



## INVESTOR OVERVIEW

March 2, 2021

# FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

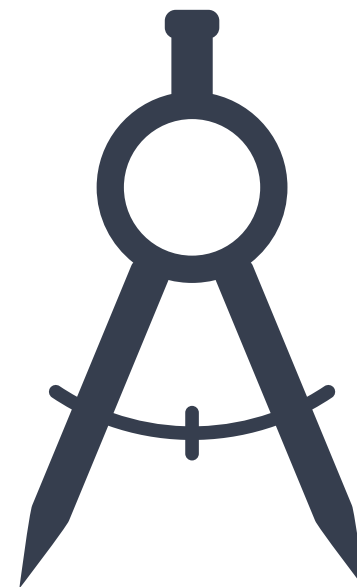
This presentation may contain a number of “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about PAE’s possible or assumed future results of operations, financial results, business strategies, debt levels, competitive position, industry environment, potential growth opportunities, potential impact of COVID-19, effects of regulation, backlog, estimation of resources for contracts, risks related to IDIQ contracts, risks related to the National Aviation Maintenance and Logistics Services Contract, strategy for and management of growth, needs for additional capital, risks related to U.S. government contracting generally, including congressional approval of appropriations, bid protests and our expectations regarding the acquisitions of CENTRA Technology, Inc. and Metis Solutions Corporation. These forward-looking statements are based on PAE’s management’s current expectations, estimates, projections and beliefs, as well as a number of assumptions concerning future events. When used in this presentation, the words “estimates,” “projected,” “expects,” “anticipates,” “forecasts,” “plans,” “intends,” “believes,” “seeks,” “may,” “will,” “should,” “future,” “propose” and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements.

These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside PAE’s management’s control, that could cause actual results to differ materially from the results discussed in the forward-looking statements.

Forward-looking statements included in this presentation speak only as of the date of this presentation. PAE does not undertake any obligation to update its forward-looking statements to reflect events or circumstances after the date of this presentation except as may be required by the federal securities laws.

This presentation contains non-GAAP financial measures. For more information about our use of non-GAAP financial measures see the appendix.

In this presentation, unless the context indicates otherwise, the terms “PAE” and the “company” refer to PAE Incorporated and its subsidiaries taken as a whole.





