

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): January 7, 2021

PARK AEROSPACE CORP.  
(Exact Name of Registrant as  
Specified in Charter)

<u>New York</u> (State or Other Jurisdiction of Incorporation)	<u>1-4415</u> (Commission File Number)	<u>11-1734643</u> (IRS Employer Identification No.)
<u>1400 Old Country Road, Westbury</u> (Address of Principal Executive Offices)	<u>New York</u>	<u>11590</u> (Zip Code)

Registrant's telephone number, including area code (631) 465-3600

Not Applicable

Former Name or Former Address, if Changed Since Last Report

Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$.10 per share	PKE	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has selected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

Park Aerospace Corp. (the "Company") issued a news release on January 7, 2021 reporting its results of operations for its 2021 fiscal year third quarter ended November 29, 2020.

The Company is furnishing the news release to the Securities and Exchange Commission pursuant to Item 2.02 of Form 8-K as Exhibit 99.1 hereto, and it is incorporated herein by reference. The information in this Item 2.02 and the attached Exhibit shall not be deemed filed for purposes of Section 18 of the Security Exchange Act of 1934, as amended (the "Exchange Act"), nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act except as shall be expressly stated by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 News Release dated January 7, 2021

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PARK AEROSPACE CORP.

Date: January 7, 2021

By: /s/ P. Matthew Farabaugh  
Name: P. Matthew Farabaugh  
Title: Senior Vice President and Chief  
Financial Officer



Exhibit 99.1

**NEWS RELEASE**

Contact: Donna D'Amico-Annitto

486 North Oliver Road, Bldg. Z  
Newton, Kansas 67114  
(316) 283-6500

**PARK AEROSPACE CORP. REPORTS THIRD QUARTER RESULTS**

Newton, Kansas, Thursday, January 7, 2021.....Park Aerospace Corp. (NYSE-PKE) reported results for the 2021 fiscal year third quarter ended November 29, 2020. As previously reported, Park completed the sale of its Electronics Business to AGC Inc. on December 4, 2018. Therefore, current costs relating to the Electronics Business are reported as discontinued operations. Continuing operations discussed below refer to Park's Aerospace Business unless otherwise indicated.

The Company will conduct a conference call to discuss its financial results and other matters at 11:00 a.m. EST today. A live audio webcast of the event, along with presentation materials, will be available at <https://edge.media-server.com/mmc/p/fpex6v6n> at 11:00 a.m. EST today. The presentation materials will also be available at approximately 9:00 a.m. EST today at <https://parkaerospace.com/shareholders/investor-conference-calls/> and on the Company's website at [www.parkaerospace.com](http://www.parkaerospace.com) under "Investor Conference Calls" on the "Shareholders" page.

**Continuing Operations:**

Park reported net sales of \$10,372,000 for the 2021 fiscal year third quarter ended November 29, 2020 compared to \$15,847,000 for the 2019 fiscal year third quarter ended December 1, 2019 and \$9,250,000 for the 2021 fiscal year second quarter ended August 30, 2020. Park's net sales from continuing operations for the nine months ended November 29, 2020 were \$31,835,000 compared to \$44,520,000 for the nine months ended December 1, 2019. Net earnings from continuing operations for the 2021 fiscal year third quarter were \$1,037,000 compared to \$2,806,000 for the 2020 fiscal year third quarter and \$1,151,000 for the 2021 fiscal year second quarter. Net earnings from continuing operations were \$4,160,000 for the current year's first nine months compared to \$7,572,000 for last year's first nine months.

EBITDA from continuing operations for the 2021 fiscal year third quarter was \$1,380,000 compared to \$3,622,000 for the 2020 fiscal year third quarter and \$1,418,000 for the 2021 fiscal year second quarter.

For the nine months ended November 29, 2020, Park reported net earnings from continuing operations before special items of \$4,160,000 compared to \$7,716,000 for last fiscal year's first nine months. In the 2020 fiscal year's first nine months, the Company recorded a one-time tax charge of \$144,000 for the write down of deferred tax assets for stock option expirations pertaining to employees who transferred to AGC Inc. in connection with the sale of the Electronics Business. EBITDA from continuing operations for the current year's first nine months was \$5,162,000 compared to \$9,400,000 for last year's first nine months.

