Forward-Looking Statements

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. Forward-looking statements 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 beliefs of Company management, as well as assumptions and estimates based on information currently available to the Company, and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated, including those factors discussed under Item 1A, entitled “Risk Factors”, included in the Company’s Form 10-K for the fiscal year ended May 31, 2020. Should one or more of these risks or uncertainties materialize adversely, or should underlying assumptions or estimates prove incorrect, actual results may vary materially from those described. These events and uncertainties are difficult or impossible to predict accurately and many are beyond the Company’s control. The Company assumes 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. For additional information, see the comments included in AAR’s filings with the Securities and Exchange Commission.
Leading Independent Provider of Aviation Aftermarket Services

- **NYSE: AIR**
- $2B revenue for FY20
- **65 years** as a market leader in aviation support
- Operations in over 20 countries
- Close-to-the-customer business model

1955 | 2020
65 YEARS STRONG

Forbes
AMERICA'S BEST MIDSIZE EMPLOYERS 2019
Our Values

QUALITY FIRST. SAFETY ALWAYS.

FIND A WAY. EVERY DAY.

DO IT FAST. DO IT WELL.

BE HONEST. INSPIRE TRUST.

OWN IT.

MAKE MONEY. HAVE FUN.

IDEAS MATTER. THINK NEW. THINK AHEAD.

WORK AS ONE. BE INCLUSIVE.
Our Solutions

Aviation Services

Parts Supply
- Distribute used serviceable and OEM factory-new parts
- Provide engine solutions, management and exchange
- Aircraft sales and leasing
- Online PAARTSTM Store

Repair & Engineering
- Airframe MRO
- Component repair
- Landing gear
- Wheels and brakes
- Engineering services

Integrated Solutions
- Flight hour-based component support
- Contractor logistics support (CLS)
- Performance-based logistics (PBL)

Expeditionary Services

Manufacturing
- Composites: structures and interiors
- Mobility Systems: shelters, containers, pallets

62% Commercial and 38% Government in FY20
## COVID-19 Perspective

<table>
<thead>
<tr>
<th>Actions Taken</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Consolidated footprint to optimize cost base and preferred customer support</td>
<td>• Use market dislocation and relative strength to take share</td>
</tr>
<tr>
<td>• Exited underperforming product lines and contracts</td>
<td>• Capture unique near-term used serviceable material supply</td>
</tr>
<tr>
<td>• Reduced headcount</td>
<td>• Create digital transformation separation</td>
</tr>
<tr>
<td>• Eliminated non-essential spend</td>
<td>• Accelerate addition of differentiated capability</td>
</tr>
<tr>
<td>• Emphasizing cargo end-markets</td>
<td>• Leverage new cost structure to drive margins</td>
</tr>
</tbody>
</table>

Over $50M of Annualized Indirect and SG&A Eliminated; Opportunity to Emerge Even Stronger
## Corporate Strategy

Be the Leading Independent Aviation Services Provider Globally

<table>
<thead>
<tr>
<th>$0 to $2B</th>
<th>Strategic Growth Imperatives</th>
<th>$2B+</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Entrepreneurial</td>
<td>Drive connected businesses that reinforce collective growth prospects</td>
<td>✓ Fewer, more integrated businesses</td>
</tr>
<tr>
<td>✓ Nimble</td>
<td>Expand margins through differentiated capabilities / intellectual property</td>
<td>✓ Intellectual property</td>
</tr>
<tr>
<td>✓ Portfolio</td>
<td>Leverage data and digital solutions to improve offerings and efficiency</td>
<td>✓ Scale, global</td>
</tr>
<tr>
<td></td>
<td>Utilize independence to offer OEM/airline alternative</td>
<td>✓ Entrepreneurial culture</td>
</tr>
<tr>
<td></td>
<td>Increase international presence</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attract, empower and deploy exceptional, entrepreneurial talent</td>
<td></td>
</tr>
</tbody>
</table>

### Environment Presents Opportunity to Accelerate Execution of Our Strategy

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Connected Businesses Approach

**Integrated Solutions**
- Strategic relationships with airlines, MROs, OEMs, and repair vendors
- Fuel parts supply business
- Fund component repair capability development
- Long-term contracts / predictable revenue

**Parts Supply: OEM and Used Material**
- Transactional data collection
- Exclusive relationships with OEMs and customers
- Inventory pooling with programs

**Repair & Engineering**
- Strategic relationships with airlines
- Technical repair knowledge and data collection
- Develop parts for internal and external consumption

Unique Value Proposition Remains Intact
Global Reach and Expertise

North America
HQ & warehouse near O’Hare; airframe MRO network; component and landing gear repair; manufacturing services

