



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

**FY2022 Q3 Investor Conference Call**  
**January 6, 2022**

## 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, Adjusted 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.*

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Supplemental Financial Information.....Appendix 1



# Quarterly Results for FY2020, FY2021 and FY2022 Q1, Q2 and Q3 (In Thousands)\*

	FY20 Q1	FY20 Q2	FY20 Q3	FY20 Q4	FY21 Q1	FY21 Q2	FY21 Q3	FY21 Q4	FY22 Q1	FY22 Q2	FY22 Q3
Sales	\$14,950	\$13,723	\$15,847	\$15,494	\$12,213	\$9,250	\$10,372	\$14,441	\$13,594	\$13,618	\$13,864
Gross Profit	\$4,804	\$3,813	\$5,022	\$5,034	\$3,674	\$2,638	\$2,553	\$4,326	\$5,472	\$4,411	\$3,836
Gross Margin	32.1%	27.8%	31.7%	32.5%	30.1%	28.5%	24.6%	30.0%	40.3%	32.4%	27.7%
Adjusted EBITDA	\$3,372**	\$2,406	\$3,622	\$3,612**	\$2,364	\$1,418	\$1,380	\$3,257**	\$4,104**	\$3,232**	\$2,670**
Adjusted EBITDA Margin	22.6%**	17.5%	22.9%	23.3%**	19.4%	15.3%	13.3%	22.6%**	30.2%**	23.7%**	19.3%**

- What we said about FY2022 Q3 during our October 7, 2021 FY2022 Q2 Investor Call:
  - ✓ Sales estimate: \$13.0 Million to \$13.5 Million
  - ✓ Adjusted EBITDA estimate: \$3.0 Million to \$3.4 Million
- **But**, \$2.4 Million of missile programs essential component (RAYCARB C2<sup>®</sup>B NG) sales which were expected in FY2022 Q4 occurred in FY2022 Q3!

\*From Continuing Operations

\*\*Before Special Items





# Quarterly Results for FY2020, FY2021 and FY2022 Q1, Q2 and Q3 (In Thousands)\* (Continued)

- Other factors which affected FY2022 Q3 Sales and Margins
  - ✓ **Supply Chain Challenges...a Daily Battle!!!**
    - Difficulty sourcing key raw materials
    - International shipments difficulties
    - Domestic freight issues
    - Additional costs for expedited freight shipments
  - ✓ Supply Chain Issues impact on Aerospace Industry generally
  - ✓ Cost and efforts associated with bringing new plant on line and equipment trials
  - ✓ Delays in approval of 2022 Defense Budget...drag on Defense Industry
    - Budget recently approved
      - Will Defense Industry rebound as a result?



# Quarterly Results for FY2020, FY2021 and FY2022 Q1, Q2 and Q3 (In Thousands)\* (Continued)

## ✓ Inflation

- Raw materials costs
- Freight costs
- Supplies
- Utilities
- Pretty much everything

✓ How long can increased costs be passed on to customers?

➤ Not our list of excuses...just factors we thought you would want to know about



# Historical Fiscal Year Results (In Thousands)\*

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 First 9 Months
Sales	\$31,837	\$40,230	\$51,116	\$60,014	\$46,276	\$41,076
Gross Profit	\$8,299	\$11,288	\$16,184	\$18,673	\$13,191	\$13,719
Gross Margin	26.7%	28.1%	31.7%	31.1%	28.5%	33.4%
Adjusted EBITDA	\$1,055	\$4,704**	\$10,248**	\$13,012**	\$8,419**	\$10,006**
Adjusted EBITDA Margin	3.3%	11.7%**	20.0%**	21.7%**	18.2%**	24.4%**

\*From Continuing Operations

\*\*Before Special Items





# Park's Balance Sheet, Cash and Cash Dividend History

- Park has zero long-term debt
- Park had \$110.0 Million of Cash and Marketable Securities as of end of FY2022 Q3
  - ✓ Spending to go to complete Major Expansion: \$1.5 Million
    - Spending to date: \$18.0 Million
    - Spending in FY2022 Q3: \$800 Thousand
  - ✓ Transition Tax Installment Payments payable through CY2025: \$14.3 Million
    - \$6.7 Million paid to date...
- Park's Cash Dividend
  - ✓ While others cut or cancelled their dividends, 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 **\$550 Million**, or \$26.85 per share, in cash dividends since the beginning of FY2005





