



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

**FY2024 Q1 Investor Conference Call  
July 6, 2023**

***\*\*\*Park's 70<sup>th</sup> Year in Business\*\*\****

## 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.*

*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 26, 2023, 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

FY2024 Q1 Investor Presentation.....Slide 1

Supplementary Financial Information.....Appendix 1



*Boeing 777X at the Paris Air Show*



# Quarterly Results for FY2022, FY2023 and FY2024 (In Thousands)\*

	FY22 Q1	FY22 Q2	FY22 Q3	FY22 Q4	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1
Sales	\$13,594	\$13,618	\$13,864	\$12,502	\$12,783	\$13,875	\$13,867	\$13,530	\$15,551
Gross Profit	\$5,472	\$4,411	\$3,836	\$4,198	\$4,092	\$4,086	\$4,444	\$3,851	\$4,833
Gross Margin	40.3%	32.4%	27.7%	33.6%	32.0%	29.4%	32.0%	28.5%	31.1%
Adjusted EBITDA	\$4,104**	\$3,232**	\$2,670**	\$3,083**	\$2,804	\$2,709	\$3,321	\$2,625	\$3,311**
Adjusted EBITDA Margin	30.2%**	23.7%**	19.3%**	24.7%**	21.9%	19.5%	23.9%	19.4%	21.3%**

➤ What we said about FY2024 Q1 during our May 11, 2023 FY2023 Q4 Investor Call:

- ✓ Sales estimate: \$14.75 Million to \$15.25 Million
- ✓ Adjusted EBITDA estimate: \$3.0 Million to \$3.5 Million

\*From Continuing Operations

\*\*Before Special Items



# Quarterly Results for FY2022, FY2023 and FY2024 (In Thousands) (Continued)

- Outstanding Job by Park's People to exceed (by a little) our FY2024 Q1 Sales estimate and to make our FY2024 Q1 EBITDA estimate under very difficult circumstances, especially considering significant challenges with:
  - ✓ Supply Chain disruptions and unreliability
    - Situation seem to be beginning to improve, but we still have “surprises” to deal with
    - We are managing the challenges by building inventory (where possible and appropriate) and providing suppliers with longer lead times (where appropriate), but Supply Chain disruptions continue to be challenging and difficult
  - ✓ Freight (particularly international freight) disruptions and unreliability
  - ✓ Ongoing staffing shortages
    - They continue to be challenging for us
    - Doing more with less!
  
- Total Missed Shipments in FY2024 Q1... **Approximately \$400 Thousand**





# Quarterly Results for FY2022, FY2023 and FY2024 (In Thousands) (Continued)

- Factor which affected our margins in FY2024 Q1:
  - ✓ Inflation...it may be leveling off for us to some extent, but inflation continues to be a challenge for us
    - Raw materials costs
    - Shipping and other supplies costs
    - Utilities costs
    - Freight in and out costs
    - People costs



# Quarterly Results for FY2022, FY2023 and FY2024 (In Thousands) (Continued)

- Some of the increased costs were passed through to our Customers in FY2024 Q1 in the form of selling price increases
  - But not all...Why?
    - ❖ The “lag effect”...we honor our commitments to our Customers in confirmed POs
    - ❖ LTA pricing with certain Customers Supply Chain disruptions causing inefficiencies in our manufacturing operations
- ✓ Supply Chain disruptions causing inefficiencies in our manufacturing operations
- ✓ Staffing shortages and limitations causing inefficient deployment of our workforce and increased expenses as well
- ✓ Costs related to recently commissioned new plant in Newton, Kansas



# Historical Fiscal Year Results (In Thousands)\*

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Sales	\$31,837	\$40,230	\$51,116	\$60,014	\$46,276	\$53,578	\$54,055
Gross Profit	\$8,299	\$11,288	\$16,184	\$18,673	\$13,191	\$17,917	\$16,473
Gross Margin	26.7%	28.1%	31.7%	31.1%	28.5%	33.4%	30.5%
Adjusted EBITDA	\$1,055	\$4,704**	\$10,248**	\$13,012**	\$8,419**	\$13,089**	\$11,459
Adjusted EBITDA Margin	3.3%	11.7%**	20.0%**	21.7%**	18.2%**	24.4%**	21.2%

\*From Continuing Operations

\*\*Before Special Items





# FY2024 Q1 Top Five Customers (in Alphabetical Order)

Avio S.p.A.