UK
Regional sales; Airinmar® component repair management; Integrated Solutions offices

Europe
Component repair in Amsterdam; warehouse network; sales office in Paris

Middle East
Warehouse and sales support in Dubai for EMEA; Integrated Solutions operations

Japan
Regional sales support office

China
Sales support in Shanghai

Singapore
Regional sales office; warehouse network; engineering services

Australasia
Flight-hour support for Air New Zealand in Auckland and sales support based in Melbourne

Central & South America
Sales office supporting customers in Latin America; Integrated Solutions operations

Over 60 locations around the world
## Highly Diversified Customer Base with Longstanding Relationships

<table>
<thead>
<tr>
<th>Customer Type</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Airlines</strong></td>
<td>AIR CANADA, Alaska, American Airlines, CHINA EASTERN, CHINA SOUTHERN, DELTA, IBERIA, JAL, jet2.com, KOREAN AIR, Lufthansa, Southwest, UNITED</td>
</tr>
<tr>
<td><strong>Cargo Airlines</strong></td>
<td>ATSG, EAT, DHL, FedEx, UPS</td>
</tr>
<tr>
<td><strong>Regional Airlines</strong></td>
<td>Air Wisconsin, CommutAir, DDA, Mesa Airlines, SkyWest</td>
</tr>
<tr>
<td><strong>Government</strong></td>
<td>International Narcotics &amp; Law Enforcement, United Kingdom Ministry of Defense, United States Air Force, United States Navy, United States Army, Japanese Ministry of Defense, Royal Netherlands Air Force</td>
</tr>
</tbody>
</table>

20+ Year Relationship with Each of Our Top 10 Commercial Customers
Selected Digital Offerings

**PAARTS™ Store**
- E-commerce portal
- >1 million parts available online
- Factory-new parts from >30 OEMs
- Overhauled, serviceable and repairable parts
- Immediate purchase and checkout

**AIRvolution™**
- Parts repair management software
- Cloud-based solution for aircraft component repair management
- Maximizes repair cycle efficiencies and reduces operational costs
- Integrates with existing systems

**AARIVE®**
- Self-service portal
- Online self-service tool for flight-hour component support customers
- Access to pool parts, required paperwork ahead of part shipment and tracking of orders in real time

~$35M of Sales from Digital Initiatives
## Financial Performance

### Revenue ($M)

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,591</td>
<td>$1,748</td>
<td>$2,052</td>
<td>$2,072</td>
</tr>
</tbody>
</table>

### Adjusted EBITDA ($M) and Margin

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>$127</td>
<td>$153</td>
<td>$172</td>
<td>$156</td>
</tr>
<tr>
<td>Margin</td>
<td>8.0%</td>
<td>8.8%</td>
<td>8.4%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

### Adjusted Diluted EPS from Continuing Operations

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Diluted EPS</td>
<td>$1.45</td>
<td>$1.87</td>
<td>$2.44</td>
<td>$2.15</td>
</tr>
</tbody>
</table>

### Net Debt / Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Debt / Adjusted EBITDA</td>
<td>1.1x</td>
<td>1.0x</td>
<td>0.7x</td>
<td>1.3x</td>
</tr>
</tbody>
</table>

Figures reflect fiscal years ended May 31; see Appendix for reconciliations of non-GAAP measures.

Record Performance Through First Three Quarters of FY20; Q4 Impacted by COVID
Adjusted diluted earnings per share from continuing operations, adjusted EBITDA and net debt 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 workforce actions and costs, impairment charges, facility consolidation and repositioning costs, investigation and remediation compliance costs, significant income tax adjustments, gains on asset sales and significant customer events such as early terminations, contract restructurings, and bankruptcies.

Pursuant to the requirements of Regulation G of the Exchange Act, we are providing the following tables that reconcile the above mentioned non-GAAP financial measures to the most directly comparable GAAP financial measures.
## Non-GAAP Financial Measures

