



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

Company Presentation
October 7, 2021

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 February 28, 2021 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.



Table of Contents

FY2022 Q2 Investor Presentation.....	Slide 1
Supplemental Financial Information.....	Appendix 1
Environmental and Community Considerations.....	Appendix 2
Diversity and Our Workforce.....	Appendix 3



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 | ✓ Unmanned Aerial Vehicles (UAVs or “Drones”) |
| ✓ Large Transport Aircraft | ✓ Business Jets & General Aviation Aircraft |
| ✓ Regional Transport Aircraft | ✓ Rotary Wing Aircraft |
| ✓ Military 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 "SigmaStrut"™ and "AlphaStrut"™ 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
 - Military Aircraft

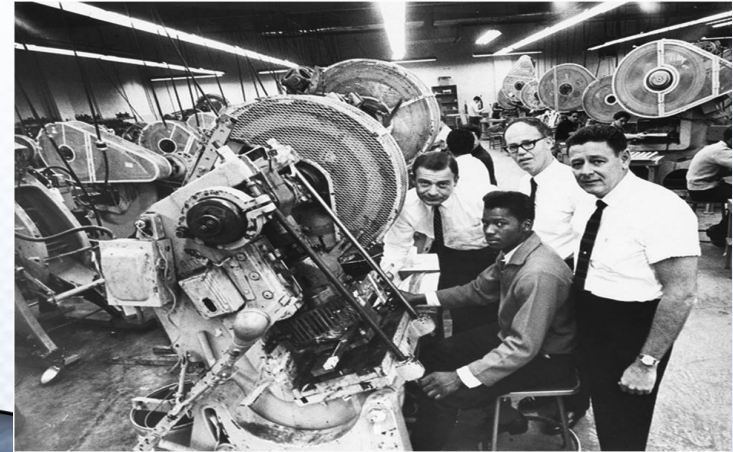


Facility Prior to Major Expansion



Our History

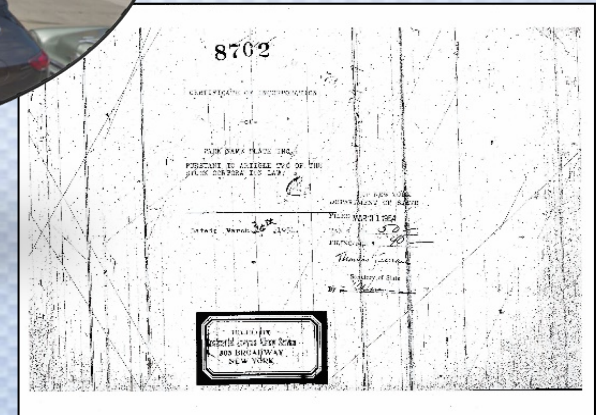
- Park founded on March 31, 1954 by Jerry Shore and Tony Chiesa with ~ \$60 Thousand Investment
- Company started in a small “factory” (garage?) in Woodside, Queens with 5 employees
- 1954 Results:
 - ✓ Sales: \$124,206.59
 - ✓ Pretax Profit: \$887.38
 - ✓ Taxes Paid: \$226.21
- First Invoice: \$300 (hand written)



Park's Founders



Park's First Location

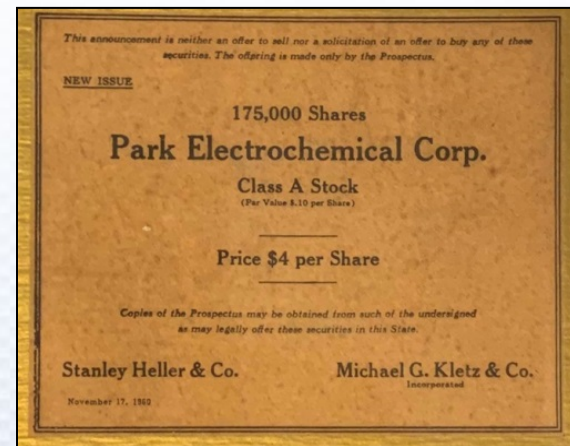


Park's Original Certificate of Incorporation



Our History (Continued)

November 17, 1960 Park goes Public

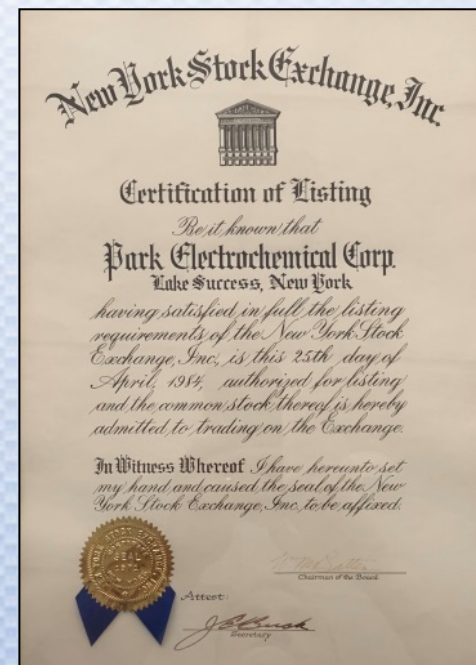


1961 Park acquires New England Laminates Company ("Nelco") in Stamford, CT for ~ \$200 Thousand

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



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



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



Our History (Continued)

