



Investor Day

July 20, 2023



[aarcorp.com](https://www.aarcorp.com)



Forward-looking statements

Note: All results and expectations in the presentation reflect continuing operations unless otherwise noted.

This presentation contains certain statements relating to future results, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995, which reflect management's expectations about future conditions. Forward-looking statements often address our expected future operating and financial performance and financial condition, or targets, goals, commitments, and other business plans, and often may also be identified because they contain words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "likely," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "target," "will," "would," or similar expressions and the negatives of those terms. These forward-looking statements are based on the beliefs of Company management, as well as assumptions and estimates based on information available to the Company as of the dates such assumptions and estimates are made, and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated, depending on a variety of factors, including: (i) factors that adversely affect the commercial aviation industry; (ii) the impact of pandemics and other disease outbreaks, such as COVID-19, and similar public health threats on air travel, worldwide commercial activity and our and our customers' ability to source parts and components; (iii) a reduction in the level of sales to the branches, agencies and departments of the U.S. government and their contractors (which were 29% of consolidated sales in fiscal year 2023); (iv) (v) cost overruns and losses on fixed-price contracts; (vi) nonperformance by subcontractors or suppliers; (vii) changes in or non-compliance with laws and regulations that may affect certain of our aviation and government and defense related activities that are subject to licensing, certification and other regulatory requirements imposed by the FAA, the U.S. State Department and other regulatory agencies, both domestic and foreign; (viii) a reduction in outsourcing of maintenance activity by airlines; (ix) a shortage of the skilled personnel on whom we depend to operate our business, or work stoppages; (x) competition from other companies, including original equipment manufacturers, some of which have greater financial resources than we do; (xi) financial and operational risks arising as a result of operating internationally; (xii) inability to integrate acquisitions effectively and execute our operational and financial plan related to the acquisitions; (xiii) failure to realize the anticipated benefits of the acquisition of Trax USA Corp. ("Trax") and difficulties integrating Trax's operations; (xiv) inability to recover our costs due to fluctuations in market values for aviation products and equipment caused by various factors, including reductions in air travel, airline bankruptcies, consolidations and fleet reductions; (xv) asset impairment charges we may be required to recognize to reflect the non-recoverability of our assets or lowered expectations regarding businesses we have acquired; (xvi) threats to our systems technology from equipment failures, cyber or other security threats or other disruptions; (xvii) a need to make significant capital expenditures to keep pace with technological developments in our industry; (xviii) a need to reduce the carrying value of our assets; (xix) inability to fully execute our stock repurchase program and return capital to our stockholders; (xx) restrictions on paying, or failure to maintain or pay dividends; (xxi) limitations on our ability to access the debt and equity capital markets or to draw down funds under loan agreements; (xxii) non-compliance with restrictive and financial covenants contained in certain of our loan agreements; (xxiii) non-compliance with laws and regulations relating to the formation, administration and performance of our U.S. government contracts; (xxiv) exposure to product liability and property claims that may be in excess of our liability insurance coverage; (xxv) impacts from stakeholder and market focus on environmental, social and governance matters; and (xxvi) the costs of compliance, and liability for non-compliance, with environmental regulations, including future requirements regarding climate change and environmental, social and governance matters. Should one or more of those risks or uncertainties materialize adversely, or should underlying assumptions or estimates prove incorrect, actual results may vary materially from those described. Those events and uncertainties are difficult or impossible to predict accurately and many are beyond our control. For a discussion of these and other risks and uncertainties, refer to our Annual Report on Form 10-K, Part I, "Item 1A, Risk Factors" and our other filings filed from time to time with the U.S. Securities and Exchange Commission. These events and uncertainties are difficult or impossible to predict accurately and many are beyond the Company's control. We assume no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Fiscal 2024 Segment Realignment: As previously announced, during the first quarter of fiscal 2024, our chief operating decision maker implemented changes to the organization of the business, allocation of resources, and performance assessment. Specifically, this new structure resulted in the separation of our Aviation Services segment into three new operating segments: Parts Supply, Integrated Solutions and Repair & Engineering. Beginning with the first quarter of fiscal 2024, the Company will report under this new structure using the following four operating segments: Parts Supply, Integrated Solutions, Repair & Engineering and Expeditionary Services. These changes will be initially reflected in the Company's unaudited condensed consolidated financial statements for the quarterly period ending August 31, 2023.

This presentation and the related discussion, other than references to historical periods unless specifically noted, reference the new reportable segments effective the beginning of fiscal 2024.

See the Company's Current Report on Form 8-K, furnished on July 18, 2023, for certain recast historical summary financial information under the Company's new operating segment structure for fiscal years 2022 and 2023 and for the previously reported quarters in fiscal year 2023.

Presentation Materials: The statements included and the information provided in this presentation are made as of July 20, 2023.

Non-GAAP Financial Measures: This presentation includes certain non-GAAP financial measures. Please refer to the Appendix for additional information on these non-GAAP financial measures and reconciliations to the comparable GAAP measures.

Agenda



Company and strategy

John M. Holmes



Market overview and position

Chris Jessup



Operations:



Parts Supply: Used Serviceable Material

Sal Marino



Parts Supply: Distribution

Frank Landrio

————— *Break* —————



Repair & Engineering

Tom Hoferer



Integrated Solutions

Nicholas Gross



Trax aviation software

Jose Almeida / Andrew Schmidt



Financial overview

Sean Gillen



Closing comments and Q&A



Company and strategy

John M. Holmes

Chairman, President and Chief Executive Officer

John M. Holmes



Joined AAR in 2001

Named General Manager of AAR's parts trading business in 2003

Progressively assumed responsibility for the other businesses that comprise Aviation Services with a focus on achieving growth and operational efficiencies

Appointed President and Chief Operating Officer in 2017

Named President and Chief Executive Officer in 2018

Elected Chairman of the Board of Directors in 2023

Vision

Be the most respected global independent provider of aviation parts and repair services

Create value for customers through differentiated capabilities and offerings, resulting in a sustainable, unique competitive advantage

Doing It Right[®]

Company

Global aerospace and defense aftermarket solutions

Key Metrics

Founded 1951	Market cap ~\$2B	Adjusted sales \$2.0B
NYSE AIR	Employees ~5,000	Adj. operating margin 7.5%

Businesses

Parts Supply

Repair & Engineering

Integrated Solutions

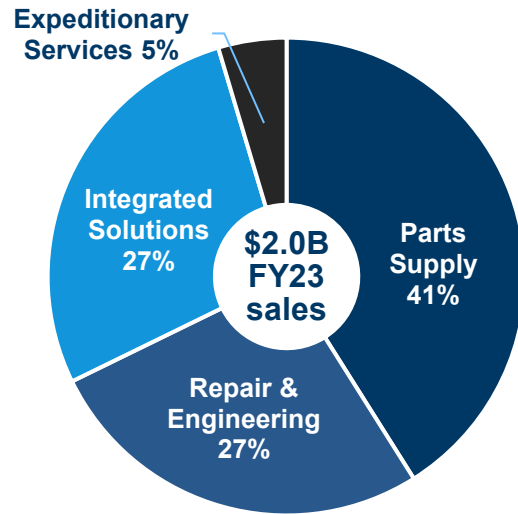
Expeditionary Services

Selected Customers



Note: Adjusted sales, adjusted operating margin and employees for fiscal year ended May 31, 2023. Market cap as of July 18, 2023. See Appendix for reconciliation of non-GAAP financial measures

Business overview



Parts Supply

- Used serviceable material (USM)
- New parts distribution
- Online PAARTSSM Store
- 24/7 global aircraft-on-ground (AOG) service



Integrated Solutions

- Government aircraft maintenance, logistics, and operations support programs
- Commercial flight-hour-based aircraft component support
- Consumable and expendable parts programs
- Trax ERP software for aircraft MRO



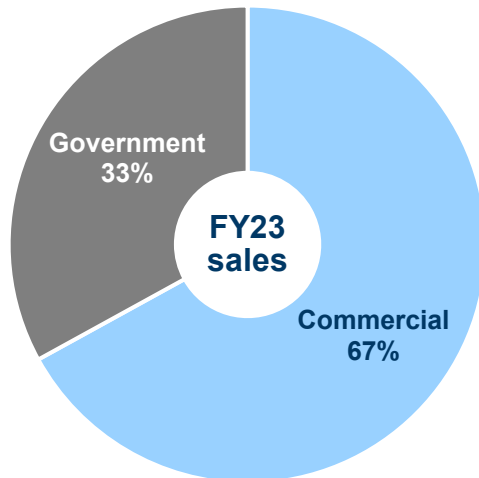
Repair & Engineering

- Airframe maintenance, repair & overhaul (MRO)
- Component Repair & Landing Gear Overhaul
- Engineering
- Development of proprietary Parts Manufacturer Approval (PMA) parts



Expeditionary Services

- Mobility Systems: Rapid deployment sustainment solutions for government applications
- Pallets for use in military transport aircraft
 - Containers for customized air-mobile shipping and storage of equipment
 - Shelter systems for military operations



Note: Fiscal year (FY) ends May 31

Expanding from two reported segments to four

Values: Doing It Right®



Quality first.
Safety always.



Find a way.
Every day.



Do it fast.
Do it well.



Be honest.
Inspire trust.



Work as one.
Be inclusive.



Ideas matter.
Think new.
Think ahead.



Make money.
Have fun.



Own it.

Corporate citizenship

ESG reporting

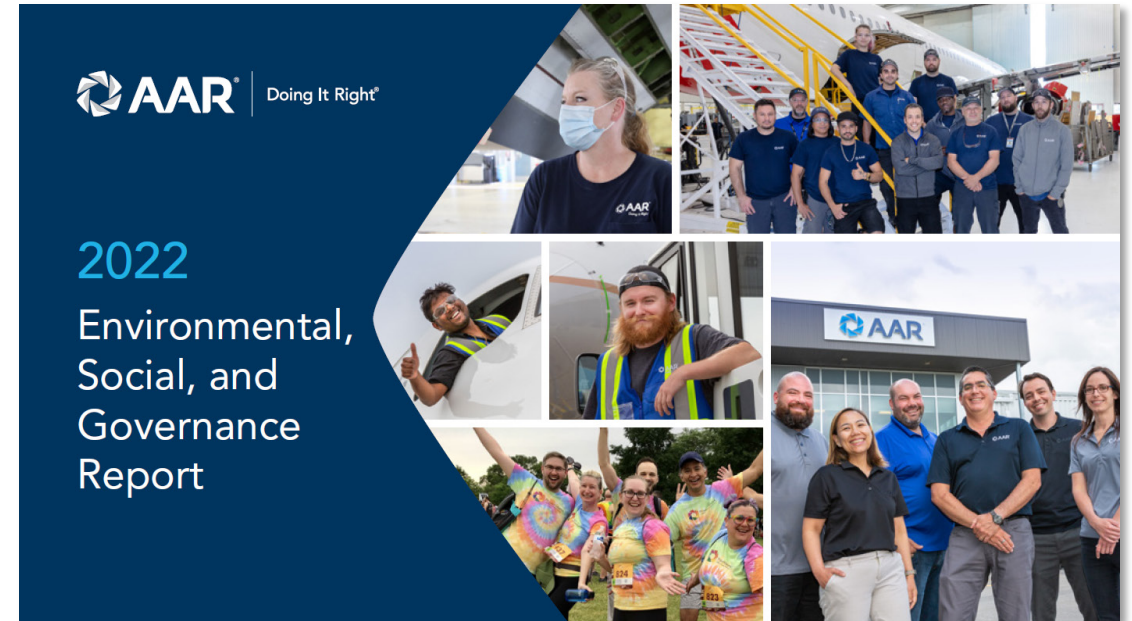
- Published our first two ESG reports
- Data reporting consistent with Global Reporting Initiative and Sustainable Accounting Standards Board
- Added disclosures consistent with Task Force on Climate-Related Financial Disclosures in 2022
- Added results of impact assessment performed in 2022

Compliance commitment

- Established Compliance Champion Network to broaden reach and further embed compliance into company culture
- Enhanced due diligence practices, ongoing monitoring and targeted anti-corruption audits to reduce third party risk
- Created Executive Compliance Committee to support growth and oversight of compliance program

Significant recognition received

- Newsweek's America's Greatest Workplaces 2023
- Newsweek's America's Greatest Workplaces for Diversity 2023
- 2023 Military Friendly® Employer, Military Friendly® Spouse Employer, Military Friendly® Top 10 Brand, and Military Friendly® Top 10 Supplier Diversity Program
- Bloomberg Government's BGOV 200 list of top federal contractors 2022



Committed to ESG and compliance leadership

Key messages



Actions taken have produced a stronger, better business than pre-pandemic

- Exited underperforming contracts and businesses
- Consolidated facilities
- Developed proprietary labor pipelines
- Improved airframe maintenance efficiency



Driving greater differentiation into the business

- Software solutions
- Tech-based maintenance, repair and overhaul (MRO) proficiency
- Proprietary Parts Manufacturer Approval (PMA) parts



Multiple growth prongs

- Large and growing commercial markets; pandemic recovery still occurring
- Increasing used serviceable material (USM) adoption and feedstock
- Continued distribution share gain
- Airframe maintenance capacity expansion
- Government offering and recovery



Raising the bar on shareholder value

- Transparency
- Profitability
- Cash conversion
- Innovation

Re-segmentation of financial reporting

Prior (FY23)

Aviation Services

Revenue: **\$1.9B**

Adj operating margin: **8.7%**

Expeditionary Services

Revenue: **\$92M**

Adj operating margin: **8.4%**

New (FY23)



Parts Supply

Revenue: **\$818M**

Adj operating margin: **11.7%**



Repair & Engineering

Revenue: **\$533M**

Adj operating margin: **6.3%**



Integrated Solutions

Revenue: **\$547M**

Adj operating margin: **6.6%**



Expeditionary Services

Revenue: **\$92M**

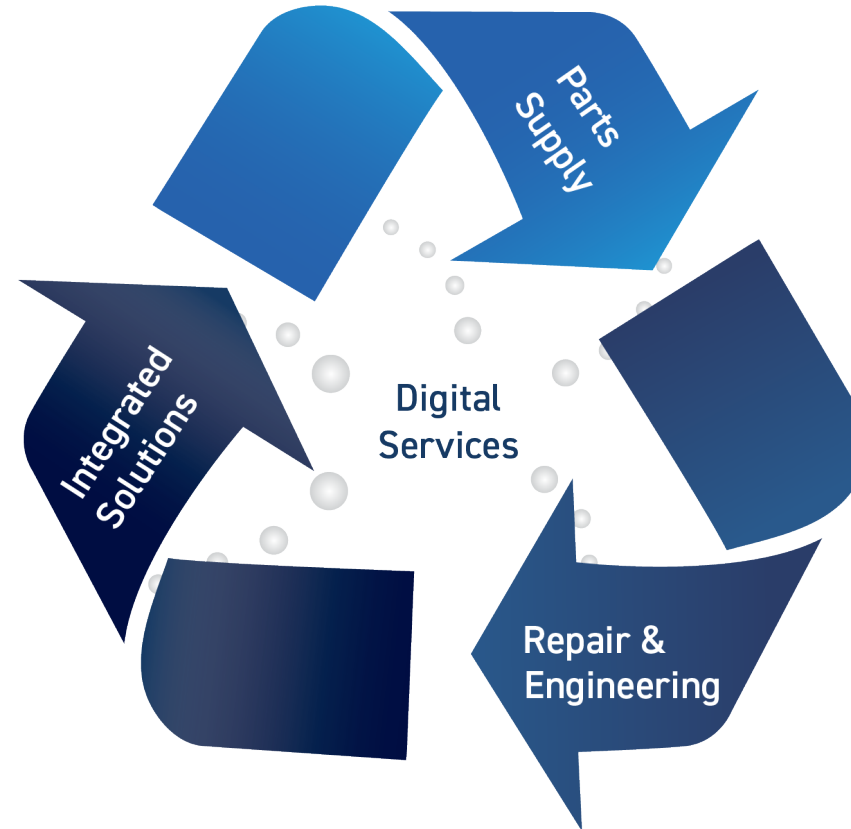
Adj operating margin: **8.4%**

Note: Fiscal year (FY) ends May 31; figures reflect continuing operations and do not reflect unallocated corporate expense; recast figures are unaudited; see Appendix for reconciliation of non-GAAP financial measures

