



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

24th Annual Needham Growth Conference
January 13, 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, 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.



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
 - Unmanned Military Aircraft or Drones
 - Military Aircraft enhancements and mods

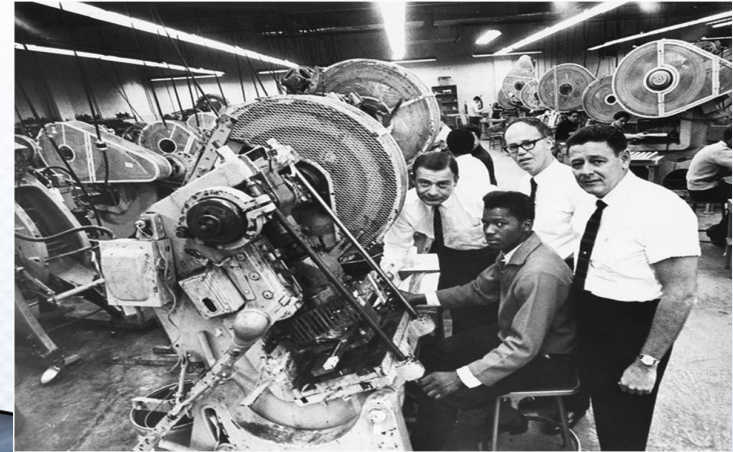


Facility Prior to Major Expansion



Our History

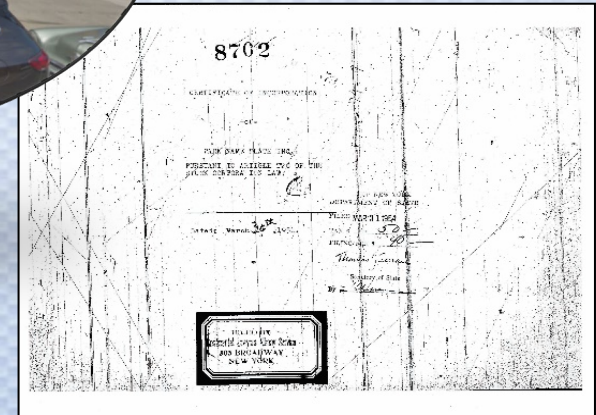
- Park founded on March 31, 1954 by Jerry Shore and Tony Chiesa with ~ \$60 Thousand Investment
- Company started in a small “factory” (garage?) in Woodside, Queens with 5 employees
- 1954 Results:
 - ✓ Sales: \$124,206.59
 - ✓ Pretax Profit: \$887.38
 - ✓ Taxes Paid: \$226.21
- First Invoice: \$300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



Park's Founders



Park's First Location

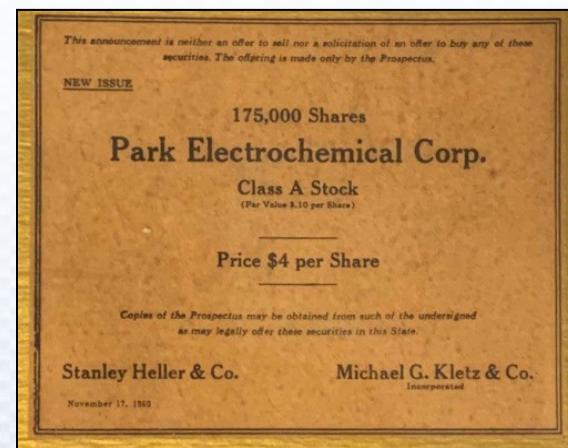


Park's Original Certificate of Incorporation



Our History (Continued)

