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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended August 31, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **1-6263**

AAR CORP.

(Exact name of registrant as specified in its charter)

Delaware	**36-2334820**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One AAR Place, 1100 N. Wood Dale Road **Wood Dale, Illinois** (Address of principal executive offices)	**60191** (Zip Code)

(630) 227-2000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	*Trading Symbol(s)*	*Name of Each Exchange on Which Registered*
Common Stock, $1.00 par value	**AIR**	**New York Stock Exchange** **NYSE Texas**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☐	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 31, 2026, there were 40,194,211 shares of the registrant's Common Stock, $1.00 par value per share, outstanding.

AAR CORP. and Subsidiaries
Quarterly Report on Form 10-Q
For the Quarter Ended August 31, 2026
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PART I – FINANCIAL INFORMATION

Item 1 – Financial Statements

AAR CORP. and Subsidiaries
Condensed Consolidated Balance Sheets
As of August 31, 2026 and May 31, 2026
(In millions, except share data)

ASSETS

	August 31, 2026 (Unaudited)	May 31, 2026
Current assets:		
Cash and cash equivalents	$ 104.5	$ 84.0
Restricted cash	8.6	23.8
Accounts receivable, less allowances of $14.3 and $14.2, respectively	436.4	386.8
Contract assets	147.3	148.4
Inventories	1,008.9	979.0
Prepaid expenses and other current assets	134.1	120.1
Total current assets	1,839.8	1,742.1
Property, plant, and equipment, net of accumulated depreciation of $247.8 and $242.2, respectively	172.3	166.9
Other assets:		
Goodwill	564.8	580.3
Intangible assets, net of accumulated amortization of $61.4 and $53.7, respectively	287.9	281.6
Operating lease right-of-use assets, net	205.3	210.8
Rotable assets, net	150.4	180.3
Other non-current assets	206.4	193.9
	1,414.8	1,446.9
	$ 3,426.9	$ 3,355.9

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

AAR CORP. and Subsidiaries
Condensed Consolidated Balance Sheets
As of August 31, 2026 and May 31, 2026
(In millions, except share data)

LIABILITIES AND EQUITY

	August 31, 2026 (Unaudited)	May 31, 2026
Current liabilities:		
Accounts payable	$ 337.9	$ 295.6
Deferred revenue	40.8	50.3
Accrued liabilities	272.0	267.3
Total current liabilities	650.7	613.2
Long-term debt	879.6	893.9
Operating lease liabilities	98.8	101.1
Deferred tax liabilities	22.5	23.1
Other liabilities	32.9	20.8
	1,033.8	1,038.9
Equity:		
Preferred stock, $1.00 par value, authorized 250,000 shares; none issued	—	—
Common stock, $1.00 par value, authorized 100,000,000 shares; issued 48,750,786 shares at cost	48.8	48.8
Capital surplus	785.6	789.7
Retained earnings	1,197.2	1,157.1
Treasury stock, 8,556,575 and 8,871,272 shares at cost, respectively	(286.0)	(287.9)
Accumulated other comprehensive loss	(3.2)	(3.9)
Total equity	1,742.4	1,703.8
	$3,426.9	$3,355.9

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

AAR CORP. and Subsidiaries
Condensed Consolidated Statements of Income
For the Three Months Ended August 31, 2026 and 2025
(Unaudited)
(In millions, except share data)

	Three Months Ended August 31,	
	2026	2025
Sales:		
Sales from products	$ 603.7	$ 487.8
Sales from services	314.3	251.8
	918.0	739.6
Cost of sales:		
Cost of products	486.0	400.7
Cost of services	255.7	205.2
	741.7	605.9
Gross profit	176.3	133.7
Selling, general, and administrative	107.0	71.8
Earnings from joint ventures	2.8	3.0
Operating income	72.1	64.9
Gains related to sale and exit of businesses, net	—	0.7
Other expense, net	(0.5)	(0.1)
Interest expense	(16.6)	(18.8)
Interest income	0.4	0.3
Income before income taxes	55.4	47.0
Income tax expense	15.3	12.6
Net income	$ 40.1	$ 34.4
Earnings per share – basic	$ 1.01	$ 0.96
Earnings per share – diluted	$ 1.00	$ 0.95
Share data used for earnings per share:		
Weighted average shares outstanding – basic	39.6	35.7
Weighted average shares outstanding – diluted	39.9	35.9

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

AAR CORP. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income
For the Three Months Ended August 31, 2026 and 2025
(Unaudited)
(In millions)

	Three Months Ended August 31,	
	2026	2025
Net income	$ 40.1	$ 34.4
Other comprehensive income, net of tax:		
Currency translation adjustments	0.7	0.4
Other comprehensive income, net of tax	0.7	0.4
Comprehensive income	$ 40.8	$ 34.8

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

AAR CORP. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
For the Three Months Ended August 31, 2026 and 2025
(Unaudited)
(In millions)

	Three Months Ended August 31,	
	2026	2025
Cash flows provided by (used in) operating activities:		
Net income	$ 40.1	$ 34.4
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	18.8	13.8
Amortization of financing costs	0.8	0.7
Stock-based compensation expense	7.8	5.3
Earnings from joint ventures	(2.8)	(3.0)
Gain related to sale and exit of business	—	(1.0)
Changes in certain assets and liabilities:		
Accounts receivable	(50.5)	(8.5)
Contract assets	13.3	(6.4)
Inventories	(41.1)	(51.8)
Prepaid expenses and other current assets	(15.4)	3.5
Rotable assets	27.5	(3.5)
Accounts payable	42.1	10.0
Accrued and other liabilities	(1.3)	(26.7)
Other	16.5	(11.7)
Net cash provided by (used in) operating activities	55.8	(44.9)
Cash flows used in investing activities:		
Property, plant, and equipment expenditures	(11.8)	(8.7)
Acquisitions, net of cash acquired	(6.2)	(11.9)
Hangar expansion activity, net	(0.5)	(4.2)
Investment	(7.5)	—
Other	0.4	1.0
Net cash used in investing activities	(25.6)	(23.8)
Cash flows provided by (used in) financing activities:		
Short-term borrowings (repayments), net	(15.0)	(97.0)
Proceeds from long-term borrowings	—	153.0
Financing costs	—	(2.5)
Stock compensation activity	(9.9)	(2.4)
Net cash provided by (used in) financing activities	(24.9)	51.1
Increase (Decrease) in cash, cash equivalents, and restricted cash	5.3	(17.6)
Cash, cash equivalents, and restricted cash at beginning of period	107.8	109.2
Cash, cash equivalents, and restricted cash at end of period	$ 113.1	$ 91.6

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

AAR CORP. and Subsidiaries
Condensed Consolidated Statements of Changes in Equity
For the Three Months Ended August 31, 2026 and 2025
(Unaudited)
(In millions)

	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Equity
Balance, May 31, 2026	$ 48.8	$ 789.7	$ 1,157.1	$ (287.9)	$ (3.9)	$ 1,703.8
Net income	—	—	40.1	—	—	40.1
Stock option activity	—	1.2	—	0.4	—	1.6
Restricted stock activity	—	(5.3)	—	1.5	—	(3.8)
Other comprehensive income, net of tax	—	—	—	—	0.7	0.7
Balance, August 31, 2026	$ 48.8	$ 785.6	$ 1,197.2	$ (286.0)	$ (3.2)	$ 1,742.4

	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Equity
Balance, May 31, 2025	$ 45.3	$ 505.2	$ 969.4	$ (302.7)	$ (5.6)	$ 1,211.6
Net income	—	—	34.4	—	—	34.4
Stock option activity	—	2.5	—	4.2	—	6.7
Restricted stock activity	—	(4.2)	—	0.4	—	(3.8)
Other comprehensive income, net of tax	—	—	—	—	0.4	0.4
Balance, August 31, 2025	$ 45.3	$ 503.5	$ 1,003.8	$ (298.1)	$ (5.2)	$ 1,249.3

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

AAR CORP. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
August 31, 2026
(Unaudited)
(Dollars in millions, except per share amounts)

1. Basis of Presentation

AAR CORP. and its subsidiaries are referred to herein collectively as "AAR," "Company," "we," "us," or "our," unless the context indicates otherwise. The accompanying Condensed Consolidated Financial Statements include the accounts of AAR and its subsidiaries after elimination of intercompany accounts and transactions.