Connected businesses model

Integrated Solutions

- Programmatic parts and repair solutions
- Fuels Parts Supply activities
- Funds component repair capability development
- Government USM customer relationships



Parts Supply: USM & Distribution

- Sourcing to supply Repair & Engineering and Integrated Solutions
- Data for use in repair capability development
- Sales channels supported by maintenance relationships

Repair & Engineering

- Strategic relationships with blue chip airlines that support parts volumes
- Repair knowledge and data collection
- PMA parts development for internal and external consumption

Unique value proposition

What's changed since 2019 Investor Day

- 1** **Exited underperforming business & consolidated facilities**
Exited certain loss-making contracts, sold certain non-core businesses, closed highest cost hangar and secondary Mobility location
- 2** **Fortified skilled labor pipeline and retention**
Partnered with trade schools and colleges to develop aviation curriculum and career paths, worked with airline customers to secure better wages
- 3** **Narrowed airframe maintenance focus to drive efficiency**
Prioritized larger customers with consistent demand, aligned facilities with specific customers and aircraft platforms, focused on 737
- 4** **Added dedicated USM supply and new distribution lines**
Fortress partnership for capital-light USM supply; won new distribution lines with Unison, Arkwin, Ontic, Northrop, Collins
- 5** **Expanded digital solutions**
Acquired Trax maintenance software, launched paperless hangar initiative, added capability to PAARTSSM Store eCommerce platform

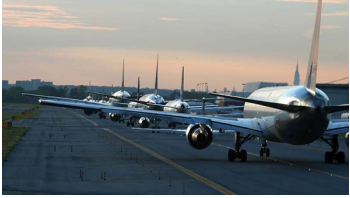


- **More profitable**
\$2.86 FY23 adj EPS from continuing ops vs. \$2.56 for LTM Feb '20 despite 11% lower sales
- **Higher margin**
7.5% FY23 adjusted op margin vs. 5.5% for LTM Feb '20 despite 11% lower sales
- **Stronger cash conversion**
1.1x net leverage despite \$180m investment in Parts growth and Trax, and \$92m share repo
- **Better capability and offerings**
Improved turnarounds, expanded sources of Parts Supply, differentiated software solutions
- **More focused**
Fewer, more connected businesses

Note: FY ends May 31; figures reflect continuing operations; adjusted EPS reflects dilution; see Appendix for reconciliation of non-GAAP financial measures

On course: Stronger, better business creates foundation for further growth

Growth drivers



Large and growing markets with pandemic recovery still occurring and new aircraft delivery constraints further extending aftermarket demand



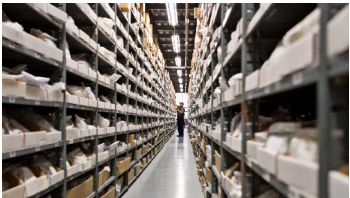
Continuing government demand for commercial best practices approach to supporting its aircraft, which AAR is uniquely positioned to provide



Increasing USM adoption by commercial customers and U.S. Government supported by proprietary AAR supply



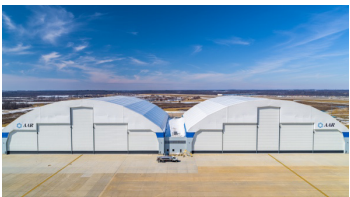
Trax and other digital offerings including Trax's eMRO aviation software and eMobility suite of apps, and investments in eCommerce



Continued market share gain in distribution leveraging technical global sales force delivering value-added "Sales as a Service" to component OEMs



Technology-driven MRO efficiency: paperless hangar initiative, drone-based inspections, wearables to leverage fewer expert technicians



Additional airframe maintenance capacity at existing locations that have deeper labor pools, paired with long-term customer commitments



Development of proprietary PMA parts for internal and external consumption based on demand from MRO operations

3-5 year organic financial targets



5-10% annual revenue growth

- Large and growing markets with pandemic recovery tailwinds
- Multiple levers to take market share: proprietary USM supply, unique distribution model that is resonating with OEM partners, airframe hangar expansion, government value model
- Aerospace aftermarket resilience to macroeconomic conditions



10-15% annual adjusted EPS growth

- Margin expansion
- Balance sheet strength to support additional growth investments and/or capital return to shareholders



9-10%+ adjusted operating margin

- Mix shift towards Parts Supply
- Additional efficiencies and leverage on fixed cost base
- Further addition of high margin software solutions and proprietary parts



Consistent year-over-year ROIC improvement

- Mix shift towards higher ROIC activities including Parts Supply
- Government programs growth
- New wins with ROIC in excess of existing business

Raising the bar on shareholder value creation

What's next...

- Our large and growing **markets**
- **Used Serviceable Material** leadership
- **Distribution** model that is resonating with OEMs
- Significantly more efficient **Repair & Engineering** business
- **Integration Solutions** offerings that bring the best of AAR together
- Power of the **AAR-Trax** combination
- Our **financial performance** improvement
- Q&A



Market overview and positioning

Chris Jessup

Chief Commercial Officer

Chris Jessup



Joined AAR in 2008 when the Company acquired Avborne, where he held various senior executive roles in sales, marketing and business development dating back to 2002

Served in various senior leadership sales and operational roles from 2008 to 2015 within AAR's MRO Services group, concluding with Senior Vice President, Airframe MRO Services

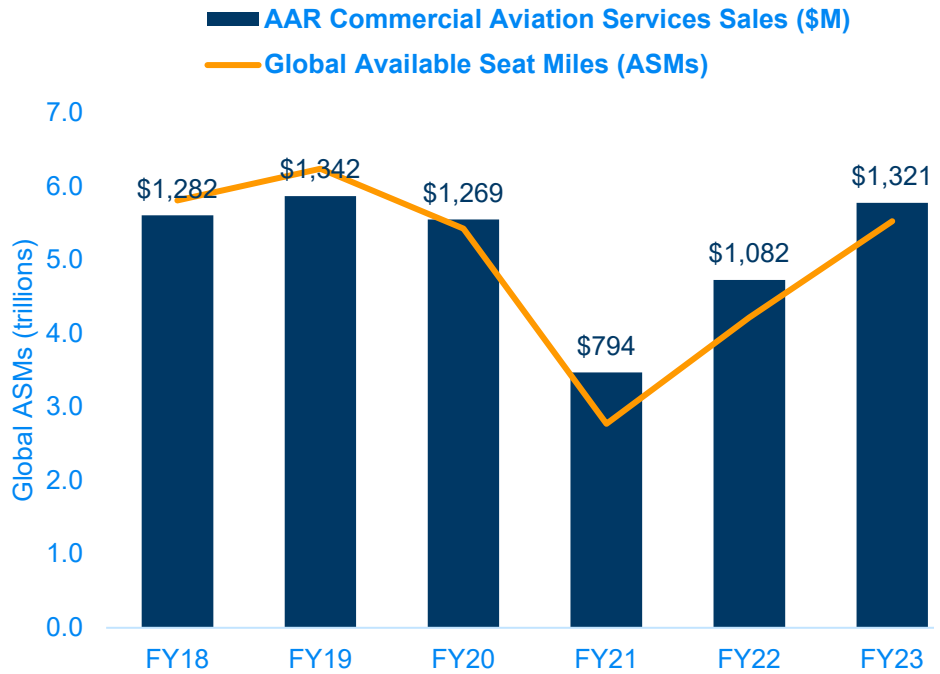
Promoted to Chief Commercial Officer of AAR's Aviation Services segment in 2015

Named Chief Commercial Officer of AAR in 2017

Holds Bachelor of Business Administration and MBA in Aviation from Embry-Riddle Aeronautical University

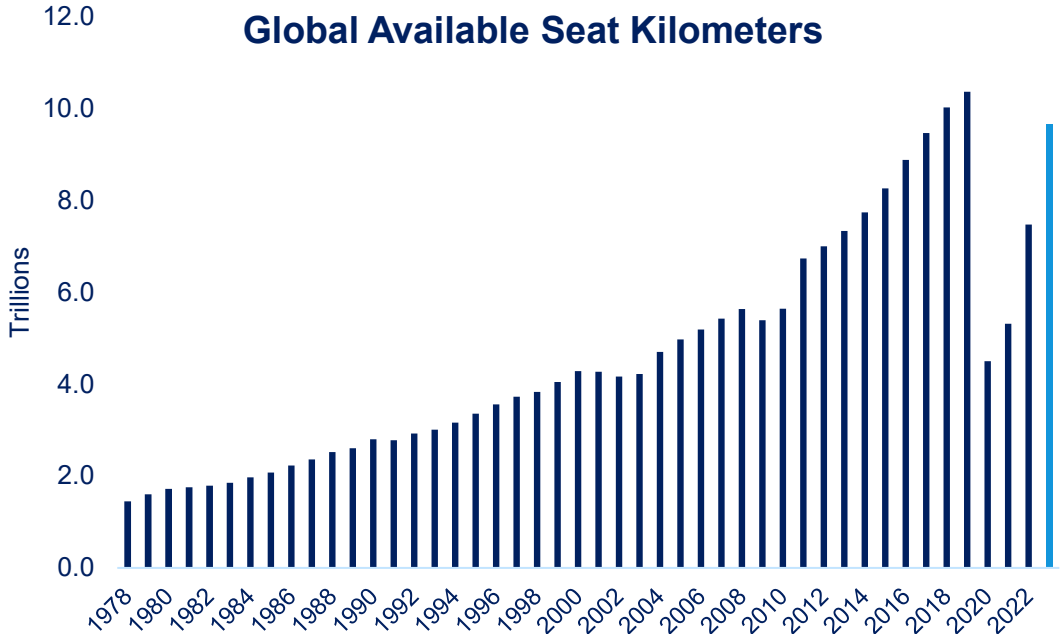
Commercial air travel recovery and resilience

AAR's commercial businesses are driven by air travel



- AAR's commercial sales have closely tracked global commercial air travel historically
- Air travel has recovered significantly, but is still not back to pre-pandemic levels

Source: ASM data from Cirium



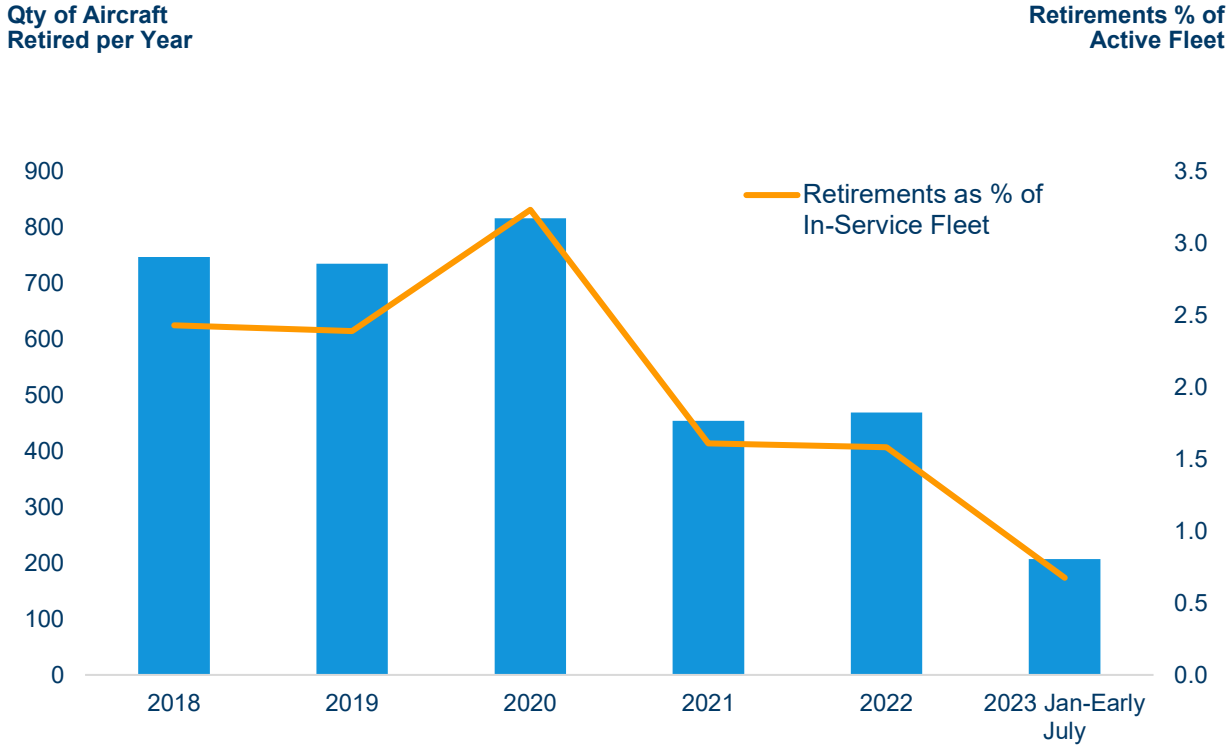
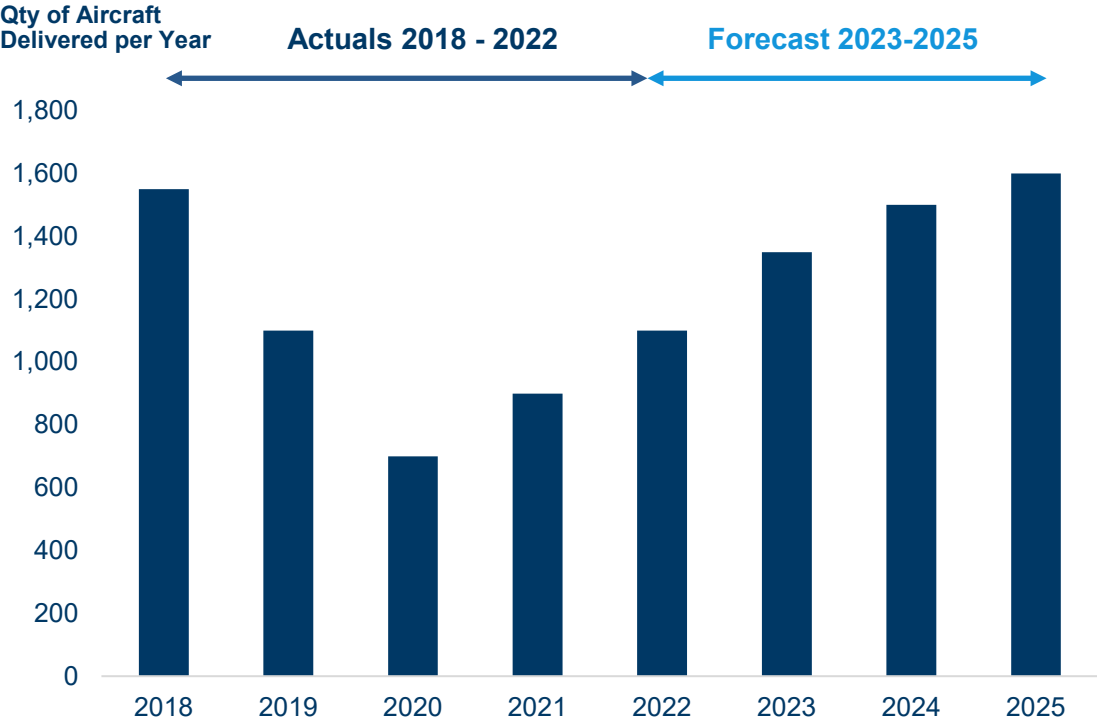
- Global commercial air travel has been historically resilient through economics cycles
- Aerospace aftermarket not historically subject to same cyclicity as new aircraft business

Source: IATA



Aircraft deliveries and retirements

Depressed deliveries have limited retirements and aged the in-service fleet



Fewer deliveries have extended the existing fleet, which is expected to continue to drive higher aftermarket parts and maintenance requirements