# FY2022 Q3 Top Five Customers (in Alphabetical Order)

AAE Aerospace

Aeromatrix Composites

GKN Aerospace

Kratos Defense and Security Solutions

Middle River Aerostructure Systems (MRAS)\*  
and its subcontractors



*Sikorsky S-76 Commercial Helicopter*



*Kratos XQ-58 Valkyrie*



*Raytheon SM-2™ Missile*



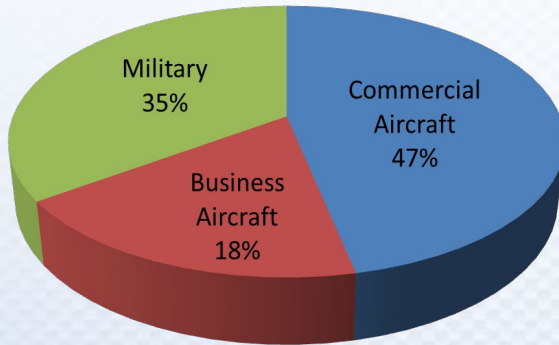
*747-8 Engine Nacelles*

\*MRAS is a subsidiary of  
ST Engineering Aerospace



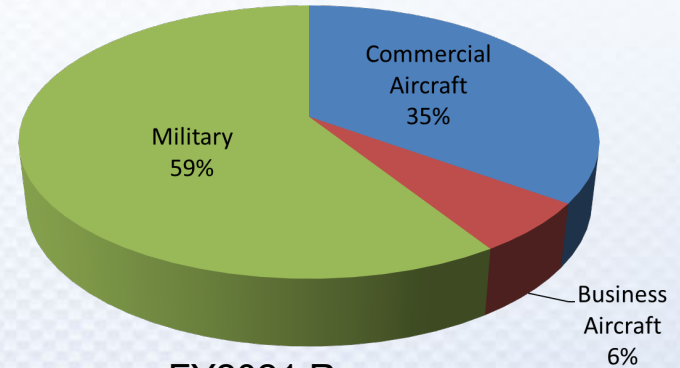
# Park's Estimated Revenues by Aerospace Market Segment

## FY2020



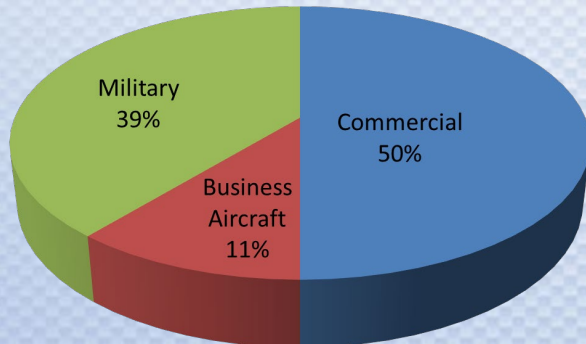
FY2020 Revenues:  
\$60.0 Million

## FY2021



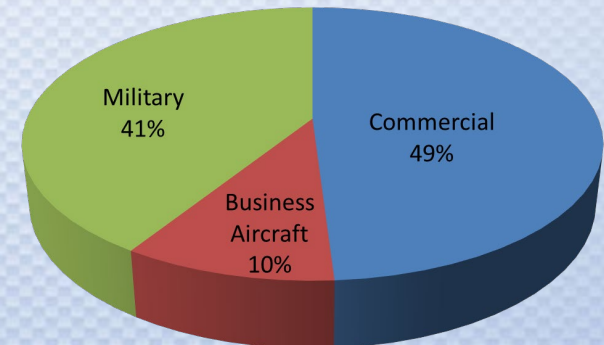
FY2021 Revenues:  
\$46.3 Million

## FY2022 Q3 YTD



FY2022 Q3 YTD Revenues:  
\$41.1 Million

## FY2022 Q3



FY2022 Q3 Revenues:  
\$13.9 Million





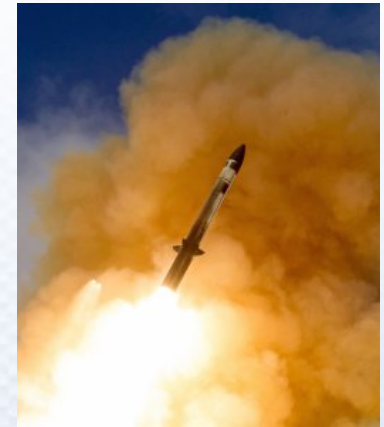
# Park Loves “Niche” Military Aerospace Programs\*