**JOHN HELLER**

President & Chief Executive Officer

# OUR MISSION

**FOR SAFETY, SECURITY AND STABILITY  
THROUGHOUT THE WORLD, NO MATTER  
THE CHALLENGE.**

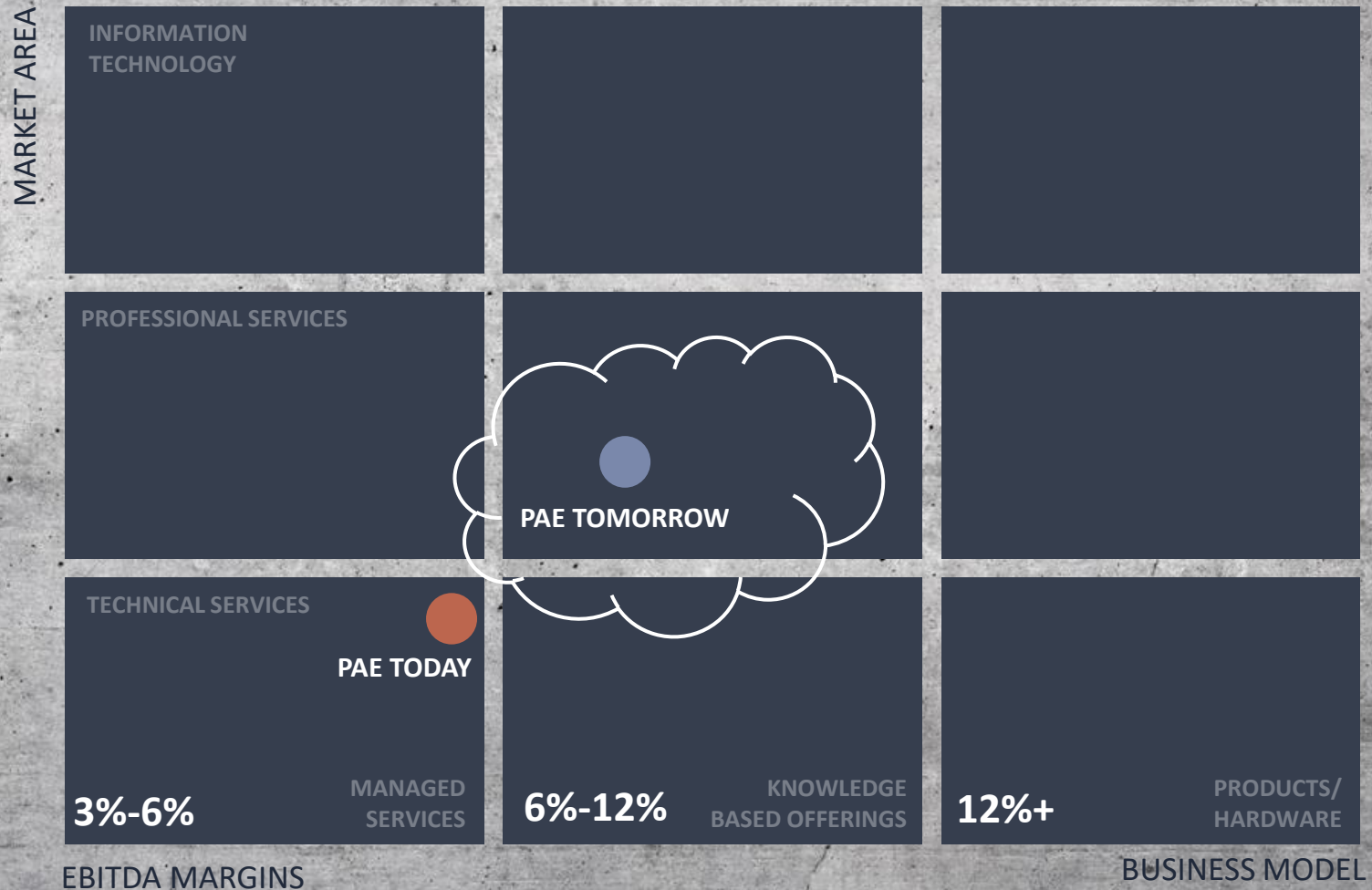


PAE merges technology with advanced business practices delivering faster, smarter and more efficient managed solutions.



