



P A R K
A E R O S P A C E
C O R P .

Company Presentation
October 11, 2019

Forward Looking Disclaimer

This presentation contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give current expectations or forecasts of future events or our future financial or operating performance, and include Park's expectations regarding revenues, EBITDA, EBIT, and growth opportunities and projected pro forma financial information for Park's business. The forward-looking statements contained in this presentation are based on management's good-faith belief and reasonable judgment based on current information, and these statements are qualified by important risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from those forecasted or indicated by such forward-looking statements.

Factors that could cause actual events or results to differ materially from Park's expectations or forecasts are set forth under the caption "Factors That May Affect Future Results" in Item 1 and in Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended March 3, 2019, and in subsequent reports filed with or furnished to the Securities and Exchange Commission. Except as may be required by any applicable laws, the Company assumes no obligation to update such forward-looking statements, which are made as of the date hereof or an earlier date specified herein, whether as a result of new information, future developments, or otherwise.



Our Business

- **Park Aerospace Corp.** develops and manufactures Solution and Hot-Melt Advanced Composite Materials used to produce composite structures for global aerospace markets:
 - ✓ Wide array of prepreg materials specifically designed for hand lay-up or automated fiber placement (AFP) manufacturing applications
 - ✓ Film Adhesive materials (undergoing qualification with Major Aerospace Customer)
 - ✓ Lightning Strike Protection materials (“Electroglide®”)
- Park Aerospace’s Advanced Composite Materials are used to produce primary and secondary structures for:
 - ✓ Jet Engines
 - ✓ Large Transport Aircraft
 - ✓ Regional Transport Aircraft
 - ✓ Military Aircraft
 - ✓ Unmanned Aerial Vehicle (UAVs or “Drones”)
 - ✓ Business Jets & General Aviation Aircraft
 - ✓ Rotary Wing Aircraft
 - ✓ Other Specialized Aerospace Applications
- Park Aerospace also offers:
 - ✓ Specialty Ablative materials for Rocket Motors and Nozzles
 - ✓ Specially designed materials for Radome Applications