- 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.**



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 expects Redundant Plant will also be needed for Manufacturing Capacity
- ✓ Approximately 90,000 square feet
- ✓ Expansion approximately doubles size of current Newton, KS facilities
- ✓ Ground-Breaking on August 15, 2019
- ✓ Expansion is complete
- ✓ Manufacturing trials in progress
- ✓ Qualification runs expected to begin in December 2021
- ✓ Total budget: approximately \$19.5 million
- ✓ Spending
 - To date: approximately: \$17.25 Million
 - To go: approximately \$2.25 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

➤ We pushed forward with our Major Expansion when many others were slashing their capital spending...good thing we did



Park's Balance Sheet, Cash, Cash Dividend History and Capital Allocation “Strategy”

- Park has zero long-term debt
- Park had \$113.0 Million of Cash and Marketable Securities as of end of FY2022 Q2
 - ✓ Spending to go to complete Major Expansion: \$2.25 Million
 - Spending to date: \$17.25 Million
 - Spending in FY2022 Q2: \$800 Thousand
 - ✓ Transition Tax Installment Payments payable through CY2025: \$14.3 Million
 - \$6.7 Million paid to date...
 - \$1.7 Million paid in FY2022 Q2
- Park's Cash Dividend
 - ✓ Park maintained its regular \$0.10 per share quarterly cash dividend throughout the pandemic and economic crisis
 - ✓ Park has paid 36 consecutive years of uninterrupted regular quarterly cash dividends without ever skipping a dividend or reducing the dividend amount
 - ✓ Park has paid \$548 Million, or \$26.75 per share, in cash dividends since the beginning of FY2005



Park's Balance Sheet, Cash, Cash Dividend History and Capital Allocation “Strategy” (Continued)

- ✓ Another \$0.10 per share regular quarterly cash dividend declared on September 13, 2021 payable November 4, 2021 to shareholders of record on October 1, 2021
 - When this cash dividend is paid on November 4, 2021, Park will have paid **\$550 Million** in cash dividends since the beginning of FY2005!!!
- But, we get it...Don't tell me what you did for me yesterday...tell me what you are going to do for me today and tomorrow
- Park's Capital Allocation Strategy (or a fancy way of saying, “What are we going to do with all of that money?”)
 - ✓ Acquisitions and Potential Collaborations
 - Park continues to watch and track certain potential acquisition opportunities
 - Strategic targeting of certain Aerospace Industry segments and product lines
 - Park has reached out to several companies and continues to reach out to companies in the targeted segments



Park's Balance Sheet, Cash, Cash Dividend History and Capital Allocation “Strategy” (Continued)

- ✓ Potential Strategic Investments in major Aerospace and Aircraft Programs
 - Park has reached out to certain large Aerospace OEMs regarding strategic investments in major new Aerospace Programs

- ✓ Park earned every dollar of its cash through much dedication and sacrifice on the part of many Park People over many years...Park's money is not “easy” or cheap money...it is not “easy come, easy go” with us...
 - So, we will not invest our cash casually or do a deal just for the sake of doing a deal
 - If and when we do a deal or invest our cash in an acquisition or some other form of strategic investment, we will feel it is the right thing to do for Park and its Owners...



Quarterly Results for FY2020, FY2021 and FY2022 Q1 and Q2 (In Thousands)*

	FY20 Q1	FY20 Q2	FY20 Q3	FY20 Q4	FY21 Q1	FY21 Q2	FY21 Q3	FY21 Q4	FY22 Q1	FY22 Q2
Sales	\$14,950	\$13,723	\$15,847	\$15,494	\$12,213	\$9,250	\$10,372	\$14,441	\$13,594	\$13,618
Gross Profit	\$4,804	\$3,813	\$5,022	\$5,034	\$3,674	\$2,638	\$2,553	\$4,326	\$5,472	\$4,411
Gross Margin	32.1%	27.8%	31.7%	32.5%	30.1%	28.5%	24.6%	30.0%	40.3%	32.4%
Adjusted EBITDA	\$3,372**	\$2,406	\$3,622	\$3,612**	\$2,364	\$1,418	\$1,380	\$3,257**	\$4,104**	\$3,232**
Adjusted EBITDA Margin	22.6%**	17.5%	22.9%	23.3%**	19.4%	15.3%	13.3%	22.6%**	30.2%**	23.7%**

➤ What we said about FY2022 Q2 during our July 8, 2021 FY2022 Q1 Investor Call:

- ✓ Sales estimate: \$13.25 Million to \$14.25 Million
- ✓ Adjusted EBITDA estimate: \$3.0 Million to \$3.7 Million