We have prepared these statements without audit, pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). The Condensed Consolidated Balance Sheet as of May 31, 2026 has been derived from audited financial statements. To prepare the financial statements in conformity with U.S. generally accepted accounting principles ("GAAP"), management has made a number of estimates and assumptions relating to the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Certain information and note disclosures, normally included in comprehensive financial statements prepared in accordance with GAAP, have been condensed or omitted pursuant to such rules and regulations of the SEC. These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended May 31, 2026.

In the opinion of management, the Condensed Consolidated Financial Statements reflect all adjustments (which consist only of normal recurring adjustments) necessary to present fairly the Condensed Consolidated Financial Statements of AAR CORP. and its subsidiaries as of August 31, 2026 and for the three-month periods ended August 31, 2026 and 2025. The results of operations for such interim periods are not necessarily indicative of the results for the full year.

Certain reclassifications have been made to the prior year presentation to conform to the fiscal 2027 presentation.

New Accounting Pronouncements Not Yet Adopted

In November 2024, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses*. This ASU includes new disclosure requirements about specific expense categories, including but not limited to, purchases of inventory, employee compensation, depreciation, amortization, and selling expenses that are included in certain expense captions presented on the face of the income statement. The ASU is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted and the ASU can be applied on a prospective or retrospective basis. We expect this ASU to only impact our disclosures with no impacts to our results of operations, cash flows, and financial condition.

AAR CORP. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
August 31, 2026
(Unaudited)
(Dollars in millions, except per share amounts)

2. Acquisitions

Acquisition of Aircraft Reconfig Technologies

On April 24, 2026, we acquired the outstanding shares of Aircraft Reconfig Technologies ("ART"), a leading aircraft interiors engineering company for $36.3 million including post-closing adjustments for cash, working capital, and indebtedness.

We accounted for the acquisition using the acquisition method and included the results of ART's operations in our consolidated financial statements from the effective date of the acquisition. ART's results are reported within our Repair, Engineering, and Software segment. The base purchase price of $36.0 million was paid at closing and post-closing adjustments of $0.3 million were resolved and paid in the three-month period ended August 31, 2026. Transaction costs associated with the acquisition of $1.1 million were expensed as incurred during fiscal 2026.

The purchase price was allocated to identifiable assets and liabilities based on information available at the date of acquisition. The allocation of the purchase price is preliminary and may change in future periods as fair value estimates of the assets acquired and liabilities assumed are finalized, including those related to working capital, intangible assets, property and equipment, leases, and indemnification assets.

The final determination of the fair values will be completed within the one-year measurement period. The preliminary fair value of assets acquired and liabilities assumed is as follows:

Accounts receivable	$ 2.1
Inventory	17.5
Intangible assets	14.0
Other assets	0.2
Accounts payable and other liabilities	(12.9)
Net assets acquired	20.9
Goodwill	15.4
Purchase price, net of cash acquired	$ 36.3

Acquired amortizable intangible assets include customer relationships of $7.0 million, developed technology of $3.9 million, and backlog of $3.1 million, which are being amortized over 9.5 years, 6 years, and 3 years, respectively. The goodwill associated with the ART acquisition is deductible for tax purposes and is primarily attributable to the benefits we expect to derive from expected synergies including complementary product lines, cross-selling opportunities, operational efficiencies, and intangible assets that do not qualify for separate recognition, such as their assembled workforce.

Acquisition of HAECO Americas

On November 3, 2025, we acquired the outstanding shares of HAECO Americas, LLC and its subsidiary HAECO Airframe Services, LLC (together, "HAECO Americas") from HAECO USA, Inc. for a purchase price of $78.0 million, which includes estimated post-closing adjustments for cash, working capital, and indebtedness. HAECO Americas provides heavy aircraft maintenance, repair, and overhaul ("MRO") and modification services across its hangars located in Greensboro, North Carolina and Lake City, Florida.

We accounted for the acquisition using the acquisition method and included the results of HAECO Americas' operations in our consolidated financial statements from the effective date of the acquisition. HAECO Americas' results are reported within our Repair, Engineering, and Software segment. The base purchase price was paid at closing and transaction costs associated with the acquisition of $3.3 million were expensed as incurred in fiscal 2026.

The purchase price was allocated to identifiable assets and liabilities based on information available at the date of acquisition. The allocation of the purchase price is preliminary and may change in future periods as fair value estimates of the assets acquired and liabilities assumed are finalized, including those primarily related to working capital.

AAR CORP. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
August 31, 2026
(Unaudited)
(Dollars in millions, except per share amounts)

The preliminary fair value of the identifiable assets acquired exceeded the total purchase price resulting in a bargain purchase gain of $29.5 million, which we recognized in fiscal 2026. We believe the acquisition resulted in a bargain purchase gain as the seller was highly motivated to divest the business as part of its long-term strategies.

The final determination of the fair values will be completed within the one-year measurement period. The preliminary fair value of assets acquired and liabilities assumed is as follows:

Accounts receivable	$ 25.9
Contract assets	15.7
Inventory	16.2
Right-of-use assets	95.2
Other assets	15.0
Accounts payable and accrued liabilities	(35.4)
Deferred taxes, net	(8.0)
Lease liabilities	(17.1)
Net assets acquired	107.5
Bargain purchase gain	(29.5)
Purchase price, net of cash acquired	$ 78.0

As part of our integration activities, we are consolidating our facility footprint, which includes closing our Indianapolis, Indiana airframe maintenance facility and relocating the majority of those operations to the Greensboro, North Carolina facility. Expenses incurred for integration activities during the three-month period ended August 31, 2026 were $3.5 million.

Acquisition of ADI

On September 25, 2025, we acquired the outstanding shares of American Distributors Holding Co., LLC ("ADI"), including ADI American Distributors, LLC and other of ADI's subsidiaries, for a purchase price of $137.1 million. The post-closing adjustments for cash, working capital and indebtedness were resolved in the third quarter of fiscal 2026 resulting in a $0.6 million reduction in the purchase price.

ADI is a leading distributor of electronic components and assemblies to original equipment manufacturers ("OEMs") across the aerospace and defense industry. The initial purchase price was paid at closing except for $4.5 million, which was placed on deposit with an escrow agent to secure potential indemnification obligations and fund post-closing adjustments for working capital and indebtedness. During the three-month period ended February 28, 2026, the post-closing adjustments were finalized resulting in the release of $1.0 million from the escrow. During the three-month period ended August 31, 2026, an additional $1.4 million was released from the escrow.

We accounted for the acquisition using the acquisition method and included the results of ADI's operations in our consolidated financial statements from the effective date of the acquisition. ADI's results are reported within our Parts Supply segment.

The purchase price was allocated to identifiable assets and liabilities based on information available at the date of acquisition. The final fair value of assets acquired and liabilities assumed is as follows:

AAR CORP. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
August 31, 2026
(Unaudited)
(Dollars in millions, except per share amounts)

Accounts receivable	$ 13.1
Contract assets	7.9
Inventory	55.5
Intangible assets	75.8
Other assets	5.4
Accounts payable and other liabilities	(28.6)
Net assets acquired	129.1
Goodwill	8.0
Purchase price, net of cash acquired	$ 137.1

Acquired amortizable intangible assets include customer relationships of $43.3 million and backlog of $16.4 million, which are being amortized over 12.5 years and 3 years, respectively. We also recognized indefinite-lived trademarks of $16.1 million. The goodwill associated with the ADI acquisition is deductible for tax purposes and is primarily attributable to the benefits we expect to derive from expected synergies including complementary product lines, cross-selling opportunities, operational efficiencies, and intangible assets that do not qualify for separate recognition, such as their assembled workforce. Expenses incurred for integration activities during the three-month period ended August 31, 2026 were $0.2 million.

Acquisition of Aerostrat

On August 11, 2025, we acquired the outstanding shares of Aerostrat Corp. (“Aerostrat”) for a purchase price of $15.0 million plus contingent consideration of up to $5.0 million. Aerostrat is a leading long-range maintenance planning software provider used by airlines, MRO facilities, and cargo companies to automate complex scheduling, ensure production capacity, and simplify aircraft allocation.

The purchase price was paid at closing except for $3.1 million, which was placed on deposit with an escrow agent to secure potential indemnification obligations and fund post-closing adjustments for working capital and indebtedness. During the three-month period ended August 31, 2026, the post-closing adjustments were finalized resulting in the release of $1.5 million from the escrow.

