Forward-Looking Statements

This presentation includes 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. 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, 2017. 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.
Established Player Serving the Global Aviation Services Market

Leading provider of **Aviation Services** and **Expeditionary Services** to commercial and defense/government markets

- **NYSE: AIR**
- **$1.8B revenue stream**
- Over **60 years** as a market leader in aftermarket aviation support
- Over **4,800 employees** in over **20 countries**

**Close-to-the-customer** business model

[Forbes 2014 AMERICA'S MOST TRUSTWORTHY COMPANIES]
Key Investment Highlights

- Leadership positions in value-added services markets
- Long-term favorable aftermarket growth trends
- Diversified, global base of commercial and government customers
- Fortress balance sheet with substantial available liquidity
- Focus on cash flow generation and operational efficiencies
- September 2016 award of INL/A Department of State contract
  - Award upheld by GAO (protest resolved)
  - Incumbent suing US Government with decision expected October 31, 2017

Commitment to Strong Shareholder Returns
Company Overview

Aviation Services (~84% of sales)

Commercial 75% | Defense 25%

Supply Chain
~67% of segment

- Programs – PBH, Rotables, and C&E
- Distribution
- Trading

MRO
~33% of segment

- Aircraft maintenance and modifications
- Component repair
- Landing gear and wheels and brakes repair
- Engineering services

Expeditionary Services (~16% of sales)

Defense 80% | Commercial 20%

Airlift
~63% of segment

- Fixed and Rotary Wing in Austere Environments
- Flight Operations, Maintenance, Logistics for COCO and GOCO
- Search and Rescue

Mobility
~37% of segment

- Pallets, containers, shelter systems, and accessories
- Support services
- Special mission projects

Projected Increase in Sales and Earnings for FY2018
### Programs

**Comprehensive and innovative contracted solutions for supply chain management**
- Over 1,400 aircraft under long-term Power-by-the-Hour (PBH) support
- Inventory owned by customer or part of AAR pool
- Reduce maintenance spend; improve turn times

### OEM Parts Distribution

**Sales and marketing partner to extend OEM reach into the aftermarket**
- 10+ exclusive OEM relationships covering 50+ product lines
- 20,000+ line items available
- Stocking locations around the world
- Independent – No OEM or Airline affiliation

### Parts Trading

**Buying, selling, exchanging, and leasing overhauled airframe and engine parts**
- > 1 million parts stocked
- Aircraft and engine end-of-life solutions
- Inventory consignments
- Technical services including inspections and work scoping for repairs

### Industry Leading IT Solutions
Airframe Maintenance Facilities

Indianapolis  Miami  Oklahoma City

Duluth  Rockford

#1 MRO of the Americas

> 5 million Man hours

850 aircraft maintained, repaired or overhauled

Close to the Customer
## Expeditionary Services

<table>
<thead>
<tr>
<th><strong>Airlift</strong></th>
<th><strong>Mobility</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Rotary &amp; fixed wing flight operations</td>
<td>- <strong>Shelter systems</strong> – Transportable by air, land and sea and patented for rapid on- and off-loading</td>
</tr>
<tr>
<td>- Austere environments</td>
<td>- <strong>ISU containers</strong> – Customizable shipping and storage of equipment, spare parts, high value cargo</td>
</tr>
<tr>
<td>- Search &amp; rescue</td>
<td>- <strong>Expeditionary systems</strong> – Mobile power, water purification, maintenance &amp; calibration shops</td>
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<tr>
<td>- Personnel, cargo, combi, and external cargo capable</td>
<td>- <strong>Palletized systems</strong> – Custom pallets &amp; platforms for short-term storage and quick movement of cargo</td>
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<tr>
<td>- Day, night, &amp; all-weather operations</td>
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Reshaping Airlift in FY2018

• Transition from COCO (Contractor Owned, Contractor Operated) model to GOCO (Government Owned, Contractor Operated) model and focus on long-term contracts

• Build a more robust asset management platform for rotary-wing aircraft that complements our existing strength in fixed-wing assets

