



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

**FY2021 Q4 Investor Conference Call  
May 13, 2021**

## Forward Looking Disclaimer

*This presentation contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give current expectations or forecasts of future events or our future financial or operating performance, and include Park's expectations regarding revenues, 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 March 1, 2020, 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.*



# Quarterly Results for FY2020 and FY2021 (In Thousands)\*

	FY20 Q1	FY20 Q2	FY20 Q3	FY20 Q4	FY21 Q1	FY21 Q2	FY21 Q3	FY21 Q4
Sales	\$14,950	\$13,723	\$15,847	\$15,494	\$12,213	\$9,250	\$10,372	\$14,441
Gross Profit	\$4,804	\$3,813	\$5,022	\$5,034	\$3,674	\$2,638	\$2,553	\$4,326
Gross Margin	32.1%	27.8%	31.7%	32.5%	30.1%	28.5%	24.6%	30.0%
Adjusted EBITDA	\$3,372	\$2,406	\$3,622	\$3,612**	\$2,364	\$1,418	\$1,380	\$3,257**

- What we said about FY2021 Q4 during our January 7, 2021 FY2021 Q3 Investor Call:
  - ✓ Sales estimate: \$14.0 Million to \$14.5 Million
  - ✓ Adjusted EBITDA estimate: \$2.3 Million to \$2.8 Million
- Certain factors affecting FY2021 Q4 Sales and Margins

\*From Continuing Operations

\*\*Before Special Items





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

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

\*From Continuing Operations

\*\*Before Special Items



# FY2021 Q4 Top Five Customers (in Alphabetical Order)



*Boeing 747-8*

AAE Aerospace

CPI Radant Technologies

Kratos Defense and Security Solutions

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

Turkish Aerospace Industries



*Navy Multiband Terminal*



*MK125 Warhead for Standard Missile 2*



*Kratos XQ-58 Valkyrie  
Launching "Baby Drone"*



*Sikorsky S-70i Black Hawk*

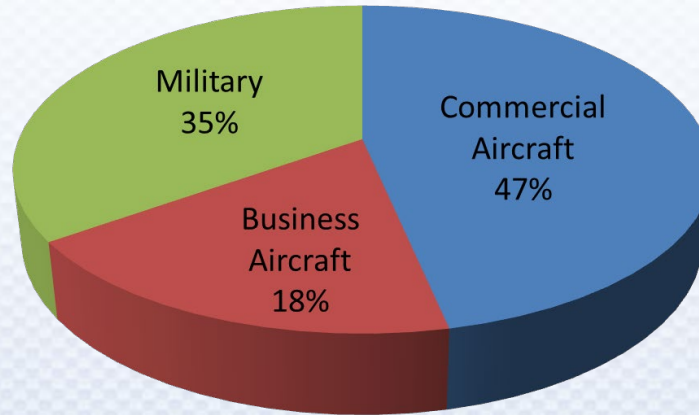
\*MRAS is a subsidiary of  
ST Engineering Aerospace





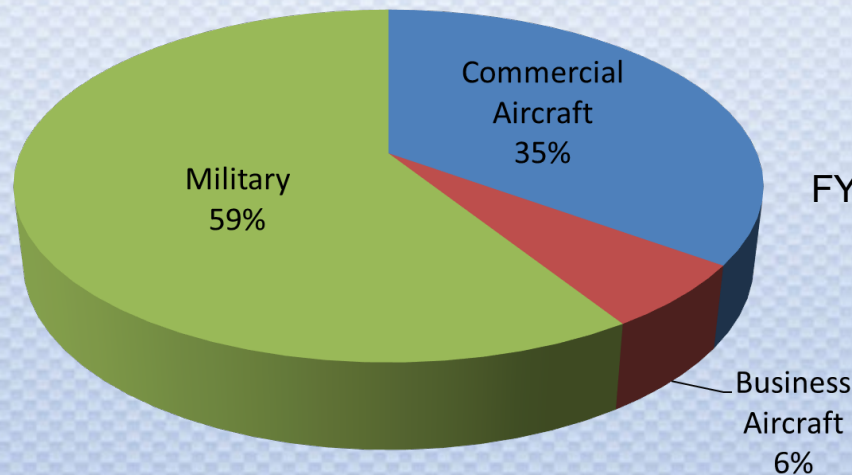
# Park's Estimated Revenues by Aerospace Market Segment

