



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

Company Presentation
May 14, 2020

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 1, 2020, 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 (in final stages of development 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



Our Business (Continued)

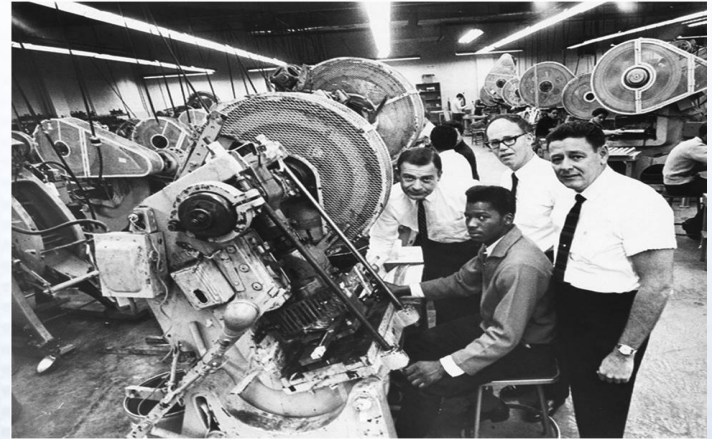
- Park Aerospace also offers:
 - ✓ Specialty Ablative materials for Rocket Motors and Nozzles
 - ✓ Specially designed materials for Radome Applications

- 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 66th 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

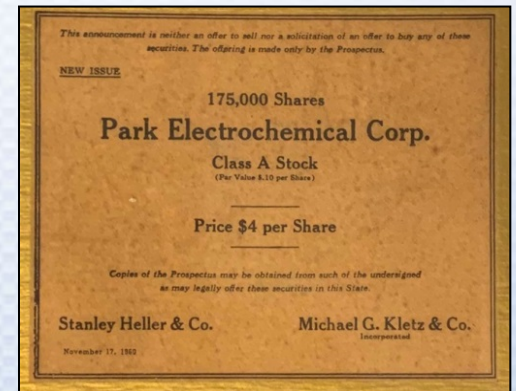
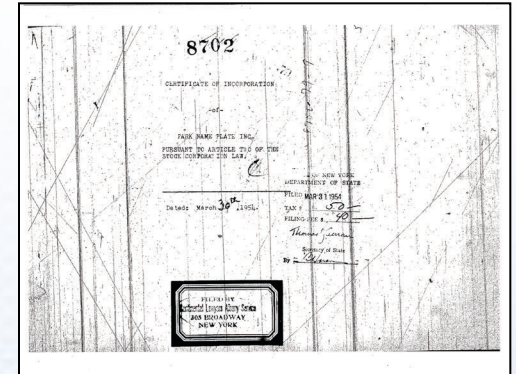


Park's First Location



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 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 engine structures for Legendary Boeing 747 Aircraft



*Middle River Aerostructure Systems, 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.**



Quarterly Results for FY2019 and FY2020, Including FY2020 Q4 (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	\$15,847	\$15,494
Gross Profit	\$2,852	\$3,145	\$4,284	\$5,903	\$4,804	\$3,813	\$5,022	\$5,034
Gross Margin	27.4%	28.1%	33.3%	35.4%	32.1%	27.8%	31.7%	32.5%
EBITDA	\$1,385	\$1,663	\$2,948	\$4,251***	\$3,372	\$2,406	\$3,622	\$3,612***

➤ What we said about FY20 Q4 during our January 9, 2020 FY20 Q3 Investor Call:

- ✓ Sales estimate: \$15.0 Million to \$16.0 Million
- ✓ EBITDA estimate: \$3.1 Million to \$3.6 Million

*From Continuing Operations

**14 Week Quarter

*** Before Special Items



FY2017, FY2018, FY2019 and FY2020 Results (In Thousands)*

	FY2017	FY2018	FY2019	FY2020
Sales	\$31,837	\$40,230	\$51,116	\$60,014
Gross Profit	\$8,299	\$11,288	\$16,184	\$18,673
Gross Margin	26.7%	28.1%	31.7%	31.1%
EBITDA	\$1,055	\$4,704**	\$10,248**	\$13,012**