November 17, 1960 Park goes Public

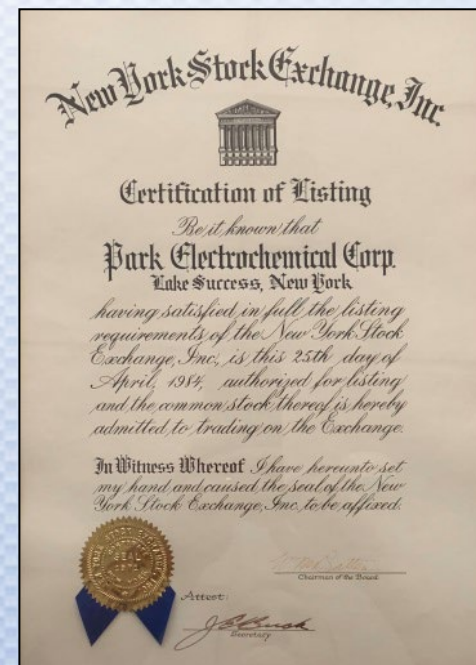


1961 Park acquires New England Laminates Company ("Nelco") in Stamford, CT for ~ \$200 Thousand

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

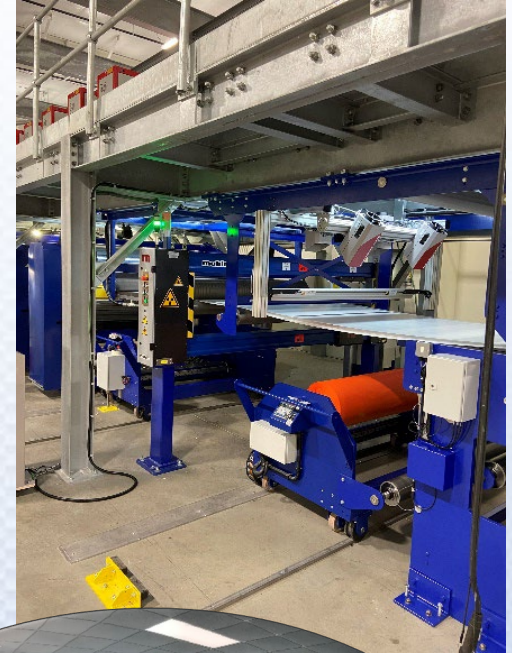
- ✓ Redundant Plant for MRAS and its Aircraft OEM Customers
- ✓ Park expects Redundant Plant will also be needed for Manufacturing Capacity
- ✓ Approximately 90,000 square feet
- ✓ Expansion approximately doubles size of current Newton, KS facilities
- ✓ Ground-Breaking on August 15, 2019
- ✓ **Expansion is complete**
- ✓ Film Line trials complete
- ✓ Tape Line trials in progress
- ✓ Plan to begin Qualification January 2022
- ✓ Total budget: approximately \$19.5 million
- ✓ Spending
 - To date: approximately \$18.0 Million
 - To go: approximately \$1.5 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
 - ✓ Space to accommodate additional confidential projects

- While many others were slashing their capital spending or cancelling projects altogether, we pushed forward with and completed our Major Expansion... good thing we did



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



Historical Quarterly Results and Forecast Estimates for FY2022 Q4 (In Thousands)*

	FY20 Q1	FY20 Q2	FY20 Q3	FY20 Q4	FY21 Q1	FY21 Q2	FY21 Q3	FY21 Q4	FY22 Q1	FY22 Q2	FY22 Q3	FY22 Q4 Forecast Estimates
Sales	\$14,950	\$13,723	\$15,847	\$15,494	\$12,213	\$9,250	\$10,372	\$14,441	\$13,594	\$13,618	\$13,864	\$12,750 to \$13,250
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**	\$3,000 to \$3,500
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%**	

*From Continuing Operations

**Before Special Items



Historical Quarterly Results and Forecast Estimates for FY2022 Q4 (In Thousands)*

- Factors which affected FY2022 Q3 Sales and Margins and which are expected to affect FY2022 Q4 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
 - Defense Authorization Bill recently approved
 - Defense Appropriations Bill...not yet!
 - Will Defense Industry rebound if and when it is approved?