Park reported basic and diluted earnings per share from continuing operations of \$0.05 for the 2021 fiscal year third quarter compared to \$0.14 for the 2020 fiscal year third quarter and \$0.06 for the 2021 fiscal year second quarter.

Park reported basic and diluted earnings per share from continuing operations of \$0.20 for the 2021 fiscal year's first nine months compared to \$0.37 for the 2020 fiscal year's first nine months. Basic and diluted earnings per share from continuing operations before special items were \$0.20 for the 2021 fiscal year's first nine months compared to basic earnings per share from continuing operations before special items of \$0.38 and diluted earnings per share from continuing operations before special items of \$0.37 for the 2020 fiscal year's first nine months.

The Company will conduct a conference call to discuss its financial results at 11:00 a.m. EST today. Forward-looking and other material information may be discussed in this conference call. The conference call dial-in number is (844) 466-4114 in the United States and Canada, and (765) 507-2654 in other countries. The required passcode for attendance by phone is 4883755.

For those unable to listen to the call live, a conference call replay will be available from approximately 2:00 p.m. EST today through 11:59 p.m. EST on Wednesday, January 13, 2021. The conference call replay will be available at <https://edge.media-server.com/mmc/p/fpex6v6n> and on the Company's website at [www.parkaerospace.com](http://www.parkaerospace.com) under "Investor Conference Calls" on the "Shareholders" page. It can also be accessed by dialing (855) 859-2056 in the United States and Canada, and (404) 537-3406 in other countries. The required passcode for accessing the replay by phone is 4883755.

Any additional material financial or statistical data disclosed in the conference call, including the investor presentation, will also be available at the time of the conference call on the Company's web site at <https://parkaerospace.com/shareholders/investor-conference-calls/>.

Park believes that an evaluation of its ongoing operations would be difficult if the disclosure of its operating results were limited to accounting principles generally accepted in the United States of America ("GAAP") financial measures, which include special items, such as a one-time tax charge and EBITDA. Accordingly, in addition to disclosing its operating results determined in accordance with GAAP, Park discloses non-GAAP measures, including EBITDA, and operating results that exclude special items in order to assist its shareholders and other readers in assessing the Company's operating performance, since the Company's on-going, normal business operations do not include such special items. The detailed operating information presented below includes a reconciliation of the non-GAAP operating results before special items to earnings determined in accordance with GAAP and a reconciliation of GAAP pre-tax earnings to EBITDA. Such non-GAAP financial measures are provided to supplement the results provided in accordance with GAAP.

Park Aerospace Corp. develops and manufactures solution and hot-melt advanced composite materials used to produce composite structures for the global aerospace markets. These materials include lightning strike protection materials. Park offers an array of composite materials specifically designed for hand lay-up or automated fiber placement (AFP) manufacturing applications. Park's advanced composite materials are used to produce primary and secondary structures for jet engines, large and regional transport aircraft, military aircraft, Unmanned Aerial Vehicles (UAVs commonly referred to as "drones"), business jets, general aviation aircraft and rotary wing aircraft. Park also offers specialty ablative materials for rocket motors and nozzles and specially designed materials for radome applications. As a complement to Park's advanced composite materials offering, Park designs and fabricates composite parts, structures and assemblies and low volume tooling for the aerospace industry. Target markets for Park's composite parts and structures (which include Park's proprietary composite SigmaStrut™ and AlphaStrut™ product lines) are, among others, prototype and development aircraft, special mission aircraft, spares for legacy military and civilian aircraft and exotic spacecraft. Park's objective is to do what others are either unwilling or unable to do. When nobody else wants to do it because it is too difficult, too small or too annoying, sign us up.

Additional corporate information is available on the Company's web site at [www.parkaerospace.com](http://www.parkaerospace.com)