*From Continuing Operations

**Before Special Items



Quarterly Results for FY2020, FY2021 and FY2022 Q1 and Q2 (In Thousands)* (Continued)

- Certain factors which affected FY2022 Q2 Sales and Margins
 - ✓ Sales of essential component for missile programs
 - ✓ Difficulty sourcing key raw materials
 - ✓ International shipments difficulties
 - ✓ Domestic freight issues
 - ✓ Additional costs for expedited freight shipments
 - ✓ Cost escalations...**Inflation**
 - Raw materials cost increases...mostly covered
 - General freight cost increases...mostly covered
 - Supplies
 - Miscellaneous other costs
 - ✓ We finally have been able to increase our People Count...but...
- Not our list of excuses...just factors we thought you would want to know about



FY2017, FY2018, FY2019, FY2020 and FY2021 Results (In Thousands)*

	FY2017	FY2018	FY2019	FY2020	FY2021
Sales	\$31,837	\$40,230	\$51,116	\$60,014	\$46,276
Gross Profit	\$8,299	\$11,288	\$16,184	\$18,673	\$13,191
Gross Margin	26.7%	28.1%	31.7%	31.1%	28.5%
Adjusted EBITDA	\$1,055	\$4,704**	\$10,248**	\$13,012**	\$8,419**
Adjusted EBITDA Margin	3.3%	11.7%**	20.0%**	21.7%**	18.2%**

*From Continuing Operations

**Before Special Items



FY2022 Q2 Top Five Customers (in Alphabetical Order)

Aerojet Rocketdyne

Aeromatrix Composites

Kratos Defense and Security Solutions

Middle River Aerostructure Systems (MRAS)*
and its subcontractors

Nordam Group



GE Aviation Passport 20 Jet Engine



Kratos UTAP-22 Mako



*Northrop Grumman
Ground Based Strategic Deterrent
("GBSD")*



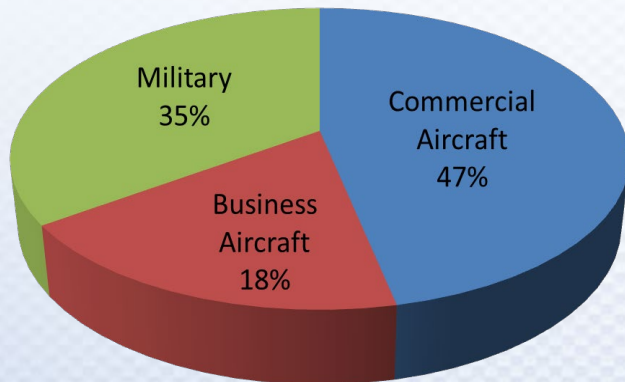
747-8 Engine Nacelles

*MRAS is a subsidiary of
ST Engineering Aerospace



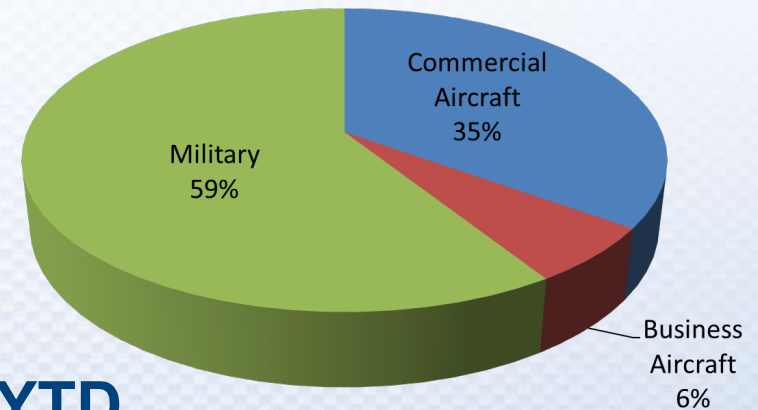
Park's Estimated Revenues by Aerospace Market Segment

FY2020



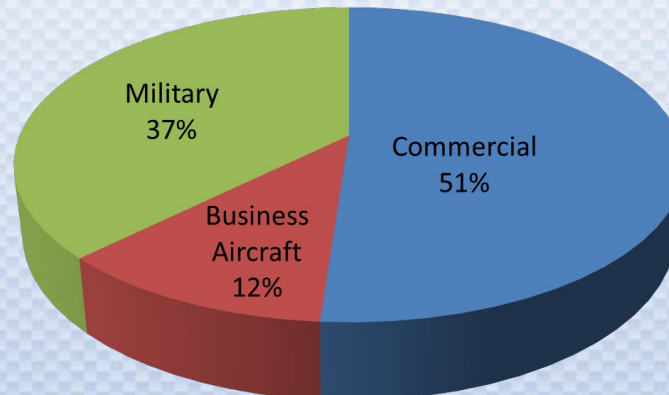
FY2020 Revenues:
\$60.0 Million

FY2021



FY2021 Revenues:
\$46.3 Million

FY2022 Q2 YTD



FY2022 Q2 YTD Revenues:
\$27.2 Million



Park Loves “Niche” Military Aerospace Programs



F-35 providing tracking data of an incoming missile to a ground-based interceptor (PAC-3)