Kratos Defense and Security Solutions

Middle River Aerostructure Systems (MRAS)  
and its subcontractors

Meggitt PLC

The Nordam Group



*Bombardier  
Global 8000*



*Dynetics  
X-61A  
Gremlin*



*Boeing  
EA-18G Growler*



*Airbus A321XLR*

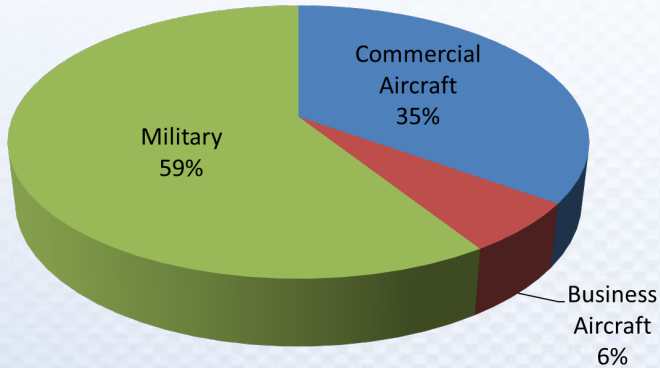


*Vega Launcher*



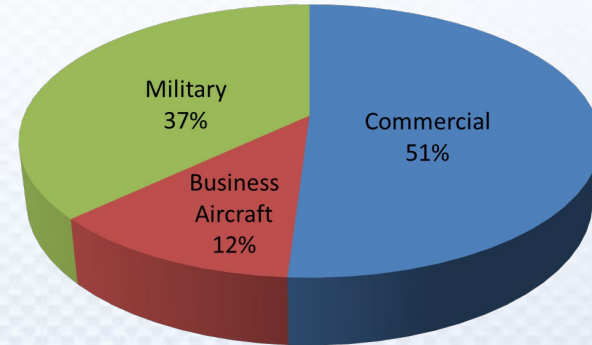
# Park's Estimated Revenues by Aerospace Market Segment