Historical Quarterly Results and Forecast Estimates for FY2022 Q4 (In Thousands)*

✓ Covid Disruptions

✓ **Inflation**

- Raw materials cost increases
- General freight cost increases
- 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 and FY2022 Forecast Estimates (In Thousands)*

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 First 9 Months	FY2022 Forecast Estimate
Sales	\$31,837	\$40,230	\$51,116	\$60,014	\$46,276	\$41,076	\$53,800 to \$54,300
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**	\$13,000 to \$13,500
Adjusted EBITDA Margin	3.3%	11.7%**	20.0%**	21.7%**	18.2%**	24.4%**	

➤ Long-term Forecast?

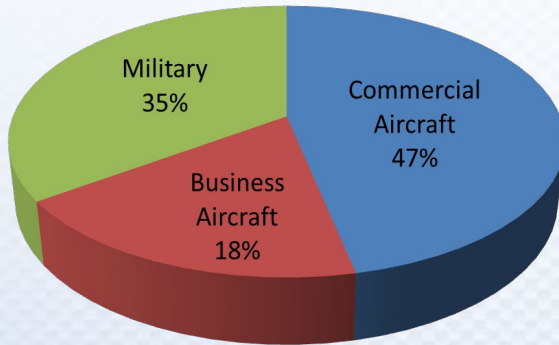
*From Continuing Operations

**Before Special Items



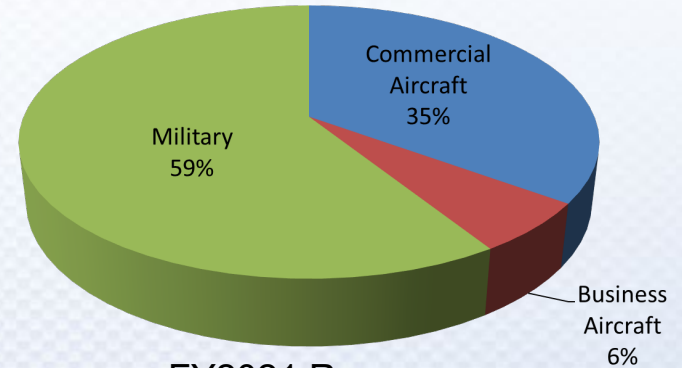
Park's Estimated Revenues by Aerospace Market Segment

FY2020



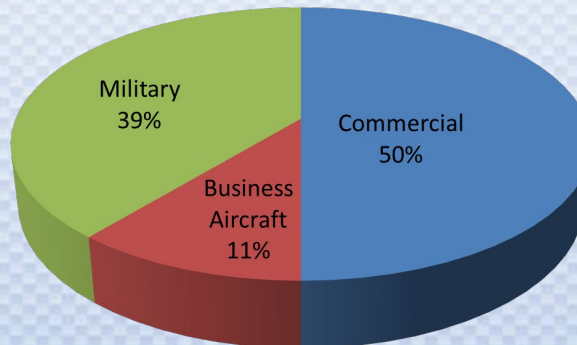
FY2020 Revenues:
\$60.0 Million

FY2021



FY2021 Revenues:
\$46.3 Million

FY2022 Q3 YTD



FY2022 Q3 YTD Revenues:
\$41.1 Million



Park Loves “Niche” Military Aerospace Programs*



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



Raytheon SM-2™ Missile

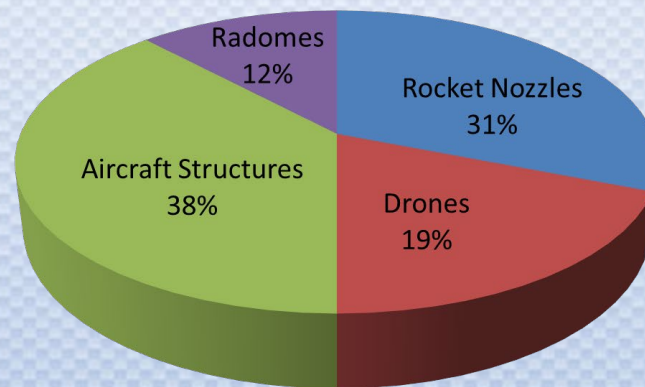


Kratos XQ-58 Valkyrie



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



Raytheon Evolved SeaSparrow Missile (ESSM)