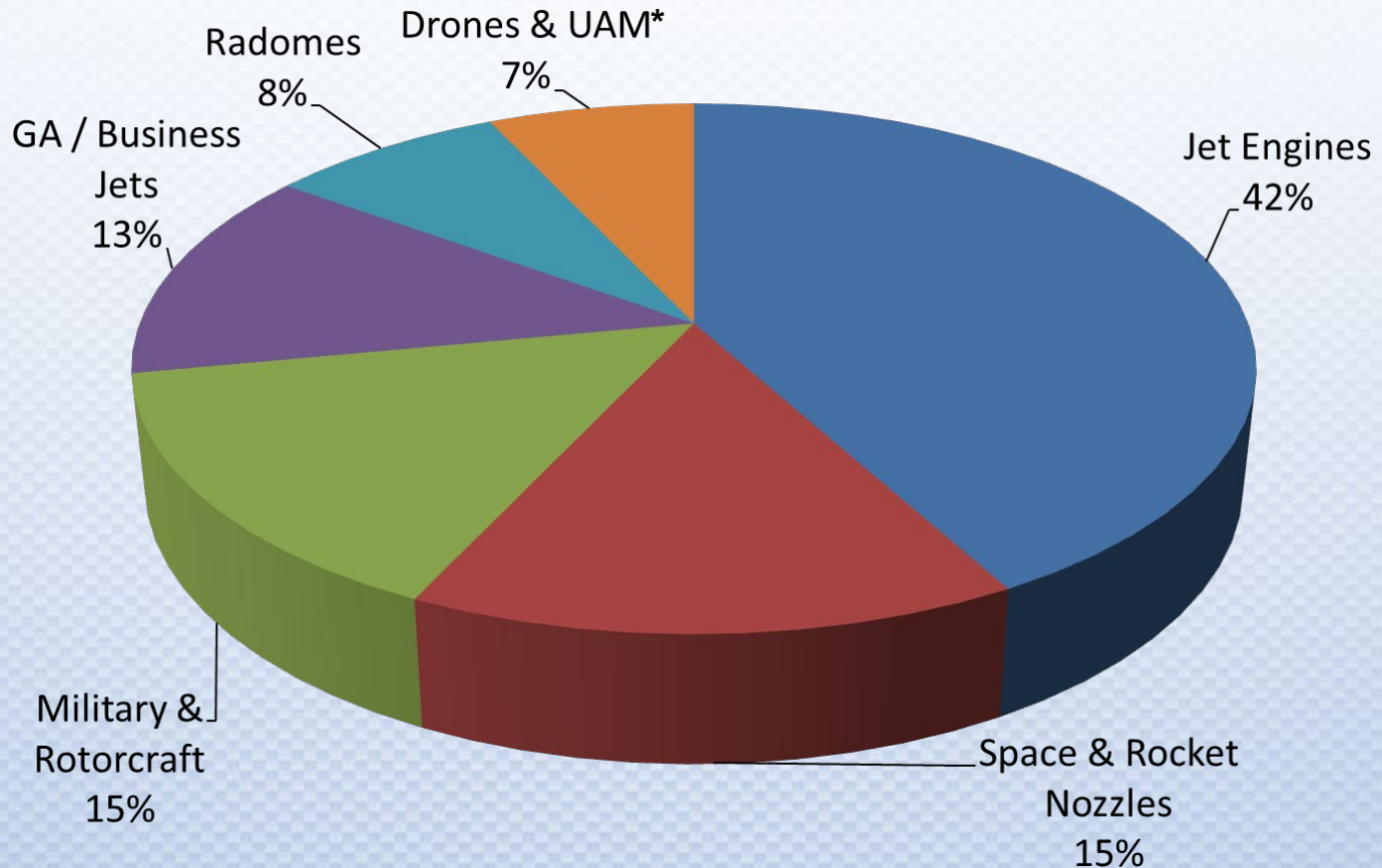


Our Business (Continued)

- As a complement to our Advanced Composite Materials offering, Park Aerospace designs and fabricates Composite Parts, Structures and Assemblies and Low-Volume Tooling for the Aerospace Industry
 - ✓ Parts include Park Aerospace's proprietary "Sigma Strut"™ and "Alpha Strut"™ product lines
 - ✓ Markets for parts and structures:
 - ❖ Prototype and Development Aircraft
 - ❖ Special Mission Aircraft
 - ❖ Aircraft "STC" Mods
 - ❖ Spares for Legacy Military and Civilian Aircraft
 - ❖ Exotic Spacecraft
 - ❖ **Private Space**



Park's Estimated FY2019 Revenues by Aerospace Market Segment

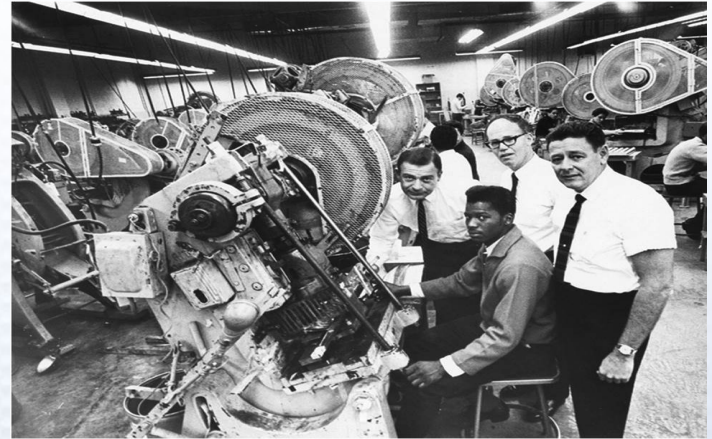


*UAM stands for Urban Air Mobility. Urban Air Mobility vehicles are also referred to as Air Taxi or eVOTL (electric Vertical Take-Off and Landing) vehicles