### Adjusted EBITDA

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$56.5</td>
<td>$15.6</td>
<td>$7.5</td>
<td>$4.4</td>
</tr>
<tr>
<td>(Income) loss from discontinued operations</td>
<td>(4.5)</td>
<td>58.1</td>
<td>76.6</td>
<td>20.4</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>25.1</td>
<td>3.5</td>
<td>4.9</td>
<td>5.6</td>
</tr>
<tr>
<td>Other expense, net</td>
<td>-</td>
<td>0.9</td>
<td>0.8</td>
<td>2.1</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>5.2</td>
<td>7.9</td>
<td>8.5</td>
<td>8.8</td>
</tr>
<tr>
<td>Depreciation and intangible amortization</td>
<td>35.7</td>
<td>40.5</td>
<td>42.8</td>
<td>43.7</td>
</tr>
<tr>
<td>Investigation and remediation compliance costs</td>
<td>-</td>
<td>-</td>
<td>3.5</td>
<td>10.1</td>
</tr>
<tr>
<td>Customer contract termination and restructuring costs</td>
<td>-</td>
<td>7.1</td>
<td>-</td>
<td>31.3</td>
</tr>
<tr>
<td>Impairment charges related to exited product lines</td>
<td>-</td>
<td>-</td>
<td>7.1</td>
<td>11.0</td>
</tr>
<tr>
<td>Facility consolidation and repositioning costs</td>
<td>-</td>
<td>-</td>
<td>0.9</td>
<td>4.9</td>
</tr>
<tr>
<td>Severance and furlough costs</td>
<td>0.8</td>
<td>4.5</td>
<td>0.2</td>
<td>7.1</td>
</tr>
<tr>
<td>Customer bankruptcy charges</td>
<td>-</td>
<td>-</td>
<td>12.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Government workforce subsidies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2.8)</td>
</tr>
<tr>
<td>Strategic financing evaluation costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.4</td>
</tr>
<tr>
<td>Gain on asset disposal</td>
<td>(2.6)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>11.0</td>
<td>15.3</td>
<td>13.5</td>
<td>7.3</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>$127.2</strong></td>
<td><strong>$153.4</strong></td>
<td><strong>$171.6</strong></td>
<td><strong>$155.9</strong></td>
</tr>
</tbody>
</table>
## Non-GAAP Financial Measures

### Adjusted Diluted EPS From Continuing Operations

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted earnings per share from continuing operations</td>
<td>$1.51</td>
<td>$2.11</td>
<td>$2.40</td>
<td>$0.71</td>
</tr>
<tr>
<td>Deferred tax re-measurement from the Tax Cuts and Jobs Act</td>
<td>-</td>
<td>(0.41)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investigation and remediation compliance costs, net of tax</td>
<td>-</td>
<td>-</td>
<td>0.08</td>
<td>0.22</td>
</tr>
<tr>
<td>Customer contract termination and restructuring costs, net of tax</td>
<td>-</td>
<td>0.14</td>
<td>-</td>
<td>0.68</td>
</tr>
<tr>
<td>Impairment charges related to exited product lines, net of tax</td>
<td>-</td>
<td>-</td>
<td>0.08</td>
<td>0.22</td>
</tr>
<tr>
<td>Facility consolidation and repositioning costs, net of tax</td>
<td>-</td>
<td>-</td>
<td>0.02</td>
<td>0.11</td>
</tr>
<tr>
<td>Severance, furlough and pension settlement charges, net of tax</td>
<td>0.02</td>
<td>0.09</td>
<td>0.01</td>
<td>0.19</td>
</tr>
<tr>
<td>Customer bankruptcy charges, net of tax</td>
<td>-</td>
<td>-</td>
<td>0.27</td>
<td>-</td>
</tr>
<tr>
<td>Government workforce subsidies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.06)</td>
</tr>
<tr>
<td>State income tax benefit</td>
<td>-</td>
<td>(0.06)</td>
<td>(0.15)</td>
<td>-</td>
</tr>
<tr>
<td>Recognition of previously reserved income tax benefits</td>
<td>-</td>
<td>-</td>
<td>(0.19)</td>
<td>-</td>
</tr>
<tr>
<td>Strategic financing evaluation costs, net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.01</td>
</tr>
<tr>
<td>Gain on asset disposal, net of tax</td>
<td>(0.08)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted diluted earnings per share from continuing operations</strong></td>
<td><strong>$1.45</strong></td>
<td><strong>$1.87</strong></td>
<td><strong>$2.44</strong></td>
<td><strong>$2.15</strong></td>
</tr>
</tbody>
</table>
## Non-GAAP Financial Measures

### Net Debt / Adjusted EBITDA

($ in millions)  

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total debt</td>
<td>$156.2</td>
<td>$178.9</td>
<td>$142.9</td>
<td>$602.0</td>
</tr>
<tr>
<td>Less: cash and cash equivalents</td>
<td>(10.3)</td>
<td>(31.1)</td>
<td>(21.3)</td>
<td>(404.7)</td>
</tr>
<tr>
<td>Net debt</td>
<td>$145.9</td>
<td>$147.8</td>
<td>$121.6</td>
<td>$197.3</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>127.2</td>
<td>153.4</td>
<td>171.6</td>
<td>155.9</td>
</tr>
<tr>
<td>Net debt to Adjusted EBITDA</td>
<td>1.1x</td>
<td>1.0x</td>
<td>0.7x</td>
<td>1.3x</td>
</tr>
</tbody>
</table>