INL Decision Expected by October 31, 2017
AAR Global Presence

Over 60 Locations around the world

Customers in over 100 Countries

Strategically Located in Close Proximity to Key Customers
### Strong Industry Relationships (Representative List)

<table>
<thead>
<tr>
<th><strong>Airlines</strong></th>
<th><strong>Cargo Airlines</strong></th>
<th><strong>OEMs</strong></th>
<th><strong>Governments</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aeromexico</td>
<td>DHL</td>
<td>Airbus</td>
<td>Department of Defense</td>
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<tr>
<td>Air Canada</td>
<td>FedEx</td>
<td>Boeing</td>
<td>DOT</td>
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<tr>
<td>Alaska Airlines</td>
<td>UPS</td>
<td>Bombardier</td>
<td>FAA</td>
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<tr>
<td>Delta</td>
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<td>Lockheed Martin</td>
<td>NASA</td>
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<td>Southwest Airlines</td>
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<tr>
<td>United</td>
<td></td>
<td>Boeing</td>
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<td>British Airways</td>
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<tr>
<td>China Airlines</td>
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<td>Airbus</td>
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<tr>
<td>flybe</td>
<td></td>
<td>Boeing</td>
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<tr>
<td>Kenya Airways</td>
<td></td>
<td>Bombardier</td>
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<td>Lufthansa</td>
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<td>Boeing</td>
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<tr>
<td><strong>Regional Airlines</strong></td>
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<tr>
<td>Air Wisconsin</td>
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Navigated Through Five Major Industry Cycles

After Each Down Cycle, AAR Has Emerged as a Stronger Company
AAR Strong Financial Position

- Strong business fundamentals in Aviation Services
- INL/A award by Department of State
- Improved outlook for Expeditionary Services
- Strong balance sheet to support internal and external growth opportunities
Organic growth through investment in new programs and opportunities

Future growth through strategic acquisitions

Committed to returning capital to shareholders ($226M in dividends and share purchases since March 1, 2015)
FY2017 Highlights

• Revenues were $1,767.6M in FY17 compared to $1,698.9 in FY16, an increase of $68.7M or 4.0% over the prior year

• Gross Profit increased by $38.6M or 4.2% vs. prior year

• Diluted EPS from continuing operations was $1.45, exceeding last year by 32%

• Balance Sheet Remains Solid with $366M of Availability

• Significant contract awards include a 15-year $909 million landing gear contract with U.S. Air Force, $125M PBH award with South African Airways, and our first 777 long-term contract with Air New Zealand

31% YOY Increase in Income from Continuing Operations
## FY2017 Segment Results

### Aviation Services

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>Prior Year FY 2016</th>
<th>Variance</th>
<th>Better / (Worse)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>$1,485.4</td>
<td>$1,425.1</td>
<td>$60.3</td>
<td></td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>$246.2</td>
<td>$229.8</td>
<td>$16.4</td>
<td></td>
</tr>
<tr>
<td><strong>% Margin</strong></td>
<td><strong>16.6%</strong></td>
<td><strong>16.1%</strong></td>
<td><strong>0.5%</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Expeditionary Services

<table>
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<tr>
<td><strong>Sales</strong></td>
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<td>$273.8</td>
<td>$8.4</td>
<td></td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>$30.3</td>
<td>$8.1</td>
<td>$22.2</td>
<td></td>
</tr>
<tr>
<td><strong>% Margin</strong></td>
<td><strong>10.7%</strong></td>
<td><strong>2.9%</strong></td>
<td><strong>7.8%</strong></td>
<td></td>
</tr>
</tbody>
</table>
Key Financial Goals

- Organic sales growth of 5%-10%
- Earnings per share growth of 10%-12%
- SG&A as % of sales < 10%
- Year-over-year improvement in ROIC
- Working capital turnover of 3.5x – 4x
Recent announcements have resulted in positive share price performance.

AAR has outperformed its peer group and the S&P 500 over the last twelve months and fiscal year.