The contingent consideration includes $1.0 million subject to the successful launch of certain product offerings by December 31, 2026 and up to $4.0 million based on the achievement of adjusted revenue targets by August 1, 2028. The estimated fair value of the contingent consideration was $4.0 million at the acquisition date and has been included in the purchase price.

We accounted for the acquisition using the acquisition method and included the results of Aerostrat’s operations in our consolidated financial statements from the effective date of the acquisition. Aerostrat’s results are reported within our Repair, Engineering, and Software segment.

The final fair value of assets acquired and liabilities assumed is as follows:

Current assets	$ 0.6
Intangible assets	10.3
Deferred revenue	(0.6)
Net deferred tax liabilities	(2.0)
Net assets acquired	8.3
Goodwill	10.7
Purchase price, net of cash acquired	$ 19.0

Acquired amortizable intangible assets include customer relationships of $4.7 million and developed technology of $4.9 million, which are being amortized over 10 years and 20 years, respectively. Intangible assets also include tradenames of $0.7 million, which are indefinite-lived. The goodwill associated with the Aerostrat acquisition is not deductible for tax purposes and is primarily attributable to the benefits we expect to derive from expected synergies including complementary products and services, cross-selling opportunities and intangible assets that do not qualify for separate recognition, such as their assembled workforce.

AAR CORP. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
August 31, 2026
(Unaudited)
(Dollars in millions, except per share amounts)

Acquisition of Triumph Group's Product Support Business

On March 1, 2024, we completed the acquisition of Triumph Group, Inc.'s Product Support business ("Product Support") for a purchase price of $720.0 million. Product Support is a leading global provider of specialized MRO capabilities for critical aircraft components in the commercial and defense markets, providing MRO services for structural components, engine and airframe accessories, interior refurbishment and wheels and brakes. Product Support also designs proprietary designated engineering representative repairs and parts manufacturer approval parts.

As part of our integration activities, we are consolidating our facility footprint which included the closure of our Garden City, New York leased component repair facility and relocating those operations to certain Product Support facilities. In conjunction with the facility exit, environmental remediation obligations were identified and we recognized a liability for $1.1 million in fiscal 2026 as our estimate of the future costs associated with the remediation. The timing of expenditures depends on a number of factors, including the nature and extent of contamination, the timing of regulatory approvals, the complexity of the investigation and remediation, and the standards for remediation. In addition to the liability for the environmental remediation obligations, we also recognized a liability of $0.5 million which represents our estimated settlement cost for a related landlord dispute.

Expenses recognized for integration activities, including facility closure costs, product line exits, severance, retention, and other related costs, were $1.0 million during the three-month period ended August 31, 2025. The integration was completed in fiscal 2026.

Acquisition of Trax USA Corp.

On March 20, 2023, we acquired the outstanding shares of Trax USA Corp. ("Trax") for a purchase price of $120.0 million plus contingent consideration of up to $20.0 million based on Trax's adjusted revenue in calendar years 2023 and 2024. Trax is a leading provider of aircraft MRO and fleet management software supporting a broad spectrum of maintenance activities for a diverse global customer base of airlines and MROs.

The contingent consideration is based on an adjusted cumulative revenue target across calendar years 2023 and 2024. The adjusted cumulative revenue target is based on revenue recognized under U.S. GAAP adjusted for certain events related to deferred revenue, customer commitments, and other adjustments. The contingent consideration is treated as compensation expense within Selling, general, and administrative expenses. During the three-month period ended August 31, 2026, we recognized $4.9 million of compensation expense related to the contingent consideration. As of August 31, 2026, we have a contingent consideration liability of $13.0 million, which was classified as Accrued liabilities on our Condensed Consolidated Balance Sheet.

In November 2025, Trax's former owners filed a demand for arbitration contesting the determination of the contingent consideration and certain tax matters. We strongly disagree with the claims by Trax's former owners and we believe we have adequate support for our determination of the contingent consideration and our positions on the tax matters. We expect to finalize the contingent consideration in fiscal 2027.

AAR CORP. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
August 31, 2026
(Unaudited)
(Dollars in millions, except per share amounts)

3. Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. We recognize revenue when we satisfy a performance obligation by transferring control over a product or service to a customer.

Our unit of accounting for revenue recognition is a performance obligation included in our customer contracts. A performance obligation reflects the distinct good or service that we must transfer to a customer. At contract inception, we evaluate if the contract should be accounted for as a single performance obligation or if the contract contains multiple performance obligations. In some cases, our contract with the customer is considered one performance obligation as it includes factors such as whether the good or service being provided is significantly integrated with other promises in the contract, whether the service provided significantly modifies or customizes another good or service or whether the good or service is highly interdependent or interrelated. If the contract has more than one performance obligation, we determine the standalone price of each distinct good or service underlying each performance obligation and allocate the transaction price based on their relative standalone selling prices.

The transaction price of a contract, which can include both fixed and variable amounts, is allocated to each performance obligation identified. Some contracts contain variable consideration, which could include incremental fees or penalty provisions related to performance. Variable consideration that can be reasonably estimated based on current assumptions and historical information is included in the transaction price at the inception of the contract but limited to the amount that is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Variable consideration that cannot be reasonably estimated is recorded when known.

Our performance obligations are satisfied over time as work progresses or at a point in time based on transfer of control of products and services to our customers. The majority of our sales from products typically represent distinct performance obligations and are recognized at a point in time upon transfer of control to the customer, which generally occurs upon shipment. In connection with certain sales of products, we also provide logistics services, which include inventory management, replenishment, and other related services. The price of such services is generally included in the price of the products delivered to the customer, and revenues are recognized upon delivery of the product, at which point the customer has obtained control of the product. We do not account for these services separate from the related product sales as the services are inputs required to fulfill part orders received from customers.

For our performance obligations that are satisfied over time, we measure progress in a manner that depicts the performance of transferring control to the customer. As such, we utilize the input method of cost-to-cost to recognize revenue over time as this depicts when control of the promised goods or services are transferred to the customer. Revenue is recognized based on the relationship of actual costs incurred to date to the estimated total cost at completion of the performance obligation.

We are required to make certain judgments and estimates, including estimated revenues and costs, as well as inflation and the overall profitability of the arrangement. Key assumptions involved can include customer volume, future labor costs and efficiencies, repair or overhaul costs, overhead costs, and ultimate timing of product delivery. Differences may occur between the judgments and estimates made by management and actual program results. For contracts that are deemed to be loss contracts, we establish forward loss reserves for total estimated costs that are in excess of total estimated consideration in the period in which they become known.

We utilize the portfolio approach to estimate the amount of revenue to recognize for certain contracts which require over time revenue recognition. Such contracts are grouped together either by revenue stream, customer or product line with each portfolio of contracts grouped together based on having similar characteristics. The portfolio approach is utilized only when the result of the accounting is not expected to be materially different than if applied to individual contracts.

We also may enter into offset agreements or conditions as part of obtaining orders for our products and services from certain government customers in foreign countries. These agreements are designed to enhance the social and economic environment of the foreign country by requiring the contractor to promote investment in the country. These agreements also may be satisfied through our use of cash or other means of providing financial support for in-country projects with local companies. The amounts ultimately applied against our offset agreements are based on negotiations with the customer and satisfaction of our offset obligations are included in the estimates of our total costs to complete the contract.

When contracts are modified, we consider whether the modification either creates new or changes the existing enforceable rights and obligations. Contract modifications that are for goods or services that are not distinct from the existing contract, due to the significant integration with the original goods or services provided, are accounted for as if they were part of that existing contract with the effect of the contract modification recognized as an adjustment to revenue on a cumulative catch-up basis. When the modifications include additional performance obligations that are distinct, they are accounted for as a new contract and performance obligation, which are recognized prospectively.

Certain contracts with customers have options for the customer to acquire additional goods or services. In most cases, the pricing of these options are reflective of the standalone selling price of the good or service. These options do not provide the customer with a material right and are accounted for only when the customer exercises the option to purchase the additional goods or services. If the option on the customer contract was not indicative of the standalone selling price of the good or service, the material right would be accounted for as a separate performance obligation.

Under most of our U.S. government contracts, if the contract is terminated for convenience, we are entitled to payment for items delivered and fair compensation for work performed, the costs of settling and paying other claims, and a reasonable profit on the costs incurred or committed.