## FY2020



FY2020 Revenues:  
\$60.0 Million

## FY2021



FY2021 Revenues:  
\$46.3 Million



# Park Loves “Niche” Military Aerospace Programs



*Lockheed Martin Long Range Anti-Ship Missile (“LRASM”) Launched from B-1B Bomber*



*Avio Aster 30 Air Defense Missile*

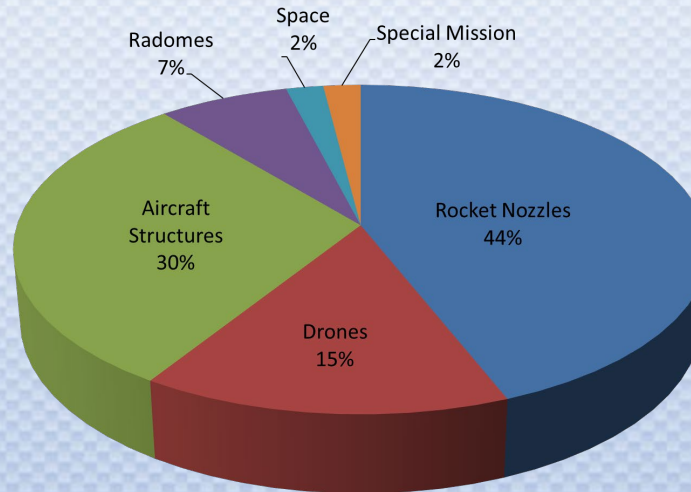


*McDonnell Douglas F-15 Eagle  
104 to Zero! It is not even fair...*

## Park’s Estimated FY2021 Military Revenues by Market Segment



*Joint Surveillance and Target Attack Radar System (“JSTARS”)*



Estimated FY2021 Military Revenues:  
Approximately \$27.25 Million





# Park Loves its Commercial Aircraft Programs

- Single-Aisle Aircraft vs. Wide-Body Aircraft
  - ✓ Clear Trend favoring Single-Aisle Aircraft
  - ✓ If you want to be in Commercial Aircraft, you want to be in Single-Aisle Aircraft (Park's Opinion)
- Major Single-Aisle Aircraft Programs:
  - Airbus A320neo Family of Aircraft with LEAP-1A Engines
  - Boeing 737 MAX Aircraft with LEAP-1B Engines
  - Comac C919 Aircraft with LEAP-1C Engines
- Park checks 2 of the 3 Single-Aisle boxes; If you want to be in Single-Aisle Aircraft, those are the two boxes you want to check (Park's Opinion)
- We believe Park is ideally positioned (maybe partly by luck) in the Commercial Aircraft Industry





# Commercial Aviation...Emerging from the Abyss

- Higher Jet Fuel Prices and Environmental Concerns provide extra motivation for airlines to more quickly replace less fuel-efficient legacy aircraft with more fuel-efficient modern aircraft, such as the A320neo family of aircraft
- China domestic aviation has recovered to pre-Covid levels (or even greater)...very positive for single-aisle aircraft sales
- U.S. domestic aviation has recovered to approximately 75% of pre-Covid levels...full recovery is expected in 2022...very positive for single-aisle aircraft sales
- Two new U.S. Domestic airlines (Avelo Airlines and Breeze Airways) recently announced their launch!
  - ✓ Although they do not plan to buy airplanes from programs Park is on, still a strong sign of optimism about U.S. domestic aviation market
  - ✓ Good news for single-aisle aircraft sales



# 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 nearing completion
- 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...In the ramp mode...

- ✓ Airbus Delivered 57 A320neo Family of Aircraft in March
- ✓ Airbus plans to increase A320 Family of Aircraft production rate from 40 to 43 per month in CYQ3 and 45 per month in CYQ4
- ✓ During Airbus's Q1 Investor Call on April 29, 2021, Guillaume Faury, Airbus CEO, stated there will be "a steep ramp-up in 2022 and 2023 for the single-aisle [aircraft]"
  - Mr. Faury also commented during the call that Airbus has provided scenarios to their Supply Chain to determine the fastest possible ramp-up of single-aisle aircraft production the Supply Chain can reasonably support



*Airbus A321neo with CFM LEAP-1A Engines*



# Update on GE Aviation Jet Engine Programs (Continued)

## ✓ A321XLR News

- First Test Aircraft Nearing Final Assembly
- First Flight expected in 2022
- Certification and entry into service expected in 2023



*Airbus A321XLR*





# Update on GE Aviation Jet Engine Programs (Continued)

- Bombardier Global 7500 with Passport 20 Engines...In the ramp mode!