*From Continuing Operations

**Before Special Items



Major Expansion of Newton, KS Facilities

➤ December 2018...Park announced Major Expansion of Newton, KS Aerospace Manufacturing and Development Facilities

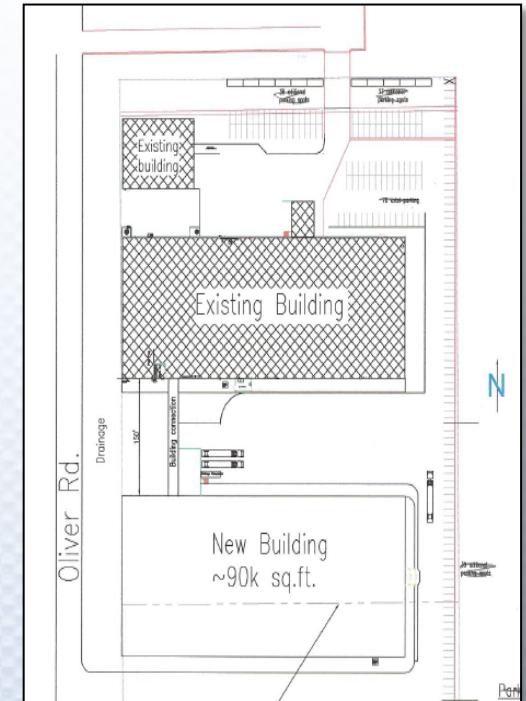
- ✓ Redundant Plant for MRAS and its Aircraft OEM Customers; Park promised to build plant once firm pricing through CY2029 was agreed to
- ✓ Park expects Redundant Plant will also ultimately be needed for Manufacturing Capacity
- ✓ Approximately 90,000 square feet
- ✓ Expansion will approximately double size of current Newton, KS facilities
- ✓ Ground-Breaking on August 15, 2019
- ✓ Completion expected in early CY2021
- ✓ Expected to be qualified and in production by end of CY2021
- ✓ Approximately \$18 million Investment (approximately \$2.5 million of additional spending deferred)
- ✓ Spending
 - To date: approximately \$8.5 million
 - To go: approximately \$9.5 million



Major Expansion (Continued)

➤ Expansion includes:

- ✓ New 60" Hot-Melt Film and Tape Manufacturing Lines
- ✓ New Mixing and Delivery Systems
- ✓ 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



FY2020 Top Five Customers (in Alphabetical Order)

AAE Aerospace

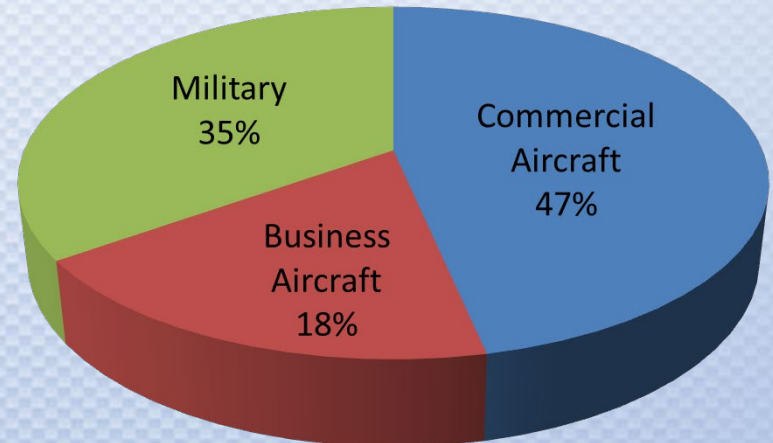
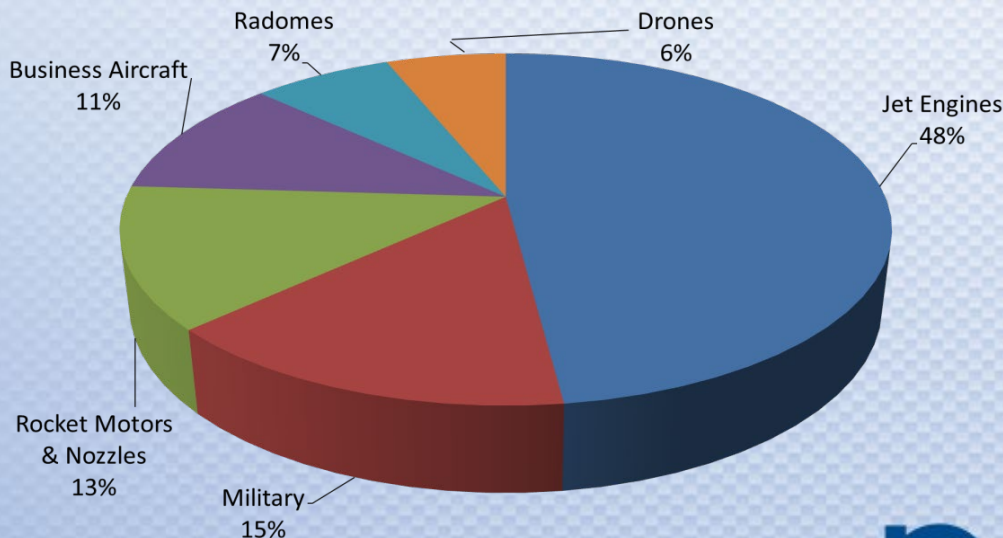
AAR Corp.