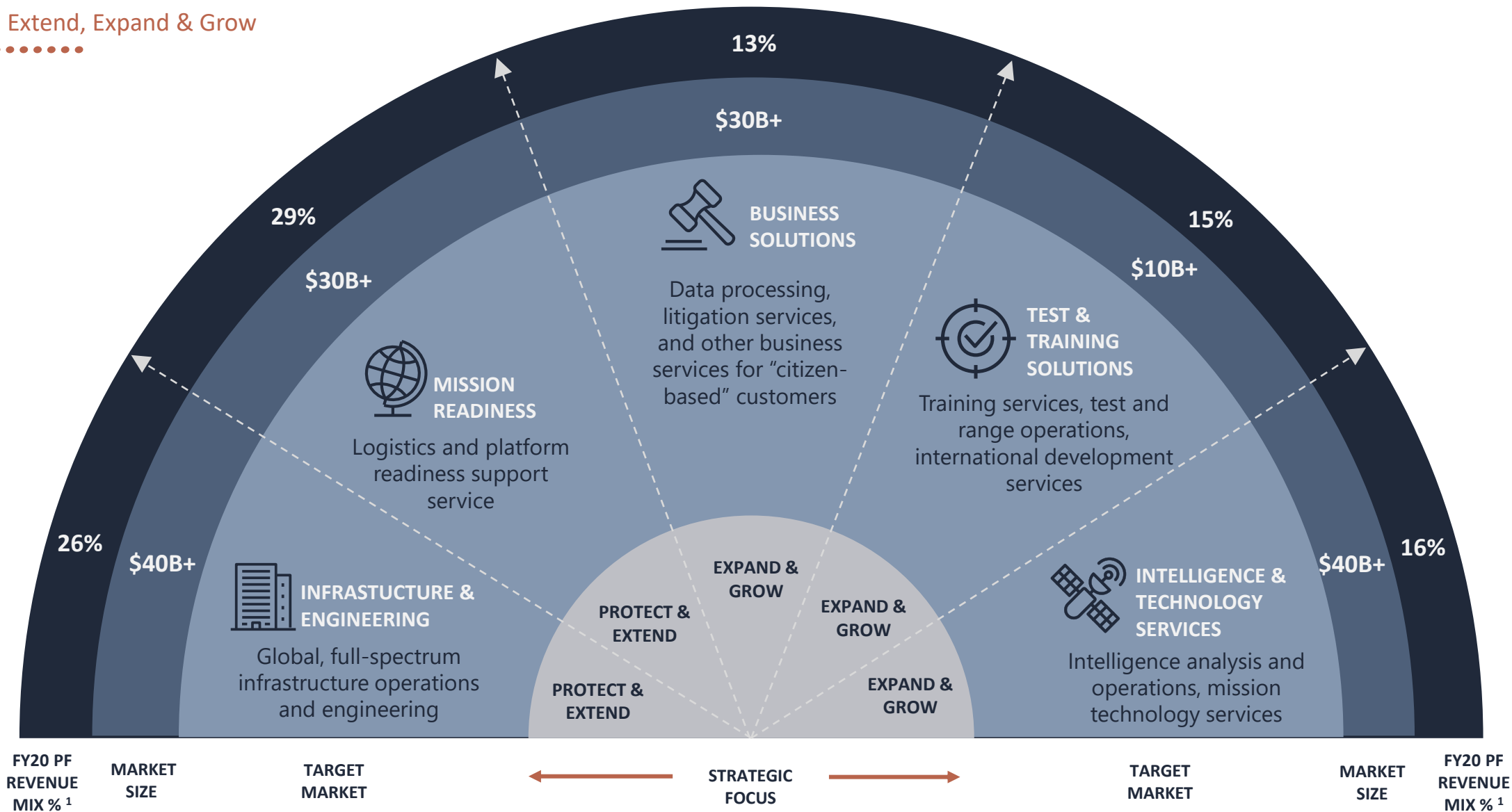
# DIFFERENTIATION

Significant growth opportunity – Dynamic, robust markets open up new market segments