*Bombardier Global 7500 with Passport 20 Engines*

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



*Comac ARJ21 with CF34-10 Engines*



# Update on GE Aviation Jet Engine Programs (Continued)

- Comac C919 with LEAP-1C Engines...Comac has indicated they intend to certify and begin deliveries of the aircraft before the end of 2021; Park's Lightning Strike Protection materials now being used on program
- Boeing 747-8...Boeing has announced it will terminate production of the Queen of the Skies in 2022...12 orders left to fill...Long Live the Queen...



*Comac C919 with CFM LEAP-1C Engines*



*Boeing 747-8...the Queen of the Skies*





# Commercial Aerospace Year in Review... Armageddon Revisited

- Airplanes Parked by the Thousands
- Airline Terminals were Ghost Towns
- Airplanes Flying Almost Empty
- Thousands of Flights Cancelled
- Thousands and thousands of employees were laid off throughout the Commercial Aircraft and Commercial Aviation Industries
- Almost all news about Commercial Aircraft Industry was negative...**very** negative
- Aviation Analysts and Commentators Predicted full Recovery would not come for many years...or May Never Come...“End of Days”...



DEPARTURES					DEPARTURES					DEPARTURES				
CITY	AIRLINE	FLIGHT TIME	GATE	STATUS	CITY	AIRLINE	FLIGHT TIME	GATE	STATUS	CITY	AIRLINE	FLIGHT TIME	GATE	STATUS
Dallas Ft. Worth	Southwest	1351 11:32A	C23	Delayed	Minneapolis	Southwest	141 8:45P		Cancelled	Atlanta	Southwest	1655 12:05P		Cancelled
Dallas Ft. Worth	Southwest	2219 1:50P		Cancelled	New Orleans	Southwest	873 10:50A	C3	Delayed	Austin	Southwest	1717 1:10P		Cancelled
Dallas Ft. Worth	Southwest	2353 3:35P		Cancelled	New Orleans	Southwest	1314 12:55P		Cancelled	Phoenix	Southwest	1461 12:00P		Cancelled
Denver	Southwest	234 13:05A		Cancelled	New York LGA	jetBlue	228 13:20A		Cancelled	Atlanta	Southwest	1448 12:10P	C4	On Time
Denver	Southwest	1553 3:25P		Cancelled	New York LGA	Delta	881 8:30P		Cancelled	Pittsburgh	Southwest	1460 12:05A	C3	On Time
Denver	UNITED	1113 4:47P	A13	On Time	New York LGA	Southwest	2028 3:45P	C11	On Time	Portland	jetBlue	1391 12:50P		Cancelled
Denver	Southwest	141 8:45P		Cancelled	Newark	jetBlue	574 10:55A		Cancelled	Portland	jetBlue	1391 12:50P	A12	On Time
Denver	Delta	137 12:30P		Cancelled	Philadelphia	Southwest	2074 4:30P	A12	On Time	Portland	Southwest	2066 11:05A		Cancelled
FL Louisville	Delta	58 10:05A	A1	On Time	Philadelphia	Southwest	600 10:50A		Cancelled	Portland	Southwest	1861 10:40A		Cancelled
FL Louisville	Southwest	1124 12:10P		Cancelled	Philadelphia	Southwest	1475 11:54A	F8	On Time	Portland	Southwest	228 11:45A		On Time
Grand Canyon	Southwest	1401 10:05P	F8	Cancelled	Philadelphia	Southwest	1465 10:50A		Cancelled	Portland	Southwest	1815 10:55A		Cancelled
Harford	Southwest	2196 3:10P		Cancelled	Philadelphia	Southwest	139 4:40P		Cancelled	Portland	Southwest	183 12:10P		Cancelled
Houston IAD	Southwest	1451 11:05P	C3	On Time	Phoenix	Southwest	1192 11:30P		Cancelled	Portland	Southwest	1809 11:30A		Cancelled
Houston IAD	Southwest	2209 3:45P	C1	On Time	Phoenix	Southwest	1783 3:10P		Cancelled	Portland	Southwest	1809 11:30A		Cancelled
Houston IAD	UNITED	1486 11:05P		Cancelled	Phoenix	Southwest	1852 3:10P		Cancelled	Portland	Delta	1505 12:10P	F4	On Time
Indianapolis	Southwest	1763 3:30P		Cancelled	Phoenix	Southwest	1780 3:10P		Cancelled	Portland	UNITED	2289 12:51P		On Time
Indianapolis	Southwest	1180 10:50P		Cancelled	Portland	Southwest	1213 10:50P		Cancelled	Portland	Southwest	1505 12:10P		Cancelled
Kansas City	Southwest	1553 3:25P		Cancelled	Portland	Delta	1639 12:00P	E6	Cancelled	Portland	Southwest	1556 12:20P	F3	On Time
Las Vegas	Southwest	1515 3:10P		Cancelled	Portland	Southwest	1515 3:10P		Cancelled	Portland	Delta	1546 12:20P	F18	On Time
Las Vegas	Southwest	1717 1:10P		Cancelled	Portland	Southwest	1460 2:00P		Cancelled	Portland	Southwest	2145 12:10P	C4	On Time
Los Angeles	Southwest	155 10:55A	C1	On Time	Portland	Southwest	1023 10:20A	CH	On Time	Portland	Southwest	1551 12:00P	C41	On Time
Los Angeles	Southwest	155 10:55A	C1	On Time	Portland	Southwest	1151 3:10P		Cancelled	Portland	Southwest	1542 12:00P		Cancelled
Manchester	Southwest	539 5:35P		Cancelled	Portland	Southwest	1151 3:10P		Cancelled	Portland	Southwest	1542 12:00P		Cancelled
Miami	Southwest	2783 4:55P		Cancelled	Portland	Southwest	1151 3:10P		Cancelled	Portland	Southwest	1542 12:00P		Cancelled
Miami	Southwest	2454 1:05P	F3	On Time	Portland	Southwest	1151 3:10P		Cancelled	Portland	Southwest	1542 12:00P		Cancelled
Miami	Southwest	1468 2:20P		Cancelled	Portland	Southwest	1151 3:10P		Cancelled	Portland	Southwest	1542 12:00P		Cancelled
Minneapolis	Southwest	140 10:30P		Cancelled	Portland	Southwest	1151 3:10P		Cancelled	Portland	Southwest	1542 12:00P		Cancelled
Minneapolis	Southwest	1425 4:35P	C4	On Time	Portland	Southwest	1151 3:10P		Cancelled	Portland	Southwest	1542 12:00P		Cancelled
Minneapolis	Delta	1346 1:10P	F3	On Time	Portland	Southwest	1151 3:10P		Cancelled	Portland	Southwest	1542 12:00P		Cancelled
Minneapolis	Southwest	1553 3:25P		Cancelled	Portland	Southwest	1151 3:10P		Cancelled	Portland	Southwest	1542 12:00P		Cancelled