*U.S. Navy MK-41
Vertical Launching System*



*C-27J Spartan Medium Range
Surveillance Aircraft*

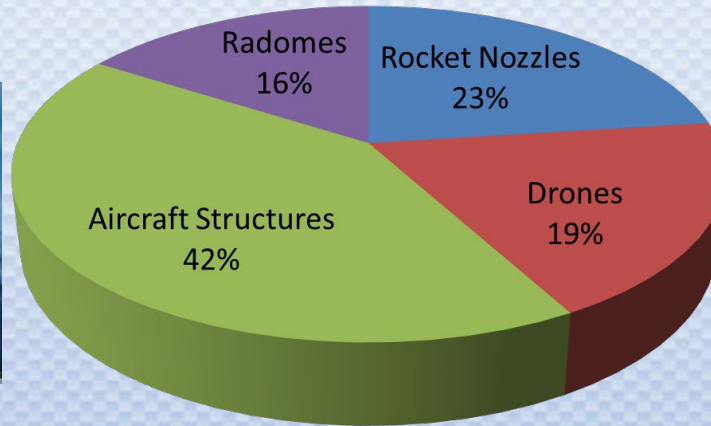


*Avio Aster
Hypersonic Missile
Defense System*

Park's Estimated FY2022 Q2 YTD Military Revenues by Market Segment



*SpaceX Falcon Heavy**



Estimated FY2022 Q2 YTD
Military Revenues: \$10.1 Million



James Webb Space Telescope Teaser

- Launch planned for December 2021
- “Going where no man (or woman) has gone before”...
 - ✓ Fathoming the unfathomable
 - ✓ Seeing the unseeable
 - ✓ Knowing the unknowable



Commercial Aviation...

Updates and Developments

- Higher Jet Fuel Prices and Environmental Concerns provide extra motivation for airlines to more quickly replace less fuel-efficient legacy single-aisle aircraft with more fuel-efficient modern single-aisle aircraft, such as the Airbus A320neo
- Domestic Commercial Aviation activity was recovering nicely in all major markets...**but** the Covid-19 Delta Variant negatively impacted the recovery in August and September...passenger traffic is down
 - ✓ China domestic aviation market impacted the most of major markets based upon the Delta Variant outbreak in China
 - ✓ But the US domestic aviation market, as well as other major markets, have also been negatively impacted by the Delta Variant
 - ✓ The full US Domestic Commercial Aviation recovery, which had been predicted to occur by the first quarter of CY2022 or even earlier, may be pushed to the right to some extent by Delta Variant concerns



Commercial Aviation...

Updates and Developments (Continued)

- ✓ Will this temporary setback negatively impact airline orders for the airplanes produced by large Commercial Aircraft Manufacturers?
 - ✓ Will the large Commercial Aircraft Manufacturers change or adjust their production schedules based upon this temporary setback?
 - Park has not seen any evidence of this in our own business
 - ✓ Will the Delta Variant be trending down by the end of November as has been predicted by certain experts?
- International Commercial Aviation has started to recover to some extent based upon loosening of travel restrictions and increased vaccination rates, **but** it still **significantly** lags Domestic Commercial Aviation recoveries...International Commercial Aviation is still expected to take a number of years to fully recover



Commercial Aviation...

Updates and Developments (Continued)

- Since Single-Aisle Commercial Aircraft are designed to service the Domestic Aviation markets, as well as shorter range International Aviation markets, Park believes Single-Aisle is the place to be in Commercial Aviation...at least for now!

- Three Interesting Questions:
 - ✓ How will GE Aviation's RISE engine development affect the Commercial Aircraft industry in the future?
 - ✓ Will Boeing develop a new single-aisle aircraft to compete against the A321XLR which Airbus plans to introduce in 2023?
 - ✓ Will the Comac C919 be certified in China before the end of this year?



GE Aviation Jet Engine Programs

- Firm Pricing LTA (Requirements Contract) from 2019 through 2029 with Middle River Aerostructure Systems (MRAS), a subsidiary of ST Engineering Aerospace
- Redundant Factory...Construction is complete
- Sole Source for Composite Materials for Engine Nacelles and Thrust Reversers for Multiple MRAS Programs, including:
 - ✓ A319neo with LEAP-1A Engines*
 - ✓ 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 C919 with LEAP-1C Engines*
 - ✓ Comac ARJ-21 with CF34-10A Engines
 - ✓ Bombardier Global 7500 with Passport 20 Engines
- Park Composite Materials are Sole Source on primary structure component for Passport 20 Engines for Bombardier Global 7500 (not included in MRAS LTA)



Legendary Boeing 747-8 Engine Nacelles

*Also Sole Source for Lightning Strike Protection Materials



Update on GE Aviation Jet Engine Programs

- Airbus A319neo/A320neo/A321neo/A321LR/A321XLR (A320neo Family of Aircraft) with LEAP-1A Engines...ramping steeply...
 - ✓ In a May 27, 2021 news release, Airbus stated: “A320 Family: Airbus confirms an average A320 Family production rate of 45 aircraft per month in Q4 2021 and calls on suppliers to prepare for the future by securing a firm rate of 64 by Q2 2023. In anticipation of a continued recovering market, Airbus is also asking suppliers to enable a scenario of rate 70 by Q1 2024. Longer term, Airbus is investigating opportunities for rates as high as 75 by 2025.”