# STRATEGIC GROWTH AREAS

Protect, Extend, Expand & Grow

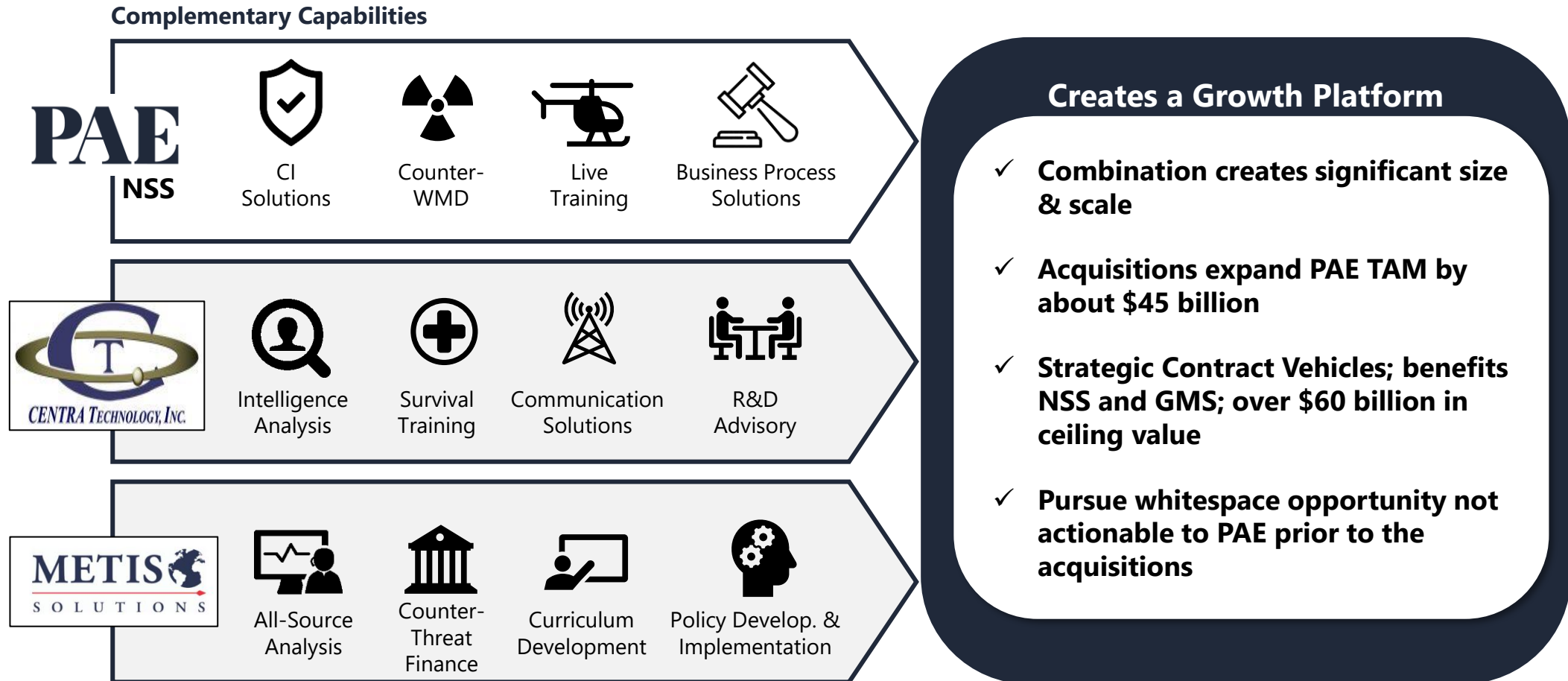


Source: PAE Management

<sup>1</sup> Based on the company's FY 2020 financial guidance provided on November 5, 2020 and adjusted Pro Forma for CENTRA and Metis revenue