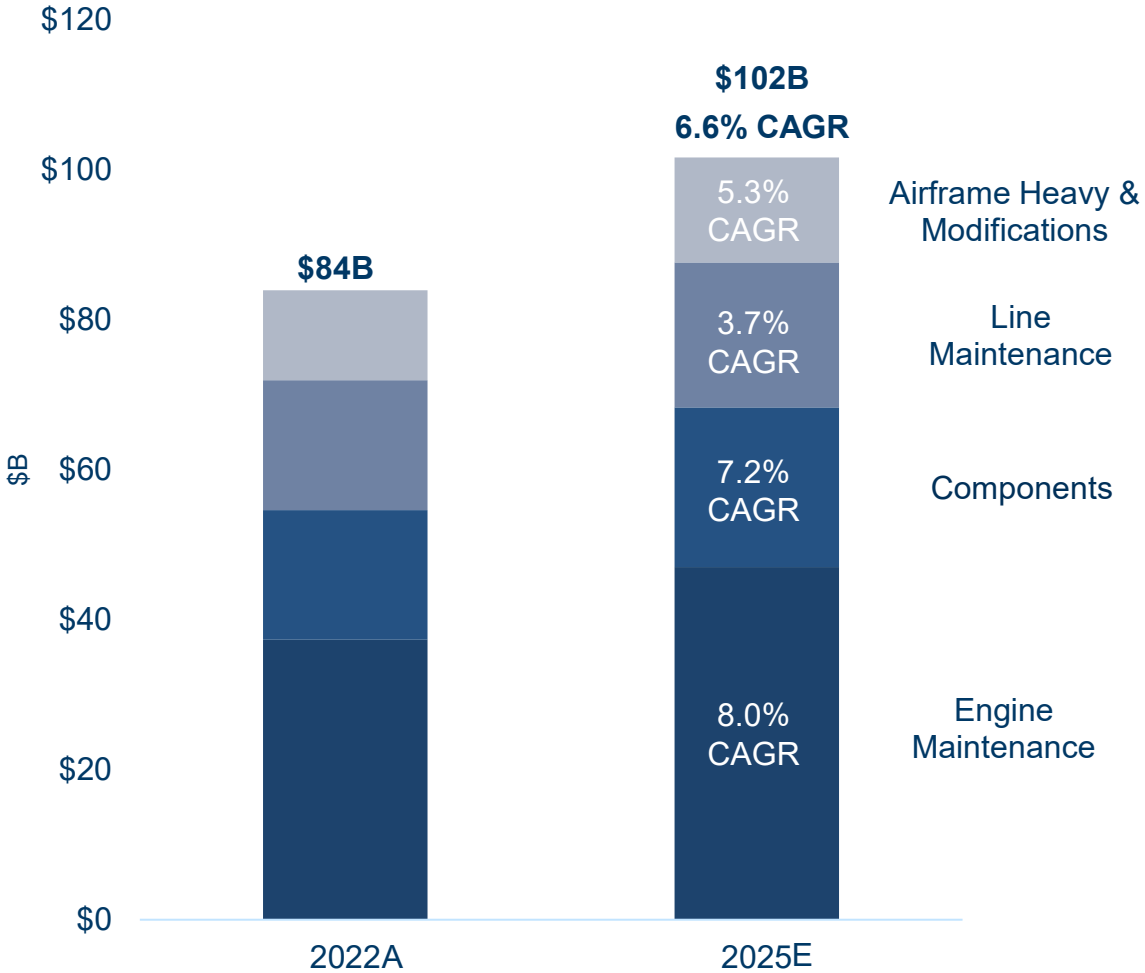
Reduction in retirements has limited the availability of USM supply; as new deliveries ramp and older aircraft are retired, USM supply expected to return

Source: Teal Group February 2023. Naveo analysis

Source: Aviation Week Fleet Discovery Early July 2023. Naveo analysis

Aircraft parts and maintenance markets

AAR's markets are large and growing



- Global MRO market spend forecasted to return to pre-pandemic levels in calendar year 2023
- Older aircraft fleet expected to drive incremental MRO demand in near-term
- As new aircraft production ramps-up, older aircraft will be retired, providing USM feedstock
- Engine MRO market drives majority of demand for AAR's USM business
- Long-term global demand driven currently by Asian markets, in which air travel per capita remains well below western markets

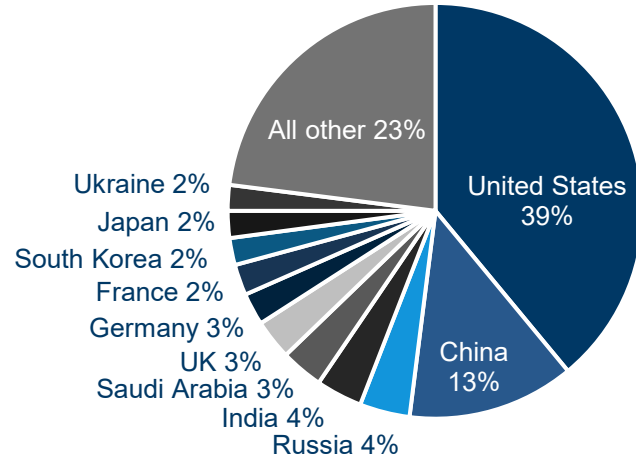
Source: ICF, Aviation Week. Naveo analysis. Constant US\$. Forecast from 2023 in 2022 \$

Government market

Defense spending seeking to counter great-power aggression

Distribution of 2022 military spending worldwide, by country

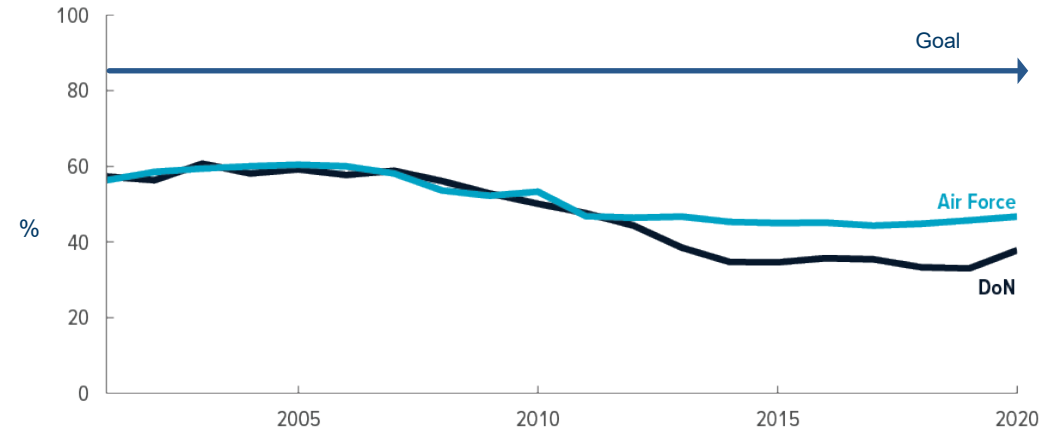
\$2.24T, +3.7%



Source: SIPRI

- Global tensions causing need for increased military posturing and defense spending
- Allies' and enemies' defense spending increasing - growing logistics requirements challenging European and Indo-Pacific nations

USAF availability rates for fighters and attack aircraft



Source: Congressional Budget Office

- USAF fleet readiness significantly below targets
- Focus on developing new technologies to counter peer competitors
- U.S. government seeking to sustain fleets on tighter budget

Large government market with customer demand for efficient sustainment solutions

Government market

AAR well-positioned to support tighter U.S. sustainment budget environment

- AAR long-term fleet support programs utilizing commercial best practices provide U.S. military with cost effective solutions
- AAR used serviceable material solutions combined with recent DoD procurement legislation provide significant savings opportunities to U.S. government to achieve readiness targets within a constrained budget environment
- AAR new parts distribution supports both U.S. Defense Logistics Agency through Captains of Industry status and foreign militaries



Constrained sustainment funding creates opportunities for AAR to offer cost effective solutions

Global expertise and reach

Customers in over 150 countries

North America

Headquarters and warehouse near Chicago's O'Hare International Airport; airframe MRO network; component repair; landing gear overhaul; Mobility Systems

United Kingdom

Parts Supply sales office in London's Heathrow Airport; Integrated Solutions – commercial and Parts Supply team in Gatwick

Europe

Component repair in Amsterdam; warehouse network includes Brussels and Hanover serving EMEA; sales office in Paris

Middle East

Warehouse and sales office in Dubai serving EMEA; Integrated Solutions – government

Asia

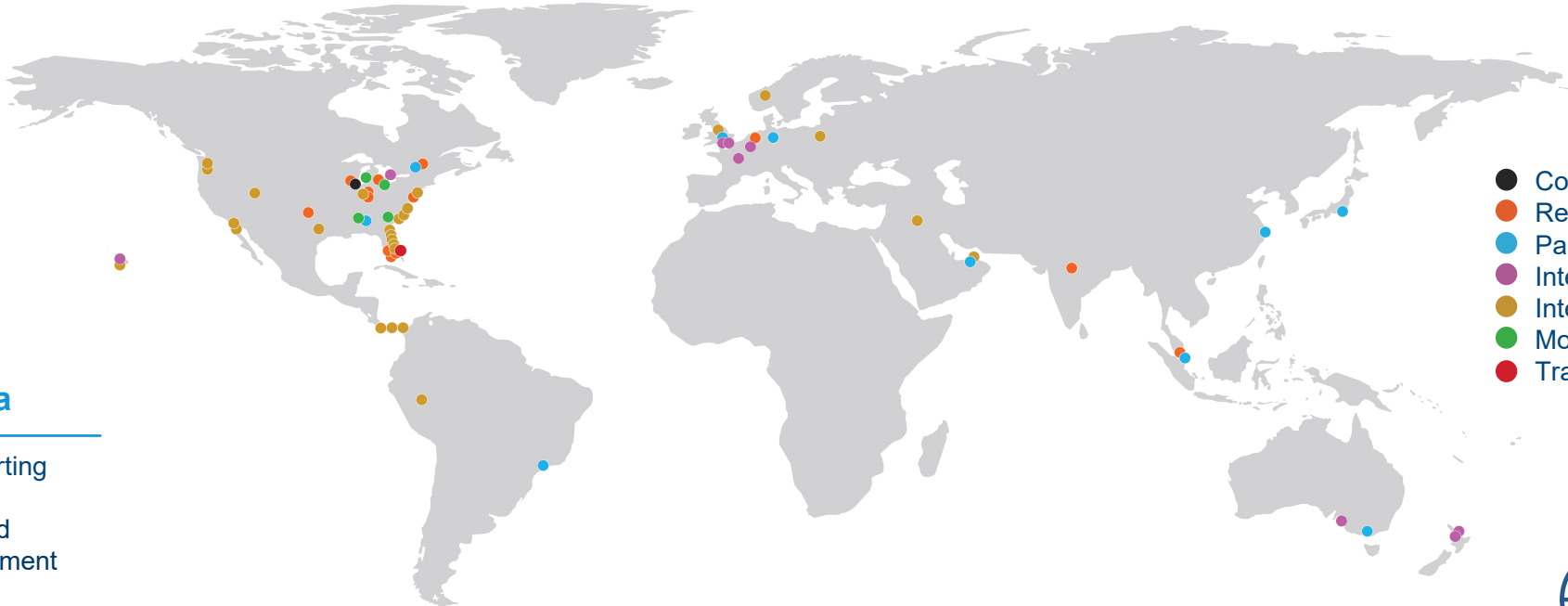
Sales office in China; Regional sales office in Singapore; warehouse and engineering for interior modifications

Australasia

Warehouse in Auckland; sales office in Melbourne

Central and South America

Sales office supporting customers in Latin America; Integrated Solutions – government



 **Over 60 AAR sites around the world**

Highly-diversified customer base with longstanding relationships

15+ year relationship with each of top 10 customers

Commercial airlines



Cargo airlines



Regional airlines



OEMs



Government





AAR[®]

Doing It Right[®]

Parts Supply: Used Serviceable Material

Sal Marino

Senior Vice President, Used Serviceable Material

Sal Marino



Over 30 years of aviation experience

Joined AAR in 1994

Promoted to Vice President of GE Engine Products in 1999

Promoted to Vice President of AAR Aircraft Turbine Center in 2005 with responsibility for all commercial engine product

Promoted to Vice President of AAR's Airframe and Engine Trading group in 2014

Named Vice President, Parts Supply and corporate officer in 2017

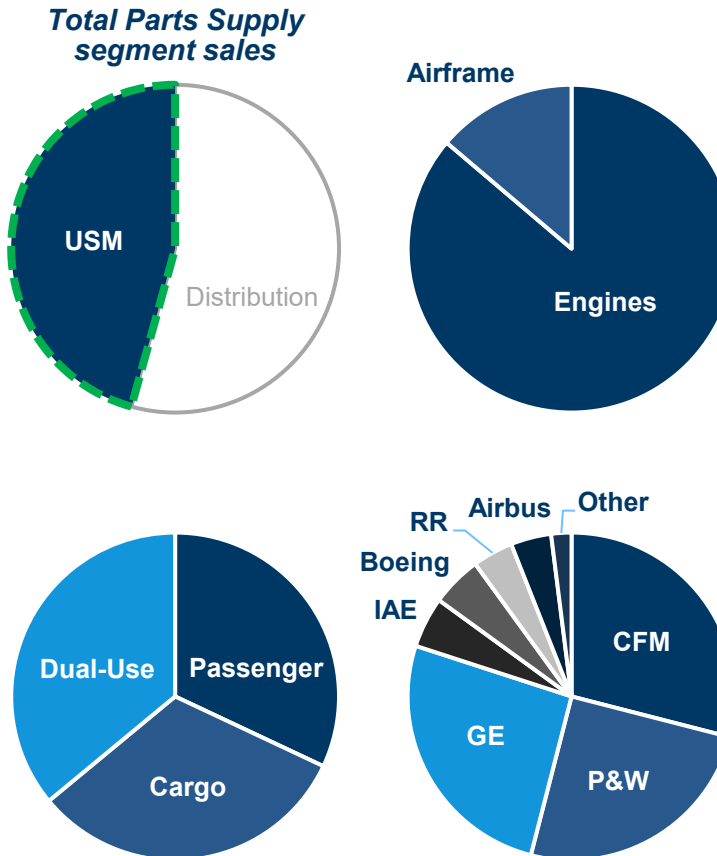
Holds AAS in Aviation Flight and BS in Aviation Management, as well as a commercial instrument and multi-pilot instrument rating

Parts Supply: Used Serviceable Material Overview

Key offerings

- Used serviceable engine and airframe parts supply
- Whole engine and aircraft sales and leasing
- Engine and aircraft management and exchange
- Focus platforms:
 - CFM56-5B / 7B (737NG / A320)
 - V2500-A5 (A320)
 - PW2000 (757)
 - Rolls-Royce RB211 (757)
 - PW4000 (747 / 767)
 - CF6-80 (widebody)
 - Boeing and Airbus

FY23 breakdown



Largest independent USM supplier globally

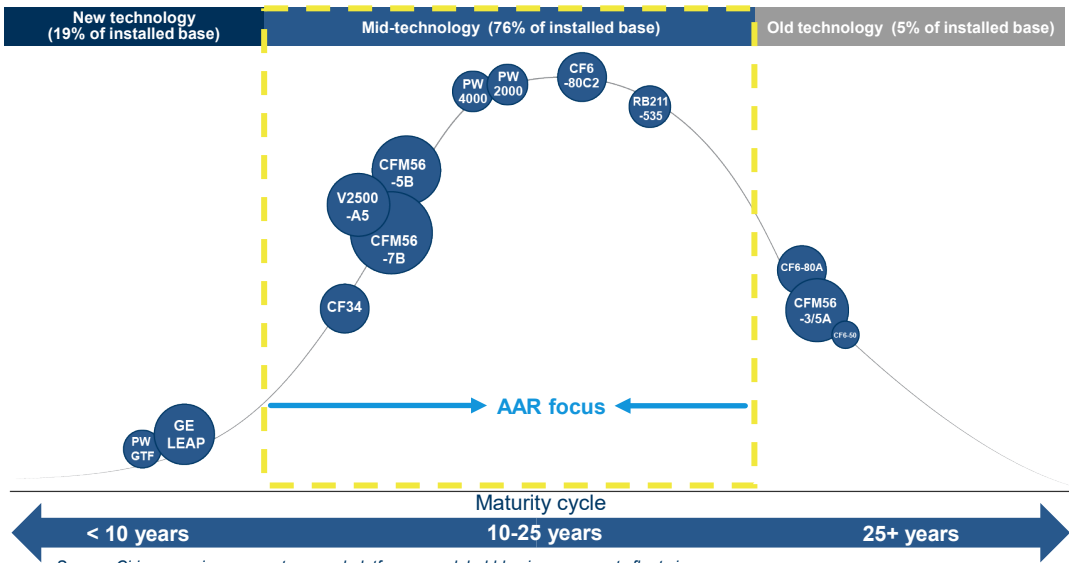
Key customers



Parts Supply: Used Serviceable Material

What we do

Asset selection



Robust markets

- A320/737/CFM56 – 12,000+ aircraft
- A320/V2500 – 3,000+ aircraft

Exclusive customer contracts

- PW2000 – through CY28
- CF6-80 – through CY28

Legacy product expertise

- PW4000
- Rolls Royce

Asset sourcing

- Industry relationships / AAR reputation
- Operators, lessors, MROs, trading companies
- Cross-selling across AAR
- AAR global sales org, product lines, tech department, compliance
- Digital market platforms
- Ability to close and fund quickly