Airbus A321neo with CFM LEAP-1A Engines



Update on GE Aviation Jet Engine Programs (Continued)

- ✓ As of the end of August, 2021, CFM (meaning the LEAP-1A engine) had a 60.25% share of firm orders for the A320neo family of aircraft (Source: October 2021 edition of Aero Engine News)
 - Assuming a 60.25% CFM (LEAP-1A share), 75 A320neo Aircraft Family per month rate represents a **significant** increase over the number of units forecasted in our current long-term forecast
 - Some tension with Airbus suppliers, particularly engine suppliers, has developed over the aggressive Airbus A320neo Aircraft Family forecasted ramp-up
 - There has historically been tension between aircraft and engine manufacturers about production rates based upon diverging economic drivers for the aircraft and engine makers



Update on GE Aviation Jet Engine Programs (Continued)

- On July 29, 2021, Airbus CEO Guillaume Faury, stated that he is “disappointed that some partners [meaning suppliers] are challenging the ramp-up”. CEO Faury also stated, “We have a backlog of more than 6,000 [A320neo Aircraft Family]. At a rate of 40 [aircraft per month], that means 15 years of production. At a rate of 60, it means 10 years. Customers do not want to wait that long. We have to go about [sic] 60.” CEO Faury stated, “We expect the supply chain to ramp up at a much faster pace...”
 - The aggressive ramp-up is partly based upon the success of the A321neo... CEO Faury also commented on July 29 that Airbus wants to be capable of a production share for the A321neo of “significantly above 50%” to a share of possibly 60%.
- ✓ Airbus recently announced it is resuming work on a new assembly line in Toulouse for A321neo aircraft...Airbus announced that this new assembly line is scheduled to be operational by the end of 2022



Update on GE Aviation Jet Engine Programs (Continued)

- ✓ A321XLR News
 - First Test Aircraft Nearing Final Assembly
 - First Flight expected in 2022
 - Certification and entry into service expected in 2023
 - Likely big driver of aggressive forecasted ramp-up of A320neo Family of Aircraft
 - Over 450 orders, including orders from American Airlines and United Airlines
 - A “game-changing aircraft”?
 - **Key question:** Is the single-aisle, 5,000+ statute mile range, 225+ seating capacity market being ceded to the Airbus A321XLR
- ✓ A320 Family of Aircraft (including legacy A320 Family Aircraft) deliveries recently passed 10,000 mark!
- ✓ 95 A320neo Aircraft Family orders received in August



Airbus A321XLR



Update on GE Aviation Jet Engine Programs (Continued)

- Comac C919 with LEAP-1C Engines...Comac continues to maintain that they intend to certify and begin deliveries of the aircraft before the end of 2021
 - ✓ Recent report that U.S. export controls were slowing progress of C919 program
 - ✓ Comac responded by stating that the U.S. export controls had not affected the C919 program very much and that they were “doubling down” on their certification timeline of before the end of this year



Comac C919 with CFM LEAP-1C Engines



Update on GE Aviation Jet Engine Programs (Continued)

- Bombardier Global 7500 with Passport 20 Engines...In the ramp mode...
 - ✓ Certification of Park's Lightning Strike Protection Materials planned for CY2022



Bombardier Global 7500 with Passport 20 Engines

- Comac ARJ-21 with CF34-10A Engines...
In the ramp mode...



Comac ARJ21 with CF34-10 Engines



Update on GE Aviation Jet Engine Programs (Continued)

- Boeing 747-8...Boeing has announced it will terminate production of the Queen of the Skies in 2022...Long Live the Queen...



Legendary Boeing 747...the Queen of the Skies in Real Life



in Review...

- Almost all news about Commercial Aircraft Industry was negative...**very** negative



DEPARTURES					DEPARTURES					ARRIVALS					
CITY	AIRLINE	FLIGHT	TIME	STATUS	CITY	AIRLINE	FLIGHT	TIME	STATUS	CITY	AIRLINE	FLIGHT	TIME	STATUS	
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Commercial Aerospace Industry Melt-down in Review... (Continued)