In the performance of our government contracts, we routinely request contract modifications that require additional funding from the customer. Most often, these requests are due to customer-directed changes in the scope of work. While we are entitled to recovery of these costs under our contracts, the administrative process with our customer may be protracted. Based on the circumstances, we periodically file requests for equitable adjustment ("REAs") that are sometimes converted into claims. In some cases, these REAs are disputed by our customer. We believe our outstanding modifications, REAs and other similar claims will be resolved without material impact to our results of operations, financial condition or cash flows.

In the ordinary course of business, agencies of the U.S. and other governments audit our claimed costs and conduct inquiries and investigations of our business practices with respect to government contracts to determine whether our operations are conducted in accordance with these requirements and the terms of the relevant contracts. U.S. government agencies, including the Defense Contract Audit Agency ("DCAA"), routinely audit our claimed indirect costs, for compliance with the Cost Accounting Standards and the Federal Acquisition Regulations. These agencies also conduct reviews and investigations and make inquiries regarding our accounting and other systems in connection with our performance and business practices with respect to our government contracts and subcontracts.

Costs to fulfill and obtain a contract are considered for capitalization based on contract specific facts and circumstances. The incremental costs to fulfill a contract, including setup and implementation costs prior to beginning the period of performance, are capitalized when expenses are incurred prior to the start of satisfying a performance obligation. The capitalized costs are subsequently expensed over the contract's period of performance.

We have elected to use certain practical expedients permitted under Accounting Standards Codification ("ASC") 606. Shipping and handling fees and costs incurred associated with outbound freight after control over a product has transferred to a customer are accounted for as a fulfillment cost and are included in Cost of sales on our Condensed Consolidated Statements of Income, and are not considered a performance obligation to our customers. Our reported Sales on our Condensed Consolidated Statements of Income include sales and related non-income taxes. We also utilize the "as invoiced" practical expedient in certain cases where performance obligations are satisfied over time and the invoiced amount corresponds directly with the value we are providing to the customer.

Cumulative Catch-up Adjustments

Changes in estimates and assumptions related to our arrangements accounted for using the cost-to-cost method are recorded using the cumulative catch-up method of accounting. These changes are primarily adjustments to the

estimated profitability for our long- term programs where we provide component inventory management, supply chain logistics programs, and/or repair services.

For the three-month period ended August 31, 2026, we recognized unfavorable cumulative catch-up adjustments of $(3.4) million. For the three-month period ended August 31, 2025, we recognized no cumulative catch-up adjustments.

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Contract Assets and Liabilities

The timing of revenue recognition, customer billings, and cash collections results in a contract asset or contract liability at the end of each reporting period. For instances where we recognize revenue prior to having an unconditional right to payment, we record a contract asset. When an unconditional right to consideration exists, we reduce our contract asset and recognize an unbilled or trade receivable. When amounts are dependent on factors other than the passage of time in order for payment from a customer to be due, we record a contract asset which consists of costs incurred where revenue recognized over time using the cost-to-cost model exceeds the amounts billed to customers. Contract liabilities include advance payments and billings in excess of revenue recognized. Certain customers make advance payments prior to the satisfaction of our performance obligations on the contract. These amounts are recorded as contract liabilities until such performance obligations are satisfied, either over time as costs are incurred or at a point in time when deliveries are made. Contract assets and contract liabilities are determined on a contract-by-contract basis.

Net contract assets and liabilities are as follows:

	August 31, 2026	May 31, 2026	Change
Contract assets – current	$ 147.3	$ 148.4	$ (1.1)
Contract assets – non-current	45.7	42.9	2.8
Contract liabilities:			
Deferred revenue – current	(40.8)	(50.3)	9.5
Deferred revenue on long-term contracts	(20.2)	(6.9)	(13.3)
Net contract assets	$ 132.0	$ 134.1	$ (2.1)

Contract assets – non-current is reported within Other non-current assets and deferred revenue on long-term contracts is reported within Other liabilities on our Condensed Consolidated Balance Sheets. Changes in contract assets and contract liabilities primarily result from the timing difference between our performance of services and payments from customers.

During the first quarter of fiscal 2025, our Mobility Systems' business received a stop-work order from our U.S. government customer on the Next Generation Pallet contract as the program was terminated for convenience by the customer. Under the conditions for the termination for convenience, we have the right to submit a proposal for recovery of our incurred costs. In conjunction with the termination, we expensed equipment and inventory of $12.7 million in the first quarter of fiscal 2025 and recognized a contract asset of $9.5 million reflecting the estimated recovery on our incurred costs.

During the third quarter of fiscal 2025, we submitted our termination settlement proposal to the customer and increased our contract asset to $13.5 million based on the revised estimated recovery. In conjunction with the termination settlement proposal submission, we also expensed an additional $1.0 million of equipment and other costs.

Changes in our deferred revenue were as follows for the three-month periods ended August 31, 2026 and 2025:

	Three Months Ended August 31,	
	2026	2025
Deferred revenue at beginning of period	$ (57.2)	$ (46.7)
Revenue deferred	(162.3)	(87.0)
Revenue recognized	160.9	93.7
Other [1]	(2.4)	(0.7)
Deferred revenue at end of period	$ (61.0)	$ (40.7)

(1) Other includes cumulative catch-up adjustments, foreign currency translation, acquisitions, and other adjustments.

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Remaining Performance Obligations

As of August 31, 2026, we had approximately $866 million of remaining performance obligations, also referred to as firm backlog, which excludes unexercised contract options and potential orders under our indefinite-delivery, indefinite-quantity contracts. We expect that approximately 70% of this backlog will be recognized as revenue over the next 12 months, an additional 15% of the firm backlog over the following 12 months, and the balance thereafter. The amount of remaining performance obligations that are expected to be recognized as revenue beyond 12 months primarily relates to our long-term programs where we provide component inventory management, supply chain logistics programs, and/or repair services.

Disaggregation of Revenue

Third-party sales across the major customer markets for each of our operating segments for the three-month periods ended August 31, 2026 and 2025 were as follows:

	Three Months Ended August 31,	
	2026	**2025**
Parts Supply:		
Commercial	$ 325.4	$ 254.5
Government and defense	89.4	63.3
	$ 414.8	$ 317.8
Repair, Engineering, and Software:		
Commercial	$ 277.5	$ 206.6
Government and defense	20.0	19.8
	$ 297.5	$ 226.4

All sales within the Legacy Commercial Programs operating segment are to commercial customers, and there are no significant sales to commercial customers in the Government Solutions operating segment.

Consolidated sales by geographic region for the three-month periods ended August 31, 2026 and 2025 were as follows:

	Three Months Ended August 31,	
	2026	**2025**
U.S./Canada	$ 613.3	$ 519.1
Europe/Africa	189.6	99.7
Asia/South Pacific	102.8	89.7
Other	12.3	31.1
	$ 918.0	$ 739.6

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4. Restricted Cash

Restricted cash represents cash on hand that is legally restricted as to withdrawal or usage. As of August 31, 2026, restricted cash includes $5.7 million on deposit with escrow agents related to our recent acquisitions and $2.9 million required to be set aside by a contractual agreement to provide servicing related to receivable securitization arrangements.

The restrictions related to our acquisitions lapse at the time of resolution of certain contingencies including tax contingencies. The restrictions related to the receivable securitization arrangements lapse at the time we remit the customer payments collected by us as servicer of previously sold customer receivables to the purchaser.

5. Accounts Receivable

Financial instruments that potentially subject us to concentrations of market or credit risk consist principally of trade receivables. While our trade receivables are diverse and represent a number of entities and geographic regions, the majority are with the U.S. government and its contractors and entities in the aviation industry. The composition of our accounts receivable is as follows:

	August 31, 2026	May 31, 2026
U.S. Government contracts:		
Trade receivables	$ 36.3	$ 32.5
Unbilled receivables	11.7	8.8
	48.0	41.3
All other customers:		
Trade receivables	366.4	318.5
Unbilled receivables	22.0	27.0
	388.4	345.5
	$ 436.4	$ 386.8

6. Equity

Stock-Based Compensation

In July 2026, as part of our annual long-term stock incentive compensation, we granted 217,562 shares of performance-based restricted stock and 91,749 shares of time-based restricted stock to eligible employees. The grant date fair value per share for these shares was $129.47 (the closing price per share of our common stock on the grant date). We also granted 15,004 shares of time-based restricted stock to members of the Board of Directors with a grant date fair value per share of $109.99 (the closing price per share of our common stock on the grant date). No stock options were granted in fiscal 2027.