*Northrup Grumman E-8 Joint Surveillance  
Target Attack Radar System (JSTARS)*

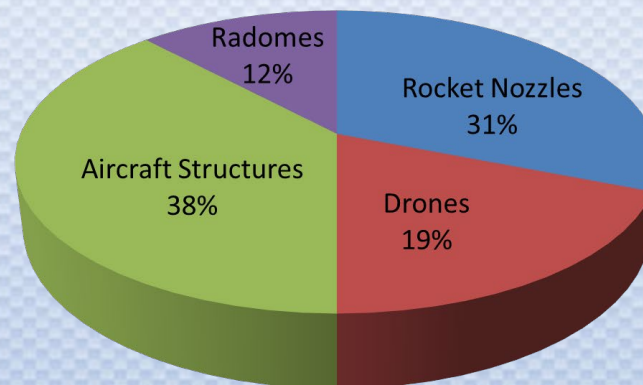


*Raytheon Evolved SeaSparrow  
Missile (ESSM)*



*RIM-161 Standard Missile 3  
(MK-72 Rocket)*

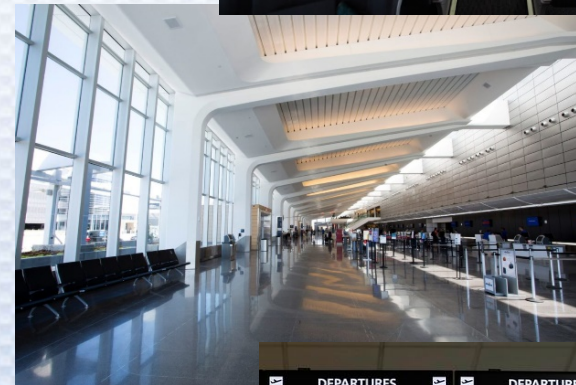
## Park's Estimated FY2022 Q3 YTD Military Revenues by Market Segment



Estimated FY2022 Q3 YTD  
Military Revenues: \$15.8 Million

# Commercial Aerospace Industry Melt-down... a Quick Review

- Commercial Airline Industry basically Collapsed toward the beginning of the Pandemic
  - ✓ Airplanes and Airports were empty
  - ✓ Thousands of Flights were cancelled
  - ✓ Was the Commercial Airline Industry a thing of the past?
- As a result, the Commercial Aircraft Industry basically collapsed as well
  - ✓ Airplane orders were cancelled by the thousands
  - ✓ Nobody wanted to buy airplanes
  - ✓ Thousands and thousands of employees were laid off throughout the Commercial Aircraft Industry
- Armageddon was upon us...or so it seemed



DEPARTURES									
CITY	AIRLINE	FLIGHT	TIME	GATE	STATUS	CITY	AIRLINE	FLIGHT	TIME
Dallas-Ft. Worth	American	1381	11:32A		Canceled	Minneapolis	Southwest	541	8:45A
Dallas-Ft. Worth	American	2720	1:50P		Canceled	New Orleans	Southwest	873	9:50A
Dallas-Ft. Worth	American	2953	3:39P		Canceled	New Orleans	Southwest	1334	12:55P
Denver	Southwest	244	11:26A		Canceled	New York JFK	Delta	228	12:22A
Denver	Southwest	1553	3:55P		Canceled	New York LGA	Delta	887	9:00A
Denver	United	2178	4:47P	A12	On Time	New York LGA	Southwest	2209	3:45P
Denver	Southwest	1451	5:54P		Canceled	Newark	JetBlue	314	11:56A
EL Estero	Delta	1377	2:30P	E8	On Time	Newark	Southwest	2209	3:45P
EL Estero	Delta	1377	2:30P	A12	On Time	Newark	Southwest	2209	3:45P
FL Lauderdale	Southwest	1334	12:55P		Canceled	Philadelphia	Southwest	1875	11:54A
Grand Canyon	Southwest	2681	8:40P	F8	Canceled	Philadelphia	Southwest	1875	11:54A
Hartford	Southwest	2796	3:55P		Canceled	Philadelphia	Southwest	1875	11:54A
Houston-HOU	Southwest	2051	1:00P	C31	On Time	Phoenix	Southwest	159	4:40P
Houston-HOU	Southwest	2059	3:45P	C31	On Time	Phoenix	Southwest	159	4:40P
Houston-LAX	United	2086	5:30P		Canceled	Phoenix	Southwest	159	4:40P
Indianapolis	Southwest	1733	3:10P		Canceled	Phoenix	Southwest	159	4:40P
Indianapolis	Southwest	1733	3:10P		Canceled	Phoenix	Southwest	159	4:40P
Kansas City	Southwest	1553	7:20P		Canceled	Phoenix	Southwest	159	4:40P
Kay-Tee	Southwest	1154	7:40A		Canceled	Phoenix	Southwest	159	4:40P
Louisville	Southwest	1717	1:00P		Canceled	Phoenix	Southwest	159	4:40P
Madison	Southwest	2059	3:45P	C31	On Time	Phoenix	Southwest	159	4:40P
Manchester	Southwest	636	5:30P		Canceled	Phoenix	Southwest	159	4:40P
Memphis	Southwest	1733	3:10P		Canceled	Phoenix	Southwest	159	4:40P
Miami	Southwest	2584	1:55P	F83	On Time	Phoenix	Southwest	159	4:40P
Miami	Southwest	669	5:25P		Canceled	Phoenix	Southwest	159	4:40P
Midland	Southwest	503	12:50P		Canceled	Phoenix	Southwest	159	4:40P
Minneapolis	Delta	1425	4:39P	C31	On Time	Phoenix	Southwest	159	4:40P
Minneapolis	Delta	1425	4:39P	C31	On Time	Phoenix	Southwest	159	4:40P
Minneapolis	Delta	1425	4:39P	C31	On Time	Phoenix	Southwest	159	4:40P