Kratos Defense and Security Solutions

Middle River Aerostructure Systems (MRAS)*
and its subcontractors

Nordam Group

Park's Estimated FY2020 Revenues by Aerospace Market Segment...Two Cross Sections



*MRAS is a subsidiary of
ST Engineering Aerospace



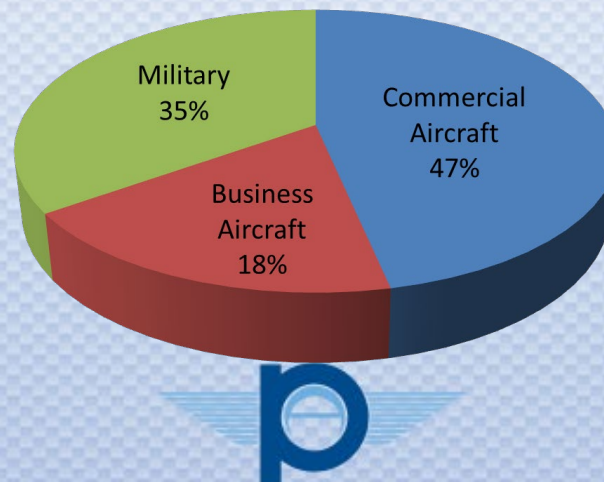
Impact of COVID-19 Pandemic and Resulting Global Economic Crisis on Global Aerospace Industry

- How will Pandemic and Global Economic Crisis impact Global Aerospace Industry? How will it impact Park?
 - ✓ It is not possible to quantify the impact at this time, but the impact is, and will be, significant
- Four Key Questions regarding Global Economic Crisis:
 - ✓ How deep will it go?
 - ✓ How long will it last?
 - ✓ What will recovery look like?
 - ✓ What will Global Economy and Global Aerospace Industry look like on the other side?
- Observations and Perspectives on Impact of Crisis on Aerospace Industry:
 - ✓ Military Aerospace Industry...seemingly limited impact so far
 - ✓ Commercial Aircraft Industry...very significant:
 - Airlines:
 - Large number of Airplanes are parked
 - Very significant flight cancellations
 - Flight loading very light



Impact of COVID-19 Pandemic and Resulting Global Economic Crisis on Global Aerospace Industry (Continued)

- Commercial Aircraft and Engine Manufacturers:
 - Furloughs
 - Temporary Plant Closures
 - Significant Reductions in Rates
- ✓ Business Aircraft Industry...very significant
 - Dramatic reduction in business aircraft flight operations
 - Furloughs
 - Temporary Plant Closures
- ✓ Park's FY2020 Revenue Pie Chart Revisited



Impact of COVID-19 Pandemic and Resulting Global Economic Crisis on Global Aerospace Industry (Continued)

➤ Commercial Aircraft Industry Recovery Considerations

- ✓ Jet Fuel Prices
- ✓ Reopening of Economy
- ✓ Economic Recovery
- ✓ Social Distancing:
 - On Planes?
 - At Gates?
 - Boarding?
 - At Airports?
- ✓ Fear Factor
- ✓ Coronavirus vaccines and treatments
- ✓ Single-Aisle Aircraft vs. Wide-body Aircraft...which will recover first and more strongly?