In July 2026, we granted 161,500 shares of restricted stock to our Chairman, President, and Chief Executive Officer which is tied to our stock price performance. The restricted stock grant vests on July 31, 2031 with the number of shares ultimately vesting based on our stock price meeting or exceeding certain stock price hurdle thresholds on or prior to July 31, 2031 which include stock prices of $175 (one-third of the shares will vest), $200 (an additional one-third of the shares will vest), and $250 (the remaining one-third of the shares will vest). The fair value of the grant was estimated at $15.0 million using a Monte Carlo simulation model for the market-based grant.

Expense charged to operations for restricted stock during each of the three-month periods ended August 31, 2026 and 2025 was $7.1 million and $4.2 million, respectively.

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The total intrinsic value of stock options exercised during the three-month periods ended August 31, 2026 and 2025 was $1.1 million and $4.6 million, respectively. Expense charged to operations for stock options during the three-month periods ended August 31, 2026 and 2025 was $0.7 million and $1.1 million, respectively.

Stock-based compensation expense is recognized on a straight-line basis over the requisite service period based on the equity's grant date fair value. For participants who are or become retirement-eligible during the service period, stock-based compensation expense is recognized over the period ending on the date the participant becomes retirement-eligible.

Earnings per Share

The computation of basic earnings per share is based on the weighted average number of common shares outstanding during each period. The computation of diluted earnings per share is based on the weighted average number of common shares outstanding during the period plus, when their effect is dilutive, incremental shares related to outstanding stock options.

At August 31, 2026, no stock options were determined to be anti-dilutive. The potential dilutive effect of 64,000 shares relating to stock options was excluded from the computation of weighted average common shares outstanding – diluted for the three-month period ended August 31, 2025. These shares would have been anti-dilutive because the exercise price of these options was greater than the average market price of the common shares for the period.

7. Inventories

The summary of inventories is as follows:

	August 31, 2026	May 31, 2026
Aircraft and engine parts, components and finished goods	$ 749.6	$ 737.2
Raw materials and parts	197.7	185.7
Work-in-process	61.6	56.1
	$1,008.9	$ 979.0

8. Supplemental Cash Flow Information

	Three Months Ended August 31,	
	2026	2025
Interest paid	$ 4.4	$ 8.5
Income taxes paid	2.5	5.6
Income tax refunds received	0.3	—
Operating lease liabilities arising from obtaining or re-measuring ROU assets	0.2	1.6

9. Sale of Receivables

On February 23, 2018, we entered into a Purchase Agreement with Citibank N.A. ("Purchaser") for the sale, from time to time, of certain accounts receivable due from certain customers (the "Purchase Agreement"). Under the Purchase Agreement, the maximum amount of receivables sold is limited to $150 million and Purchaser may, but is not required to, purchase the eligible receivables we offer to sell. The term of the Purchase Agreement runs through February 22, 2027, but, the Purchase Agreement may also be terminated earlier under certain circumstances. The term of the Purchase Agreement shall be automatically extended for annual terms unless either party provides advance notice that they do not intend to extend the term.

We have no retained interests in the sold receivables, other than limited recourse obligations in certain circumstances, and only perform collection and administrative functions for the Purchaser. We account for these receivable transfers as sales under ASC 860, *Transfers and Servicing*, and de-recognize the sold receivables from our Condensed Consolidated Balance Sheets. At August 31, 2026, we have utilized $22.1 million, which reduced the availability under the Purchase Agreement to $127.9 million.

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During the three-month periods ended August 31, 2026 and 2025, we sold $61.1 million and $49.2 million, respectively, of receivables under the Purchase Agreement and remitted $61.8 million and $46.2 million, respectively, to the Purchaser on their behalf. As of August 31, 2026 and May 31, 2026, we had collected cash of $2.9 million and $11.8 million, respectively, which was not yet remitted to the Purchaser as of those dates and was classified as Restricted cash on our Condensed Consolidated Balance Sheets.

We recognize discounts on the sale of our receivables and other fees related to the Purchase Agreement in Other expense, net on our Condensed Consolidated Statements of Income. We incurred discounts on the sale of our receivables of $0.2 million and $0.2 million during the three-month periods ended August 31, 2026 and 2025, respectively.

10. Financing Arrangements

A summary of the carrying amount of our debt is as follows:

	August 31, 2026	May 31, 2026
Senior Notes	$ 700.0	$ 700.0
Amended Revolving Credit Facility with interest payable monthly	185.0	200.0
Debt premium, net	2.1	2.3
Debt issuance costs, net	(7.5)	(8.4)
Long-term debt	$ 879.6	$ 893.9

Credit Agreement

On December 14, 2022, we entered into a new credit agreement with various financial institutions as lenders and Wells Fargo Bank, N.A. as administrative agent for the lenders (the "Credit Agreement") that included an unsecured revolving credit facility (the "Revolving Credit Facility") that we can draw upon for working capital and general corporate purposes. In conjunction with the Credit Agreement, we terminated our revolving credit facility under the credit agreement dated April 12, 2011, as amended, (the "2011 Credit Agreement") with the outstanding borrowings under the 2011 Credit Agreement at the date of its termination rolled over to the Credit Agreement.

On March 1, 2024, we entered into an amendment (the "Revolver Amendment") to our Credit Agreement, which governs the Company's existing revolving credit facility (the revolving credit facility as amended by the Revolver Amendment, the "Amended Revolving Credit Facility"). Among other things, the Revolver Amendment (i) increased the aggregate commitments under the Amended Revolving Credit Facility to $825.0 million from $620 million under the Revolving Credit Facility, (ii) increased the maximum leverage ratio permitted under the financial covenants applicable to the Amended Revolving Credit Facility and (iii) included an additional pricing level that will increase the applicable interest rate margins on the Amended Revolving Credit Facility to 250 basis points (in the case of secured overnight financing rate ("SOFR")) and 150 basis points (in the case of Base Rate loans) if our adjusted total debt to EBITDA ratio exceeds 3.75:1.00.

Under certain circumstances, we may request an increase to the lending commitments under the Credit Agreement by an aggregate amount of up to $300 million, not to exceed $1,125 million in total. The Credit Agreement expires on December 14, 2027. Borrowings under the Credit Agreement bear interest at an applicable variable rate based on SOFR plus 112.5 to 250 basis points based on certain financial measurements plus 10 basis points if a SOFR loan, or at the offered fluctuating Base Rate plus 12.5 to 150 basis points based on certain financial measurements if a Base Rate loan.

Borrowings outstanding under the Amended Revolving Credit Facility at August 31, 2026 were $185.0 million and there were $7.7 million of outstanding letters of credit, which reduced the availability of this facility to $632.3 million.

Our Credit Agreement requires us to comply with leverage and interest coverage ratios and comply with certain affirmative and negative covenants, including those relating to financial reporting and notification, compliance with applicable laws, and limitations on additional liens, indebtedness, acquisitions, investments and disposition of assets. Our Credit Agreement also requires our significant domestic subsidiaries to provide a guarantee of payment under the Credit Agreement.

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Senior Notes – Original Issuance

On March 1, 2024, we issued $550.0 million aggregate principal amount of 6.75% Senior Notes due 2029 (the "Notes") to fund a portion of the purchase price for the acquisition of the Product Support business. The Notes were issued pursuant to an indenture (the "Base Indenture"), dated as of March 1, 2024, between us and Wilmington Trust, National Association (the "Trustee"), as trustee, and a First Supplemental Indenture, dated as of March 1, 2024 (together with the Base Indenture, the "Indenture"), among us, the Note Guarantors (as defined below) and the Trustee.

Our domestic subsidiaries that guarantee the Amended Revolving Credit Facility (collectively, the "Note Guarantors") guaranteed (the "Note Guarantees") all of the Company's obligations under the Notes and the Indenture. The Notes and the Note Guarantees have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act").