Park's 65th Anniversary

- Park founded on March 31, 1954 by Jerry Shore and Tony Chiesa with ~ \$60 Thousand Investment
- Company started in a small “factory” (garage?) in Woodside, Queens with 5 employees
- 1954 Results:
 - ✓ Sales: \$124,206.59
 - ✓ Pretax Profit: \$887.38
 - ✓ Taxes Paid: \$226.21
- First Invoice: \$300 (hand written)
- Many obstacles and roadblocks thrown Park’s way in early days, but our Beloved Founders were UNSTOPPABLE
- The Unstoppable Spirit of our Beloved Founders lives with us today in our Minds and our Hearts



Park's Founders

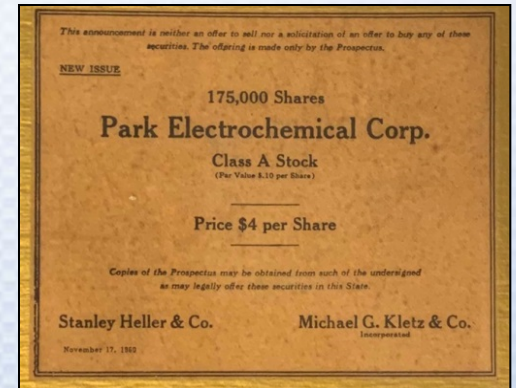
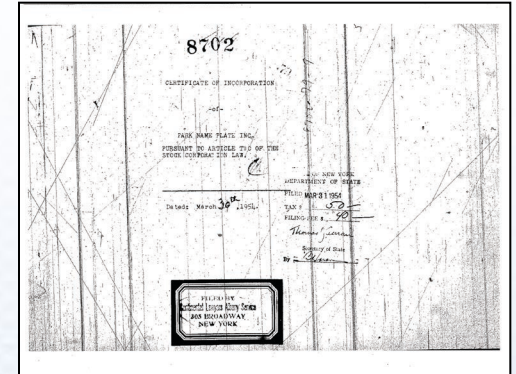


Park's First Location



Our History

- March 31, 1954** Park is Founded by Jerry Shore and Tony Chiesa with ~ \$60 Thousand Investment
- November 17, 1960** Park goes Public
- 1961** Park acquires New England Laminates Company ("Nelco") in Stamford, CT for ~ \$200 Thousand
- 1984** Park lists on NYSE
- 1985** Park commences regular Quarterly Cash Dividend
- Mid-1980's** Park had become global Electronics Business with other ancillary businesses



Our History (Continued)

Jan 2007 Park commits to Aerospace as second major area of business focus

Jan 17, 2008 Ground-breaking of Park's New Aerospace Facility in an empty field in Newton, KS

May 2009 Park's New Newton, KS Aerospace Facility opens (kind of!)

February 28, 2014 (11:00 PM) Park makes first production shipment to MRAS* for engine nacelles and other structures for Legendary Boeing 747 Aircraft



*Middle River Aerostructure Systems, now a subsidiary of ST Engineering Aerospace



Our History (Continued)

- December 2018 Park enters into Firm Pricing Agreement with MRAS through 2029
- December 2018 Park announces Major Expansion of Newton, KS Facility
- December 2018 Park sells its Electronics Business to AGC Inc. of Tokyo, Japan
- December 2018 Park's transformation from an Electronics Company into an Aerospace Company is complete
- July 17, 2019 Park changed name from Park Electrochemical Corp. to **Park Aerospace Corp.**
- September 1, 2019 Park has \$145 million in cash (and marketable securities) and Zero Long-Term Debt
- October 11, 2019 Park has paid 34 years of regular, quarterly cash dividends without ever skipping a dividend or reducing the dividend amount
- October 11, 2019 Park has paid \$511 million, or \$24.95 per share, in cash dividends since our 2005 Fiscal Year



FY2017, FY2018 and FY2019 Results*

(In Thousands)

	FY2017	FY2018	FY2019
Sales	\$31,837	\$40,230	\$51,116
Gross Profit	\$8,299	\$11,288**	\$16,184
Gross Margin	26.7%	28.1%**	31.7%
EBITDA	\$1,055	\$4,704**	\$10,248