# Commercial Aerospace Year in Review...

## Armageddon Revisited (Continued)

- But, at Park, we did not completely buy all the doom and gloom news...we did not buy that the “End of Days” were at hand
- So, we made arrangements with MRAS to maintain minimum monthly baseline (critical mass) production levels to preserve Park’s ability to ramp up production when needed
  - ✓ Turns out that this was critically important to Park **and** MRAS
- And, even though lay-offs were widespread and pervasive throughout the Commercial Aerospace industry, we laid off **none** of our people through all of the darkest and seemingly hopeless days in the Commercial Aerospace Industry
  - ✓ Turns out the decision not to lay off any of our People was critically important to Park





# Commercial Aerospace Year in Review...

## Armageddon Revisited (Continued)

- We spoke at length, during our FY2021 Q1, Q2 and Q3 investor calls, about the significant divergence from and mismatch between the minimum monthly baseline (critical mass) production amounts agreed to with MRAS and the **then** current end-market requirements for the GE Programs which Park is on
  - ✓ **Inventory Destocking!**
- We said:
  - ✓ Inventory could not be “destocked” to below zero
  - ✓ The divergence was mathematically unsustainable
  - ✓ Unless the aircraft end-market took another dramatic step down, the “Day of Reckoning” was coming...
- Well...it came
  - ✓ Destocking has ended
  - ✓ All GE Aviation Programs which Park is on are in Ramp Mode (except for the 747-8, whose rates are unchanged)



# The GE Aviation Jet Engine Programs Park is on are in the Ramp Mode

- And the ramp is looking steep! For perspective, GE Aviation Program Sales for the following periods were:
  - ✓ CY2019: \$29.3 Million
  - ✓ CY2020: \$15.8 Million
  - ✓ Last 6 Months of CY2020: \$5.0 Million
  
- CY2021 Forecast for GE Aviation Program Sales based upon new forecast recently received from the Customer: \$25.5 Million
  - ✓ What happened?
  - ✓ What does this mean?
  - ✓ What does this not mean?