**Performance table, including non-GAAP information** (in thousands, except per share amounts –unaudited):

	13 Weeks Ended			39 Weeks Ended	
	November 29, 2020	December 1, 2019	August 30, 2020	November 29, 2020	December 1, 2019
Sales	\$ 10,372	\$ 15,847	\$ 9,250	\$ 31,835	\$ 44,520
Net Earnings before Special Items <sup>1</sup>	\$ 1,037	\$ 2,806	\$ 1,151	\$ 4,160	\$ 7,716
Special Items, Net of Tax:					
Tax Impact of Cancelled Stock Options	-	-	-	-	(144)
Net Earnings from Continuing Operations	\$ 1,037	\$ 2,806	\$ 1,151	\$ 4,160	\$ 7,572
Loss from Discontinued Operations, Net of Tax	\$ (116)	\$ (360)	\$ (197)	\$ (328)	\$ (404)
Net Earnings	\$ 921	\$ 2,446	\$ 954	\$ 3,832	\$ 7,168
Basic Earnings per Share:					
Basic Earnings before Special Items <sup>1</sup>	\$ 0.05	\$ 0.14	\$ 0.06	\$ 0.20	\$ 0.38
Special Items:					
Tax Impact of Cancelled Stock Options	-	-	-	-	(0.01)
Basic Earnings per Share from Continuing Operations	\$ 0.05	\$ 0.14	\$ 0.06	\$ 0.20	\$ 0.37
Basic Loss per Share from Discontinued Operations	-	(0.02)	(0.01)	(0.01)	(0.02)
Basic Earnings per Share	\$ 0.05	\$ 0.12	\$ 0.05	\$ 0.19	\$ 0.35
Diluted Earnings before Special Items <sup>1</sup>	\$ 0.05	\$ 0.14	\$ 0.06	\$ 0.20	\$ 0.37
Special Items:					
Tax Impact of Cancelled Stock Options	-	-	-	-	-
Diluted Earnings per Share from Continuing Operations	\$ 0.05	\$ 0.14	\$ 0.06	\$ 0.20	\$ 0.37
Diluted Loss per Share from Discontinued Operations	-	(0.02)	(0.01)	(0.01)	(0.02)
Diluted Earnings per Share	\$ 0.05	\$ 0.12	\$ 0.05	\$ 0.19	\$ 0.35
Weighted Average Shares Outstanding:					
Basic	20,381	20,518	20,381	20,388	20,503
Diluted	20,434	20,617	20,433	20,442	20,601

<sup>1</sup> Refer to "Reconciliation of non-GAAP financial measures" below for information regarding Special Items.

**Comparative balance sheets (in thousands):**

	November 29, 2020	March 1, 2020
<u>Assets</u>	(unaudited)	
Current Assets		
Cash and Marketable Securities	\$ 116,966	\$ 122,355
Accounts Receivable, Net	8,372	10,925
Inventories	4,712	6,379
Prepaid Expenses and Other Current Assets	3,842	5,535
Total Current Assets	<u>133,892</u>	<u>145,194</u>
Fixed Assets, Net	20,481	16,100
Operating Right-of-use Assets	304	420
Other Assets	9,959	10,072
Total Assets	<u>\$ 164,636</u>	<u>\$ 171,786</u>
<u>Liabilities and Shareholders' Equity</u>		
Current Liabilities		
Accounts Payable	\$ 3,338	\$ 4,735
Accrued Liabilities	1,510	1,709
Operating Lease Liability	113	152
Income Taxes Payable	2,242	2,111
Total Current Liabilities	<u>7,203</u>	<u>8,707</u>
Long-term Operating Lease Liability	206	268
Non-current Income Taxes Payable	14,303	15,986
Deferred Income Taxes	953	834
Other Liabilities	4,476	4,316
Total Liabilities	<u>27,141</u>	<u>30,111</u>
Shareholders' Equity	<u>137,495</u>	<u>141,675</u>
Total Liabilities and Shareholders' Equity	<u>\$ 164,636</u>	<u>\$ 171,786</u>
<u>Additional information</u>		
<i>Equity per Share</i>	\$ 6.75	\$ 6.90