Analysis and evaluation

Investment evaluation

- Asset maintenance documentation
- Cash flow projections and detailed valuation analysis
- Target margins and IRR

Financial performance review

- Part pricing based on market and return expectations
- Results reviewed and compared to investment expectations
- Action quickly taken to liquidate investment if market changes

Parts Supply: Used Serviceable Material

Value proposition



30-50% savings over OEM prices



Non-OEM, non-airline alternative



Highly experienced with leading technical capability



Speed, flexibility, and financial strength



Customer confidence and trust



Digital intelligence and transacting

Parts Supply: Used Serviceable Material

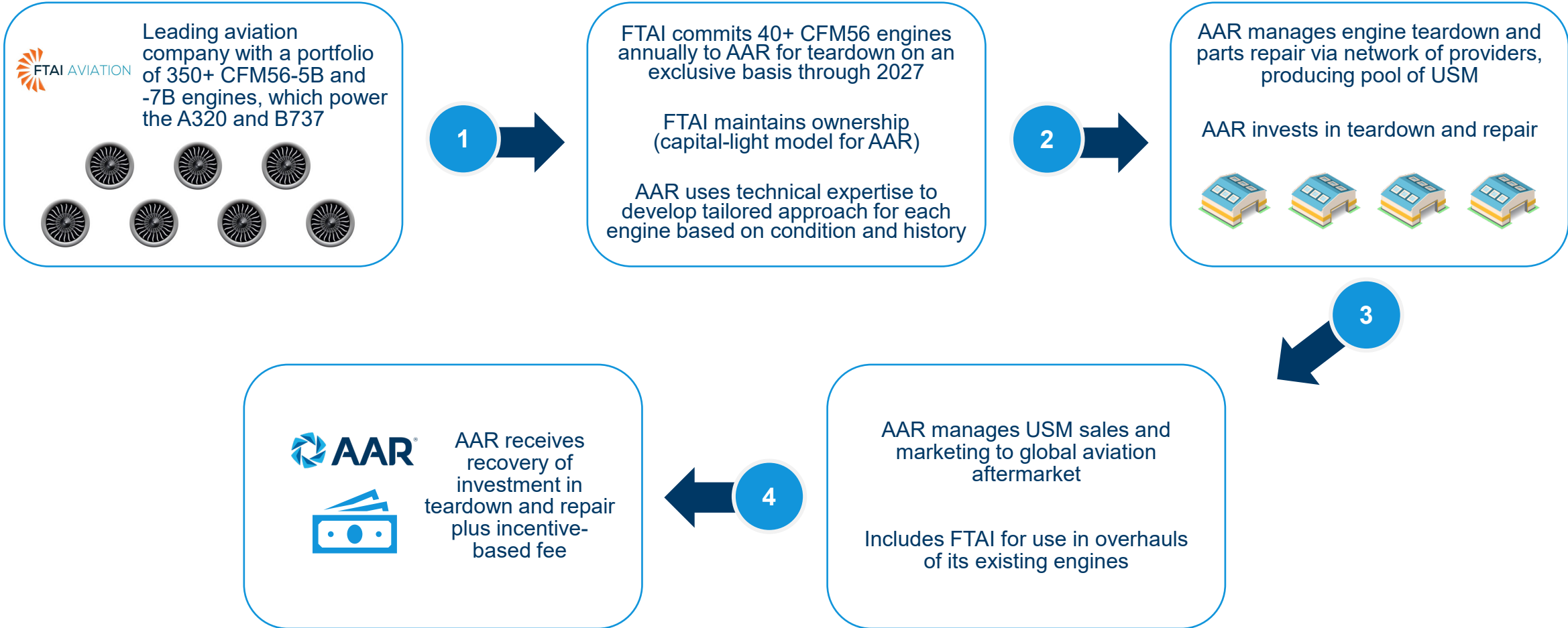
Key achievements since 2019 Investor Day

- 1 Secured long-term, capital-light, dedicated supply of CFM56 material
- 2 Drove cultural change with customers that have not historically bought USM
- 3 Took market share and repositioned inventory for post-pandemic growth
- 4 Partnered with AAR Integrated Solutions to support government customers



Parts Supply: Used Serviceable Material

Case study: CFM56 partnership with FTAI Aviation (NYSE: FTAI)



Parts Supply: USM

Growth initiatives

Secure long-term supply on additional key platforms



Continue to drive increased customer acceptance of USM



Support USG customer's requirement to consider USM



Develop enhanced solutions for aircraft-on-ground



End-to-end digital order fulfillment, including via Trax



Mission:

Be the most sought-after USM supplier to airlines, MROs, and leasing companies



Parts Supply: Distribution

Frank Landrio

Senior Vice President, Distribution (Interim)

Frank Landrio



Over 20 years of aviation experience

Joined AAR in 2007 as VP of Finance: AAR Aircraft Component Services

Promoted in 2009 to General Manager: AAR Aircraft Component Services

Promoted in 2010 to Group CFO: Aviation Supply Chain Group

Promoted in 2012 to SVP of Strategy and OEM Development

CEO of ASAS (Joint venture with Sumitomo)

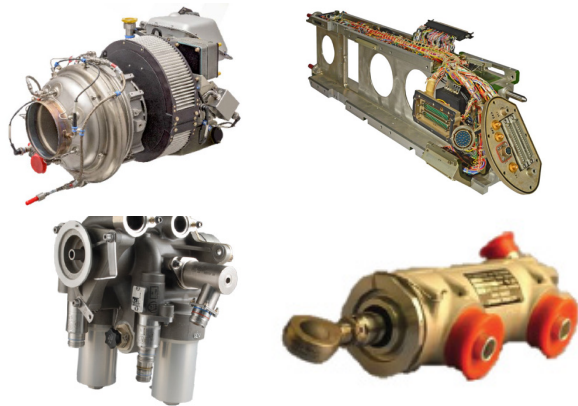
Sr. Vice President Distribution: Interim basis since March 2023

Holds a BBA degree in Accounting and is a Certified Management Accountant (CMA)

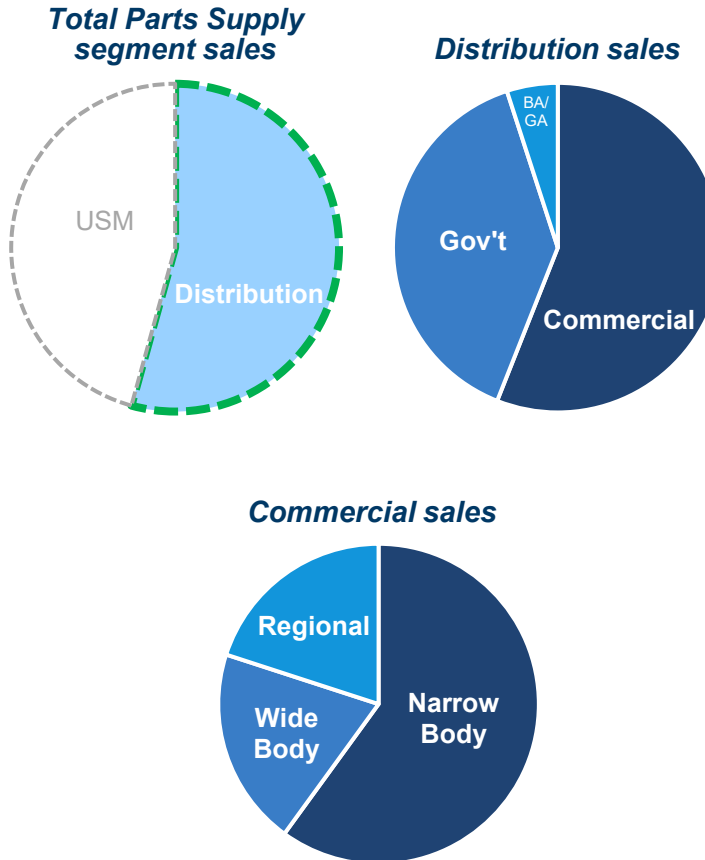
Parts Supply: Distribution Overview

Key offerings

- Distribution on behalf of components OEMs to:
 - Aircraft operators
 - Government customers
 - MROs
- Third-party logistics / kitting



FY23 breakdown



250,000 part numbers sold to over 2,500 customers

Key customers



Parts Supply: Distribution

What we do

Commercial customers

- Industry leading provider of factory-new OEM parts to the commercial aftermarket
- Global salesforce, robust warehousing network
- 3rd party logistics / kitting services

Government customers

- Key supplier to Defense Logistics Agency (DLA)
- Long-term strategic relationship with DLA through Captains of Industry status
- Direct parts supplier to foreign militaries

Approach

- Serve as an extension of aerospace component OEMs to expand market share and global reach
- Leverage highly technical salesforce co-located with aftermarket customers globally
- Data driven approach to analyze market demand and provide:
 - Part forecasting
 - Reduced lead times
 - Strategic inventory positioning
 - Increased service levels
- Do not represent competing product lines in same market
- High concentration of exclusive agreements

Parts Supply: Distribution

Value proposition



**Data-driven, market
intelligent sales
strategies**



**Underpinned by
connectivity to AAR
ecosystem**



**Innovative planning,
forecasting & value-
added services**



**Global, highly technical
sales force**



**Independence:
non-OEM / airline
alternative**



**Financial strength and
flexibility**

Parts Supply: Distribution

Government value proposition

- **Strategic planning and forecasting:** reduced lead times (the largest value-add to the US Government)
- **Improved on-time delivery and product conformity:** AAR on-time delivery rate is approximately double that of OEMs
- **Leverage full AAR military capability:** AAR-wide consumption data used for forecasting inventory
- **Dedicated team of product and market experts:** timely and compliant responses to requirements
- **AAR is the only non-OEM member of the Captains of Industry (COI)**
 - Long-term strategic relationship with Defense Logistics Agency (DLA) to provide total global supply chain support to U.S. Department of Defense and U.S. allies
 - Ability to enter into customer direct agreements: ship material directly to services/bases, effectively skipping DLA
 - Wider service offerings than OEM COIs: investment in inventory, DLA depot logistics support, multi-year pricing



Parts Supply: Distribution

Key growth markets



Foreign Military



Business & General Aviation



Electronics

Targeted markets

- Asia Pacific (Japan, Korea and Thailand)
- Europe (incl NATO)
- Middle East (Saudi Arabia & UAE)

- USA
- UK
- Germany
- Australia

- EMEA & APAC expansion of existing lines
- Unmanned drones and VTOL OEMs

Platforms

- F15 & F16
- E2D
- C130

- Bombardier
- Cirrus
- Gulf Stream
- Textron

- MIL-Aero OEMs
- Contract manufacturers

Parts & capabilities

- Filters
- Electronic indicators
- Engine accessories
- Spare parts

- De-Ice and specialty heating
- Landing gear; wheels & brakes
- Interiors
- Switches and indicators
- Engine accessories

- Electromechanical and Interconnect products

Parts Supply: Distribution

Key achievements since 2019 Investor Day

1

Added new distribution lines: GE Unison, Raytheon (Pratt & Whitney), TransDigm, Parker Aerospace

2

Entered new end-markets: Business & general aviation with exclusive product lines (Collins De-Ice and Ontic)

3

Increased efficiency: Investments in digital tools, including pricing and customer quoting

4

Expanded service offerings: Captains of Industry umbrella contract for DoD and 3rd party logistics services and government source inspections



Parts Supply: Distribution Investments in eCommerce

- Greater demand capture through improved Electronic Data Interchange and auto-quote functionalities
- Real-time, dynamic market-driven pricing tailored to OEM and customer
- Increased visibility and transparency for AAR Product Line and Sales teams
- More seamless customer experience
- Better ability to reach BGA customer base

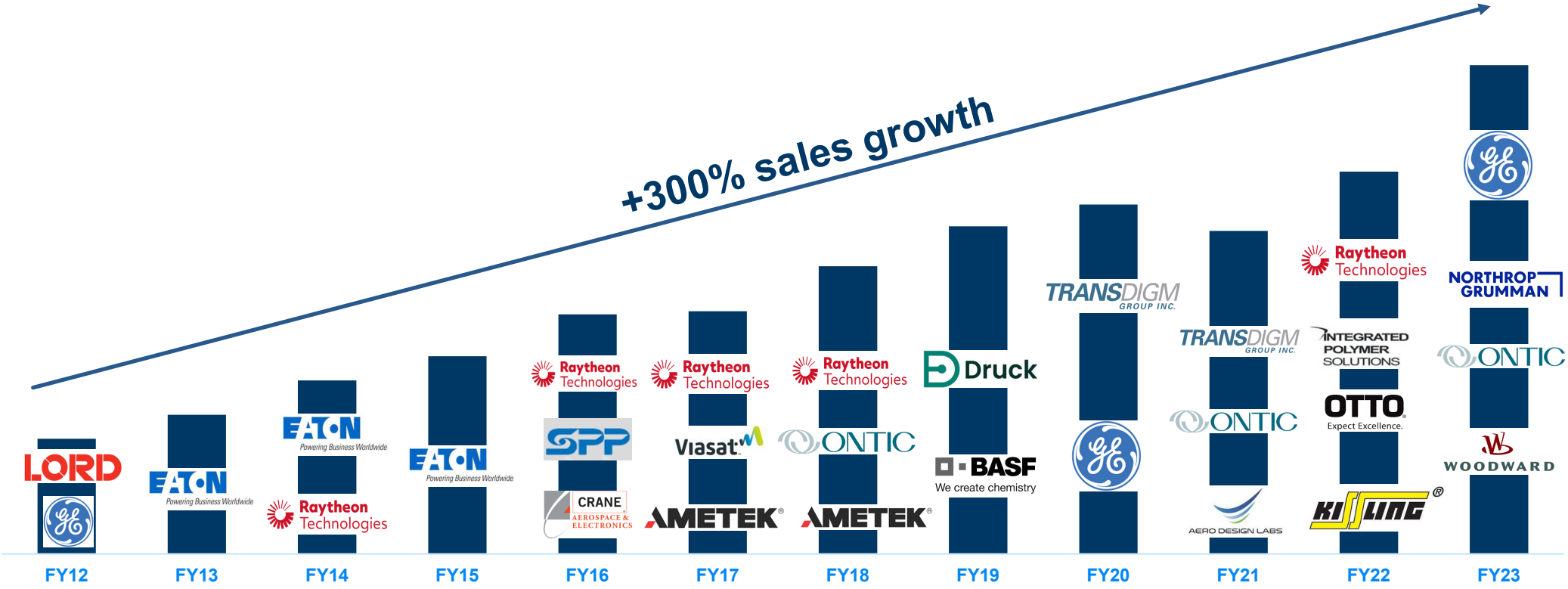
The screenshot displays the PAARTS Store interface. At the top, the search bar shows '10-360840-1' and a search icon. Below the search bar is a banner image of a yellow vehicle. The search results section shows '10-360840-1 IGNITER' with details: 'Condition: Factory New', 'In Stock', 'On Order', and 'OEM Lead'. A 'Customer Pricing' overlay window is open, showing a table of pricing data.