# Commercial Aerospace Industry Melt-down... a Quick Review... (Continued)

- According to Commercial Aerospace and Aviation Analysts and Commentators, the “End of Days” was at hand
- And, as a result of all that, the Commercial Aerospace Supply Chain went into the survival mode...the “bunker” mode
  - ✓ Production was slashed or even halted
  - ✓ Inventory “destocking” was the predominant focus of the Supply Chain
  - ✓ Thousands and thousands of employees were let go
  - ✓ Capital spending was slashed or cancelled
  - ✓ There was little or no thought about the future or any kind of recovery...it was all about survival
- **BUT**, just when it seemed like all hope was lost, vaccines were being developed and people got tired of being locked down, and people wanted to fly again on Commercial Aircraft for domestic flights



# Commercial Aerospace Industry Melt-down... a Quick Review... (Continued)

- **AND**, as a result, Commercial Airline Companies wanted to buy commercial airplanes again...lots of airplanes...and somebody needed to produce the thousands and thousands of components which go into these airplanes
- **BUT**, the Commercial Aerospace Supply Chain was caught demoralized, flat-footed, with significantly reduced inventories and still deep in the “bunker” mode...the survival mode, and was in no condition or position to quickly reverse course and ramp back up to meet the Commercial Aircraft Industry recovery and renewed demand
  - ✓ Even if Supply Chain companies wanted to reverse course quickly, they did not have the workforce needed to do so since such massive numbers of employees had been laid off...and it turned out, as we all know, that calling back employees who were let go, or hiring (and training) new employees, was not so easy
- **AND** this is what led to the current Commercial Aircraft Industry Supply Chain dynamic which many in the Supply Chain are still trying to dig their way out of





# Commercial Aerospace Industry Melt-down... a Quick Review... (Continued)

- **BUT**, at Park, as we explained many times in the recent past, we never really bought the “End of Days” story
  - ✓ No bunker mode for us...we were never about survival...we were always about charging forward and making our mark
  - ✓ We held on to and kept ALL of our People...every last one of them
    - Good thing we did
  - ✓ We pressed forward and completed our major expansion during and through the pandemic
    - Good thing we did



# Commercial Aerospace Industry Melt-down... a Quick Review (Continued)

- As a proxy for the Commercial Aerospace Industry recovery, let's look at the ramp-up of the GE Aviation Jet Engine Programs Park is on
  - ✓ 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
    - FY2022 Q3: \$6.2 Million
      - Represents approximately a **4x** increase from FY2021 Q3 to FY2022 Q1...over two Quarters!
- FY2022 First 9 Months GE Aviation Program Sales are already near Pre-Covid levels, and we believe the Ramp-up still has a long way to go!





# Commercial Aviation...

## Updates and Developments...a Quick Review

- 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
- Omicron or no Omicron, the Domestic Commercial Aviation recovery continues to be more robust than the International Commercial Aviation recovery
- Since Single-Aisle Commercial Aircraft are designed to service the Domestic Commercial Aviation markets, as well as shorter range International Commercial Aviation markets, Park believes single-aisle is where it's at in Commercial Aviation...at least for now!