- **And**, as a result of the “End of Days” attitudes, companies in the Commercial Aircraft supply chain laid off thousands and thousands of employees and went into the bunker-survival mode...production was slashed or even halted...thoughts about the industry recovery and how to handle it were just not on the minds of many (probably most) companies in the Supply Chain. It was all about survival for them since the belief was that a recovery, if any, was so far in the future that it was not worth thinking about
- **BUT**, surprise, surprise, people got tired of being locked down and vaccines were developed as promised, and people started to fly on Commercial Aircraft again for domestic flights in droves
- **And**, as a result, Airline Companies wanted to buy airplanes again...lots of airplanes, and somebody needed to produce the thousands and thousands of components which go into the airplanes they wanted to buy



Commercial Aerospace Industry Melt-down in Review... (Continued)

- **But**, the Commercial Aircraft supply chain was caught very flat-footed in the bunker-survival mode and was not in the mindset to quickly ramp back up to meet the renewed demand...plus, since the supply chain companies had laid off such massive numbers of employees, they did not have the workforce to meet the industry ramp-up anyway. These companies tried to hire back the employees they had laid off, but, as has been widely reported, that has not been so easy. Plus, the government was paying people not go back to work...
- **The result of all of this**...the whipsaw effect in which the Commercial Aircraft Industry supply chain was caught flat-footed and is struggling (in some cases badly) to meet the unexpected increased demands of the Commercial Aircraft Industry as it recovers
 - ✓ This is today's Commercial Aircraft Industry supply chain dynamic



Commercial Aerospace Industry Melt-down in Review... (Continued)

- **But**, at Park, we did not buy all the doom and gloom news...we did not buy that the “End of Days” were at hand...here is what we said during our FY2020 Q4 Investor Call on May 14, 2020 at the beginning of the Pandemic and Crisis, when confusion, uncertainty and fear reigned supreme:

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...

05/14/2020 Slide 18



Commercial Aerospace Industry Melt-down in Review... (Continued)

- At Park, although we did not know when, we believed the Commercial Aerospace Industry recovery would come, and we wanted to be ready for it and to be part of it...
 - ✓ We were not giving up on the Commercial Aerospace Industry...it was quite the opposite for us actually
- So, we made arrangements with MRAS to maintain minimum monthly baseline (critical mass) production levels to preserve Park's ability to ramp up production when needed
 - ✓ Turns out that this was critically important to Park **and** MRAS
- And, even though lay-offs were widespread and pervasive throughout the Commercial Aerospace industry, we laid off **none** of our people through all of the darkest and seemingly hopeless days in the Commercial Aerospace Industry
 - ✓ Turns out the decision not to lay off any of our People was critically important to Park



The GE Aviation Jet Engine Programs Park is on are Ramping Up Fast

- The GE Aviation Jet Engine Programs Park is on are Ramping Up (except the 747-8, whose rates are unchanged)...and the Ramp-up is looking Steep!
- For perspective, GE Aviation Program Sales for the following periods were:
 - ✓ **FY2021 Q3: \$1.8 Million**
 - ✓ FY2021 Q4: \$4.4 Million
 - ✓ **FY2022 Q1 : \$7.0 Million**
 - ✓ FY2022 Q2: \$6.5 Million
 - Represents approximately a **4x** increase from FY2021 Q3 to FY2022 Q1...over two Quarters!
- FY2022 Q1 and Q2 are already at Pre-Covid levels, and the Ramp-up still has a long way to go!
- **Important question**...How is the Commercial Aerospace Manufacturing Supply Chain responding to the Steep Ramp?



How is Park Responding to the GE Aviation Programs Steep Ramp-up?...

It is Still All About Our People

- Park's current People count is 114!!!
 - ✓ Getting there, but still a challenge...
 - Two steps forward and one step back?
- In FY2022 Q2, Park's People stepped up and got the job done once again...that is what Park's People do...
- And, once again, Thank Goodness for Park's Customer Flexibility Program
 - ✓ Current Total Participation: 79%...Participation break-down:
 - 2 job categories: 47%
 - 3 job categories: 24%
 - 4 job categories: 24%
 - 5 job categories: 5%
 - ✓ Park's Customer Flexibility Program has been, and continues to be, a Godsend...



How is Park Responding to the GE Aviation Programs Steep Ramp-up?...

It is Still All About Our People (Continued)

- And we can't say it enough...Thank Goodness for Park's Great People
 - ✓ Without them, we would not be able to get the job done
 - ✓ Park is fortunate and blessed to have the Great People it has
 - ✓ Every Park Person received a \$150 bonus for his or her dedication and outstanding work during FY2022 Q2



Airbus A320neo with CFM LEAP-1A Engines



GE Aviation Programs Sales History and Forecast Estimates

➤ GE Aviation Programs sales history:

- ✓ FY2020 Total: \$28.9 Million
- ✓ FY2021 Q1: \$4.1 Million
- ✓ FY2021 Q2: \$2.9 Million
- ✓ FY2021 Q3: \$1.8 Million*
- ✓ FY2021 Q4: \$4.4 Million
- ✓ FY2021 Total: \$13.2 Million
- ✓ **FY2022 Q1: \$7.0 Million**
- ✓ **FY2022 Q2: \$6.5 Million**



Cathay Pacific 747-8 Departing Anchorage

➤ FY2022 GE Aviation Programs sales forecast estimates:

- ✓ **FY2022 Q3:** \$6.25 Million to \$6.75 Million
- ✓ **FY2022 Q4:** \$6.25 Million to \$7.25 Million
- ✓ **FY2022 Total:** \$26.0 Million to \$27.5 Million

➤ Certain factors which may affect forecast

*Two months of production



Park's Financial Performance History and Forecast Estimates

➤ FY2021 Sales and Adjusted EBITDA history:

	Sales	Adjusted EBITDA
FY2021 Q1	\$12.2 Million	\$2.4 Million
FY2021 Q2	\$9.3 Million	\$1.4 Million
FY2021 Q3	\$10.4 Million	\$1.4 Million
FY2021 Q4	\$14.4 Million	\$3.3 Million
FY2021 Total	\$46.3 Million	\$8.4 Million

➤ FY2022 Financial Forecast Estimates:

	Sales	Adjusted EBITDA
FY2022 Q1*	\$13.6 Million	\$4.1 Million
FY2022 Q2*	\$13.6 Million	\$3.2 Million
FY2022 Q3	\$13.0 Million to \$13.5 Million	\$3.0 Million to \$3.4 Million
FY2022 Q4	\$15.75 Million to \$16.75 Million	\$3.5 Million to \$4.5 Million
FY2022 Total	\$56.0 Million to \$57.5 Million	\$13.8 Million to \$15.2 Million

- Certain factors and risks which may affect forecast...similar to factors which affected FY2022 Q2 listed on Slide 16

*Actual



What Matters the Most at Park

- We are deeply saddened by what we see and hear in our World today
- We are told that people who work for a living do not matter. We are told they are expendable. We are told they are to be sacrificed for some loosely defined or undefined “greater good”
- But, at Park our People are not expendable
- At Park, our People matter the most
- At Park, our People are everything
- At Park, our people are family, and we do not turn our back on family...our People will not be forsaken...our People will not be sacrificed
- At Park, our People are precious...
- At Park, we are most fortunate when it comes to our People



What Matters the Most at Park (Continued)

- At Park, our People Work for a Living...that is what they do...
- At Park, our People make money for our Owners...that is what they do...
- Park is a strange and unusual company filled with wonderful and special People
- At Park, we are not like the others...
at Park, we play for keeps...



Park's Customer Service and Purchasing/Planning Teams



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, a portion of a white aircraft wing is visible, suggesting the photo was taken from a plane.

Thank You!



Appendix 1

October 7, 2021 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 October 7, 2021. Park Aerospace 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 the Company’s 2022 fiscal year second quarter earnings news release dated October 7, 2021 and the reports and documents that the Company files from time to time with the SEC. In particular, please read Park’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K that it may file from time to time. Park currently expects to file its Quarterly Report on Form 10-Q for the fiscal quarter ended August 29, 2021 on or about October 8, 2021. The Company makes available free of charge on or through its website located at www.parkaerospace.com the Company’s 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.

As previously reported, Park sold its Electronics Business to AGC Inc. on December 4, 2018. Accordingly, the following Supplementary Data focuses on Park’s Aerospace Business, the business which remains with Park going forward. All comparisons to prior periods exclude Park’s former Electronics Business.

Park’s sales were \$13.6 million in the 2022 fiscal year second quarter compared to \$9.3 million in the 2021 fiscal year second quarter and \$13.6 million in the 2022 fiscal year first quarter.

Gross Profit for the 2022 fiscal year second quarter was \$4.4 million, or 32.4% of sales, compared to \$2.6 million, or 28.5% of sales, for the 2021 fiscal year second quarter and \$5.5 million, or 40.3% of sales, for the 2022 fiscal year first quarter.



Appendix 1 Continued

Selling, general and administrative expenses, before special items, for the 2022 fiscal year second quarter were \$1.5 million, or 10.9% of sales, compared to \$1.6 million, or 16.8% of sales, for the 2021 fiscal year second quarter and \$1.6 million, or 12.1% of sales, for the 2022 fiscal year first quarter. Investment income, net of interest expense, in the 2022 fiscal year second quarter was \$89,000 compared to \$525,000 in the 2021 fiscal year second quarter and \$117,000 in the 2022 fiscal year first quarter.

Before special items, earnings before income taxes for the 2022 fiscal year second quarter were \$3.0 million, or 22.1% of sales, compared to \$1.6 million, or 17.4% of sales, for the 2021 fiscal year second quarter and \$3.9 million, or 29.0% of sales, for the 2022 fiscal year first quarter.

Before special items, net earnings for the 2022 fiscal year second quarter were \$2.2 million, or 16.1% of sales, compared to \$1.2 million, or 12.4% of sales, for the 2021 fiscal year second quarter and \$2.8 million, or 20.3% of sales, for the 2022 fiscal year first quarter.