Part Number	Part Description	FSC	FSC Name
46470-1	EXCITER		
13895	INSULATOR		
46741	LEAD		
10-630350-1	IGNITER		
10-111195	FLTR ASSBY		

Optimized customer experience, higher volumes, cost efficiency

Parts Supply: Distribution

Our journey: sales growth through consistent addition of new lines



Note: Logos represent new distribution lines added in that year

Consistent track record of growing market share

Parts Supply: Distribution

Growth initiatives

Secure new and expand existing OEM distribution agreements



Offer OEMs opportunities for retrofit and competitive displacement



Expand foreign military sales capabilities



Increase business & general aviation offering



Expand eCommerce, including via Trax



Mission:
Be a value-added, data driven, customer centric growth driver for our OEM partners



Repair & Engineering

Tom Hoferer

Senior Vice President, Repair & Engineering

Tom Hoferer



Over 30 years of aviation experience

Joined AAR in 2023, VP Repair & Engineering

USAF/Air National Guard Retired Chief Master Sergeant

Served as President of GE Aerospace's Unison Industries, a global leader in aircraft engine component solutions

Held various leadership positions at GE Aerospace

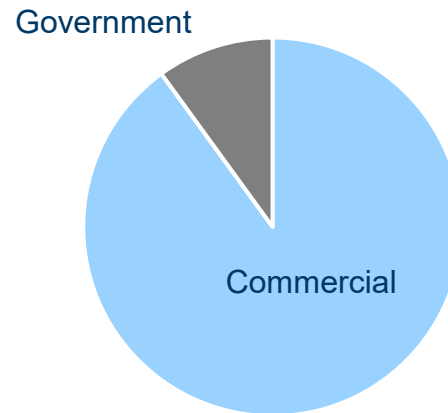
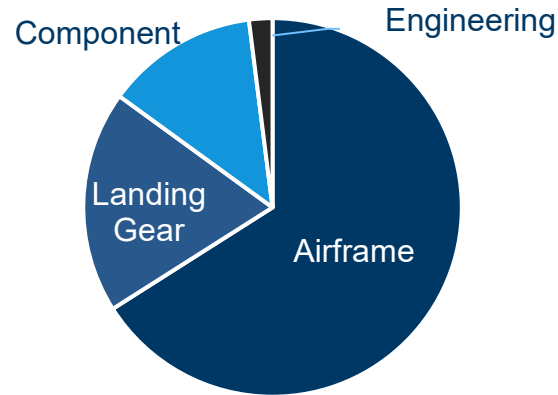
Holds MBA from the University of Cincinnati Carl H. Lindner College of Business and BS in Industrial Engineering from the University of Cincinnati

Repair & Engineering Overview

Key activities

- Airframe heavy maintenance
- Landing gear overhaul via Miami facility
- Component repair via facilities in New York and Amsterdam
- Interior modification engineering and design
- PMA parts
- Manage relationships with 8 Eagle Career Pathways schools to bolster labor pipeline

\$533M FY23 sales



#1

Independent North American MRO

Key customers



Alaska



Southwest

UNITED



Repair & Engineering

What we do

Airframe MRO



Six hangars providing maintenance, repair, and overhaul (MRO) services

- “Heavy checks” performed every ~2 years
- Nose-to-tail lines of maintenance
- Support primarily narrow-body Airbus, Boeing, and Embraer regional aircraft

Landing Gear Overhaul



Full-service landing gear maintenance provider with complete wheels and brakes capability

- Almost every major commercial and government aircraft type
- Inspections, plating, machining, NDT, engineering, assembly, bushings

Component Repair



Test, repair, overhaul, and perform scheduled maintenance on 15,000+ rotatable components

- APUs
- Electro-mechanical
- Fuel
- Gearbox
- Generators
- Hydraulics
- Pneumatics
- Instruments
- Avionics
- Electronic Bleed Air System (EBAS) for 737 MAX

Engineering



- Aircraft interior reconfigurations and modifications
 - Design and integration
 - Engineering and certification
- PMA parts development
 - Candidate identification leveraging part utilization data
 - Re-engineering of select parts

Repair & Engineering

Facility overview



3,300 employees



12 sites



#1 MRO
in North America



4.6M+
labor hours



750+
aircraft per year



~800
landing gears serviced
per year



2,500
technicians



30+
ATA Chapters



15,000+
components
repaired

Oklahoma City	Indianapolis	Miami	Rockford	Trois-Rivières	Windsor	New York	Amsterdam
<ul style="list-style-type: none"> Regional & narrow body MRO 300,000 SF 	<ul style="list-style-type: none"> Narrow body MRO 367,000 SF 	<ul style="list-style-type: none"> Narrow body MRO 226,000 SF Landing Gear MRO 150,000 SF 	<ul style="list-style-type: none"> Narrow body MRO 200,000 SF 	<ul style="list-style-type: none"> Narrow body & regional MRO 150,000 SF 	<ul style="list-style-type: none"> Narrow body MRO 143,000 SF 	<ul style="list-style-type: none"> Commercial & military component repair 150,000 SF 	<ul style="list-style-type: none"> Commercial & military component repair 80,000 SF

Note: figures for fiscal 2023; Engineering locations in Indianapolis and Singapore, and MRO joint venture in India, not included in table

Repair & Engineering

Value proposition



Large network with customer-focused solutions



Quality workforce performing reliable repairs



Digital investments to improve efficiency



Vertical capabilities creating one-stop-shop for all processes



Innovative design and PMA part solutions



Materials sourcing from AAR Parts Supply

Repair & Engineering

Key achievements since 2019 Investor Day

1 Retained and enhanced skilled workforce

2 Optimized footprint and rationalized product lines

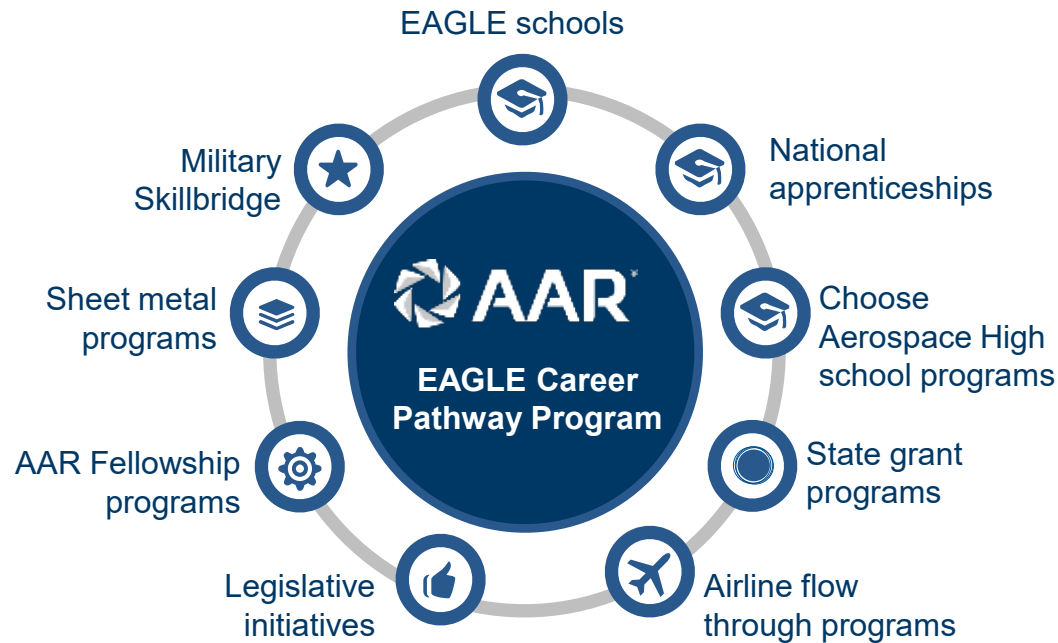
3 Focused on narrowbody market and anchor customers

4 Drove further internal and external emphasis on safety



Repair & Engineering

Workforce development through Eagle Career Pathway Program



- Focused on developing talent to meet aircraft maintenance technician demand
- Program participants focus on five core values: **E**thics, **A**irworthiness, **G**reatness, **L**eadership and **E**ngagement
- 8 current Eagle Pathway schools / >2,000 graduates since program inception
- Fellowships awarded to students enrolled in aviation maintenance programs to cover tuition and other costs
- Fellows mentored and monitored, and guaranteed interview in last term of school

Skilled labor pipeline development

Repair & Engineering

Miami airframe MRO facility expansion

- AAR partnering with Miami Dade Aviation Department (MDAD) to build 114K sq. ft. three-bay hangar with back shops
 - Will expand facility by 33% from nine aircraft slots to 12
 - Expected to create more than 250 new jobs in market with favorable labor market dynamics
- Received customer commitment for work in new hangar as demand exceeds current network capacity
- Expect to break ground in Q2 FY24; hangar construction duration ~24 months
- Expected cost of \$50M to be reimbursed by MDAD
- Potential for further expansion at other existing network locations

Note: MDAD to reimburse costs up to \$50 million

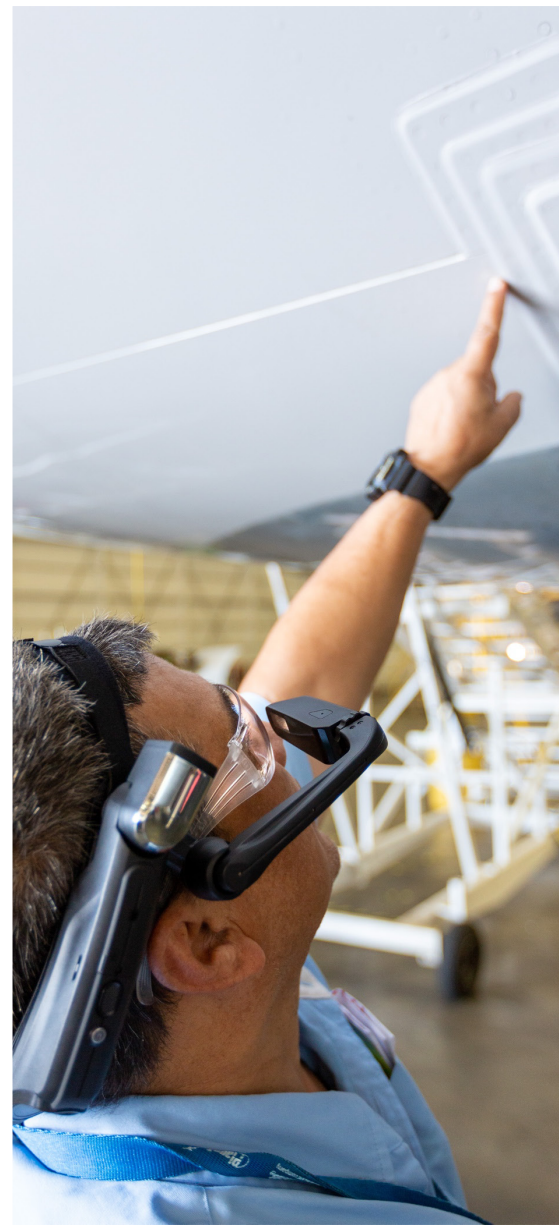


Expansion to meet customer demand in key market

Repair & Engineering

“Paperless” airframe maintenance

- Transforming airframe MRO with AAR’s new “paperless” software
- Electronic work card that improves labor efficiency and reduces aircraft turnaround time
- Custom application developed by AAR
- Implementation in process, expected to be complete in FY24

A screenshot of a web-based software interface for airframe maintenance. The interface shows a dashboard with various metrics and a list of work cards. The dashboard includes: Bay (N/A), Work Scope (A-CR), Completed Cards (42 / 90 (46%)), Hours Consumed (462 / 316 (146.00%)), Flight Hours (N/A), Cycles (N/A), Day of Check (15 / 30), Induction (03/20/2023), Target Delivery (04/19/2023), and Clocked-in Techs (4). Below the dashboard is a table of work cards with columns for Status, Work Order, Zone-Item, Skill, Description, Contract Group, and Time on Card. The table lists several work cards with their respective details, including status (READY, HOLD), work order numbers, zone items, skills, descriptions, contract groups, and time on card percentages.

Status	Work Order	Zone-Item	Skill	Description	Contract Group	Time on Card
READY	Nonroutine To-work	0000-0007	A/P	DOCUMENT ALL AIRCRAFT MOVEMENT TO...	450	2.11 / 0 h (0%)
READY	Nonroutine To-work	1000-0001	A/P	INSTALL PITOT STATIC COVERS UPON...	450	4.06 / 0 h (0%)
READY	Routine To-work	1000-0002	A/P	WASTE TANK WATER SEPARATOR	000	3.53 / 0.15 h (2353%)
READY	Nonroutine To-work	0000-0008	INS	AAR-ASR FORM PVA-001 POST VISIT L...	450	0 / 0 h (0%)
HOLD	Routine Ops-check	2000-0020	R/E	INSTALLATION OF ARINC 750 W/F DIG...	000	40.55 / 9.95 h (407%)
READY	Nonroutine To-work	9000-0001	A/P	COMPLY WITH SCRAP LOG	450	0 / 0 h (0%)
HOLD	Routine Ops-check	2000-0021	R/E	NAVIGATION-ENHANCED GROUND PROXIM...	000	3.25 / 1 h (325%)
READY	Nonroutine To-work	0000-0009	A/P	SUPERVISOR STANDBY	450	7.03 / 0 h (0%)



Delivers labor efficiency and improved aircraft turnaround time

Repair & Engineering

PMA parts initiative

- Focused on reducing AAR's component repair and overhaul costs through Parts Manufacturer Approval (PMA) parts development and usage
- Invested in dedicated engineering team
- Opportunities identified by leveraging part utilization data, engineering expertise and internal repair capabilities
- Key OEM relationships considered prior to PMA development
- Partnering with key customers to offer cost-reducing repair options
- Prioritizing internal cost benefits with opportunity for third party sales over next several years

Provides cost reduction in near-term and third-party sales in longer-term



Repair & Engineering Growth initiatives

Expand
Airframe MRO
in areas with
critical mass

Implement
“Paperless”
airframe
maintenance

Grow industry-
leading Eagle
Career Pathways
Program

Scale PMA
parts initiative

Expand
Component Repair
capabilities



Mission:

Be the preferred independent third-party MRO providing high-quality, flexible solutions for commercial and government markets



Integrated Solutions

Nicholas Gross

Senior Vice President, Integrated Solutions

Nicholas Gross



Over 20 years of aerospace and defense experience

Prior service in the U.S. Air Force

Joined AAR in 2016 as Vice President, Integrated Solutions - Government

Named Vice President, Integrated Solutions, and corporate officer in 2019

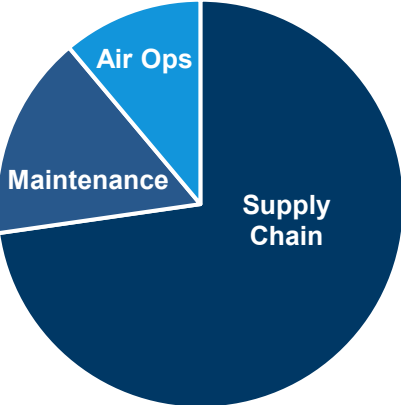
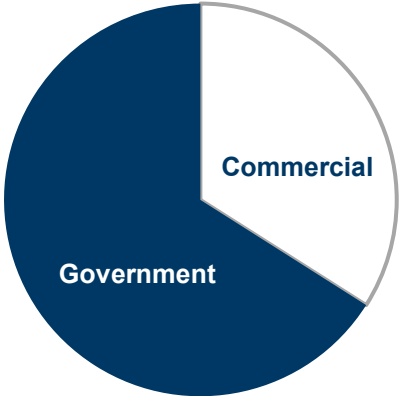
Holds an MBA from Northwestern University - Kellogg School of Management and a BS in Business Administration from Troy University

Integrated Solutions Overview

Key offerings

- Power/ Repair by the Hour Component Support
- Contractor Logistics Support
- Performance Based Logistics
- Supply Chain & Third-Party Logistics
- Focus platforms:
 - P-8
 - C-40
 - F-16
 - C-130
 - UH-60
 - B737
 - B777
 - A320
 - E-Jet

\$547M FY23 sales



Comprehensive parts and repair-based offerings

Key customers



AIR CANADA



AIR NEW ZEALAND



flydubai

Integrated Solutions

What we do

Government: Contractor Logistics Support

Contracted total platform sustainment managing end-user fleets across all aspects of flight operations

- Provide all levels of maintenance, engineering, and modifications
- Provide tip-to-tail supply chain support
- Operate government owned aircraft

Government: Performance Based Logistics

Provide on demand material to government and military end users – direct to the point of use

- Develop integrated supply chains to achieve forecasted demand
- Qualify and diversify vendor base to enable material availability
- Develop IP on non-standard repairs

Commercial: Power-by-the-Hour Component Support

Material component availability on a flight hour basis to enable fleet readiness

- Invest and position stock to ensure point of use availability around the world
- Manage a global network of repair suppliers to maintain assets
- Establish long-term agreements to prevent shortages

Government: Supply Chain & Third-Party Logistics

Establish supply base consistent with end user needs and manage warehouses in strategic locations

- Control, manage, and maintain billions of dollars of US Government material
- Distribute assets to directed locations
- Oversee import/export of goods around the world

Integrated Solutions

Value proposition



Commercial best practices applied to government customers



Substantial savings relative to alternatives



Global reach to support customers



Skilled and empowered talent



Tailored solutions to optimize fleet readiness



Through-life support of systems and aircraft

Integrated Solutions

Key achievements since 2019 Investor Day



1

Awarded and stood up new Air Force approved F-16 depot in Poland

2

Drove the adoption of legislation directing the use of Used Serviceable Material in commercially derivative platforms

3

Sourced, modified and sold six used aircraft to Govt end-users demonstrating the value proposition of the aftermarket

4

Restructured power-by-the-hour portfolio to improve performance and reduce risk, and create foundation for selected additional growth

Integrated Solutions

F-16 maintenance, modifications and upgrades for U.S. Air Force in Europe

Scalable operational capability

Established F-16 MRO in 8 months

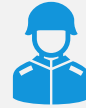
Infrastructure

Established MRO facility in Poland, aligned with USG planning requests



Staffing

Capable, expert technician team in place at AAR's facility



Coordination

Key relationships in place with local stakeholders to support / enable operational coordination



Compliance

Infrastructure and staffing approach developed according to USAF and DCMA standards



Operations in practice

7 aircraft in flow

USAF Engineering continues to champion AAR's depot / SLEP approach as an industry-leading best practice, emphasizing **workmanship and quality** on maintenance work.