## FY2021



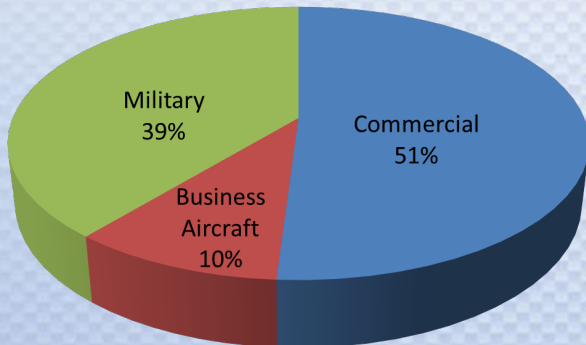
FY2021 Revenues:  
\$46.3 Million

## FY2022



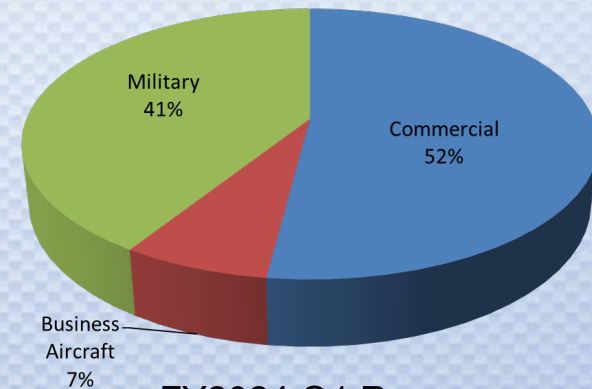
FY2022 Revenues:  
\$53.6 Million

## FY2023



FY2023 Revenues:  
\$54.1 Million

## FY2024 Q1



FY2024 Q1 Revenues:  
\$15.6 Million





# Park Loves “Niche” Military Aerospace Programs



*MQ-1 Predator*

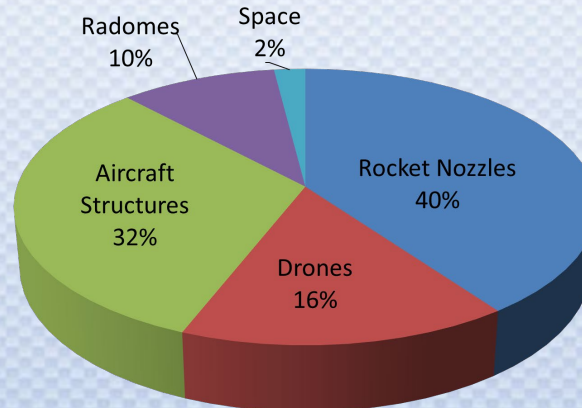


*MK-21A*



*Lockheed Martin Long Range Anti-Ship Missile (LRASM)*

## Park's Estimated FY2024 Q1 Military Revenues by Market Segment



Estimated FY2024 Q1  
Military Revenues: \$6.3 Million



*Israeli Arrow 3 Missile Defense System*



*Northrop Grumman E-8 JSTARS*



# Two Park Updates for the Price of One

- Park recently announced Commencement of Production of recently completed Major Expansion of our Newton, Kansas Facilities and Introduction of our New Aeroadhere™ FAE-350-1 Film Adhesive Product



*Park's New Aeroadhere™ FAE-350-1 Film Adhesive Product  
being Produced on New Film Line in Park's Recently Completed  
Major Facility Expansion*





# Aerospace Industry Trends and Considerations

## A Brief Update

### ➤ Military Markets

- ✓ Military Markets continue to be very strong
  - Fueled by the ongoing War in Europe and major global tensions
  - Talk about “winning” the War?
  - Optimism abounds about Foreign Military Sales
- ✓ But what will happen when the War ends?
  - All wars end at some point one way or another...
  - Will countries in Western Europe return their spending focus to domestic welfare programs?
  - What about countries in Eastern Europe?
  - What about the US?
- ✓ And how about defense spending in Asia?
  - Different dynamics there...



# Aerospace Industry Trends and Considerations

## A Brief Update (Continued)

### ➤ Commercial Aerospace Markets

- ✓ Optimism abounds
- ✓ Paris Air Show “vibes” were borderline euphoric
  - Almost giddy claims coming from the Show about the Commercial Aircraft industry being “back” and putting the horrors of the pandemic in the rear view mirror
  - Indigo Airlines, India’s leading domestic carrier, kicked off the show with the announcement of a record 500 A320neo Family Aircraft order
    - To be delivered between 2030 and 2035
      - ❖ Sign of market “capitulation”?
      - ❖ Will Single-Aisle orders, which had been somewhat stalled out due to the huge backlogs and extremely long lead-times, now accelerate?
- ✓ The optimism and borderline euphoria are good things for the industry...
  - Right?

➤ But there may be one little issue (minor detail?) to be concerned about...





# Aerospace Industry Trends and Considerations

## A Brief Update (Continued)

### \*\*\*SUPPLY CHAIN\*\*\*

- Main impediment to recovery and ramp back up for both Military and Commercial Aerospace industries
- Demand is certainly there, but when will the industry be able to produce the commercial aircraft and military hardware needed to meet the demand?
  - ✓ Boeing and Airbus seem to be saying the Supply Chain issues will “normalize” towards the end of 2024
    - Is that realistic or at least in part wishful thinking?
  - ✓ Remember that, according to some, the Supply Chain crisis was supposed to have been resolved by the end of last year...



# Aerospace Industry Trends and Considerations

## A Brief Update (Continued)

- According to Airbus, the three key Supply Chain issues are electronic components (semiconductors), engines and “raw materials”
  - ✓ No issues for Airbus with raw materials from Park though
- And what is the Supply Chain crisis really about anyway?
  - ✓ Is it really about systemic Workforce shortages and Staffing issues?
    - With so many people having left the workforce, we now have what is called “full employment” in this country
    - With so much money being pumped in the system, so many people were encouraged to leave the workforce...maybe permanently





# Aerospace Industry Trends and Considerations

## A Brief Update (Continued)

- According to Airbus, the aerospace industry used to be able to hire back 8 out of 10 employees which it let go, but now the industry has only been able to hire back 2 out of 10 employees who were let go during the pandemic
  - **Wow!**
  - Of course, as you know, Park let NONE of our People go during the pandemic, so no issue for Park about calling back our People
- A real human tragedy in our opinion
- But how does this end? How does this get resolved?
  - Any ideas?