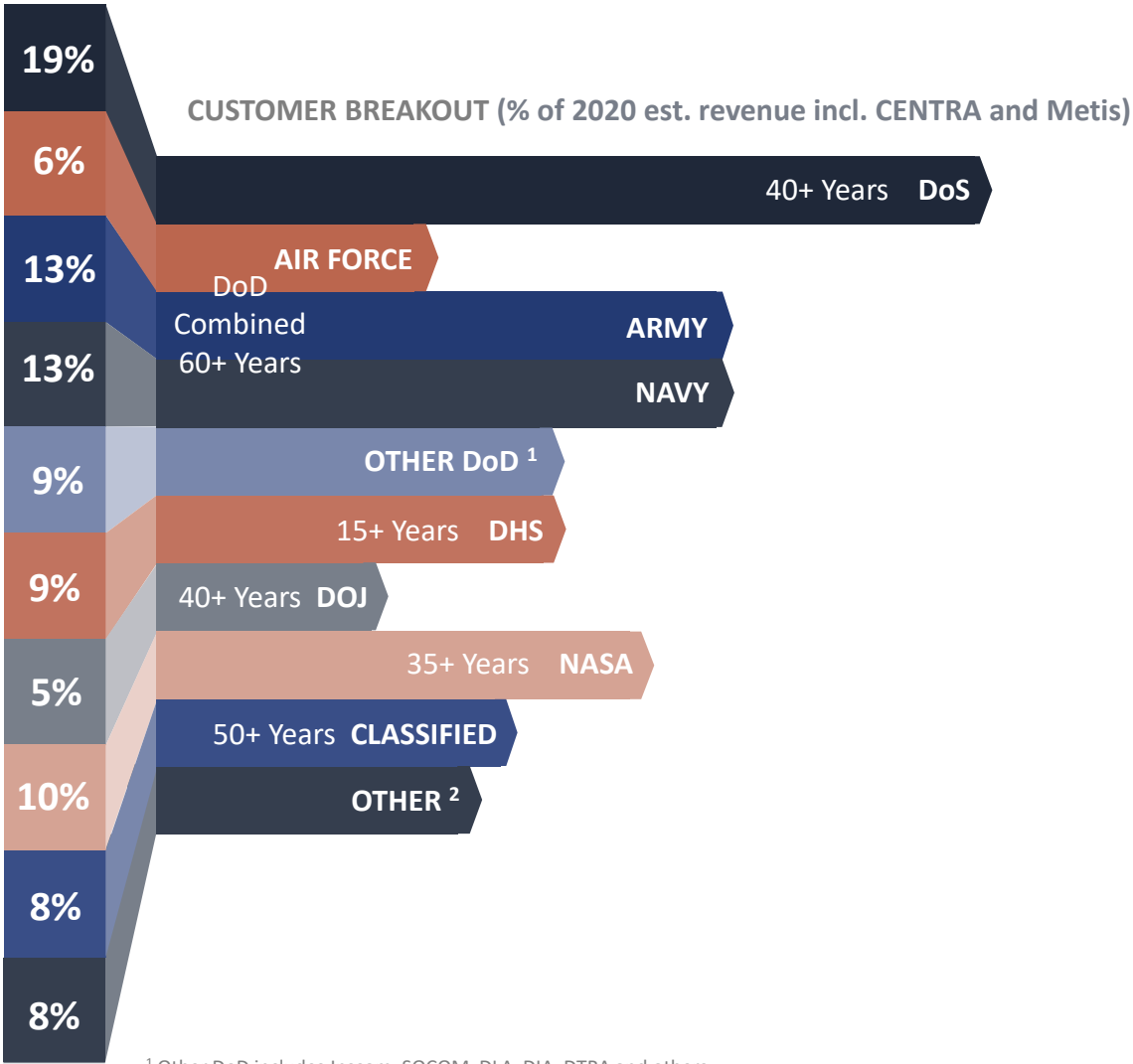
# ACQUISITIONS OF CENTRA & METIS ARE STRATEGIC GROWTH ACCELERANTS

Creates Industry Leading Intelligence and National Security Business



# DIVERSE BUSINESS PORTFOLIO

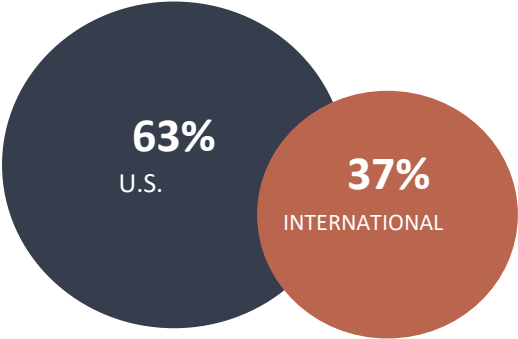
CREATES A UNIQUE COMPETITIVE ADVANTAGE



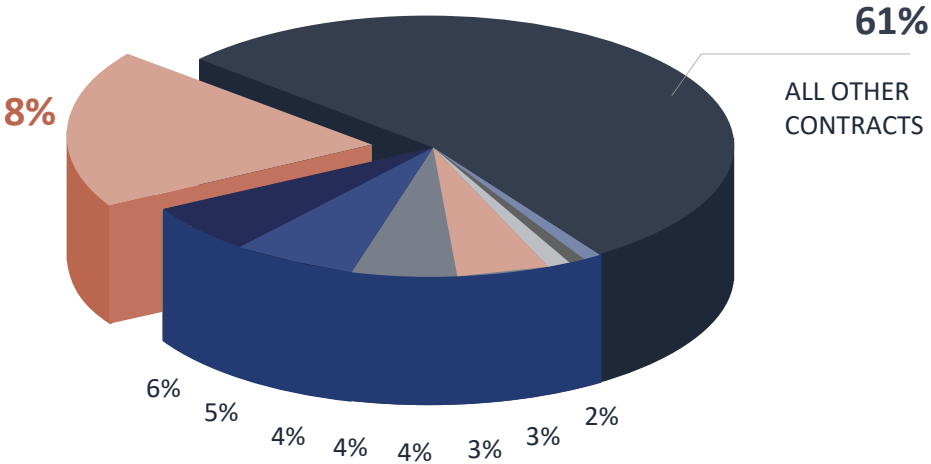
<sup>1</sup> Other DoD includes Inscom, SOCOM, DLA, DIA, DTRA and others