Service life extension program

Post-block repair

Avionics modifications

Pre-block structural repair

Other workload

Force enabler for global F-16 operations

Integrated Solutions

National Defense Authorization Act creates additional USM opportunity

Recent legislation included in National Defense Authorization Act directs the acquisition and use of Used Serviceable Material for all commercial derivative aircraft and engines

Potential \$200M+ annual market opportunity

Select examples of commercial derivative airframes and engines

MILITARY AIRCRAFT	COMMERCIAL DERIVATIVE AIRFRAME	COMMERCIAL DERIVATIVE ENGINES
VC-25	747	CF6-80
KC-46	767	PW4000
P-8	737	CFM56
C-40	737	CFM56
C-32	757	PW2000
C-17	None	PW2000
C-5M	None	CF6-80

U.S. Air Force recently established KC-46 Initial Spares contract vehicle for the procurement of USM

- First of its kind contract enabling USM on a new platform
- Offering immediate and significant material savings to the Air Force
- AAR is one of the awardees on contract

Integrated Solutions

Growth initiatives

Secure long-term contracts to support key platforms



Further expand into military-specific airframes



Continue to drive increased USG acceptance of USM



Expand AAR offerings across government markets



Enhance client facing tools & access to data



Mission:
Be the leading independent provider of integrated aftermarket sustainment solutions



Trax aviation software

Jose Almeida
President, Trax

Andrew Schmidt
SVP, Digital Services & Trax

Leadership bios



Jose Almeida
(President, Trax)

Founded Trax 1997, saw need for a windows-based MRO ERP system... Y2K compliant and better user interface

Rapidly grew Trax as customer felt assured by Y2K compliance and were elated with non-green-screen GUI

First fully cloud-based MRO ERP, **eMRO**

Followed this with first full suite of “paperless” mobility apps, **eMobility** (16 apps and growing)

Sold Trax to AAR and now working on **automating MRO with AI**

Andrew Schmidt
(SVP, Digital Services & Trax)



Began career as a flight test engineer at McDonnell Douglas

Partner at AT Kearney and Oliver Wyman; Led Aerospace Practice at Oliver Wyman

Joined Macquarie Capital to form Taurus Aerospace

Joined AAR in 2010; started Digital Solutions group in 2014

Co-led Seabury Capital’s Private Investment Group, launched in 2018

Rejoined AAR this year after supporting Trax acquisition

Trax company overview



Leading provider of mobile and cloud-based software for airlines, other aircraft operators and MROs



138 customers with an average tenure of 10+ years



Products increase maintenance efficiency, improve asset utilization and streamline information flow between airlines, lessors & MROs



Software creates the regulatory system of record required for airlines and lessors



~110 employees

Competitive advantages



Web-based



Mobile | Role-based



Paperless



Offline capability

Product



- Web-based ERP for aircraft maintenance and fleet management (21 modules)



- Suite of 16 iOS and web-based apps (role-based)
- Real time transaction entry and information availability



- Original windows-based ERP
- Supported, but no longer offered to new customers

Services

- Implementation & data migration
- Integration with Trax customers' existing systems
- 24/7 support

Hosting

- Complete infrastructure capability with option to host all three solutions in the cloud

Trax will remain independent and maintain its own identity in the market

What does Trax do for its customers?

eMRO for aircraft maintenance & fleet management

Turnkey software supports all aspects of maintenance at airlines, government aircraft operators and MROs



Materials purchasing



Maintenance management



Technical management



Quality management



Financial management

iOS and Web Apps to support most roles



Task Control



AeroDox



QuickTurn



Visual Check



Line Control



Content Control



EzStock



Production Control



Shop Control



Customer Portal



PilotLog



CabinLog

Customers and market

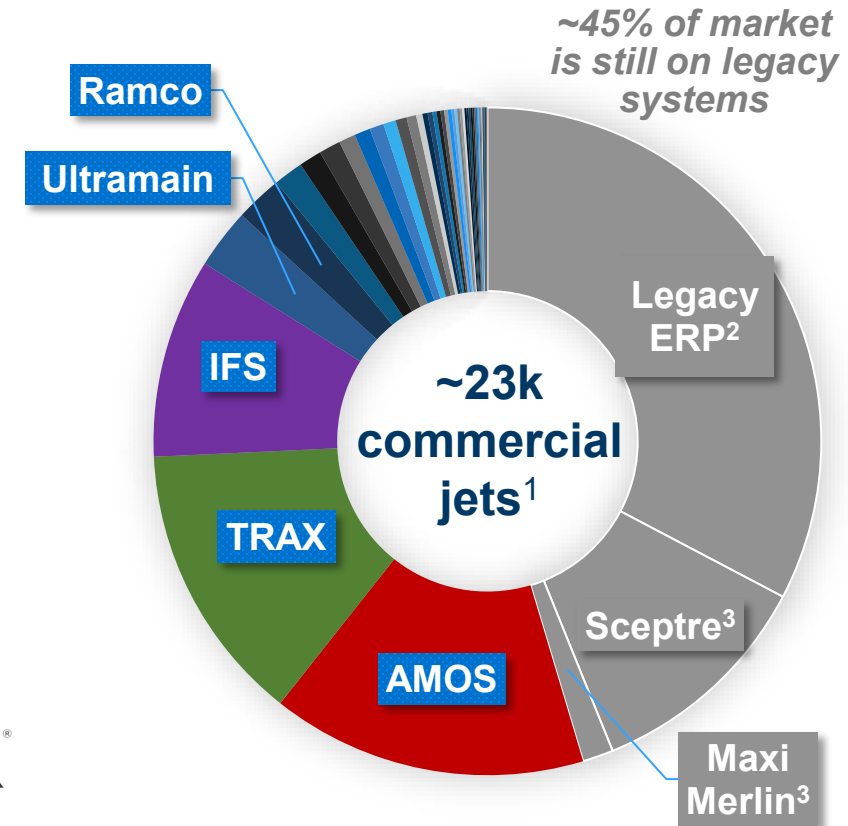
- Used by over **138** individual airlines, government operators, and MROs
- Supports over **5,000** aircraft in operation today (excludes MROs)
- In the hands of and on the desktops of over **62,000** users
- Used by over **8,500** parts and supply chain personnel



Customers in **35** countries



A leading independent market position



Notes: (1) 2022 AW&ST Fleet Database / Trax & Seabury Capital analysis, (2) Includes internally developed systems and smaller fleets with unknown systems, (3) Sceptre and Maxi Merlin (Wizard) developed in 1980s and still being used by major US Airlines

Strategic vision

Unifying strengths



Integrated maintenance ecosystem



Enhanced end-to-end solutions

- AAR's parts and MRO experience plus Trax's software creates basis for a comprehensive offering
- Maintenance processes are streamlined by integrating parts supply & MRO services with management software



Powerful supply chain ecosystem

- Software enabled supply chain provides plug-and-play service for Trax, AAR and other MRO/OEM customers
- Compatibility and seamless integration creates a reliable and cost-efficient market in the aviation industry



Improved customer experience

- Seamless and efficient experience for airlines and MRO's
- One-stop solution reduces complexity and operational challenges associated with buying parts and using MRO services



Data-driven insights and innovation

- AAR's MRO and parts data/ experience can fuel TRAX's software enhancements
- Trax's data analytics can identify trends and opportunities for AAR and other MROS to innovate in parts supply and services

By combining AAR's MRO industry expertise with Trax's software, we are poised to deliver unparalleled parts supply and maintenance services

Strategic vision

One example: new parts ecosystem

Fewer aircraft delays for parts

- Trax's embedded market position helps foresee maintenance needs and parts replacements.
- AAR and other supplier informed readiness with parts ensures that necessary replacements can be done just in time.
- Aircraft downtime is minimized, ensuring continuous operations.

The "buy-now" button for instant access

- One-click access for customers to a streamlined ordering process for parts.
- Rapid response and fulfilment through a curated Trusted Supplier Network (TSN), enabled by real-time data from Trax.
- AAR's leadership position forms the foundation for a new parts platform.

Vision: A new parts ecosystem

Trax users see integrated virtual inventory from TSN



Mechanics



Material planners



Buyers

Foundational features

- Integrated with mobile apps and buyer queue on Trax desktop
- Only parts with all necessary & screened documentation
- Only suppliers that meet minimum customer ratings thresholds

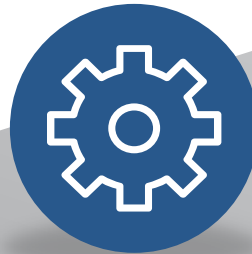
With AAR's agile parts supply expertise and Trax's intelligent software, we're forging an innovative alliance that elevates aviation efficiency, safety, and customer satisfaction

Growth initiatives

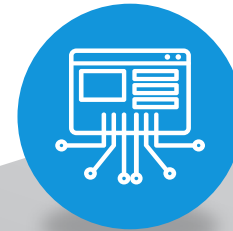
Bolster Trax's back-office functions to support scale: **quality, customer support, accounting**



Co-create products with AAR and other MROs that drive new value for Trax's 62,000+ users: **Trusted supplier network** and **"buy-now" button**



Roll-out AI-based products that automate **maintenance and supply chain in eMRO & eMobility**



Expand into adjacent service areas that leverage **Trax software**



Mission:

Be the leading innovator of MRO software and technology-based solutions



Financial overview

Sean Gillen

Chief Financial Officer

Sean Gillen



Joined AAR in 2019 in his current role where he oversees the financial, accounting, tax, treasury and investor relations functions

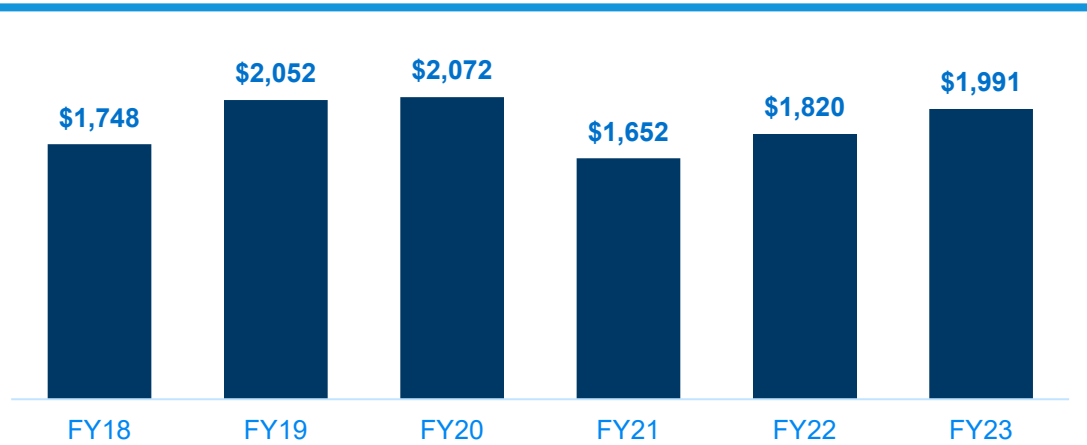
Previously served as Vice President and Treasurer at USG Corporation

Prior to USG, was employed at Goldman, Sachs & Company in the investment banking area

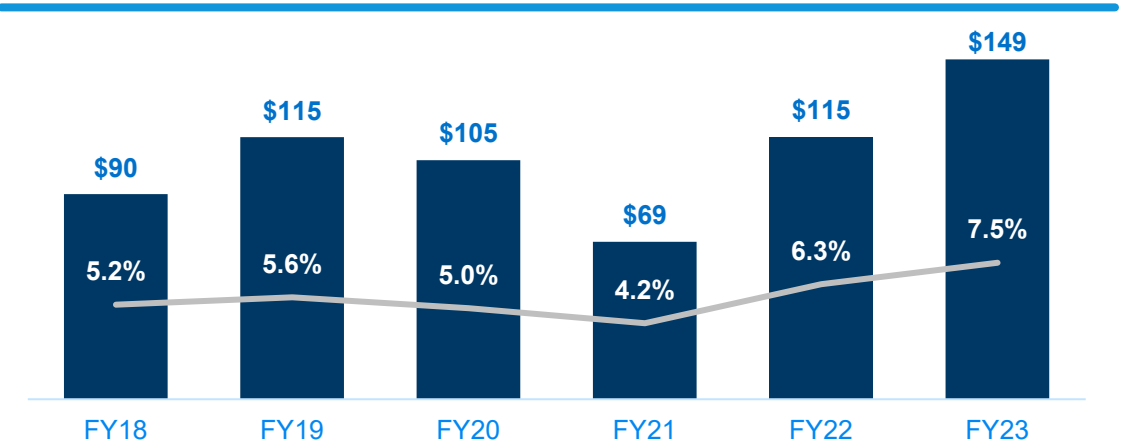
Holds Bachelor of Business Administration from the University of Michigan

Historical financial performance

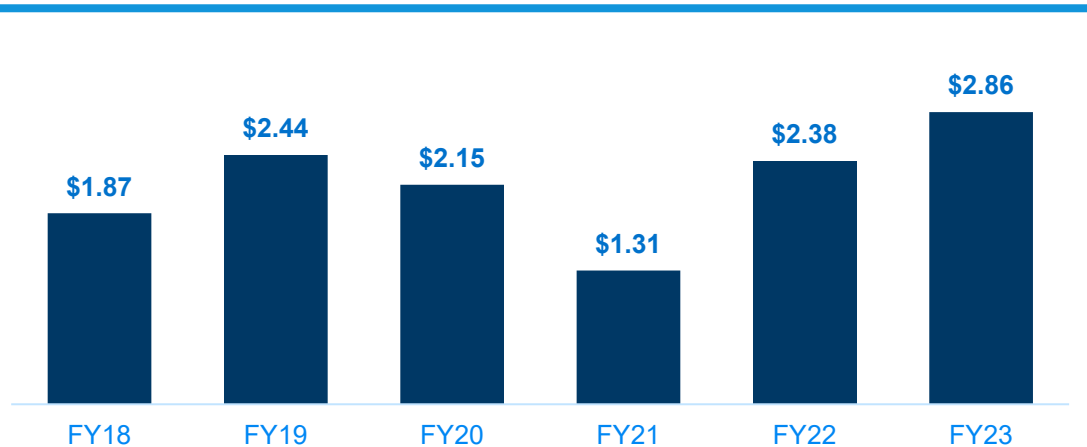
Adjusted sales (\$M)