# 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 (STE)
- Redundant Factory...Construction is complete and factory is in production!
- Sole Source for Composite Materials for Engine Nacelles and Thrust Reversers for Multiple MRAS Programs, including:
  - ✓ A319neo with LEAP-1A Engines<sup>1, 2</sup>
  - ✓ A320neo with LEAP-1A Engines<sup>1, 2</sup>
  - ✓ A321neo with LEAP-1A Engines<sup>1, 2</sup>
  - ✓ A321LR with LEAP-1A Engines<sup>1, 2</sup>
  - ✓ A321XLR with LEAP-1A Engines<sup>1, 2, 3</sup>
  - ✓ B747-8 with GEnx 2B Engines (including Inner Fixed Structures)
  - ✓ Comac C919 with LEAP-1C Engines<sup>1</sup>
  - ✓ Comac ARJ21 with CF34-10A Engines
  - ✓ Bombardier Global 7500 with Passport 20 Engines
  - ✓ Bombardier Global 8000 with Passport 20 Engines<sup>3</sup>



*Legendary Boeing 747-8 Engine Nacelles*

<sup>1</sup>Also Sole Source for Lightning Strike Protection Materials

<sup>2</sup>Certain components produced with Park "AFP" Composite Materials

<sup>3</sup>Undergoing Development





# GE Aviation Jet Engine Programs (Continued)

- Park Composite Materials are Sole Source on primary structure component for Passport 20 Engines for Bombardier Global 7500/8000 (not included in MRAS LTA)
- Fan Case Containment Wrap for GE9X Engines for B777X Aircraft
  - ✓ Produced with Park's "AFP" Composite Materials
  - ✓ Not included in MRAS LTA
    - For now!
- MRAS Qualification of Two Park Proprietary Film Adhesive Formulations being kicked off
- **Life of Program Agreement requested by MRAS and STE**
  - ✓ **What is that worth to Park?**



# Update on GE Aviation Jet Engine Programs

- **A320neo Aircraft Family with CFM LEAP-1A Engines (includes A319neo, A320neo, A321neo, A321LR and A321XLR Aircraft Variants)**
  - ✓ India's Indigo Airlines placed a record 500 A320neo Family Aircraft order at the Paris Air Show
    - Assuming the 60% LEAP-1A A320neo Aircraft Family market share discussed below, that Indigo order is expected to be worth over \$20 million of revenue to Park
  - ✓ Airbus already had a huge 6,000+ A320neo Aircraft Family backlog at the end of April 2023
  - ✓ At the Paris Air Show, Airbus reaffirmed their plan to achieve a rate of 75 A320neo Family Aircraft deliveries per month by the end of 2026
    - Will Airbus achieve that rate by the end of 2026?
      - Hard to say, but, based upon their backlog, there is a high degree of confidence they will get there by 2026 or some time in the not too distant future thereafter
      - How are they doing so far with the planned ramp-up?





# Update on GE Aviation Jet Engine Programs (Continued)

- ❖ It has been a challenging road for them
- ❖ According to reports, in 2023 YTD through May, Airbus delivered an average of only ~40 A320neo Family Aircraft per month, clearly less than desired
- ✓ The A320neo Aircraft Family offers two approved engine options, namely the CFM LEAP-1A engine and the Pratt 1100G engine
  - Park supplies into A320neo Family Aircraft using CFM LEAP-1A engines
- ✓ As of the end of April 2023, CFM (meaning the LEAP-1A engine) had a 60.0% market share of firm engine orders for the A320neo Family of Aircraft (Source: June 2023 edition of Aero Engine News)
- ✓ Recently widely reported serious “Durability” issues with the Pratt 1100G engines
  - All new engines have “growing pains”, but the reported Pratt 1100G engine durability issues seem to be far worse than the durability issues reported on the LEAP-1A engine option for the A320neo Aircraft Family