The Notes bear interest at a rate of 6.75% per year, payable semiannually in cash in arrears on March 15 and September 15 of each year, commencing September 15, 2024. The Notes will mature on March 15, 2029. The Company may redeem the Notes, in whole or in part, at specified redemption prices if redeemed during the twelve-month period beginning on March 15 of the years indicated below:

2026	103.375 %
2027	101.688 %
2028 and thereafter	100.000 %

The Notes are jointly and severally guaranteed by each of the Note Guarantors. The Notes and the Note Guarantees are the general unsecured obligations of us or each of the Note Guarantors and, as applicable, (i) rank equal in right of payment to all of our or such Note Guarantor's existing and future senior indebtedness, (ii) rank senior in right of payment to all of our or such Note Guarantor's obligations that are, by their terms expressly subordinated in right of payment to the Notes or the Note Guarantees, (iii) are effectively subordinated to all of our or such Note Guarantor's secured indebtedness, to the extent of the value of the assets securing such indebtedness and (iv) in the case of the Note Guarantees, are structurally subordinated to indebtedness and other liabilities of our subsidiaries that are not Note Guarantors.

The Indenture contains customary covenants, including limitations on the ability of us and our restricted subsidiaries to (i) incur debt, certain disqualified stock and preferred stock, (ii) create liens, (iii) pay dividends or distributions or redeem or repurchase equity, (iv) prepay subordinated debt or make certain investments, (v) transfer and sell assets, (vi) engage in consolidations, mergers or dispositions of all or substantially all of our or their assets, (vii) enter into agreements that restrict dividends, loans and other distributions from subsidiaries and (viii) enter into transactions with affiliates. These covenants are subject to a number of important exceptions and qualifications described in the Indenture. In addition, the Indenture contains a number of customary events of default, including, among other things, payment default, failure to comply with covenants or agreements contained in the Indenture or the Notes and certain provisions related to bankruptcy events.

Senior Notes – Subsequent Issuance

On August 14, 2025, we issued an additional $150.0 million aggregate principal amount of our Notes (the "Additional Notes"). The Additional Notes were issued under the existing Indenture and other than with respect to the date of issuance and the offering price, the Additional Notes have the same terms as the Notes.

Debt issuance costs of $2.5 million were incurred in connection with the Additional Notes which were issued at an original issuance premium 102% of their principal amount, or $3.0 million. The premium and debt issuance costs are amortized and recognized as interest expense using the effective interest rate method, or, when the results are not materially different, on a straight-line basis over the expected term of the related debt. The premium and debt issuance costs are classified within Long-term debt on our Condensed Consolidated Balance Sheet and are amortized into interest expense over the contractual term of the Notes.

At August 31, 2026, our variable and fixed rate debt had fair values that approximated their carrying values and were classified as Level 3 in the fair value hierarchy as their fair values are determined based upon one or more significant unobservable inputs.

At August 31, 2026, we were in compliance with the financial and other covenants in our financing agreements.

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11. Other Non-current Assets

Investment in AAR Sumisho Aviation Services ("ASAS")

Our investments in joint ventures include a 50% ownership interest in a joint venture to provide aviation aftermarket supply chain solutions to Japanese defense and global commercial markets. Each of the partners in the ASAS joint venture have provided financial guarantees to third-parties to guarantee the payments for ASAS's financing arrangements, including inventory purchases. No liabilities have been recognized on the outstanding guarantees. We are unable to estimate our maximum exposure under these guarantees as they are largely dependent on the volume of inventory purchase orders outstanding.

Our sales to the ASAS joint venture, including service fees earned by us on providing support to the ASAS joint venture, were $4.2 million and $5.0 million during the three-month periods ended August 31, 2026 and 2025, respectively.

Investments in Aircraft Joint Ventures

Under the terms of servicing agreements with certain of our aircraft joint ventures, we provide administrative services and technical advisory services, including aircraft evaluations, oversight and logistical support of the maintenance process and records management. We also provide evaluation and inspection services prior to the purchase of an aircraft and remarketing services with respect to the divestiture of aircraft by the joint ventures. During the three-month periods ended August 31, 2026 and 2025, we received $0.6 million and $1.1 million, respectively, for such services.

Investment in xCelle Americas, LLC ("xCelle Americas JV")

Our investments in joint ventures include a 49.9% ownership interest in a joint venture to provide component repair services including overhaul of nacelles on next generation aircraft. In March 2025, we provided a loan to xCelle Americas JV for $3.3 million with semi-annual principal payments over the five-year term of the loan. Interest is payable semi-annually at SOFR plus 2.7%.

Our sales to the xCelle Americas JV were $0.2 million and $0.1 million during the three-month periods ended August 31, 2026 and 2025, respectively.

Investment in xCelle Asia Limited ("xCelle Asia JV")

In December 2025, we invested $7.1 million for a 49.9% interest in the xCelle Asia JV based in Thailand. The xCelle Asia JV operations include nacelle MRO services, including on-wing and on-site inspections and rotable support for next generation aircraft nacelles.

12. Accumulated Other Comprehensive Loss

Changes in our accumulated other comprehensive loss ("AOCL") by component for the three-month periods ended August 31, 2026 and 2025 were as follows:

	Currency Translation Adjustments	Pension Plans	Total
Balance at June 1, 2026	$ (2.1)	$ (1.8)	$ (3.9)
Other comprehensive income	0.7	—	0.7
Balance at August 31, 2026	$ (1.4)	$ (1.8)	$ (3.2)

Balance at June 1, 2025	$ (2.4)	$ (3.2)	$ (5.6)
Other comprehensive income	0.4	—	0.4
Balance at August 31, 2025	$ (2.0)	$ (3.2)	$ (5.2)

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13. Sale of Landing Gear Overhaul Business

On December 19, 2024, we entered into an agreement to divest our LGO business to GA Telesis for $51 million subject to post-closing adjustments for working capital, cash, and debt. In the third quarter of fiscal 2025, the LGO assets and liabilities were reclassified to assets and liabilities held for sale and we recognized a non-cash, pre-tax impairment charge of $63.0 million to adjust the carrying value of the LGO assets to their estimated fair value. Goodwill of $14.6 million was also reclassified to assets held for sale and was included in the determination of the impairment charge.

The LGO business was reported within our Repair, Engineering, and Software segment. The divestiture did not represent a strategic shift that will have a major effect on our operations and financial results and, therefore, did not qualify for presentation as discontinued operations.

The sale closed in the fourth quarter of fiscal 2025 with net proceeds received of $48.0 million. We recognized $6.6 million of additional loss on the sale resulting from purchase price adjustments in the fourth quarter of fiscal 2025. We recognized a gain of $1.0 million in the first quarter of fiscal 2026 for the final resolution of the purchase price adjustments.

14. Business Segment Information

During the fourth quarter of fiscal 2026, we changed our operating segment structure to realign our former Integrated Solutions segment which resulted in the following changes:

- Combined our government programs activities and our Mobility Systems business, previously reported as Expeditionary Services, into a new operating segment named Government Solutions;
- Re-positioned our software platform to our Repair and Engineering segment, which was renamed Repair, Engineering, and Software; and
- Legacy Commercial Programs, the remaining business unit within the Integrated Solutions segment, is now separately reported as its own operating segment.

Our operating segments are comprised of:

- Parts Supply, primarily consisting of our sales of used serviceable material (“USM”), including aircraft, engine and airframe parts and components and distribution of new parts (“Distribution”);
- Repair, Engineering, and Software primarily consists of MRO of airframes (“Airframe MRO”), MRO of other components (“Component MRO”), and our software platforms, including Trax, Aerostrat, Airvoyant, and Airinmar;
- Government Solutions primarily consists of our fleet management and operations of customer-owned aircraft, customized performance-based supply chain logistics programs in support of the U.S. Department of War (“DoW”), the U.S. Department of State (“DoS”) and foreign governments and the engineering, design, integration, manufacture, and repair of pallets, shelters, and containers; and
- Legacy Commercial Programs consists of asset-heavy flight hour-based component repair programs for commercial airlines and distribution of consumables and expendables inventory.

Our previously reported segment financial information has been recast to conform to our new segment structure. The change in our operating segments had no impact on our previously reported consolidated results of operations, financial condition, or cash flows.

The accounting policies for the segments are the same as those described in Note 1 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended May 31, 2026. Cost of sales

consists principally of the cost of products, including material used in manufacturing operations, direct labor, and overhead.

Our Chief Operating Decision Maker ("CODM") is our Chairman, President, and Chief Executive Officer and he evaluates performance on our operating segments using operating income as the primary profitability measure. Our operating segments are aligned principally around differences in products and services and are consistent with how our CODM allocates resources, assesses performance, and makes decisions.