# 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...continues to ramp...
  - ✓ 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 October 2021, CFM (meaning the LEAP-1A engine) had a 60.0% share of firm orders for the A320neo Family of Aircraft (Source: December 2021 edition of Aero Engine News)
  - Assuming a 60.0% CFM (LEAP-1A) market share, the 75 A320neo Aircraft Family per month rate represents approximately \$30 Million per year of revenue to Park starting in 2025
- ✓ Some tension with Airbus suppliers has developed over the aggressive Airbus A320neo Aircraft Family forecasted ramp-up
  - But Airbus continues to indicate it is Not Backing Down...rather, it is Doubling Down





# Update on GE Aviation Jet Engine Programs (Continued)

## ✓ A321XLR News

- Airbus has completed Final Assembly of First Test Aircraft!
- First Flight expected in 2022
- Certification and entry into service expected in 2023
- A321XLR is currently positioned as only single-aisle aircraft with 5,000+ statute mile range and 225+ seating capacity
- A “game-changing aircraft”?

## ✓ A320neo Aircraft Family sold well at Dubai Airshow

## ✓ Airbus recently received large A320neo Aircraft Family orders from KLM and Qantas, traditionally loyal Boeing customers

## ✓ The A321neo recently surpassed the A320neo as the aircraft in the A320neo Aircraft Family with the most firm orders

## ✓ Pratt & Whitney recently announced an enhanced version of its PW1100G GTF engine for the A320neo Aircraft Family...deliveries to begin in 2024

- Should CFM be concerned?



*Airbus A321XLR*



# Update on GE Aviation Jet Engine Programs (Continued)

- Comac C919 with LEAP-1C Engines...Until very recently, Comac was continuing to maintain that they intended to certify and begin deliveries of the aircraft before the end of 2021
  - ✓ Update...Oops...Civil Aviation Administration of China (the “China FAA”) recently announced that the Comac C919 is not expected to complete certification until 2022. The announcement indicated that, as of early December 2021, the C919 prototypes had completed only 34 of the 276 required certification flights



*Comac C919 with CFM LEAP-1C 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...
  - ✓ Last Boeing 747 expected to be delivered in October 2022
  - ✓ Sad Day for one of the best (maybe the best) Commercial Aircraft ever built
  - ✓ Long Live the Queen...



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



# 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
- ✓ **FY2022 Q3: \$6.2 Million**



*Cathay Pacific 747-8 Departing Anchorage*

## ➤ FY2022 GE Aviation Programs sales forecast estimates:

- ✓ **FY2022 Q4: \$6.6 Million to \$7.1 Million**
- ✓ **FY2022 Total: \$26.3 Million to \$26.8 Million**

## ➤ Certain factors which may affect forecast





# 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*	\$13.9 Million	\$2.7 Million
FY2022 Q4	\$12.75 Million to \$13.25 Million	\$3.0 Million to \$3.5 Million
FY2022 Total	\$53.8 Million to \$54.3 Million	\$13.0 Million to \$13.5 Million

## ➤ Certain factors and risks which may affect forecast...similar to factors which affected FY2022 Q3 listed on Slides 5 and 6

## ➤ Long-term Forecast?

\*Actual



# Update on Major Expansion of Newton, Kansas Facilities

- Total budget: approximately \$19.5 Million
- Spending
  - ✓ To date: approximately \$18.0 Million
  - ✓ To go: approximately \$1.5 Million
- Expansion is complete
- Film line trials complete
- Tape line trials in progress
- Plan to begin Qualification January 2022
- While many others were slashing their capital spending or cancelling their capital projects altogether, we pushed forward with and completed our Major Expansion... good thing we did!!!





# Update on Park's People

- Park's current People count is 112!
  - ✓ It continues to be very difficult to hire the people we want to hire
  - ✓ Park's People are facing many challenges...shorthanded
    - Major supply chain and freight challenges
      - A daily battle
      - Abrupt adjustments and changes to production planning and scheduling required to accommodate supply chain issues
    - Covid challenges...still living with them
      - People out for quarantine with no notice
    - Stress and anxiety caused by Vaccine Mandates
    - Bringing new plant up and on line...new equipment trials
      - Major consuming project our People are handling without reinforcements



# Update on Park's People (Continued)

- Dealing with and managing Park's new projects and initiatives...Park does not sit still
  - Major consuming projects our People are handling without reinforcements

➤ But, no matter, in FY2022 Q3, Park's People once again stepped up...that is what Park's People do...