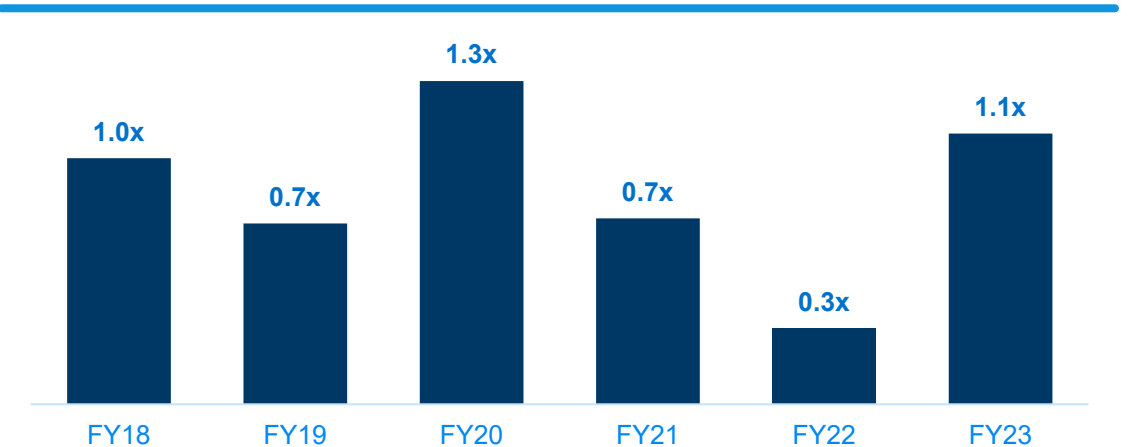
Adjusted operating income (\$M) and margin



Adjusted diluted EPS



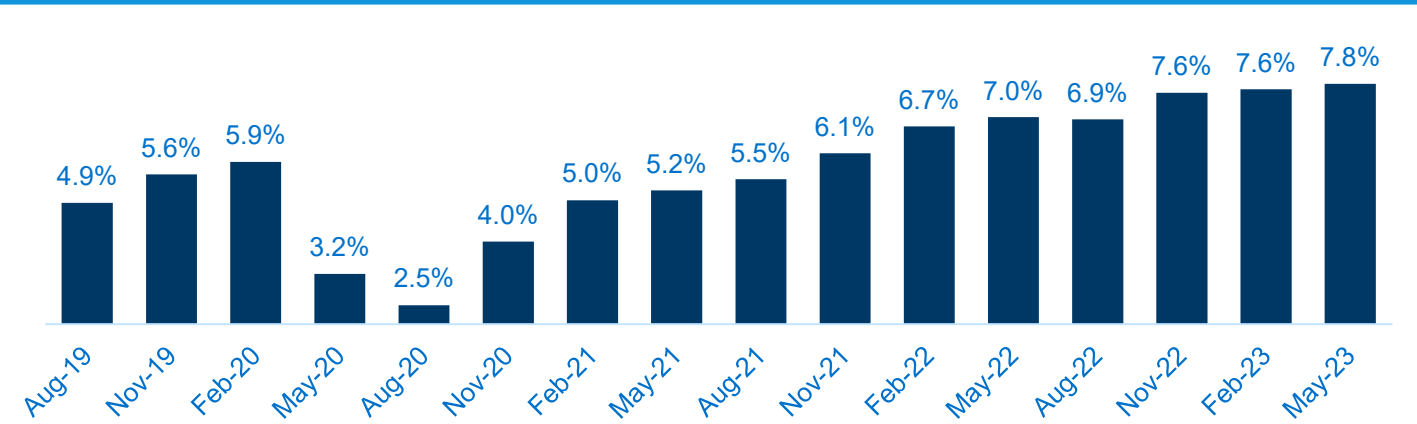
Net debt / adjusted EBITDA



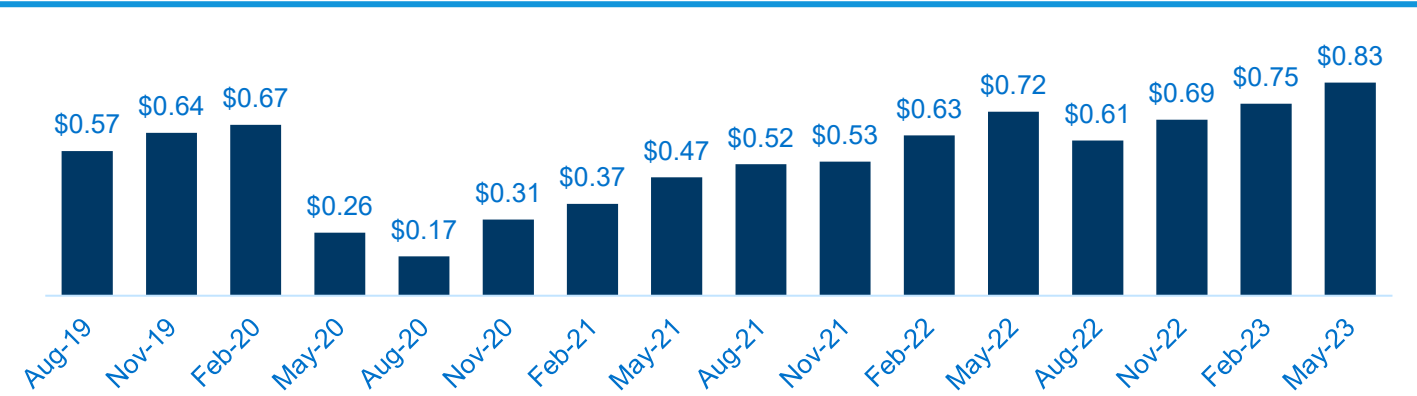
Note: FY ends May 31; figures reflect continuing operations; see Appendix for reconciliation of non-GAAP financial measures

Actions taken have yielded consistent financial improvement

Quarterly Adjusted Operating Margin



Quarterly Adjusted EPS

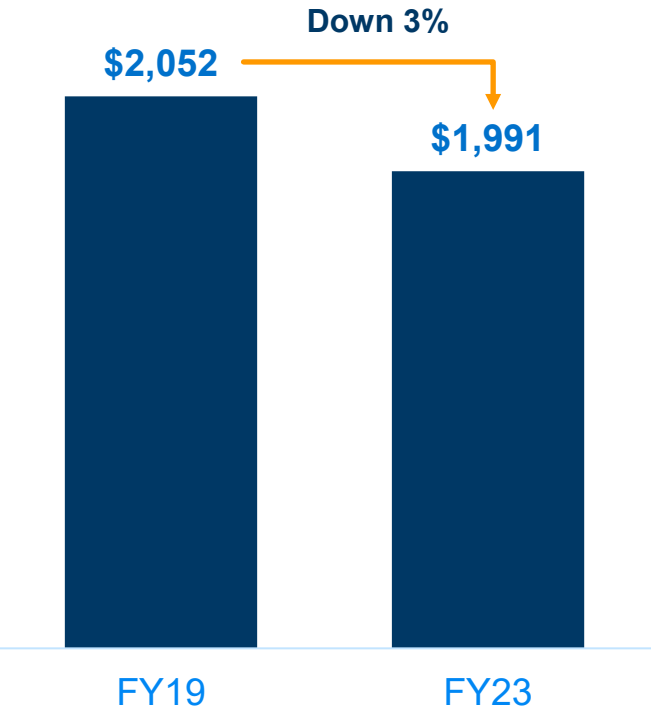


- ✓ Consolidated footprint to optimize cost base and preferred customer support
- ✓ Exited underperforming product lines and contracts
- ✓ Reduced selected headcount
- ✓ Eliminated non-essential spend
- ✓ Used market dislocation and relative strength to take share
- ✓ Added differentiated capability

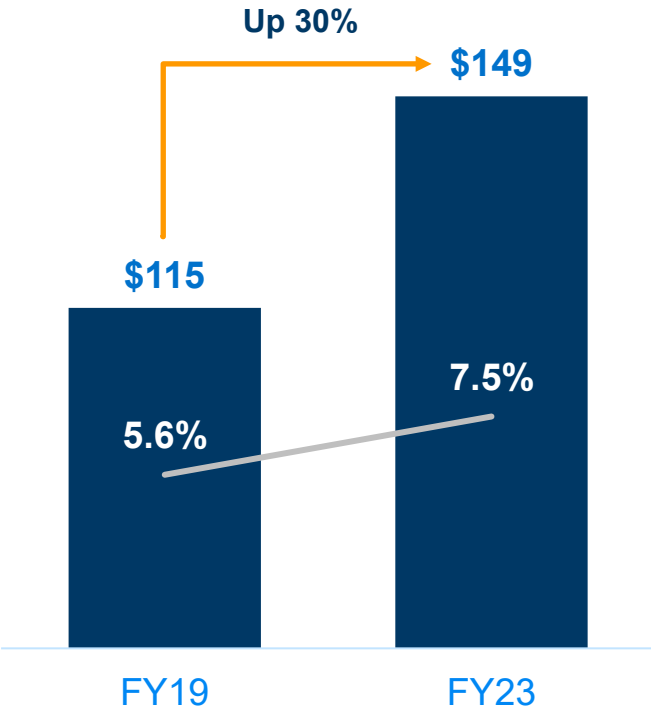
Note: FY ends May 31; Adjusted EPS reflects dilution; figures reflect continuing operations; see Appendix for reconciliation of non-GAAP financial measures

Significant progress since 2019

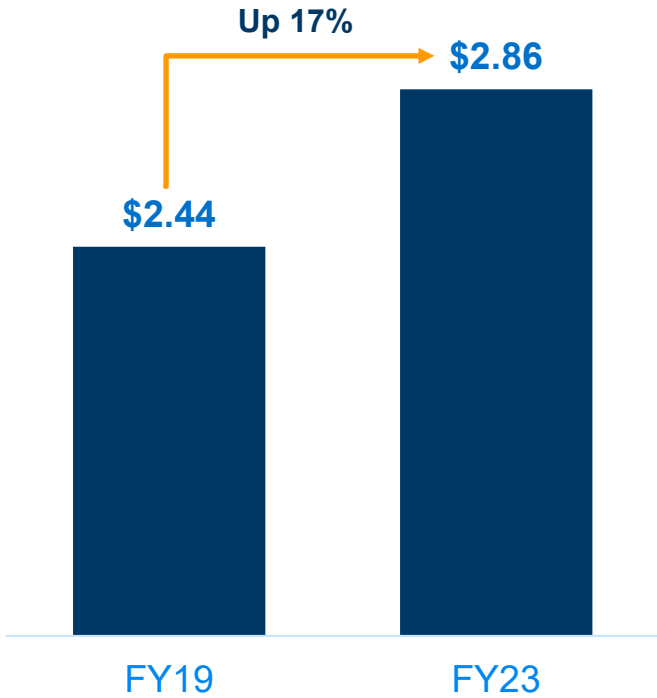
Adjusted sales (\$M)



Adjusted operating income (\$M) and margin



Adjusted EPS



Note: FY ends May 31; Adjusted EPS reflects dilution; figures reflect continuing operations; see Appendix for reconciliation of non-GAAP financial measures

Higher margins and earnings on sales that are still below pre-pandemic level

Capital allocation framework

Maintain flexible balance sheet

- Current leverage of 1.1x net debt / Adjusted EBITDA; S&P BB credit rating
- Maintain conservative balance sheet; target net leverage ratio of 1.0x – 2.0x EBITDA
- Max leverage ratio of 3.5x EBITDA

Organic investment to drive growth

- Support new business wins in Parts Supply via inventory in USM and Distribution
- Select airframe maintenance expansion and new component repair capabilities
- Development of proprietary PMA parts

Opportunistic acquisitions

- Adherence to strategic filters and financial criteria
- Focused on expanding in core Parts Supply, R&E, and Integrated Solutions
- Increase intellectual property in portfolio

Return to shareholders

- Initiated \$150M Share Repurchase Program in December 2021
- Repurchased \$92.4M to-date with remaining authorization of \$57.6M
- Will evaluate further usage and expansion based on alternative opportunities

See Appendix for reconciliation of non-GAAP financial measures

M&A priorities and approach

Strategic focus areas

- ✓ Value-added / IP-enabled parts platforms
- ✓ Additional distribution customers and OEM relationships
- ✓ Differentiated MRO capability and scale
- ✓ Integrated Solutions – Government past performance
- ✓ Unique digital / data tools

Criteria

- ✓ Accelerates strategic priorities vs. organic tactics
- ✓ Growth and/or margin accretive
- ✓ After-tax IRR exceeds target's WACC
- ✓ Max net debt / EBITDA of 3.5x within 12 months*



* Exclusive of one-time integration costs and inclusive of cost synergies

Key messages

1

Focused portfolio of aftermarket aviation services expected to benefit from market growth and increased market share

2

Operating margin significantly increased since pre-pandemic due to cost discipline and actions to improve underperforming activities

3

Strong balance sheet enables capital allocation across high-return organic investments, acquisitions, and share repurchase

4

Continued growth, margin expansion and capital allocation expected to drive increased shareholder value





Closing comments

John M. Holmes

Chairman, President and Chief Executive Officer

Key takeaways

1

Fundamentally improved the business since pre-pandemic and added greater transparency

2

Large and growing markets

3

Multiple levers to take market share

4

Continued margin expansion opportunity

5

History of aerospace aftermarket resiliency to macroeconomic conditions

6

Strong balance sheet supports growth investments and/or capital return to shareholders



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Appendix

Non-GAAP financial measures

This presentation includes financial results for the Company with respect to adjusted diluted earnings per share from continuing operations, adjusted sales, adjusted EBITDA, adjusted operating income and net debt, which are “non-GAAP financial measures” as defined in Regulation G of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We believe these non-GAAP financial measures are relevant and useful for investors as they illustrate our actual operating performance unaffected by the impact of certain items. When reviewed in conjunction with our GAAP results and the accompanying reconciliations, we believe these non-GAAP financial measures provide additional information that is useful to gain an understanding of the factors and trends affecting our business and provide a means by which to compare our operating performance against that of other companies in the industries we compete. These non-GAAP measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. Adjusted EBITDA is income from continuing operations before interest income (expense), other income (expense), income taxes, depreciation and amortization, stock-based compensation and other items of an unusual nature including but not limited to business divestitures, workforce actions, subsidies and costs, impairment and exit charges, facility consolidation and repositioning costs, investigation and remediation compliance costs, significant income tax adjustments, gains on asset sales, purchase accounting and legal settlements, strategic project costs and significant customer events such as early terminations, contract restructurings, forward loss provisions, bankruptcies and credit charges. Adjusted operating income is adjusted EBITDA gross of depreciation and amortization and stock-based compensation. Pursuant to the requirements of Regulation G of the Exchange Act, we provide tables that reconcile the above-mentioned non-GAAP financial measures to the most directly comparable GAAP financial measures in the Appendix at the end of this presentation.

The Company is not providing a reconciliation of forward-looking adjusted operating margin, net leverage ratio and annual adjusted EPS growth to the most directly comparable forward-looking GAAP measure because the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of certain items, such as, but not limited to, unusual gains and losses, the ultimate outcome of pending litigation, the impact and timing of potential acquisitions and divestitures, and other structural changes or their probable significance. Each of the adjustments has not occurred, are out of the Company's control and/or cannot be reasonably predicted. For this reason, the Company is unable to address the probable significance of the unavailable information.