# The GE Aviation Jet Engine Programs Park is on are in the Ramp Mode (Continued)

- In addition, we recently received an updated Long-Term Forecast for GE Aviation Program Sales for CY2021 through CY2029 (the balance of the Firm Pricing LTA period), and...
  - ✓ On an apples to apples basis, total updated forecasted GE Aviation Program Sales for CY2021 through CY2029 are very similar to the of total forecasted GE Aviation Program Sales from the Pre-Covid forecast for that same period
  - ✓ How was the updated new forecast constructed?
  - ✓ Park's opinion...Updated Long-Term Forecast may not fully capture:
    - The steep ramp-up of A320neo Aircraft Family production in 2022 and 2023 predicted by the Airbus CEO on April 29, 2021
    - Potential A321XLR sales opportunities
  
- Important question...How will the Commercial Aerospace Manufacturing Supply Chain respond to the Steep Ramp?



# How is Park Responding to the GE Aviation Programs Ramp-up?...It is All About Our People

- Park's current People count is 106!
  - ✓ So, what happened? Why haven't we increased our People count as planned?
    - People getting paid to stay home?
      - Who is that helping?
- But, as usual, Park's People are stepping up and getting the job done...





# How is Park Responding to the GE Aviation Programs Ramp-up?...It is All About Our People (Continued)

- And Thank Goodness for Park's Customer Flexibility Program
  - ✓ Current Total Participation: 80%...Participation break-down:
    - 2 job categories: 47%
    - 3 job categories: 30%
    - 4 job categories: 18%
    - 5 job categories: 5%
  - ✓ Without our Customer Flexibility Program, it would be **very** difficult to get the job done
  
- And Thank Goodness we did not lay anybody off even in the darkest days of the Commercial Aerospace Industry's Armageddon
  
- And Thank Goodness for Park's Great People
  - ✓ Without them, we would not be able to get the job done
  - ✓ Park is fortunate and blessed to have the Great People it has



# 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



*Cathay Pacific 747-8 Departing Anchorage*

## ➤ FY2022 GE Aviation Programs sales forecast estimates:

- ✓ **FY2022 Q1:** \$6.5 Million to \$7.0 Million
- ✓ **FY2022 Q2:** \$6.5 Million to \$7.0 Million
- ✓ **FY2022 Total:** \$26.0 Million to \$28.0 Million

\*Two months of production





# Park's Financial Performance History and Forecast Estimates

- FY2021 Sales and Adjusted EBITDA history:

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

- Certain factors which affected FY2021 Q4 Sales and Adjusted EBITDA
- FY2022 Financial Forecast Estimates:

	Sales	Adjusted EBITDA
FY2022 Q1	\$13.3 Million to \$13.8 Million	\$3.6 Million to \$4.1 Million
FY2022 Q2	\$14.0 Million to \$15.0 Million	\$3.3 Million to \$4.0 Million
FY2022 Total	\$55.0 Million to \$62.0 Million	\$13.5 Million to \$16.5 Million



# Update on Major Expansion of Newton, Kansas Facilities

- Total budget: approximately \$19 Million
  - ✓ What happened?
- Spending
  - ✓ To date: approximately \$15.0 Million
  - ✓ To go: approximately \$4.0 Million
- Completion expected June of 2021
- Manufacturing trials expected to begin in July of 2021
- Qualification runs expected to begin in September of 2021





# Park's Reflections on its 2021 Fiscal Year...

## Park's Finest Hour?

- Park had its share of tragedy and heartbreak during the year...
  - ✓ The kind which does not go away
  - ✓ But, at Park, we don't quit, we don't give up and we don't back down...its is just not in our nature to do so
- We pushed forward with our major expansion...when some others slashed their capital spending
- We stayed true to our principles...when some others may not have
- We did not sell out...when some others may have
- We did not lay off anybody...when so many others did...by the thousands and thousands
  - ✓ Park's People are Precious
- The Park Family stuck together and saw through the darkest days together
  - ✓ At Park, we have each other's back



# Park's Reflections on its 2021 Fiscal Year...

## Park's Finest Hour? (Continued)

- Park is a strange and unusual company filled with wonderful and special People
  - ✓ We are very fortunate when it comes to our People
- We are not like the others...at Park, we play for keeps...
- Park's 2021 Fiscal Year may have been Park's best year ever...
  - ✓ Our Finest Hour...