Depreciation and amortization expense in the 2022 fiscal year second quarter was \$235,000 compared to \$282,000 in the 2021 fiscal year second quarter and \$216,000 in the 2022 fiscal year first quarter. Capital expenditures in the 2022 fiscal year second quarter were \$1.0 million compared to \$1.4 million in the 2021 fiscal year second quarter and \$1.6 million in the 2022 fiscal year first quarter.

Adjusted EBITDA for the 2022 fiscal year second quarter was \$3.2 million, or 23.7% of sales, compared to \$1.4 million, or 15.3% of sales, for the 2021 fiscal year second quarter and \$4.1 million, or 30.2% of sales, for the 2022 fiscal year first quarter.

The effective tax rate before special items was 27.2% in the 2022 fiscal year second quarter compared to 28.6% in the 2021 fiscal year second quarter and 30.0% in the 2022 fiscal year first quarter.

For the 2022 fiscal year second quarter, the top five customers, in alphabetical order, were Aerojet Rocketdyne, Aeromatrix Composites, Kratos Defense & Security Solutions, Middle River Aerostructure Systems (including its subcontractors) and The Nordam Group. Middle River Aerostructure Systems is a subsidiary of ST Engineering Aerospace. The top five customers totaled approximately 66% of total sales during the 2022 fiscal year second quarter. The top 10 customers totaled approximately 78% of total sales, and the top 20 customers totaled approximately 86% of total sales for the 2022 fiscal year second quarter.



Park Aerospace Corp. is a designer and manufacturer of composite materials and structures for aircraft and other aerospace applications. (Composite structures are structures which are produced from composite materials.) One of the key drivers for the use of composites materials and structures in aircraft is weight reduction. Composite aircraft structures are generally much lighter than aluminum structures of similar design, and, accordingly, the use of composite structures results in lighter aircraft. Another key driver for the use of composite materials and structures in aircraft is that they enable and facilitate the design of much more aerodynamically optimized aircraft. Lighter and more aerodynamically optimized aircraft translate directly into more fuel efficient aircraft, i.e., aircraft which use less fuel for equivalent missions. And the reduction in fuel usage by aircraft translates directly into more environmentally friendly aircraft which generate less greenhouse gas emissions. In addition, we believe the next generation of alternative propulsion aircraft (such as hydrogen and electric propulsion aircraft) which approach carbon neutrality will rely heavily on the use of composite materials and structures in order to reduce the engine thrust requirements for such aircraft. It may be fair to say that one of the main reasons for Park to even exist is directly tied to the strong aircraft industry drive toward more fuel efficient and environmentally friendly aircraft. It also may be fair to say that Park's composite materials and structures technology and product lines are key enablers of the design and production of much more environmentally friendly aircraft both now and in the future.



Appendix 2

Continued

Park takes its responsibilities to its Community very seriously. Park is committed to protecting the air, water and ground of its Community environment from any source of contamination or pollution. Park invests significant financial and human resources towards controlling any possible escapes from its facilities of any source of contamination of its Community environment. And to Park, its Community means its city, county, state, country and, ultimately, its world. Park is also committed to the minimization of any noise pollution from its facility. In addition, Park is committed to maintaining aesthetically beautiful facilities for the benefit of Park's employees and in order to enhance the overall beauty of the local Community. Park's facilities are located adjacent to the approach end of Runway 35 at the Newton City-County Airport in Newton, Kansas. The first thing people likely see upon landing at the Newton City-County Airport are Park's beautiful facilities, which we hope make a very positive first impression to visitors of Newton, Kansas. It is also very important to Park that we provide our local Community people the opportunity to build a future for themselves and live a life of dignity by joining the Park family. It is important to Park that the people from our Community who come to work for us understand that, through hard work, dedication and sacrifice, they can make it all of the way to the top of our Company, just like Park's President and COO and Park's VP and General Manager, both of whom started at Park as entry level production employees.

June 1, 2021



Park Aerospace Corp. Diversity and Our Workforce

- Park has a very diverse workforce, which Park is very pleased about
- At Park, all of our People are equal and all of our People are treated equally
- At Park, all of our People are Special, but nobody receives special treatment
- At Park, nobody is given anything...whatever our People have, they have earned
- At Park, our People look out for each other and have each other's backs
- Park is not an easy place to work, but, for People who want to build a future for themselves, Park can be a wonderful place to work
- Talk can be cheap, but, at Park, through the darkest and most hopeless days of the aerospace industry collapse, we laid off nobody while others in the industry were laying off thousands, and, in some cases, seemingly bragging about it



Appendix 3 Continued

- At Park, we are not Gods so we are not able to guarantee we will never lay off anyone, but our People are family to us, and the last thing we would ever want to do is lay off family
- At Park, we want our People to understand that, through hard work and dedication, they can build a future for themselves at Park
- At Park, we want our People to understand that, with hard work and sacrifice, they can make it all the way to the top, just like Park's President and COO and Park's VP and General Manager, both of whom started as entry level production employees
- At Park, our People are precious and the most important thing of all
- At Park, we take care of our own
- Our People are Park and Park is our People...

June 1, 2021