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.”
 - ✓ Tension with Airbus suppliers over the aggressive Airbus A320neo Aircraft Family forecasted ramp-up
 - But Airbus is Not Backing Down...rather, it is Doubling Down...or maybe Tripling Down



Airbus A321neo with CFM LEAP-1A Engines



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 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



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

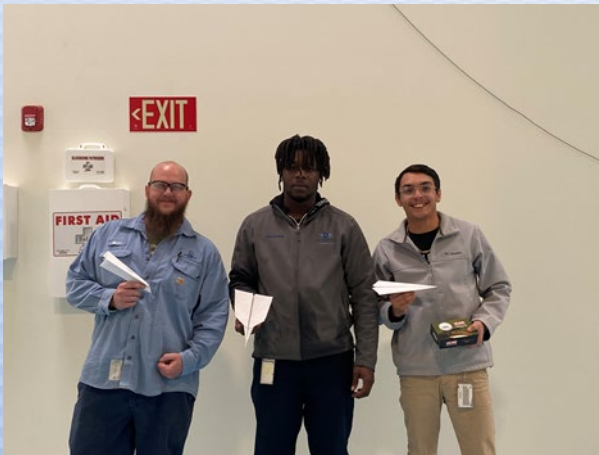
- ✓ Current Total Participation: 75%...Participation break-down:

- 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



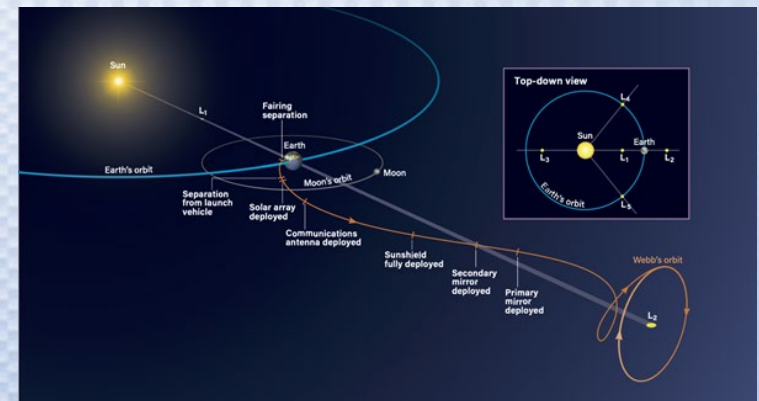
What's New at Park?

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



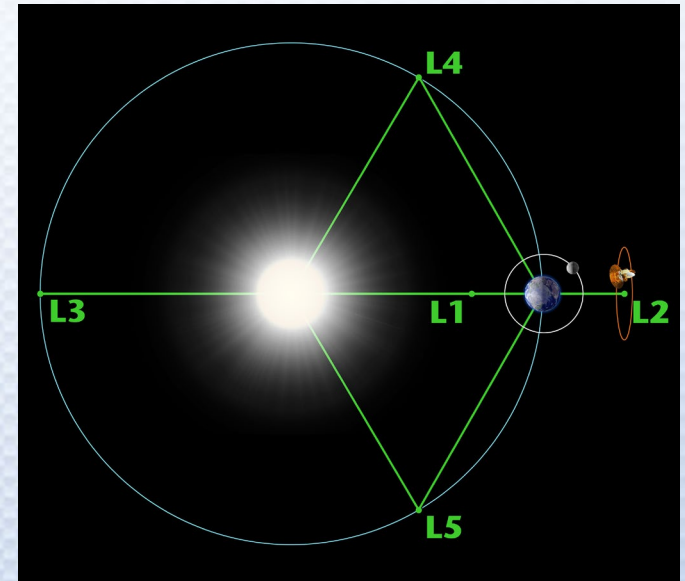
The Journey



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!