**Comparative statements of operations (in thousands – unaudited):**

	13 Weeks Ended			39 Weeks Ended	
	November 29, 2020	December 1, 2019	August 30, 2020	November 29, 2020	December 1, 2019
Net Sales	\$ 10,372	\$ 15,847	\$ 9,250	\$ 31,835	\$ 44,520
Cost of Sales	7,819	10,825	6,612	22,970	30,881
Gross Profit	2,553	5,022	2,638	8,865	13,639
% of net sales	24.6%	31.7%	28.5%	27.8%	30.6%
Selling, General & Administrative Expenses	1,536	1,949	1,552	4,718	5,785
% of net sales	14.8%	12.3%	16.8%	14.8%	13.0%
Earnings from Continuing Operations	1,017	3,073	1,086	4,147	7,854
Interest and Other Income:					
Interest Income	389	802	525	1,570	2,613
% of net sales	3.8%	5.1%	5.7%	4.9%	5.9%
Earnings from Continuing Operations before Income Taxes	1,406	3,875	1,611	5,717	10,467
Income Tax Provision	369	1,069	460	1,557	2,895
Net Earnings from Continuing Operations	1,037	2,806	1,151	4,160	7,572
% of net sales	10.0%	17.7%	12.4%	13.1%	17.0%
Loss from Discontinued Operations, Net of Tax	(116)	(360)	(197)	(328)	(404)
Net Earnings	\$ 921	\$ 2,446	\$ 954	\$ 3,832	\$ 7,168
% of net sales	8.9%	15.4%	10.3%	12.0%	16.1%

**Reconciliation of non-GAAP financial measures (in thousands – unaudited):**

	13 Weeks Ended November 29, 2020			13 Weeks Ended December 1, 2019			13 Weeks Ended August 30, 2020		
	GAAP	Specials Items	Before Special Items	GAAP	Specials Items	Before Special Items	GAAP	Specials Items	Before Special Items
Earnings from Continuing Operations	1,017	-	1,017	3,073	-	3,073	1,086	-	1,086
% of net sales	9.8%		9.8%	19.4%		19.4%	11.7%		11.7%
Interest Income	389	-	389	802	-	802	525	-	525
% of net sales	3.8%		3.8%	5.1%		5.1%	5.7%		5.7%
Earnings from Continuing Operations before Income Taxes	1,406	-	1,406	3,875	-	3,875	1,611	-	1,611
% of net sales	13.6%		13.6%	24.5%		24.5%	17.4%		17.4%
Income Tax Provision	369	-	369	1,069	-	1,069	460	-	460
Effective Tax Rate	26.2%		26.2%	27.6%		27.6%	28.6%		28.6%
Net Earnings from Continuing Operations	1,037	-	1,037	2,806	-	2,806	1,151	-	1,151
% of net sales	10.0%		10.0%	17.7%		17.7%	12.4%		12.4%
Loss from Discontinued Operations	(116)	-	(116)	(360)	-	(360)	(197)	-	(197)
% of net sales	-1.1%		-1.1%	-2.3%		-2.3%	-2.1%		-2.1%
Net Earnings	921	-	921	2,446	-	2,446	954	-	954
% of net sales	8.9%		8.9%	15.4%		15.4%	10.3%		10.3%
Earnings from Continuing Operations			1,017			3,073			1,086
Addback non-cash expenses:									
Depreciation			314			410			282
Stock Option Expense			49			139			50
EBITDA			1,380			3,622			1,418



**Reconciliation of non-GAAP financial measures - continued** (in thousands – unaudited):

	39 Weeks Ended November 29, 2020			39 Weeks Ended December 1, 2019		
	GAAP	Specials Items	Before Special Items	GAAP	Specials Items	Before Special Items
Earnings from Continuing Operations	4,147	-	4,147	7,854	-	7,854
% of net sales	13.0%		13.0%	17.6%		17.6%
Interest Income	1,570	-	1,570	2,613	-	2,613
% of net sales	4.9%		4.9%	5.9%		5.9%
Earnings from Continuing Operations before Income Taxes	5,717	-	5,717	10,467	-	10,467
% of net sales	18.0%		18.0%	23.5%		23.5%
Income Tax Provision	1,557	-	1,557	2,895	(144)	2,751
Effective Tax Rate	27.2%		27.2%	27.7%		26.3%
Net Earnings from Continuing Operations	4,160	-	4,160	7,572	144	7,716
% of net sales	13.1%		13.1%	17.0%		17.3%
Loss from Discontinued Operations	(328)	-	(328)	(404)	-	(404)
% of net sales	-1.0%		-1.0%	-0.9%		-0.9%
Net Earnings	3,832	-	3,832	7,168	144	7,312
% of net sales	12.0%		12.0%	16.1%		16.4%
Earnings from Operations			4,147			7,854
Addback non-cash expenses:						
Depreciation			873			1,142
Stock Option Expense			142			404
EBITDA			5,162			9,400