<sup>2</sup> Other includes NOAA, USPS, Commercial and others

**GEOGRAPHIC DIVERSITY (% of 2020 est. revenue incl. CENTRA and Metis)**



**CONTRACT DIVERSITY (% of 2020 est. revenue incl. CENTRA and Metis)**



Source: PAE management; based on 2020 revenue estimates





## FINANCIAL OVERVIEW

**CHARLIE PEIFFER**  
Chief Financial Officer

# EXECUTING A MARGIN EXPANSION STRATEGY WITH A PROVEN TRACK RECORD

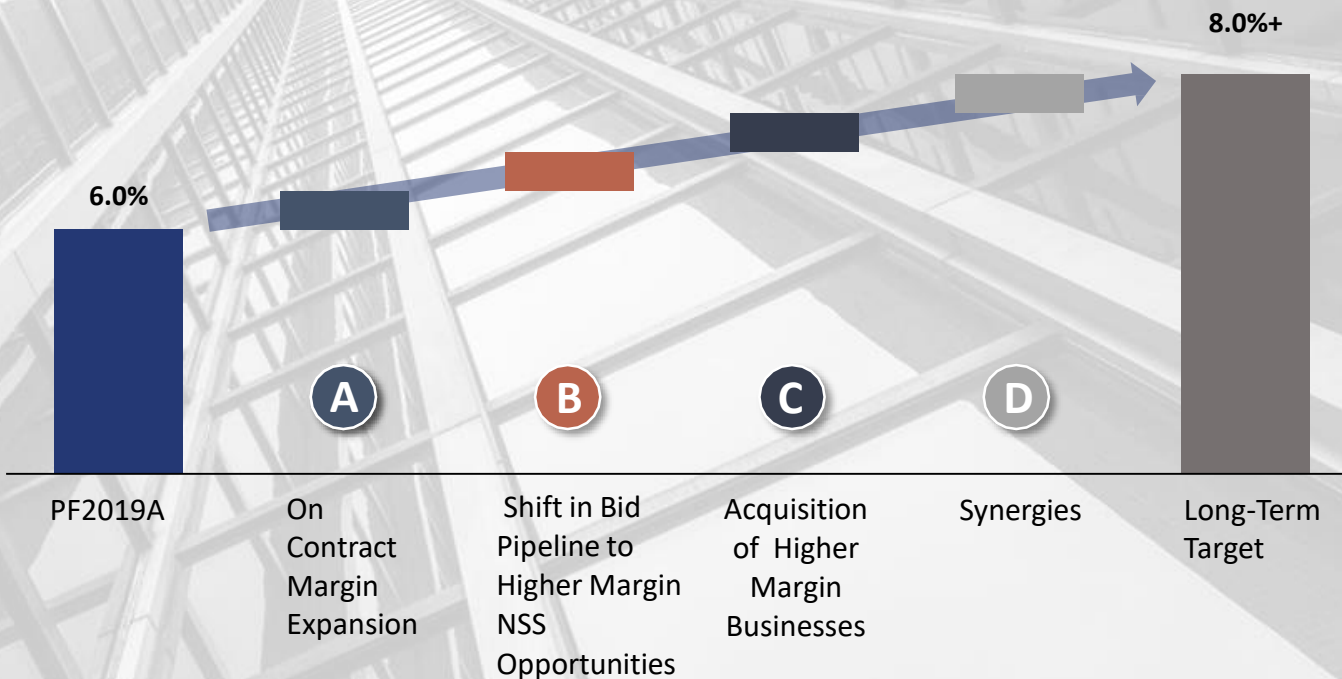
## FOCUSED GROWTH INITIATIVES UNDERPIN MARGIN EXPANSION PLAN

**A** Track record of year-over-year EBITDA growth on current contracts driven by strong program management with margin and operating efficiency improvements