- ✓ Everything that could be produced and shipped...got produced and shipped, notwithstanding the many obstacles and roadblocks which our People had to overcome

➤ And, once again, Thank Goodness for Park's Customer Flexibility Program

- ✓ Current Total Participation: 75%...Participation break-down:

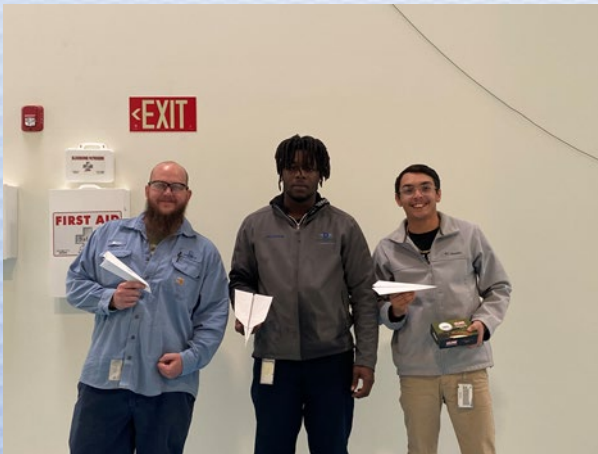
- 2 job categories: 46%
- 3 job categories: 26%
- 4 job categories: 23%
- 5 job categories: 5%





# Update on Park's People (Continued)

- And, Most Importantly...Thank Goodness for Park's Great People
  - ✓ Park is fortunate and blessed to have the Great People it has
- While others laid off their employees by the thousands and thousands, Park held on to and kept all of our People throughout the pandemic and economic crisis...and we neither asked for nor took any PPP or government money for keeping our People...
  - ✓ We don't need government money or government "incentives" to keep our People...Park's People are Precious



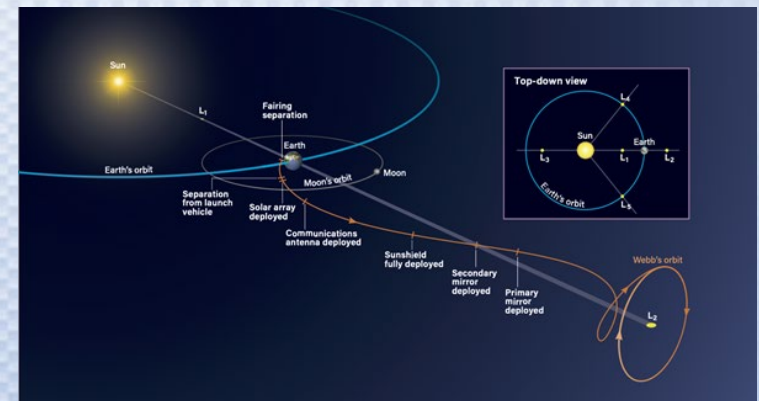
# What's New at Park?

## James Webb Space Telescope

- Launched from French Guiana on top of Ariane 5 Rocket on Christmas Day, 2021...
- Currently enroute to its Lagrange 2 (L2) Orbit Point located approximately One Million Miles from the Earth
  - ✓ The Moon is approximately 239 Thousand Miles from the Earth
- JWST Mission is to look back to the beginning of:
  - ✓ Time
  - ✓ The Universe
  - ✓ Existence
  - ✓ Conception
  - ✓ Life