*Park Second Shift Solution Treater and Film Line Crew*







**Thank You!**



**Park Aerospace Corp.**

**May 13, 2021 Investor Conference Call – Supplementary Financial Information**

The financial and other data contained herein (the “Supplementary Data”) is being provided pursuant to the requirements of Regulation G promulgated by the U.S. Securities and Exchange Commission (the “SEC”). The Supplementary Data is time-sensitive information and is accurate as of May 13, 2021. Park Aerospace Corp. (“Park” or the “Company”) is under no obligation to (and expressly disclaims any such obligation to) update or alter the Supplementary Data whether as a result of new information, future events or otherwise.

The Supplementary Data should be read in conjunction with our 2021 fiscal year fourth quarter earnings news release dated May 13, 2021 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 Annual Report on Form 10-K for the fiscal year ended February 28, 2021 on or about May 14, 2021. 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.

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

Park’s sales were \$14.4 million in the 2021 fiscal year fourth quarter compared to \$15.5 million in the 2020 fiscal year fourth quarter and \$10.4 million in the 2021 fiscal year third quarter.

Gross Profit for the 2021 fiscal year fourth quarter was \$4.3 million, or 30.0% of sales, compared to \$5.0 million, or 32.5% of sales, for the 2020 fiscal year fourth quarter and \$2.6 million, or 24.6% of sales, for the 2021 fiscal year third quarter.

Before special items, selling, general and administrative expenses for the 2021 fiscal year fourth quarter were \$1.4 million, or 9.7% of sales, compared to \$1.9 million, or 12.5% of sales, for the 2020 fiscal year fourth quarter and \$1.5 million, or 14.8% of sales, for the 2021 fiscal year third quarter. Investment income, net of interest expense, in the 2021 fiscal year fourth quarter was \$207,000 compared to \$717,000 in the 2020 fiscal year fourth quarter and \$389,000 in the 2021 fiscal year third quarter.

Before special items, earnings before income taxes for the 2021 fiscal year fourth quarter were \$3.1 million, or 21.7% of sales, compared to \$3.8 million, or 24.6% of sales, for the 2020 fiscal year fourth quarter and \$1.4 million, or 13.6% of sales, for the 2021 fiscal year third quarter.



## APPENDIX I

Before special items, net earnings for the 2021 fiscal year fourth quarter were \$2.3 million, or 16.2% of sales, compared to \$2.8 million, or 18.0% of sales, for the 2020 fiscal year fourth quarter and \$1.0 million, or 10.0% of sales, for the 2021 fiscal year third quarter.

Depreciation and amortization expense in the 2021 fiscal year fourth quarter was \$277,000 compared to \$402,000 in the 2020 fiscal year fourth quarter and \$314,000 in the 2021 fiscal year third quarter. Capital expenditures in the 2021 fiscal year fourth quarter were \$2.2 million compared to \$2.5 million in the 2020 fiscal year fourth quarter and \$1.3 million in the 2021 fiscal year third quarter.

Adjusted EBITDA for the 2021 fiscal year fourth quarter was \$3.3 million, or 22.6% of sales, compared to \$3.6 million, or 23.3% of sales, for the 2020 fiscal year fourth quarter and \$1.4 million, or 13.3% of sales, for the 2021 fiscal year third quarter.

The effective tax rate before special items was 25.6% in the 2021 fiscal year fourth quarter compared to 26.9% in the 2020 fiscal year fourth quarter and 26.2% in the 2021 fiscal year third quarter.

For the 2021 fiscal year fourth quarter, the top five customers, in alphabetical order, were AAE Aerospace, CPI Radant Technologies, Kratos Defense & Security Solutions, Middle River Aerostructure Systems (including its subcontractors) and Turkish Aerospace Industries. Middle River Aerostructure Systems is a subsidiary of ST Engineering Aerospace. The top five customers totaled approximately 70% of total sales during the 2021 fiscal year fourth quarter. The top 10 customers totaled approximately 79% of total sales and the top 20 customers totaled approximately 86% of total sales for the 2021 fiscal year fourth quarter.