# Update on GE Aviation Jet Engine Programs (Continued)

- According to GE Aviation, improvements to the LEAP-1A engine designed to improve durability have already yielded very positive results
- Will the Pratt 1100G durability issues lead to an increase in CFM's A320neo Family Aircraft program market share to even greater than 60%?
- ✓ Assuming the 60.0% CFM LEAP-1A market share, 75 A320neo Aircraft Family deliveries per month would translate into 540 A320neo Aircraft Family with LEAP-1A engines deliveries per year
  - **And that delivery rate would translate into 1080 LEAP-1A engines per year**
- ✓ LEAP-1A Powered Airbus A321XLR made its air show debut at the Paris Air Show
  - Airbus plans to achieve certification of the **LEAP-1A** powered version of the A321XLR by the end of the year
  - Boeing does not have a response to the A321XLR aircraft





# Update on GE Aviation Jet Engine Programs (Continued)

- **Comac C919 with CFM LEAP-1C Engines**
  - ✓ Comac plans to achieve production rate of 150 C919 Aircraft per year within five years
  - ✓ Comac currently has over 1,200 orders for the C919 Aircraft
  - ✓ China Eastern Airlines conducted first C919 passenger flight in May 2023
- **Bombardier Global 8000 Variant with GE Aviation Passport 20 Engines**
  - ✓ Bombardier flew its first Global 8000 prototype in May 2023
  - ✓ Entry into service expected in second half of 2025



# Update on GE Aviation Jet Engine Programs (Continued)

## ➤ Boeing 777X Aircraft with GE9X Engines

- ✓ Planned 2025 Entry into Service



*The Great 747, an Aircraft Like None Other*



*Boeing 777X undergoing Cold Weather Testing  
in Fairbanks, Alaska*

## ➤ The Legendary Boeing 747 (thank goodness for spares)





# GE Aviation Jet Engine Programs Sales History

## 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
- ✓ FY2022 Q4: \$6.7 Million
- ✓ **FY2022 Total: \$26.5 Million**
- ✓ FY2023 Q1: \$6.4 Million
- ✓ FY2023 Q2: \$6.1 Million
- ✓ FY2023 Q3: \$5.0 Million



*Airbus A321neo with LEAP-1A Engines*

- ✓ **FY2023 Q4: \$4.7 Million**
- ✓ **FY2023 Total: \$22.3 Million**
- ✓ **FY2024 Q1: \$6.2 Million**



# Financial Outlook for Park and GE Programs

## Let's Go Over this Again

- Because of ongoing significant challenges related to serious supply chain disorder, inflation concerns and staffing shortages (which seem to be a global phenomenon) and the significant uncertainty as to when these challenges will moderate and abate, providing a year-over-year financial forecast would involve much speculation and therefore would not be helpful or meaningful...
- But, although it is not possible to predict with any meaningful confidence the timing of the abatement of such challenges, we are hopeful that, if the world survives the crises it is currently facing, **at some point in the not too distant future**, the supply chain will reestablish some degree of order, inflation will moderate and staffing dynamics will “normalize” to some degree
  - ✓ **As a result, we are providing, in the following slides, a revenue outlook for our GE Aviation Jet Engine Programs and a financial outlook for Park generally**





# Financial Outlook for Park and GE Programs

## Let's Go Over this Again

### (Continued)

- ✓ And, in providing the GE Aviation Programs revenue outlook and the financial outlook for Park, we are assuming the following:
  - There is not a severe or prolonged economic downturn during the outlook timeframe
  - The global supply chain returns to some level of order and normalcy
  - Inflation moderates and returns to historically more “normal” levels
  - Staffing dynamics return to historically more “normal” levels



# GE Aviation Jet Engine Programs Revenue Outlook

Program	Engine Units per Year Assumptions <sup>1</sup>	Revenue per Engine Unit Estimates <sup>2</sup>	Annual Revenues per Program Estimates
A320neo <sup>3</sup>	1080 <sup>4</sup>	\$30,500	\$32,940K
PP20 <sup>5</sup>	90	\$49,000	\$4,410K
C919 <sup>6</sup>	200	\$26,500	\$5,300K
ARJ21 <sup>7</sup>	50	\$29,500	\$1,475K
GE9X <sup>8</sup>	_____	_____	\$6,500K

➤ Total GE Aviation Program Revenues per Outlook Year: **\$50,625K**

<sup>1</sup> Except for the engine units per year assumption for the A320neo Aircraft Family, which is explained in footnote 4 below, the engine units per year assumption estimates are based upon historical data, customer inputs and references to related program information.

