form 10-K. Any forward-looking statements we may make are subject to those factors.

I'd like to briefly review some of the items in our fiscal year 2019 first quarter ended May 27, 2018 P&L, which are not specifically addressed in the earnings release.

During the fiscal year 2019 first quarter, North American sales were 53% of total sales, European sales were 10% of total sales and Asian sales were 37% of total sales, compared to 56%, 7% and 37%, respectively, for the 2018 fiscal year first quarter and 62%, 6% and 32%, respectively, for the 2018 fiscal year fourth quarter.

Sales of Park's high performance (non-FR-4) electronics materials were 94% of total electronics materials sales in the 2019 fiscal year first quarter, 92% in the 2018 fiscal year first quarter and 94% of total electronics materials sales in the 2018 fiscal year fourth quarter.

Park's aerospace sales were \$10.4 million, or 33% of total sales, in the 2019 fiscal year first quarter compared to \$8.7 million, or 32% of total sales, in the 2018 fiscal year first quarter and \$9.9 million, or 36% of total sales, in the 2018 fiscal year fourth quarter. Park's electronics sales were \$20.7 million, or 67% of total sales, in the 2019 fiscal year first quarter compared to \$18.7 million, or 68% of total sales, in the 2018 fiscal year first quarter and \$17.9 million, or 64% of total sales, in the 2018 fiscal year fourth quarter.

Gross Profit for the 2019 fiscal year first quarter was \$8.5 million, or 27.4% of sales, compared to \$6.3 million, or 23.1% of sales, for the 2018 fiscal year first quarter and \$6.9 million, or 24.8% of sales, for the 2018 fiscal year fourth quarter. Before special items, selling, general and administrative expenses for the 2019 fiscal year first quarter were \$4.7 million, or 15.1% of sales, compared to \$4.4 million, or 15.9% of sales, for the 2018 fiscal year first quarter and \$4.7 million, or 17.0% of sales, for the 2018 fiscal year fourth quarter. Investment income, net of interest expense, in the 2019 fiscal year first quarter was \$340,000 compared to \$239,000 in the 2018 fiscal year first quarter and \$118,000 in the 2018 fiscal year fourth quarter. Before special items, earnings before income taxes for the 2019 fiscal year first quarter were \$4.1 million, or 13.3% of sales, compared to \$2.2 million, or 8.1% of sales, for the 2018 fiscal year first quarter and \$2.3 million, or 8.2% of sales, for the 2018 fiscal year fourth quarter. Before special items, net earnings for the 2019 fiscal year first quarter were \$3.4 million, or 10.8% of sales, compared to \$2.5 million, or 9.1% of sales, for the 2018 fiscal year first quarter and \$2.0 million, or 7.1% of sales, for the 2018 fiscal year fourth quarter.

Depreciation and amortization expense in the 2019 fiscal year first quarter was \$704,000 compared to \$807,000 in the 2018 fiscal year first quarter and \$755,000 in the 2018 fiscal year fourth quarter. Capital expenditures in the 2019 fiscal year first quarter were \$13,000 compared to \$105,000 in the 2018 fiscal year first quarter and \$181,000 in the 2018 fiscal year fourth quarter.

The effective tax rate before special items was 18.7% in the 2019 fiscal year first quarter compared to negative 12.4% in the 2018 fiscal year first quarter and 13.5% in the 2018 fiscal year fourth quarter. The fiscal year 2018 first quarter tax rate included a reversal of a Fin48 tax reserve and the tax rate excluding the reversal would have been 18.7%.

For the 2019 fiscal year first quarter, the top five customers were AAE Aerospace, GE (including its subcontractors), Shennan Circuits, TTM, and Wus, in alphabetical order. The top five customers totaled approximately 41% of total sales during the 2019 first quarter. Our top 10 customers totaled approximately 55% of total sales and the top 20 customers totaled approximately 68% of total sales for the 2019 fiscal year first quarter.

#### Safe Harbor Statement

The Supplementary Data may contain "forward-looking statements," as defined under the Federal Securities Laws, including the Private Securities Litigation Reform Act of 1995. Certain portions of the Supplementary Data which do not relate to historical financial information may be deemed to constitute forward-looking statements that are subject to various factors which could cause actual results to differ materially from Park's expectations or from results which

might be projected, forecasted, estimated or budgeted by the Company in forward-looking statements. Generally, you can identify forward-looking statements by the use of words such as “expect,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “goal,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believes,” “predicts,” “potential,” “continue” and similar expressions or the negative or other variations thereof. Such forward-looking statements are based on current expectations that involve a number of uncertainties and risks that may cause actual events or results to differ materially from Park’s expectations. Factors that could cause actual events or results to differ materially include but are not limited to general conditions in the electronics and aerospace industries, Park’s competitive position, the status of Park’s relationships with its customers, economic conditions in international markets, the cost and availability of raw materials, transportation and utilities, and the various other factors set forth under the caption “Factors That May Affect Future Results” in Item 1 and in Item 1A “Risk Factors” of Park’s Annual Report on Form 10-K for the fiscal year ended February 25, 2018. These and other risks may be detailed from time to time in Park’s periodic reports filed with the Securities and Exchange Commission, including, but not limited to, its fiscal year 2018 Annual Report on Form 10-K and other SEC filings, copies of which may be obtained from <http://www.sec.gov/>. Park is under no obligation to (and expressly disclaims any such obligation to) update any of the information contained herein if any forward-looking statement later turns out to be inaccurate whether as a result of new information, future events or otherwise.