*From Continuing Operations

**Before Special Items



Park's Long-Term Forecast Estimates

	FY20	FY21	FY22	FY23
Sales	\$58.75M to \$60.75M	\$69M to \$73M	\$78M to \$84M	\$87M to \$92M
EBITDA	\$12.0M to \$13.0M	\$17.5M to \$21M	\$21.5M to \$24.5M	\$25M to \$27.5M
EBIT		\$16M to \$19.5M	\$19.5M to \$22.5M	\$23M to \$25.5M

- Forecast assumes Organic Growth and no Additional Revenue from Acquisitions
- Note that Major Jet Engine Company Programs Forecast does not fully ramp up until FY26
- The above Long-Term Forecast estimates for FY21, FY22 and FY23 were contained in the Company's January 16, 2019 21st Annual Needham Growth Conference Presentation (posted on Park's website)
- The Long-Term Forecast Estimate for FY20 is updated to align with actual results for FY20 Q1 and Q2 and forecast for FY20 Q3 and Q4 contained on the following slide
- The above Forecast estimates for FY21, FY22 and FY23 are included in this Company Presentation for convenient reference only and are Not being updated or confirmed at this time
- Park's current intention, which is subject to change, is to update our Long-Term Forecast annually toward the beginning of each Calendar Year



FY2020 Q3 and Q4 Forecast Estimates (Historical Data In Thousands)*

	FY19 Q1	FY19 Q2	FY19 Q3	FY19 Q4**	FY20 Q1	FY20 Q2	FY20 Q3	FY20 Q4
Sales	\$10,393	\$11,211	\$12,853	\$16,659	\$14,950	\$13,723	\$14.75M to \$15.75M	\$15.25M to \$16.25M
EBITDA	\$1,385	\$1,663	\$2,948	\$4,251	\$3,372	\$2,406	\$3.0M to \$3.5M	\$3.25M to \$3.75M

- The above FY2020 Q3 and Q4 forecast estimates were contained in the Company's October 10, 2019 FY20 Q2 Investor Conference Call Presentation (posted on Park's website), and are included in this Company Presentation for convenient reference only and are Not being updated or confirmed at this time
- Factors expected to affect FY2020 Q3 and Q4 EBITDA:
 - ✓ Outside testing costs related to data development for new product
 - ✓ GE9X Program manufacturing trials and development expenses
 - ✓ Film Adhesive manufacturing trials and development expenses

*From Continuing Operations

**14 Week Quarter



FY2020 Q3 and Q4 Forecast Estimates (Continued)

- ✓ AFP manufacturing ramp-up and additional costs
- ✓ Costs of operating 24" Hot-Melt lines for GE9X
- ✓ Continuing rework related to Polyurethane Film issues discussed above
- ✓ Push-out of delivery schedules for GE9X Program
- ✓ Legacy costs expected to continue into FY2020 Q4

➤ **Factors affecting predictability of short-term forecasts:**

- ✓ All Major Jet Engine Company Programs, except B747-8, are ramping or in development
- ✓ Severe stress on Aerospace Industry Supply Chain
- ✓ Because of tight manufacturing capacity and carbon fiber supply, there is very little slack and leeway in system, making it difficult to recover from supply or production set-backs



Major Jet Engine Company Programs

- Firm Pricing LTA through 2029 with Middle River Aerostructure Systems (MRAS), now a subsidiary of ST Engineering Aerospace
- Redundant Factory Announced and in Progress
- Sole Source for Composite Materials, including Lightning Strike Protection Materials and Film Adhesive Materials (undergoing qualification), for Engine Nacelles, Thrust Reversers and Inner Fixed Structures for Multiple Programs, including:
 - ✓ B747-8 with GENx 2B Engines
 - ✓ A320neo with LEAP-1A Engines
 - ✓ A321neo with LEAP-1A Engines
 - ✓ Comac 919 with LEAP-1C Engines
 - ✓ Comac ARJ with CF34-10A Engines
 - ✓ Bombardier Global 7500 with Passport 20 Engines
- Park Composite Materials are Sole Source on large primary structure component for Passport 20 Engines (not included in MRAS LTA)
- POs for Composite Materials for Containment Wrap for GE9X Engines for B777X (not included in MRAS LTA)