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The Company has not aggregated operating segments for purposes of identifying reportable segments. In some cases, inter-segment sales are recorded at fair value, which results in intercompany profit on inter-segment sales that is eliminated in consolidation. Corporate selling, general, and administrative expenses include centralized functions such as legal, finance, treasury and human resources with a portion of the costs allocated to our operating segments.

Exit from Legacy Commercial Programs Operations

During the fourth quarter of fiscal 2026, we announced our intention to exit our Legacy Commercial Programs business and expect the wind-down of this segment will take approximately three to four years as the Legacy Commercial Programs' existing customer contracts are terminated or exited and its rotable assets are sold. As the wind-down occurs, the fair value of the segment will progressively decrease which will ultimately result in the full impairment of the Legacy Commercial Programs goodwill of $16.4 million in a future period or periods.

Prior to fiscal 2027, our rotable assets which were previously supporting long-term commercial programs were depreciated on a straight-line basis over their estimated useful lives. As part of the wind-down, the rotable assets are now being actively sold and not primarily supporting long-term programs. Effective June 1, 2026, we no longer recognize depreciation expense as the fair value of the rotable asset pool is in excess of its carrying value. During the three-month period ended August 31, 2025, we recognized depreciation expense of $1.7 million associated with the rotable asset pool. Sales of rotable assets were $29.0 million and $6.5 million during the three-month periods ended August 31, 2026 and 2025, respectively.

Significant expenses for each segment are as follows:

	Three Months Ended August 31, 2026				
	Sales	Cost of Sales	Selling, General and Administrative	Other Segment Items	Operating Income
Parts Supply	$ 414.8	$ 330.4	$ 30.8	$ (1.7)	$ 55.3
Repair, Engineering, and Software	297.5	239.9	42.6	(1.0)	16.0
Government Solutions	138.8	110.5	9.2	—	19.1
Legacy Commercial Programs	66.9	61.6	2.4	—	2.9
	$ 918.0	$ 742.4	$ 85.0	$ (2.7)	$ 93.3
Corporate and other					(21.2)
					72.1
Other expense, net					(0.5)
Interest expense					(16.6)
Interest income					0.4
Income before income taxes					$ 55.4

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	Three Months Ended August 31, 2025				
	Sales	Cost of Sales	Selling, General and Administrative	Other Segment Items	Operating Income
Parts Supply	$ 317.8	$ 256.5	$ 23.3	$ (2.9)	$ 40.9
Repair, Engineering, and Software	226.4	177.3	28.5	0.6	20.0
Government Solutions	133.9	113.4	7.8	—	12.7
Legacy Commercial Programs	61.5	58.2	3.5	(0.6)	0.4
	$ 739.6	$ 605.4	$ 63.1	$ (2.9)	$ 74.0
Corporate and other					(9.1)
					64.9
Gains (Losses) related to sale and exit of businesses, net					0.7
Other expense, net					(0.1)
Interest expense					(18.8)
Interest income					0.3
Income before income taxes					$ 47.0

Selected financial information for each segment is as follows:

	Three Months Ended August 31, 2026		
	Third-Party Sales	Inter-segment Sales	Total Sales
Parts Supply	$ 414.8	$ 16.9	$ 431.7
Repair, Engineering, and Software	297.5	17.4	314.9
Government Solutions	138.8	1.8	140.6
Legacy Commercial Programs	66.9	2.6	69.5
	$ 918.0	$ 38.7	$ 956.7

	Three Months Ended August 31, 2025		
	Third-Party Sales	Inter-segment Sales	Total Sales
Parts Supply	$ 317.8	$ 2.1	$ 319.9
Repair, Engineering, and Software	226.4	22.0	248.4
Government Solutions	133.9	0.4	134.3
Legacy Commercial Programs	61.5	0.9	62.4
	$ 739.6	$ 25.4	$ 765.0

Sales by type of product/service for each of our operating segments were as follows:

	Three Months Ended August 31,	
	2026	2025
Government Solutions:		
Government programs	$ 106.0	$ 111.7
Mobility Systems	32.8	22.2
	$ 138.8	$ 133.9
Legacy Commercial Programs:		
Component repair programs	$ 63.1	$ 53.9
Distribution of C&E inventory	3.8	7.6
	$ 66.9	$ 61.5

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For our Parts Supply and Repair, Engineering, and Software segments, each of those segments is comprised of similar products and services within the individual segment.

	Three Months Ended August 31,	
	2026	2025
Capital expenditures:		
Parts Supply	$ 0.4	$ 0.3
Repair, Engineering, and Software	8.9	5.8
Government Solutions	1.6	1.9
Corporate and discontinued operations	0.9	0.7
	$ 11.8	$ 8.7

	Three Months Ended August 31,	
	2026	2025
Depreciation and amortization: [1]		
Parts Supply	$ 8.3	$ 2.9
Repair, Engineering, and Software	10.1	8.1
Government Solutions	2.1	1.6
Legacy Commercial Programs	0.1	1.8
Corporate and discontinued operations	6.0	4.7
	$ 26.6	$ 19.1

[1] Includes amortization of stock-based compensation.

	Three Months Ended August 31,	
	2026	2025
Earnings from joint ventures:		
Parts Supply	$ 1.8	$ 2.9
Repair, Engineering, and Software	1.0	0.1
	$ 2.8	$ 3.0

	August 31, 2026	May 31, 2026
Total assets:		
Parts Supply	$ 1,169.3	$ 1,099.9
Repair, Engineering, and Software	1,586.8	1,598.2
Government Solutions	309.5	282.8
Legacy Commercial Programs	240.1	250.2
Corporate and discontinued operations	121.2	124.8
	$ 3,426.9	$ 3,355.9

	August 31, 2026	May 31, 2026
Investments in joint ventures:		
Parts Supply	$ 17.6	$ 15.8
Repair, Engineering, and Software	33.9	33.2
	$ 51.5	$ 49.0

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15. Legal Proceedings

We are involved in various claims and legal actions, including environmental matters, arising in the ordinary course of business. We are not a party to any material pending legal proceeding (including any governmental or environmental proceeding) other than routine litigation incidental to our business except for the following:

Russian Bankruptcy Litigation

During calendar years 2016 and 2017, certain subsidiaries of the Company purchased four engines from VIM-AVIA Airlines, LLC ("VIM-AVIA"), a company organized in Russia. Subsequent to the purchase of the engines, VIM-AVIA declared bankruptcy in Russian courts, and in November 2019, the receiver of the VIM-AVIA bankruptcy estate ("Receiver") and one of the major creditors of VIM-AVIA filed a clawback action in the Arbitration Court of the Russian Republic of Tatarstan (the "Russian Trial Court") against our subsidiaries alleging that the contracts entered into with VIM-AVIA in the 2016-2017 timeframe are invalid. The clawback action alleged that our subsidiaries owe the VIM-AVIA bankruptcy estate approximately $13 million, the alleged fair market value of the four engines at the time of sale.

On March 3, 2023, the Russian Trial Court awarded a $1.8 million judgment against the Company relating to one engine, and dismissed all the other claims against the Company relating to the three remaining engines. The Company recognized a corresponding charge of $1.8 million in the third quarter of fiscal 2023. Further court proceedings and multiple appeals ensued in 2024 and 2025.

On September 26, 2023, the Russian Eleventh Arbitration Court of Appeal (the "Russian Appellate Court") issued an order (i) affirming the Russian Trial Court's adverse judgment against the Company relating to one of the four engines; (ii) reversing the Russian Trial Court's dismissal of the claims relating to the remaining three engines; and (iii) awarding a judgment against the Company in the total amount of $13.0 million. During the first quarter of fiscal 2024, the Company recognized a charge for $11.2 million representing the judgment against the Company for the remaining three engines.

Ultimately, on October 11, 2024, the Russian Court of Cassation issued a ruling that effectively affirmed (i) the $1.8 million judgment against the Company relating to one of the four engines, and (ii) the dismissal of the Receiver's clawback claims relating to the remaining three engines. On February 10, 2025, the Russian Supreme Court denied both the Company's request and the Receiver's request for review of the October 11, 2024 ruling. The $1.8 million judgment against the Company is final and not subject to further review in the Russian courts. The Receiver's claims against the Company in the VIM-AVIA bankruptcy litigation have therefore been concluded and the $11.2 million liability was reversed in the third quarter of fiscal 2025.