<sup>2</sup> Estimates based upon information provided by the Customers; based upon selling pricing effective January 1, 2025

<sup>3</sup> A320neo Aircraft Family with LEAP-1A engines. Assumes Park's film adhesive material is qualified and in use on the program. Park's lightning strike protection (LSP) material is already in use on the program.

<sup>4</sup> See Slide 22.

<sup>5</sup> Passport 20 Engine used on the Bombardier Global 7500/8000 business jet. Assumes Park's LSP material is qualified and in use on the program and Park's film adhesive material is not in use on the program.

<sup>6</sup> Assumes Park's film adhesive material is not in use on the program. Park's LSP material is already in use on the program.

<sup>7</sup> Assumes Park's LSP material is qualified and in use on the program and Park's film adhesive material is not in use on the program.

<sup>8</sup> Engine used on the Boeing 777X aircraft. The engine units per year assumption and the revenue per engine unit estimate are being withheld to protect the confidentiality of the program.





# Park Aerospace Corp. Financial Outlook principally based upon growth estimates of Programs on which Park is Sole-source Qualified<sup>6</sup>

	Sales	EBITDA
FY23 Base Year	\$54.1M*	\$11.5M
Estimated GE Programs Incremental Sales <sup>1</sup>	\$28.3M	
Estimated incremental sales for ADL ADRS Program, PAC-3 Missile System and Kratos Valkyrie Unmanned Aircraft <sup>2</sup>	\$20M	
Non-GE Programs Incremental Sales <sup>3</sup>	<u>\$8M</u>	
<b>Estimated Revenue Outlook</b>	<b>\$110.4M</b>	
Estimated EBITDA contribution from incremental revenues <sup>4</sup>		\$20.8M
Adjustment to Base Year EBITDA <sup>5</sup>		<u>\$2.5M</u>
<b>Estimated EBITDA Outlook</b>		<b>\$34.8M</b>

\*"M" = million



# Park Aerospace Corp. Financial Outlook principally based upon growth estimates of Programs on which Park is Sole-source Qualified<sup>6</sup> (Continued)

<sup>1</sup> GE Program Outlook Sales of \$50.6M minus FY23 GE Program sales of \$22.3M equals \$28.3M.

<sup>2</sup> Park is sole-source qualified on these three programs, but we are not providing a breakdown of the outlook incremental sales for these programs in order to protect the confidentiality of the programs.

<sup>3</sup> FY23 Non-GE Program Sales are \$31.8M (FY23 total sales of \$54.1M minus FY23 GE Program sales of \$22.3M equals \$31.8M). Analysis assumes 25% growth of Non-GE Program sales by outlook year. 25% of \$31.8M equals \$8M of incremental Non-GE Program sales.

<sup>4</sup> Outlook incremental sales are \$56.3M (Outlook Sales of \$110.4M minus FY23 Sales of \$54.1M equals \$56.3M). Analysis assumes a 37% EBITDA contribution on the \$56.3M of incremental sales, or \$20.8M of incremental EBITDA.

<sup>5</sup> The adjustment is based upon the assumptions that inflation moderates and our product pricing “catches up” with inflation (the “lag effect” is reduced or eliminated), the inefficiencies in our manufacturing operations caused by supply chain disorder are reduced or eliminated as the supply chain gets back to “normal” and the additional cost burdens related to staffing challenges are ameliorated as staffing dynamics get back to “normal”.





# Park Aerospace Corp. Financial Outlook principally based upon growth estimates of Programs on which Park is Sole-source Qualified<sup>6</sup> (Continued)

<sup>6</sup> The above outlook analysis is not a forecast as it only considers the estimated growth of programs on which Park is already sole source qualified, plus 25% growth of Non-GE programs sales by the outlook year. The analysis does not consider any other revenue opportunities, including, for example, revenue opportunities related to:

- The joint development project referred to on Slide 35
- The Company's new Film Adhesive product and other adhesive products under development
- The Asian JV the Company is discussing with two separate large aerospace companies
- The potential new product family JV project which the Company is discussing with a large aerospace company
- A large aerospace program on which the Company's composite materials are a finalist
- A structures, assemblies and integrations project on which the Company is in serious discussions with an existing customer
- A technology license arrangement under discussion with a large OEM related to hypersonic missile systems
- Several rocket and missile programs with respect to which the Company's products are undergoing qualification
- The Israeli Arrow 3 Missile Defense System