Airbus A320neo with CFM LEAP-1A Engines



Impact of COVID-19 Pandemic and Resulting Global Economic Crisis on Global Aerospace Industry (Continued)

➤ Business Aircraft Industry Recovery Considerations

- ✓ Jet Fuel Prices?
- ✓ Reopening of Economy
- ✓ Economic Recovery
- ✓ Corporate Profits
- ✓ Stock Market performance
- ✓ Will Social Distancing and Fear Factor concerns for Commercial Aircraft benefit Business Aircraft?
- ✓ Will Business Aircraft Industry recover before Commercial Aircraft Industry?



Bombardier Global 7500 with GE Aviation Passport 20 Engines



GE Aviation Jet Engine Programs

- Firm Pricing LTA (Requirements Contract) through 2029 with Middle River Aerostructure Systems (MRAS), a subsidiary of ST Engineering Aerospace
- Redundant Factory...Construction in Progress
- Sole Source for Composite Materials for Engine Nacelles and Thrust Reversers for Multiple MRAS Programs, including:
 - ✓ A320neo with LEAP-1A Engines*
 - ✓ A321neo with LEAP-1A Engines*
 - ✓ A321LR with LEAP-1A Engines*
 - ✓ A321XLR with LEAP-1A Engines*
 - ✓ B747-8 with GEnx 2B Engines (including Inner Fixed Structures)
 - ✓ 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)
- Park Composite Materials in process of qualification for Containment Wrap for GE9X Engines for B777X (GE Aviation Program not included in MRAS LTA; Park has not been awarded this program at this time)



Boeing 747-8 Engine Nacelles

*Also Sole Source for Lightning Strike Protection Materials



Update on GE Aviation Jet Engine Programs

- A320neo/A321neo/A321LR/A321XLR (A320neo Family of Aircraft) with LEAP-1A Engines: Significant reductions
- Bombardier Global 7500 with Passport 20 Engines: Significant reductions; Bombardier recently announced reopening of plants which were temporarily closed
- Boeing 747-8: Steady; Boeing recently announced no change to Program Rates
- Comac ARJ21 with CF34-10A Engines: No change to rates at this time
- Comac 919 with LEAP-1C Engines: No change to production ramp schedule at this time, but ramp is still somewhat down the road
- Boeing 777X with GE9X Engines: All POs for CY2020 cancelled; production schedule pushed further out; Boeing recently announced rate reduction for this program; redesign risk; Park's current focus is continuation of qualification activities (GE Aviation program not included in MRAS LTA)



Perspective on GE Aviation Jet Engine Programs and A320neo Program in Particular

- FY2020 Revenues from GE Aviation Jet Engine Programs were \$28.9 Million, or 48% of total FY2020 Revenues
- Approximately 60% of FY2020 GE Aviation Program Revenue estimated to be attributable to Airbus A320neo Aircraft Family with LEAP-1A Engines
- Largest engine order in history for LEAP-1A engines for A320neo Aircraft Family at last year's Paris Airshow
- Airbus A320 recently dethroned the Boeing 737 as the world's best-selling Commercial Aircraft
- Airbus A320neo Aircraft Family was fastest selling Commercial Aircraft in history until earlier this year when COVID-19 Pandemic and Global Economic Crisis struck the world

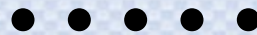


Airbus A321XLR with LEAP-1A Engines



Perspective on GE Aviation Jet Engine Programs and A320neo Program in Particular (Continued)

- The A320neo Program has ramped significantly for Park in the last three years
- Park received another increase from MRAS to its A320neo Program forecast earlier this year
- In February 2020, Park received a letter from MRAS indicating that Airbus had requested MRAS and its suppliers to perform an assessment of their abilities to support significantly increased production rates for the A320neo Family of Aircraft; Park responded in March of 2020 indicating we would be able to support the increased rates and explaining how we would achieve those rates



- **Then**, in March of 2020, the Global Airline Industry collapsed as a result of the Coronavirus Pandemic and resulting Global Economic Crisis...