*The Launch*



*The Journey*

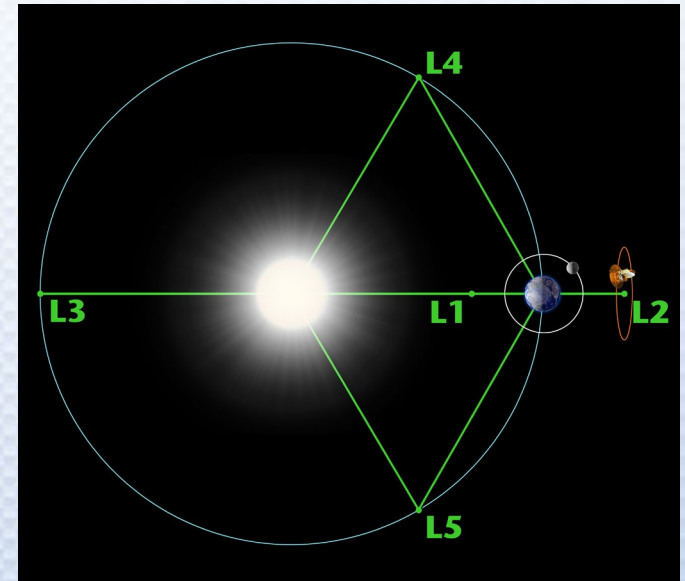




# What's New at Park?

## James Webb Space Telescope (Continued)

- If the JWST succeeds in its mission, where will it stand in the achievements of the human race?
  - ✓ Top 50?
  - ✓ Top 10?
  - ✓ Top \_\_\_?
- Park's proprietary SigmaStruts™ are incorporated into the structure of the JWST
  - ✓ Park is along for this ride of rides...
  - ✓ To say that Park is honored to play a part in the incredible mission of the JWST would be the understatement of our lifetime...



*Lagrange 2 (L2) Orbit Point*



# What's New at Park?

## ArianeGroup Business Partner Agreement

### **NEWS RELEASE**

Contact: Donna D'Amico-Annitto

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

### **PARK AEROSPACE CORP. ANNOUNCES BUSINESS PARTNER AGREEMENT WITH ARIANEGROUP SAS**

Newton, Kansas, Wednesday, January 5, 2022.....Park Aerospace Corp. (NYSE-PKE) announced that it has entered into a Business Partner Agreement with ArianeGroup SAS of Les Mureaux, France. Under the Business Partner Agreement, ArianeGroup, SAS appointed Park as its exclusive North American distributor of ArianeGroup's RAYCARB C2®B NG proprietary product. RAYCARB C2®B NG is used to produce ablative composite materials for critical rocketry and missile systems.

Park is a long-term customer of ArianeGroup and uses ArianeGroup's RAYCARB C2®B NG product in the production of many of Park's key ablative materials which Park supplies into critical rocket and missile programs. Park will continue to purchase RAYCARB C2®B NG for its own programs, and, through the Business Partner Agreement, Park is now taking on the new role of ArianeGroup's exclusive North American distributor for its RAYCARB C2®B product.

Brian Shore, Park's Chairman and CEO, said, "ArianeGroup is a special company, and we have been blessed by our long-term relationship with them. We are honored and humbled that ArianeGroup has chosen Park to be its exclusive North American distributor of their unique and very important RAYCARB C2®B NG product. It is very gratifying for us to be able to expand our relationship with ArianeGroup. Opportunities like this do not come around all that often, and we intend to make the most of it."





# What's New at Park?

## Major Potential Project Initiatives in New Plant

- So, what the heck are we going to do with that Huge New Plant?
  - ✓ Interesting question posed by an observant and smart person
  
- There is additional space in our new plant which is set aside for new project initiatives, including two potential project initiatives we are currently actively working on...both of these projects involve the purchase and installation of major new equipment lines which would bring new capabilities and market offerings to Park
  - ✓ One initiative relates to a joint development project with an important customer
  - ✓ Another initiative relates to a project Park would undertake on its own
  - ✓ We are currently reviewing both projects with equipment suppliers
  - ✓ Although the equipment specifications are under review and have not been finalized, we estimate the cost of the two projects combined would be approximately \$6 Million to \$9 Million



# What's New at Park?

## Major Potential Project Initiatives in New Plant (Continued)

- There is no hard deadline for final decision making on these projects, but they are both front burner projects receiving priority attention...we will keep you posted
- Although these projects relate to the manufacture of composite structures for the aerospace markets, they both would bring new capabilities and market offerings to Park





# What's New at Park?

## Informal “Partnership” with an Established Aerospace Manufacturing Company

- Park believes this established Aerospace Manufacturing Company has important capabilities which are complementary to Park's
- Park and this informal “Partner” have been collaborating on certain Defense Programs
  - ✓ This collaboration has led to an important new Defense Program award for our informal “Partner” and Park
  - ✓ Park and our informal “Partner” are currently collaborating on an RFP proposal for another significant Defense Program
- Park believes this informal “Partnership” has the potential to open up significant new opportunities for Park and our informal “Partner”



# Pressing Forward in Challenging Times

- Some say the economy is doing great and that all is well with the world
- Maybe, but that is not the world we live in...Park's world is full of challenges
  - ✓ Major supply chain and transport challenges...some say supply chain issues are improving...but we do not see it...not yet anyway
    - Daily battle
    - Abrupt adjustments to production planning and scheduling
  - ✓ Very difficult to hire the people we need
  - ✓ Still living with Covid and its many challenges
  - ✓ Vaccine mandates
  - ✓ Bringing new plant on line...new equipment trials
  - ✓ And our People are facing these challenges shorthanded