The Legendary Boeing 747



Major Jet Engine Company Programs (Continued)

- Joint Development and Collaboration projects with MRAS related to:
 - ✓ AFP Manufacturing...Development complete and Park Material is qualified and in production
 - ✓ Lightning Strike Protection Material...Development complete and Park Material is qualified and in production
 - ✓ Film Adhesive Material...Development complete and undergoing qualification and expected to be in production in CY2020

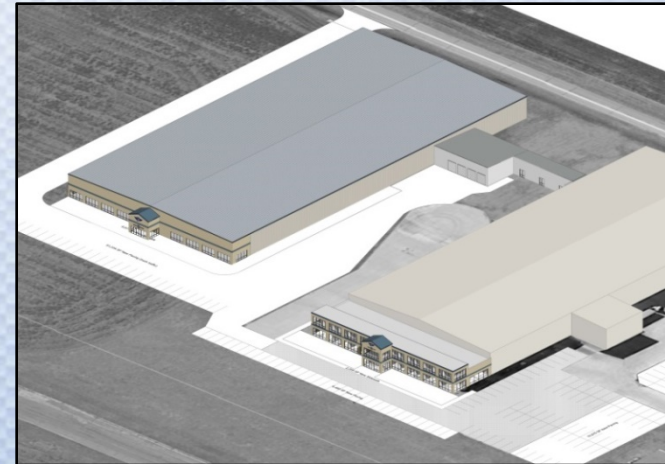
- Revenues from Major Jet Engine Company Programs were \$21.7 Million in FY2019

- Annual Revenues from Major Jet Engine Company Programs not expected to fully ramp up until FY2026 (based upon Customer Provided Forecast)



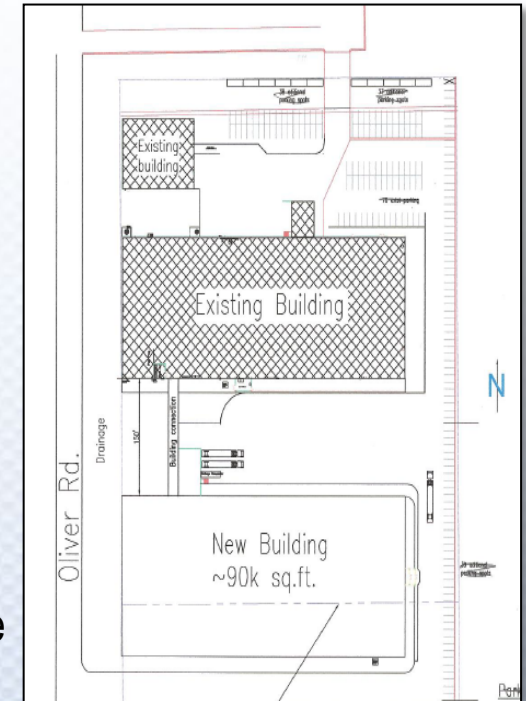
Major Expansion of Park Aerospace Corp.'s Newton, KS Facilities

- December 2018...Park announced Major Expansion of Newton, KS Aerospace Manufacturing and Development Facilities
 - ✓ Redundant Plant for MRAS and its Aircraft OEM Customers; Park promised to build plant once firm pricing through 2029 agreed to
 - ✓ Redundant Plant also needed for Manufacturing Capacity by CY2021 based upon Customer Provided Forecast
 - ✓ Approximately 90,000 square feet
 - ✓ Expansion will double size of current Newton, KS facilities
 - ✓ Approximately \$20.5 Million Investment
 - ✓ **Ground-Breaking on August 15, 2019**
 - ✓ Completion expected by mid-CY2020
 - ✓ Expected to be qualified and in production by mid-CY2021
- Expansion includes:
 - ✓ New 60" Hot-Melt Film and Tape Manufacturing Lines
 - ✓ New Mixing and Delivery Systems



Major Expansion (Continued)