Perspective on GE Aviation Jet Engine Programs and A320neo Program in Particular (Continued)

- On April 8, 2020, Airbus announced it was reducing production rates for the A320neo Family of Aircraft by **one third** in order “to adapt to the new Coronavirus market environment”
- Will Airbus drop another shoe?
- MRAS recently provided Park with rate reduction indications for the A320neo Aircraft Family Program, as well as other GE Aviation Programs; although the rate reduction indications have been somewhat inconsistent and unclear, they are very significant nevertheless
- The situation remains very fluid, and Airbus and MRAS production forecasts are subject to change, and likely will change; however, Park’s sales will clearly be negatively impacted by the significant reduction in the production rates of the A320neo and other GE Aviation Programs



Perspective on GE Aviation Jet Engine Programs and A320neo Program in Particular (Continued)

- In addition, Park's sales will be negatively impacted by the need to “burn down” the significant inventory held throughout the supply chain for those GE Aviation Programs resulting from the unprecedented steep ramp-ups of those programs through the beginning of CY2020 followed by the precipitous, abrupt and sharp reductions in the production rates of those GE Aviation Programs due to the Coronavirus crisis
- What do the significant reductions in GE Aviation Program rates and the inventory “burn-down” mean for Park?
 - ✓ How significant a reduction in GE Aviation Program revenues?
 - ✓ How long will it last?
 - ✓ What will recovery look like?
 - ✓ What will it look like on the other side?
 - ✓ Thoughts about GE Aviation Programs revenues in FY2021:
 - Q1
 - Q2
 - Q3
 - Q4



Park's Perspective on Commercial Aircraft Industry

- Single-Aisle Aircraft vs. Wide-body Aircraft
 - ✓ Trend already in place favoring Single-Aisle Aircraft
 - ✓ Industry experts and analysts believe market for Single-Aisle Aircraft will recover before Wide-body Aircraft market
- If you want to be in Commercial Aerospace, Single-Aisle Aircraft is the place to be at least for near term future (Park's opinion)
- Major Single-Aisle Aircraft Programs:
 - ☒ Airbus A320neo Family of Aircraft with LEAP-1A Engines
 - ☐ Boeing 737 MAX Aircraft with LEAP-1B Engines
 - ☒ Comac 919 Aircraft with LEAP-1C Engines
- Park checks 2 of the 3 Single-Aisle boxes; if you want to be in Single-Aisle Aircraft, those are the two boxes you want to check (Park's Opinion)



Park's Perspective on Commercial Aircraft Industry (Continued)

- Park's strategy is to continue to emphasize Commercial Aerospace as one of its main end-market segments; Park believes Single-Aisle Aircraft is the place to be in Commercial Aerospace at least for the near term; Park believes it is ideally positioned on the two preferred Single-Aisle Aircraft programs
- Park believes it is very well positioned in the Commercial Aerospace Industry (maybe through luck or good fortune, but we will take it either way)



Park's Perspective on Future of Commercial Aviation and Commercial Aircraft Industry

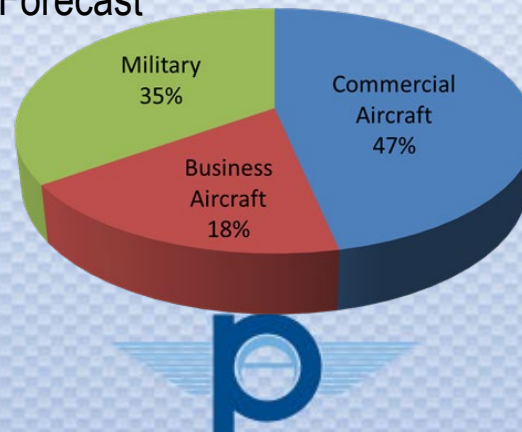
- Is the human race ready to pack it in and resign itself to living in fear and isolation?
- It is human nature to explore and to congregate...virtual living is overrated
- We are going through a tragic crisis for the human race with much despair and heartbreak, but sometimes good things can come out of even the most devastating crisis
- We believe the Commercial Aviation and Commercial Aircraft Industries will not only find ways to make people feel safe on airplanes, but also to provide them with more wonderful experiences of flying than ever before
- Park believes that, someday, people will want to fly on Airplanes again and that the Commercial Aircraft Industry will be one of the World's Great Industries for many years to come
- We believe the glory days of Aviation will return...and we intend to be part of it...