Non-GAAP financial measures

Adjusted sales, adjusted operating income and adjusted operating margin

(\$ in millions)

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23
Sales	\$541.5	\$560.9	\$553.1	\$416.5	\$400.8	\$403.6	\$410.3	\$437.6	\$455.1	\$436.6	\$452.2	\$476.1	\$446.3	\$469.8	\$521.1	\$553.3
Contract termination/restructuring & loss provision, net	-	-	9.8	7.5	1.9	(2.3)	1.5	(2.4)	1.0	(2.5)	(0.2)	(1.2)	0.1	-	-	-
Customer bankruptcy charge	-	-	-	-	-	0.4	-	-	-	-	-	-	-	-	-	-
Adjusted sales	\$541.5	\$560.9	\$562.9	\$424.0	\$402.7	\$401.7	\$411.8	\$435.2	\$456.1	\$434.1	\$452.0	\$474.9	\$446.4	\$469.8	\$521.1	\$553.3
Operating income	\$22.8	\$28.1	\$5.3	(\$14.9)	\$3.2	\$21.6	\$39.7	\$20.7	\$15.1	\$30.1	\$30.3	\$31.4	\$31.2	\$32.4	\$34.0	\$36.3
Investigation and remediation costs	3.1	2.4	2.7	1.8	1.3	2.8	0.3	-	0.2	0.8	1.6	1.1	0.8	1.1	1.2	1.6
Trax acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.9	5.1
Customer bankruptcy and credit charges	-	-	-	1.6	0.2	1.3	1.0	2.4	-	1.0	-	-	-	(0.3)	1.8	-
Government subsidies	-	-	-	(2.8)	(11.1)	(18.7)	(24.6)	(1.8)	(0.3)	(2.5)	(1.0)	(1.1)	(0.7)	-	(0.9)	-
Facility consolidation and repositioning costs	-	-	-	4.9	2.0	0.4	-	2.1	0.1	0.1	-	-	-	-	-	-
Russian bankruptcy court clawback judgement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.8	-
Contract termination/restructuring & loss provision, net	-	-	24.7	6.6	2.2	4.5	4.0	(1.4)	6.7	(4.4)	(1.1)	(0.3)	(0.3)	2.3	-	-
Asset impairment and exit charges	-	-	-	11.0	5.8	1.2	-	-	2.3	0.6	0.5	0.1	-	-	-	-
Severance and furlough costs	0.7	0.9	0.5	5.0	6.0	2.2	0.1	0.7	0.9	0.8	0.2	0.1	0.1	-	-	-
Costs related to strategic projects	-	-	-	0.4	0.3	0.7	-	-	-	-	-	1.8	(0.2)	-	-	-
Adjusted operating income	\$26.6	\$31.4	\$33.2	\$13.6	\$9.9	\$16.0	\$20.5	\$22.7	\$25.0	\$26.5	\$30.5	\$33.1	\$30.9	\$35.5	\$39.8	\$43.0
Adjusted operating margin	4.9%	5.6%	5.9%	3.2%	2.5%	4.0%	5.0%	5.2%	5.5%	6.1%	6.7%	7.0%	6.9%	7.6%	7.6%	7.8%

Non-GAAP financial measures

Adjusted diluted earnings per share from continuing operations

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23
Diluted earnings (loss) per share from continuing operations	\$1.51	\$2.11	\$2.40	\$0.71	\$1.30	\$2.16	\$2.52	\$0.49	\$0.57	\$0.07	(\$0.43)	(\$0.40)	\$0.41	\$0.87	\$0.41	\$0.31	\$0.58	\$0.63	\$0.66	\$0.62	\$0.64	\$0.62	\$0.66
Deferred tax re-measurement from the Tax Cuts and Jobs Act	-	(\$0.41)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investigation and remediation costs	-	-	0.08	0.22	0.10	0.07	0.13	0.07	0.05	0.06	0.04	0.03	0.06	0.01	-	0.01	0.01	0.03	0.02	0.02	0.03	0.04	0.04
(Gain) loss on sale/exit of business/asset	(0.08)	-	-	-	0.44	0.04	0.02	-	-	-	-	0.42	-	-	0.02	-	0.03	-	0.01	-	-	0.01	0.01
Trax acquisition and amortization expenses	-	-	-	-	-	-	0.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	0.15
Contract termination/restructuring & loss provision, net	-	0.14	-	0.68	0.20	0.02	0.04	-	-	0.53	0.15	0.05	0.10	0.08	(0.03)	0.14	(0.09)	(0.02)	(0.01)	(0.01)	0.05	-	-
Customer bankruptcy and credit charges (recoveries)	-	-	0.27	0.04	0.10	0.02	0.04	-	-	-	0.04	-	0.04	0.02	0.05	-	0.02	-	-	-	(0.01)	0.05	-
Loss (gain) on equity investments	-	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.02)	-	0.03
Asset impairment charges	-	-	-	0.25	0.15	0.07	-	-	-	-	0.25	0.13	0.02	-	-	0.05	0.01	0.01	-	-	-	-	-
Government subsidies	-	-	-	(0.06)	(1.22)	(0.10)	(0.05)	-	-	-	(0.06)	(0.24)	(0.41)	(0.53)	(0.04)	(0.01)	(0.05)	(0.02)	(0.02)	(0.02)	-	(0.03)	-
State income tax benefit	-	(0.06)	(0.15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of previously reserved income tax benefits	-	-	(0.19)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Russian bankruptcy court clawback judgement	-	-	-	-	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05	-
Facility consolidation and repositioning costs	-	-	0.02	0.11	0.09	0.01	-	-	-	-	0.11	0.04	0.01	-	0.04	-	0.01	-	-	-	-	-	-
Severance, furlough & pension settlement costs	0.02	0.09	0.01	0.19	0.22	0.07	-	0.01	0.02	0.01	0.15	0.13	0.07	0.01	0.02	0.02	0.01	0.02	0.02	-	-	-	-
Gain on settlement of purchase accounting liabilities	-	-	-	-	-	(0.02)	-	-	-	-	-	-	-	-	-	-	-	(0.02)	-	-	-	-	-
Gain on legal settlement	-	-	-	-	(0.09)	-	-	-	-	-	-	-	-	(0.09)	-	-	-	-	-	-	-	-	-
Costs related to strategic projects	-	-	-	0.01	0.02	0.04	-	-	-	-	0.01	0.01	0.01	-	-	-	-	-	0.04	-	-	-	-
Tax effect on adjustments ^(a)	-	-	-	-	-	-	(0.11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.05)	(0.06)
Adjusted diluted EPS from continuing operations	\$1.45	\$1.87	\$2.44	\$2.15	\$1.31	\$2.38	\$2.86	\$0.57	\$0.64	\$0.67	\$0.26	\$0.17	\$0.31	\$0.37	\$0.47	\$0.52	\$0.53	\$0.63	\$0.72	\$0.61	\$0.69	\$0.75	\$0.83

^(a) Calculation uses estimated statutory tax rates on non-GAAP adjustments; began reporting tax effects separately in Q3 FY23

Non-GAAP financial measures

Adjusted EBITDA

(\$ in millions)

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	12 Months Ended																											
								Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22
Net income (loss)	\$56.5	\$15.6	\$7.5	\$4.4	\$35.8	\$78.7	\$90.2	\$4.4	\$14.2	\$2.3	(\$16.5)	(\$14.5)	\$8.2	\$28.1	\$14.0	\$11.5	\$20.8	\$22.5	\$23.9	\$22.7	\$22.5	\$21.8	\$23.2	(\$3.2)	\$4.0	\$43.7	(\$14.5)	(\$20.5)	\$5.3	\$61.8	\$74.4	\$68.8	\$89.9	\$91.6	\$90.9
(Income) loss from discontinued operations	(4.5)	58.1	76.6	20.4	10.5	(0.2)	(0.4)	12.7	5.9	0.3	1.5	0.6	6.2	3.0	0.7	(0.3)	-	0.1	-	(0.4)	-	-	-	85.5	87.2	22.7	8.3	8.6	11.3	9.6	3.4	0.5	(0.3)	(0.3)	(0.4)
Income tax expense (benefit)	25.1	3.5	4.9	5.6	18.2	26.6	31.4	3.4	6.0	0.2	(4.0)	(3.8)	5.2	12.0	4.8	3.9	7.9	8.2	6.6	8.1	8.3	8.0	7.0	6.0	9.0	9.8	(1.6)	(2.4)	9.4	25.9	28.6	24.8	30.8	31.2	31.0
Other (income) expense, net	-	0.9	0.8	2.1	(4.3)	(2.2)	0.8	0.2	0.2	0.2	1.5	(0.2)	0.7	(4.4)	(0.4)	(0.7)	(0.3)	(1.1)	(0.1)	(0.2)	(0.5)	0.3	1.2	1.4	1.4	1.0	1.7	2.2	(2.4)	(4.8)	(5.8)	(2.5)	(1.7)	(1.9)	(0.5)
Interest expense, net	5.2	7.9	8.5	8.8	4.8	2.3	11.2	2.1	1.8	2.3	2.6	1.6	1.3	1.0	0.9	0.7	0.4	0.6	0.6	1.0	2.0	3.5	4.7	9.0	8.4	8.3	8.3	7.8	6.5	3.9	3.0	2.6	2.6	4.2	7.1
Depreciation and intangible amortization	35.7	40.5	42.8	43.7	36.3	33.1	27.9	10.8	11.0	11.0	10.9	9.0	9.2	8.9	9.2	8.9	8.9	7.7	7.6	6.8	6.5	6.9	7.7	43.5	44.1	44.3	41.9	40.1	38.0	36.2	35.9	34.7	31.0	28.6	27.8
Investigation and remediation costs	-	-	3.5	10.1	4.4	3.7	4.7	3.1	2.4	2.7	1.8	1.3	2.8	0.3	-	0.2	0.8	1.6	1.1	0.8	1.1	1.2	1.6	6.6	8.8	10.5	8.3	8.7	6.2	3.3	1.3	2.6	4.3	4.6	4.2
Losses related to sale and exit of business	(2.6)	-	-	-	20.2	1.7	0.7	-	-	-	-	19.5	-	-	0.7	-	1.3	-	0.4	-	0.1	0.4	0.2	-	-	-	19.5	19.5	19.5	0.7	2.0	2.0	1.7	0.5	0.9
Trax acquisition and amortization expenses	-	-	-	-	-	-	7.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.9	5.1	-	-	-	-	-	-	-	-	-	-	-	1.9
Asset impairment and exit charges	-	-	-	11.0	7.0	3.5	-	-	-	-	11.0	5.8	1.2	-	-	2.3	0.6	0.5	0.1	-	-	-	-	-	-	-	16.8	18.0	18.0	3.5	2.9	3.4	1.2	0.6	0.1
Contract termination/restructuring & loss provision, net	-	7.1	-	31.3	9.3	0.9	2.0	-	-	24.7	6.6	2.2	4.5	4.0	(1.4)	6.7	(4.4)	(1.1)	(0.3)	(0.3)	2.3	-	-	-	-	24.7	33.5	38.0	17.3	13.8	4.9	(0.2)	(6.1)	0.6	1.7
Facility consolidation and repositioning costs	-	-	0.9	4.9	4.5	0.2	-	-	-	-	4.9	2.0	0.4	-	2.1	0.1	0.1	-	-	-	-	-	-	0.9	0.9	0.9	6.9	7.3	7.3	2.6	2.3	2.3	0.1	-	-
Severance and furlough costs	0.8	4.5	0.2	7.1	9.0	2.0	0.1	0.7	0.9	0.5	5.0	6.0	2.2	0.1	0.7	0.9	0.8	0.2	0.1	0.1	-	-	-	1.0	1.9	2.2	12.4	13.7	13.3	3.9	2.5	2.6	1.2	0.4	0.2
Customer bankruptcy and credit charges	-	-	12.4	1.6	4.9	1.0	1.5	-	-	-	1.6	0.2	1.3	1.0	2.4	-	1.0	-	-	-	(0.3)	1.8	-	12.4	-	-	1.8	3.1	4.1	4.7	4.4	3.4	1.0	(0.3)	1.5
Government subsidies	-	-	-	(2.8)	(56.2)	(4.9)	(1.6)	-	-	-	(2.8)	(11.1)	(18.7)	(24.6)	(1.8)	(0.3)	(2.5)	(1.0)	(1.1)	(0.7)	-	(0.9)	-	-	-	-	(13.9)	(32.6)	(57.2)	(45.4)	(29.2)	(5.6)	(5.3)	(2.8)	(2.7)
Russian bankruptcy court clawback judgement	-	-	-	-	-	-	1.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.8	-	-	-	-	-	-	-	-	-	-	-	-	1.8
Costs related to strategic projects	-	-	-	0.4	1.0	1.8	(0.2)	-	-	-	0.4	0.3	0.7	-	-	-	-	-	1.8	(0.2)	-	-	-	-	-	-	0.7	1.4	1.4	0.7	-	-	1.6	1.6	1.6
Stock-based compensation	11.0	15.3	13.5	7.3	9.2	8.2	13.5	4.3	2.8	3.2	(3.0)	2.7	1.8	2.3	2.4	3.1	1.6	1.1	2.4	4.1	2.8	3.5	3.1	13.8	15.4	15.0	5.7	4.7	3.8	9.6	9.4	8.2	9.2	10.4	12.8
Adjusted EBITDA	\$127.2	\$153.4	\$171.6	\$155.9	\$114.6	\$156.4	\$190.6	\$41.7	\$45.2	\$47.4	\$21.5	\$21.6	\$27.0	\$31.7	\$34.3	\$37.0	\$37.0	\$39.3	\$43.1	\$41.8	\$44.8	\$50.2	\$53.8	\$176.9	\$181.1	\$183.1	\$135.8	\$117.6	\$101.8	\$130.0	\$140.0	\$147.6	\$161.2	\$169.0	\$179.9

Pro forma for Trax acquisition:

Trax adjusted EBITDA for the twelve months ended February 28, 2023

Adjusted EBITDA pro forma for Trax acquisition

\$8.6

\$188.5

Non-GAAP financial measures

Net debt / adjusted EBITDA

(\$ in millions)

	FY17	FY18	FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY24
Total debt	\$156.2	\$178.9	\$142.9	\$203.3	\$198.3	\$208.1	\$602.0	\$257.0	\$222.1	\$207.6	\$135.2	\$129.0	\$104.5	\$104.5	\$100.0	\$115.0	\$198.0	\$188.0	\$272.0
Less: cash and cash equivalents	(10.3)	(31.1)	(21.3)	(39.9)	(38.2)	(37.0)	(404.7)	(107.7)	(110.0)	(99.2)	(51.8)	(48.8)	(42.7)	(40.6)	(53.5)	(44.3)	(49.0)	(52.7)	(68.4)
Net debt	\$145.9	\$147.8	\$121.6	\$163.4	\$160.1	\$171.1	\$197.3	\$149.3	\$112.1	\$108.4	\$83.4	\$80.2	\$61.8	\$63.9	\$46.5	\$70.7	\$149.0	\$135.3	\$203.6
Trax acquisition purchase price	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	120.0	-
Pro forma net debt	\$145.9	\$147.8	\$121.6	\$163.4	\$160.1	\$171.1	\$197.3	\$149.3	\$112.1	\$108.4	\$83.4	\$80.2	\$61.8	\$63.9	\$46.5	\$70.7	\$149.0	\$255.3	\$203.6
Adjusted EBITDA	127.2	153.4	171.6	176.9	181.1	183.1	155.9	135.8	117.6	101.8	114.6	130.0	140.0	147.6	156.4	161.2	169.0	179.9	190.6
Net debt to Adjusted EBITDA	1.1x	1.0x	0.7x	0.9x	0.9x	0.9x	1.3x	1.1x	1.0x	1.1x	0.7x	0.6x	0.4x	0.4x	0.3x	0.4x	0.9x	0.8x	1.1x

Adjusted EBITDA pro forma for Trax acquisition

188.5

Pro forma net debt to Adjusted EBITDA

1.35x

Non-GAAP financial measures

FY23 segment adjusted sales, adjusted operating income and adjusted operating margin

(\$ in millions)

	Aviation Expeditionary Corporate/				Repair &		Integrated	Expeditionary Corporate/		Total
	Services	Services	Other	Total	Parts Supply	Engineering	Solutions	Services	Other	
Sales	\$1,898.8	\$91.8	\$0.0	\$1,990.5	\$818.4	\$533.4	\$546.9	\$91.8	\$0.0	\$1,990.5
Contract termination/restructuring & loss provision, net	0.1	-	-	0.1	-	-	0.1	-	-	0.1
Adjusted sales	\$1,898.9	\$91.8	\$0.0	\$1,990.6	\$818.4	\$533.4	\$547.0	\$91.8	\$0.0	\$1,990.6
Operating income	\$159.4	\$7.7	(\$33.3)	\$133.9	\$93.7	\$35.3	\$30.5	\$7.7	(\$33.3)	\$133.9
Investigation and remediation costs	-	-	4.7	4.7	-	-	-	-	4.7	4.7
Trax acquisition costs	2.0	-	4.9	7.0	-	-	2.0	-	4.9	7.0
Customer bankruptcy and credit charges	1.5	-	-	1.5	-	-	1.5	-	-	1.5
Government subsidies	(1.6)	-	-	(1.6)	-	(1.6)	-	-	-	(1.6)
Russian bankruptcy court clawback judgement	1.8	-	-	1.8	1.8	-	-	-	-	1.8
Contract termination/restructuring & loss provision, net	2.0	-	-	2.0	-	-	2.0	-	-	2.0
Severance and furlough costs	0.0	-	0.1	0.1	-	0.0	-	-	0.1	0.1
Costs related to strategic projects	-	-	(0.2)	(0.2)	-	-	-	-	(0.2)	(0.2)
Adjusted operating income	\$165.2	\$7.7	(\$23.7)	\$149.2	\$95.5	\$33.7	\$36.0	\$7.7	(\$23.7)	\$149.2
Adjusted operating margin	8.7%	8.4%		7.5%	11.7%	6.3%	6.6%	8.4%		7.5%