- ✓ New R & D Lab
- ✓ Expanded Production Lab
- ✓ Additional Slitting Capacity
- ✓ Additional Freezer and Storage Space
- ✓ Space to accommodate additional Hot-Melt Tape Line or Solution Treating Line
- ✓ Additional Office Space



➤ Hot-Melt Manufacturing Capacity:

- ✓ Current: Approximately \$45 Million from existing 60" Film and Tape Lines (not including capacity available from existing 24" Film and Tape Lines)
- ✓ Expansion will provide approximately \$50 Million of Additional Capacity
- ✓ With additional \$4 Million to \$5 Million Investment, another \$50 Million of Additional Capacity could be made available (space provided for in new facility)

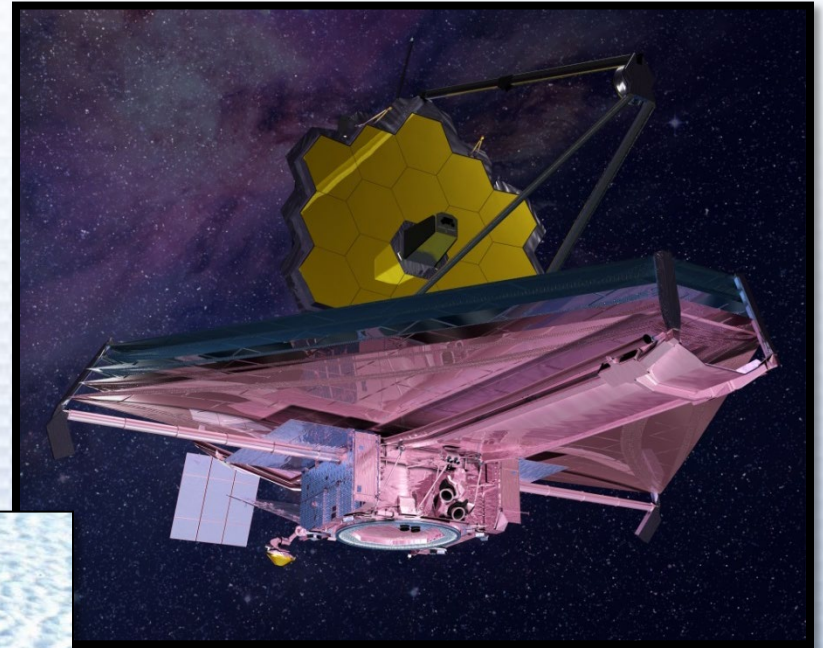
➤ Current Solution Treating Capacity: Approximately \$55 Million



Park Aerospace Exotic Programs of Interest



Textron's Scorpion ISR/Strike Tactical Aircraft



NASA's James Webb Space Telescope



Boeing E4-B Domsday Aircraft



Recent Developments

- Ground-Breaking for Major Expansion of Newton, KS Facility on August, 15, 2019
- Park Rang Closing Bell at NYSE on August 26, 2019
- Park changed name from Park Electrochemical Corp. to **Park Aerospace Corp.**
- Principal operating subsidiary has been merged into parent company, and Park Aerospace Corp. is now One Company
- Major Private Space Company...Multiple POs Received
- “Hit ’em Where They Ain’t” Acquisition Program
- Potential JV in Asia
- Kratos Defense & Security Solutions...Park’s products are qualified on and being used in the manufacture of Kratos’ Target and Tactical Unmanned Aerial Systems, including the XQ-58A Valkyrie Tactical UAS



Recent News from June 2019 Paris Air Show

➤ Airbus A320/A321neo Paris Air Show Announcements

- ✓ CFM announced orders and commitments for more than 1,150 LEAP-1A Engines*
- ✓ IndiGo announced it ordered 560 LEAP-1A Engines for A320neo and A321neo Aircraft, the largest engine order in history*

➤ Airbus A321XLR Aircraft Announced at Paris Air Show!!!



An aerial photograph of a vast, rugged mountain range covered in snow. The peaks are sharp and jagged, with deep shadows in the valleys. A clear blue sky is visible above the mountains. In the top right corner, the white wing of an aircraft is visible, suggesting the photo was taken from a plane.

Thank You!