# Pressing Forward in Challenging Times (Continued)

- ✓ But, even in the face of the many challenges which our People confront and deal with every day, our People continue to press forward with major initiatives
  - Our new Business Partner Agreement with ArianeGroup
  - Two major initiatives and development projects we are pursuing in our new plant
  - Major new opportunities we are pursuing through collaborations with our informal Aerospace Manufacturing Company “Partner”
  - Numerous other initiatives
- ✓ In the face of challenges and difficulties, others may seek shelter in the bunker and wait for things to get better
- ✓ But, at Park, we do not do bunkers...we do not wait...for us, the bunker is where you go to die



# Pressing Forward in Challenging Times (Continued)

✓ At Park, even in a world full of challenges:

- We press forward
- We attack
- We don't stop

✓ This is all we know...

➤ At Park, we are swinging for the fences

➤ We are not like the others...at Park, we play for keeps...



*Park People Taking Responsibility for Equipment Trials  
and Bringing New Plant On Line*





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!





### **January 6, 2022 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 January 6, 2022. 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 third quarter earnings news release dated January 6, 2022 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 November 28, 2021 on or about January 7, 2022. The Company makes available free of charge on or through its website located at [www.parkaerospace.com](http://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 \$13.9 million in the 2022 fiscal year third quarter compared to \$10.4 million in the 2021 fiscal year third quarter and \$13.6 million in the 2022 fiscal year second quarter.

Gross Profit for the 2022 fiscal year third quarter was \$3.8 million, or 27.7% of sales, compared to \$2.6 million, or 24.6% of sales, for the 2021 fiscal year third quarter and \$4.4 million, or 32.4% of sales, for the 2022 fiscal year second quarter.





## Appendix 1 Continued

Selling, general and administrative expenses, before special items, for the 2022 fiscal year third quarter were \$1.6 million, or 11.5% of sales, compared to \$1.5 million, or 14.8% of sales, for the 2021 fiscal year third quarter and \$1.5 million, or 10.9% of sales, for the 2022 fiscal year second quarter. Investment income, net of interest expense, in the 2022 fiscal year third quarter was \$80,000 compared to \$389,000 in the 2021 fiscal year third quarter and \$89,000 in the 2022 fiscal year second quarter.

Before special items, earnings before income taxes for the 2022 fiscal year third quarter were \$2.3 million, or 16.8% of sales, compared to \$1.4 million, or 13.6% of sales, for the 2021 fiscal year third quarter and \$3.0 million, or 22.1% of sales, for the 2022 fiscal year second quarter.

Before special items, net earnings for the 2022 fiscal year third quarter were \$1.8 million, or 12.7% of sales, compared to \$1.0 million, or 10.0% of sales, for the 2021 fiscal year third quarter and \$2.2 million, or 16.1% of sales, for the 2022 fiscal year second quarter.

Depreciation and amortization expense in the 2022 fiscal year third quarter was \$354,000 compared to \$314,000 in the 2021 fiscal year third quarter and \$235,000 in the 2022 fiscal year second quarter. Capital expenditures in the 2022 fiscal year third quarter were \$1.1 million compared to \$1.3 million in the 2021 fiscal year third quarter and \$1.0 million in the 2022 fiscal year second quarter.

Adjusted EBITDA for the 2022 fiscal year third quarter was \$2.7 million, or 19.3% of sales, compared to \$1.4 million, or 13.3% of sales, for the 2021 fiscal year third quarter and \$3.2 million, or 23.7% of sales, for the 2022 fiscal year second quarter.

The effective tax rate before special items was 24.5% in the 2022 fiscal year third quarter compared to 26.2% in the 2021 fiscal year third quarter and 27.2% in the 2022 fiscal year second quarter.

For the 2022 fiscal year third quarter, the top five customers, in alphabetical order, were AAE Aerospace, Aeromatrix Composites, GKN Aerospace, Kratos Defense & Security Solutions and Middle River Aerostructure Systems (including its subcontractors). Middle River Aerostructure Systems is a subsidiary of ST Engineering Aerospace. The top five customers totaled approximately 73% of total sales during the 2022 fiscal year third quarter. The top 10 customers totaled approximately 80% of total sales, and the top 20 customers totaled approximately 87% of total sales for the 2022 fiscal year third quarter.