# Why are we Reviewing our Financial Outlook?

- On February 9, 2023, we announced that Park's Board of Directors approved a 25% increase in Park's regular quarterly cash dividend from \$0.10 per share to \$0.125 per share
  - ✓ Market response to announcement made sense to us
- In a March 6, 2023 news release, S&P announced that Park's common stock (along with the stock of numerous other companies) was being "deleted" from the S&P Small Cap Index effective March 17, 2023
  - ✓ Pretty much wiped out the market response to our regular dividend increase announcement
- On May 11, 2023, Park announced our FY2023 Q4 earnings and, in our FY2023 Q4 Investor Conference Call Presentation, we provided our Company's Financial Outlook to the investing public
  - ✓ **We explained at the time that the Financial Outlook formed the basis of the Park Board's decision to increase our regular quarterly cash dividend to \$0.125 per share**





# Why are we Reviewing our Financial Outlook? (Continued)

- And what was the market response to our provision of our Financial Outlook?
  - ✓ Not much, which surprised us...a lot
  - ✓ Why was there such a muted reaction to our Financial Outlook? We are not sure...
    - Is the market “efficient”?
    - Is the market “broken”?
    - Or maybe the investing public simply does not believe us...
  - ✓ **But we believe us**
    - **So, shortly after our FY2023 Q4 Investor Call, we implemented a Rule 10b5-1 Company Stock Purchase Plan**
    - **Under that plan, Park purchased, through the end our FY2024 Q1 ended May 28, 2023, 129,654 shares of our Common Stock at an average price of \$12.87 per share and at a total cost of \$1,668,461...**
      - **That was the maximum amount which Park was permitted to purchase through the end of FY2024 Q1 under the Plan and the SEC rules and regulations**



# Why are we Reviewing our Financial Outlook? (Continued)

- Purchases which occur in our FY2024 Q2 will be disclosed when we report that quarter
- As we have stated in the past, **we prefer the investing public to buy our Company's stock, but, since that did not seem to happen in any meaningful way in response to our provision of our Financial Outlook to the investing public during our FY2023 Q4 Investor Call, *WE DID...***





# Analysis of Park Cash and Cash Application (in thousands)<sup>1</sup>

Net Cash and Marketable Securities as of May 28, 2023		<b>\$81,000</b>
Transition Tax Installment Payments remaining <sup>2</sup>	\$12,500	
Solution Treater for ADL project <sup>3</sup>	6,000	
Joint Development Project Capital Investment <sup>4</sup>	5,000	
Additional Park stock buy-backs, if any	?	
	Total:	<b>(\$23,500)</b>
Total Cash Remaining after application of cash to above items <sup>5</sup>		<b>\$57,500</b>

<sup>1</sup> All items are rounded to the closest \$500 thousand.

<sup>2</sup> Payable through June, 2025; \$3.2 Million paid in June 2023.

<sup>3</sup> Estimated cost if we proceed with ADL treater project.

<sup>4</sup> Estimated cost if we proceed with the joint development project; this potential joint development project is a derivative of the AFP project discussed in prior Investor Conference Calls.

<sup>5</sup> Conceptual computation.



# Park's Balance Sheet, Cash Dividend History and Thoughts about Capital Allocation

- Park has zero long-term debt!
- Park's Cash Dividend
  - ✓ While others cut or cancelled their dividends, Park maintained its regular quarterly cash dividend throughout the pandemic and economic crisis
  - ✓ Park has paid 38 consecutive years of uninterrupted regular quarterly cash dividends without ever skipping a dividend or reducing the dividend amount
  - ✓ **Park has paid \$583 Million, or \$28.475 per share, in cash dividends since the beginning of FY2005**
- Our thoughts about our Cash and Capital Allocation
- And how about me? How do I fit into the equation?





# The Park Family

## The Secret to Our Success

- The following is an excerpt from a recent message to the Park Family:

“What is the key to our success in the future? I believe the secret to our success in the future lies in our Park Family Culture. As a Family, we look out for and take care of one another. We have each other’s backs. That is how we do it. So, if we are more experienced, we want to make sure we are looking out for and helping our newer Park People as they learn and gain experience.