**B** Pipeline for faster-growing, higher-margin NSS business increased from \$5B to \$17B from 2016 to end of 3Q 2020

**C** Numerous acquisition targets across NSS and GMS that we expect will be accretive to margin profile

**D** Strong track record of successfully integrating acquisitions and achieving meaningful synergies



# PAE PIPELINE

POSITIONED TO CONTINUE CAPITALIZING ON ATTRACTIVE GROWTH PROSPECTS

PAE has a robust pipeline of opportunities which does not include significant **IDIQ** value potential.

## KEY METRICS

Qualified Pipeline - \$40B

Pending Awards @ 9/30/2020 - \$7B+ <sup>1</sup>

In Proposal - \$1B

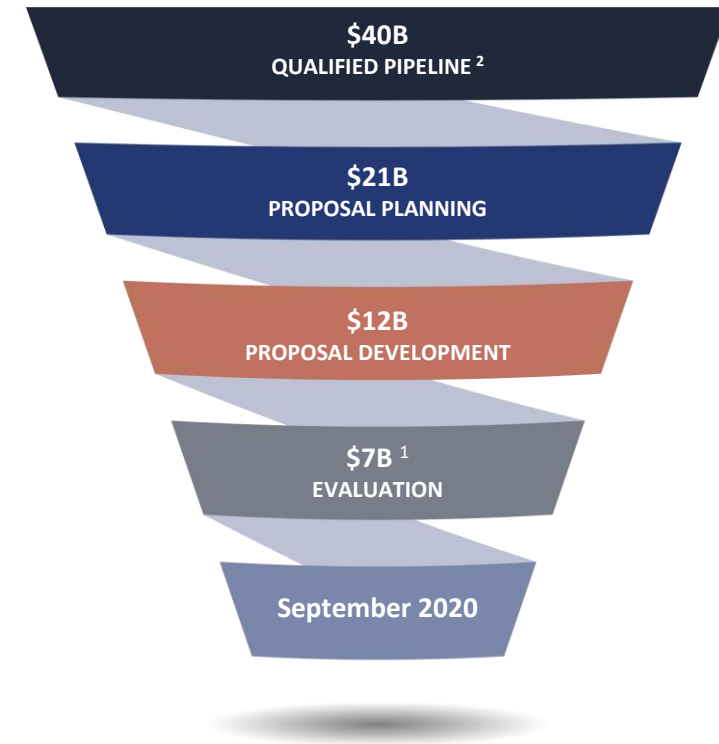
Backlog @ 9/30/2020 - \$7.0B

2020 Est. Win Rates:

New Business: 38%

Recompete: 93%

2021 Est. Proposal Submissions - ~\$10B+



<sup>1</sup> Includes \$1.3 billion CBP award that was awarded to a PAE competitor on January 28, 2021

<sup>2</sup> Pro Forma for CENTRA and Metis acquisitions



# GROWTH AND CAPITAL DEPLOYMENT FRAMEWORK

FOCUSED ON VALUE CREATION AND BALANCE SHEET FLEXIBILITY

## ORGANIC GROWTH FOCUS AREAS

Shift in bid pipeline to higher-margin opportunities

Large, complex contracts provide opportunities for scope expansion and on-contract growth

Leverage attractive IDIQ portfolio to drive growth

## DISCIPLINED M&A STRATEGY

Improved capital structure and free cash flow generation enables acquisition capacity

Focus on expanding capabilities & addressable market and scaling the business

## MAINTAIN FLEXIBLE BALANCE SHEET <sup>1</sup>

Compelling free cash flow generation supports De-leveraging and incremental acquisition capacity

While leverage levels will fluctuate due to M&A, target net leverage of ~ 3x over the long term

Source: PAE management

<sup>1</sup> Projections use PAE estimates. With respect to projections, see slide 2 "Forward-Looking Statements"