Park's Long-Term Forecast Estimates Published at Needham Growth Conference on January 15, 2020

	FY20*	FY21	FY22	FY23	FY24
Sales	\$60,014K	\$68M to \$73M	\$78M to \$84M	\$86M to \$92M	\$94M to \$100M
EBITDA	\$13,012K	\$16.0M to \$19.5M	\$19.0M to \$22.5M	\$22.0M to \$25.5M	\$24.5M to 28.0M
EBIT	\$10,949K	\$14.0M to \$17.5M	\$17.0M to \$20.5M	\$19.5M to \$23.0M	\$22.0M to \$25.5M

- Park's Long-Term Forecast is **Withdrawn**
- "It's tough to make predictions, especially about the future." Yogi Berra
- Our thoughts about FY2021:
 - ✓ Q1
 - ✓ Q2
 - ✓ Q3
 - ✓ Q4
- Our thoughts about our Long-Term Forecast



*Actual

So, What's Going on at Park?

- Park has been fully operational throughout the crisis
 - ✓ NY Office...technically open, but all employees are working hard and effectively from home
 - ✓ Kansas Manufacturing Facility fully operational
 - Essential business in Kansas exempt from “stay home” order
 - Told by DOD we are “expected” to stay open
 - 25 letters from Defense Contractors
 - Safety measures in place:
 - Masks
 - Taking Temperatures
 - Pre-screening necessary visitors
 - Additional cleaning and disinfecting protocols
 - Adjust shift schedules
 - Social distancing where possible
 - Our county in Kansas has very small number of confirmed Coronavirus cases
 - Very fortunately, we have had no cases at Park at this time
 - ✓ Park's People are Doing Great!



So, What's Going on at Park? (Continued)

- In Kansas, we are working on projects and new initiatives we just could not get to in recent years because we were driving our operation so hard; we are taking advantage of the additional bandwidth we now have available as a result of reduced production rates
- R&D Efforts...we are not reducing them, and are even attempting to increase them
 - ✓ We are not lavish spenders on R&D (or anything else for that matter), but we are directing some of our freed-up bandwidth to R&D Projects
 - ✓ We recently introduced our new E-752-MTS mid-toughened epoxy prepreg product
 - Intended for primary and secondary composite aircraft structures
 - Suitable for autoclave, oven and press cure
 - Designed for hand lay-up and automated processes, including AFP operations
 - ✓ We hope to be able to make additional new product announcements soon



So, What's Going on at Park? (Continued)

- CARES ACT and other government benefits related to economic crisis
 - ✓ We have not applied for any benefits or loans, and we do not intend to
 - ✓ Not right for us
- Park's Cash Dividend
 - ✓ Park has paid 35 consecutive years of uninterrupted regular, quarterly cash dividends, without ever skipping a dividend or reducing the dividend amount
 - ✓ Park has paid \$538 million in cash dividends, or \$26.25 per share, since the beginning of FY2005
 - ✓ Although this is always subject to change in the future, Park's current intention is to continue its regular quarterly cash dividend of \$0.10 per share
- Park's Balance Sheet
 - ✓ As of March 1, 2020, Park had \$122 million in cash (and marketable securities) and Zero Long-Term Debt
 - Is that just good luck?
 - Is that an accident?



So, What's Going on at Park? (Continued)

- ✓ Great opportunities for Park to potentially buy a company or companies which are highly strategic for Park at very good, or even distressed, values
- ✓ Great opportunities for Park to invest in its business and new business opportunities at a time when others may be looking for cover
- The world is now full of human tragedy and heartbreak which we mourn deeply...but sometimes good things can come out of even the worst crisis
- We believe Park is very well positioned to take advantage of the opportunities presented by the global crisis...and we intend to do so...
- We do not plan to hide in a bunker for the next two years...we intend to make this our time
- Others may falter, but Park is not going anywhere...



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!