If we stick with our Park Family Culture, we will continue to overcome the challenges and obstacles the world sends our way. If we stick with our Park Family Culture, I believe we will do very well and we will have a prosperous, happy and successful future together. If we stick with our Park Family Culture, I believe we will achieve the Greatness we seek to achieve as a Company and as a People...

To me, Park is a Special Company made up of Special and Dedicated People, and you are all part of that.”



# The Park Family

## The Secret to Our Success

### (Continued)

- In the Park Family, we go for Greatness...and the path to Greatness is arduous and difficult and hard
- Others may settle for mediocrity, but, at Park, we are not like the others...
- At Park, we play for keeps...and we are now in our 70th Year of playing for keeps...



*Park's Special R&D Group*







# Thank You!





### July 6, 2023 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 July 6, 2023. 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 our 2024 fiscal year first quarter earnings news release dated July 6, 2023 and the reports and documents that we file from time to time with the SEC. In particular, please read our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K that we may file from time to time. Park currently expects to file its Quarterly Report on Form 10-Q for the fiscal quarter ended May 28, 2023 on or about July 7, 2023. We make available free of charge on or through our website located at [www.parkaerospace.com](http://www.parkaerospace.com) our 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.

Park’s sales were \$15.6 million in the 2024 fiscal year first quarter compared to \$12.8 million in the 2023 fiscal year first quarter and \$13.5 million in the 2023 fiscal year fourth quarter.

Gross Profit for the 2024 fiscal year first quarter was \$4.8 million, or 31.1% of sales, compared to \$4.1 million, or 32.0% of sales, for the 2023 fiscal year first quarter and \$3.9 million, or 28.5% of sales, for the 2023 fiscal year fourth quarter.

Before special items, selling, general and administrative expenses for the 2024 fiscal year first quarter were \$1.9 million, or 12.4% of sales, compared to \$1.6 million, or 12.8% of sales, for the 2023 fiscal year first quarter and \$1.6 million, or 12.2% of sales, for the 2023 fiscal year fourth quarter. Before special items, investment income, net of interest expense, in the 2024 fiscal year first quarter was \$389,000 compared to \$133,000 in the 2023 fiscal year first quarter and \$425,000 in the 2023 fiscal year fourth quarter.





## Appendix 1 Continued

Before special items, earnings before income taxes for the 2024 fiscal year first quarter were \$3.3 million, or 21.1% of sales, compared to \$2.6 million, or 20.3% of sales, for the 2023 fiscal year first quarter and \$2.6 million, or 19.5% of sales, for the 2023 fiscal year fourth quarter.

Before special items, net earnings for the 2024 fiscal year first quarter were \$2.4 million, or 15.5% of sales, compared to \$1.9 million, or 14.9% of sales, for the 2023 fiscal year first quarter and \$2.0 million, or 14.6% of sales, for the 2023 fiscal year fourth quarter.

Depreciation and amortization expense in the 2024 fiscal year first quarter was \$305,000 compared to \$260,000 in the 2023 fiscal year first quarter and \$310,000 in the 2023 fiscal year fourth quarter. Capital expenditures in the 2024 fiscal year first quarter were \$167,000 compared to \$88,000 in the 2023 fiscal year first quarter and \$298,000 in the 2023 fiscal year fourth quarter.

Adjusted EBITDA for the 2024 fiscal year first quarter was \$3.3 million, or 21.3% of sales, compared to \$2.8 million, or 21.9% of sales, for the 2023 fiscal year first quarter and \$2.6 million, or 19.4% of sales, for the 2023 fiscal year fourth quarter.

The effective tax rate before special items was 26.7% in the 2024 fiscal year first quarter compared to 26.3% in the 2023 fiscal year first quarter and 25.3% in the 2023 fiscal year fourth quarter.

For the 2024 fiscal year first quarter, the top five customers, in alphabetical order, were Avio S.p.A., Kratos Defense & Security Solutions, Meggitt PLC, Middle River Aerostructure Systems (including its subcontractors) and The Nordam Group. The top five customers totaled approximately 60% of total sales during the 2024 fiscal year first quarter. The top 10 customers totaled approximately 75% of total sales and the top 20 customers totaled approximately 86% of total sales during the 2024 fiscal year first quarter.