The Company believes that the claims brought against it by the Receiver, and the resulting $1.8 million judgment against it, were a result of, among other things, a hostile business and legal environment for foreign companies in Russia, which has been caused by developments in the Russia/Ukraine conflict, including the imposition of a range of sanctions and export controls on Russian entities and individuals by the U.S. and its North Atlantic Treaty Organization allies.

In June 2026, the Receiver sold the $1.8 million judgment and related interest to two Russian nationals. As such, the purchasers, rather than the Receiver, may attempt to enforce the judgment against the Company. Although there can be no assurances, the Company also believes it would have strong defenses to any attempt that may be made to recognize and enforce the judgment outside of Russia. The Company's ability to satisfy the judgment, in whole or in part, may be restricted by the Company's obligation to comply with U.S. trade restrictions. As of August 31, 2026, our Condensed Consolidated Balance Sheet included a liability for the matter, including accrued interest, of $2.1 million classified as long-term in Other liabilities.

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Performance Guarantee

In conjunction with the fiscal 2021 sale of our Composites business, we retained a performance guarantee to a customer of the Composites business (the "Customer") under an existing contract providing flap track fairings on the A220 aircraft ("A220 Contract"). The term of the A220 Contract and our performance guarantee extend for the duration that A220 aircraft are in service and the Customer continues to maintain support for the A220 aircraft. The performance guarantee does not contain a financial cap.

In March 2022, the buyer of the Composites business (the "Buyer") filed for bankruptcy and moved to have the bankruptcy court reject the A220 Contract. The Customer also notified us that it believes the Buyer has failed to timely deliver products in accordance with the terms of the A220 Contract and that the Customer has incurred losses related to the asserted non-compliance that the Customer believes is covered by our performance guarantee. To date, the Customer has provided us with limited details in support of the extent of the Customer's claimed losses with respect to the A220 Contract and its contention that we may be responsible under our performance guarantee to reimburse the Customer for any portion of its claimed losses. The Customer filed suit against us during the fourth quarter of fiscal 2023 claiming damages of at least $32 million.

In this regard, while we are continuing to seek additional detail around the facts and legal basis underlying the claim for losses the Customer attributed to the A220 Contract and the Customer's corresponding claim under the performance guarantee, we strongly disagree with the premise of the Customer's claim based on the information available and known to us at this time, and we believe that we have numerous defenses available against this claim that we will vigorously pursue. While it is reasonably possible that we will incur a loss from the claim under the performance guarantee, we are unable to estimate the range of loss on this claim. There can be no assurance that the Customer's claim under the performance guarantee will not have a material adverse effect on our operations, financial position and cash flows.

In the fourth quarter of fiscal 2026, we were awarded $1.5 million for reimbursement of a portion of our legal fees incurred in connection with the Buyer's bankruptcy proceedings. We expect the Bankruptcy Court to release the funds to us in fiscal 2027.

Enforcement Proceeding in Nepal

As previously disclosed, the Company became aware via news reports that Nepal's Commission for Investigation of Abuse of Authority ("CIAA") apparently initiated a criminal proceeding in April 2024 against over 35 entities and individuals, including AAR International, Inc., a subsidiary of the Company. The charges alleged violations of Nepalese public procurement law and were related to the same transactions in Nepal that the Company previously self-reported, as described above. The proceeding also named a former AAR International, Inc. employee, as well as John Holmes in his capacity as president of AAR International, Inc. at the time of the alleged conduct.

AAR International, Inc. does not accept or admit these charges, and neither AAR International, Inc. nor Mr. Holmes appeared before the Special Court for several reasons including because the Company believes that any proceedings before the Special Court lack appropriate due process protections.

Based on news reports and a summary judgment from the Nepalese court, we understand that several defendants were convicted in connection with the charges, including AAR International, Inc. The conviction against AAR International, Inc. purportedly carries a fine of approximately $0.9 million as well as a prison sentence of 1.5 years. AAR understands that Mr. Holmes was not personally convicted, but because under Nepalese law it is the responsibility of the company's principal business executive to accept the sentence of the company, Mr. Holmes has been assigned the company's sentence by the court. The Company does not currently intend to participate in the proceedings, and does not intend to pay the fine, believing the proceedings and outcome lack due process. The Company does not believe that the outcome of these proceedings will have a material adverse effect on the Company's

operations, financial position, or cash flows. We recognized a liability for the $0.9 million fine in the second quarter of fiscal 2025.

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16. Subsequent Event

Pending Acquisition of MRO Holdings

On September 28, 2026, we entered into a definitive agreement to acquire a 65% interest in MRO Holdings which is a leading global provider of aircraft MRO services. Under the terms of the agreement and subject to closing conditions, we will acquire MRO Holdings for approximately $3.0 billion including the repayment of $1.3 billion of MRO Holdings' existing borrowings as part of the transaction.

We expect to fund the acquisition, including related expenses, through approximately $2.1 billion of new debt, approximately $780 million of our equity issued to existing MRO Holdings shareholders, and approximately $230 million of proceeds from a private investment in public equity (PIPE) offering. We have also secured a debt financing commitment to backstop the contemplated new financings. The acquisition is expected to close in the third quarter of fiscal 2027, subject to customary closing conditions, including regulatory approvals.

We will have the option to acquire the remaining 35% ownership interest of MRO Holdings with 5% exercisable at any time within six years of the closing of the acquisition and the remaining 30% exercisable in three equal tranches of 10% on the second, third, and fourth anniversaries of the closing of the initial acquisition. We will control the MRO Holdings' Board of Managers and expect to consolidate its financial results. Transaction costs associated with the transaction of $7.3 million were expensed as incurred during the first quarter of fiscal 2027.

Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations (Dollars in millions)

General Overview and Outlook

During the fourth quarter of fiscal 2026, we changed our operating segment structure to realign our former Integrated Solutions segment which resulted in the following changes:

- Combined our government programs activities and our Mobility Systems business, previously reported as Expeditionary Services, into a new operating segment named Government Solutions;
- Re-positioned our software platform to our Repair and Engineering segment, which was renamed Repair, Engineering, and Software; and
- Legacy Commercial Programs, the remaining business unit within the Integrated Solutions segment, is now separately reported as its own operating segment.

We report our activities in four business segments:

- Parts Supply, primarily consisting of our sales of used serviceable material ("USM"), including aircraft, engine and airframe parts and components and distribution of new parts ("Distribution");
- Repair, Engineering, and Software primarily consists of MRO of airframes ("Airframe MRO"), MRO of other components ("Component MRO"), and our software platforms, including Trax, Aerostrat, Airvoyant, and Airinmar;
- Government Solutions primarily consists of our fleet management and operations of customer-owned aircraft, customized performance-based supply chain logistics programs in support of the U.S. Department of War ("DoW"), the U.S. Department of State ("DoS") and foreign governments and the engineering, design, integration, manufacture, and repair of pallets, shelters, and containers; and
- Legacy Commercial Programs consists of asset-heavy flight hour-based component repair programs for commercial airlines and distribution of consumables and expendables inventory.

Our previously reported segment financial information has been recast to conform to our new segment structure. The change in our operating segments had no impact on our previously reported consolidated results of operations, financial condition, or cash flows.

Our Chief Operating Decision Maker ("CODM") is our Chairman, President, and Chief Executive Officer and he evaluates performance on our operating segments using operating income as the primary profitability measure. Our operating segments are aligned principally around differences in products and services and are consistent with how our CODM allocates resources, assesses performance, and makes decisions.

During the fourth quarter of fiscal 2026, we announced our intention to exit our Legacy Commercial Programs business as it requires significant asset pools and no longer meets our capital return thresholds. We anticipate that the wind-down of this segment will take approximately three to four years as the Legacy Commercial Programs' existing customer contracts are terminated or exited and its rotable assets are sold.

In fiscal 2026, we completed one acquisition in our Parts Supply segment and three acquisitions in our Repair, Engineering, and Software segment to further expand our products and services portfolio and our global footprint:

- In September 2025, we acquired American Distributors Holding Co., LLC ("ADI") for $137.1 million. ADI is a leading distributor of electronic components and assemblies to original equipment manufacturers ("OEMs") across the aerospace and defense industry,
- In November 2025, we acquired HAECO Americas for $78.0 million. HAECO Americas is a provider of heavy aircraft MRO and modification services across its hangars located in Greensboro, North Carolina and Lake City, Florida.
- In April 2026, we acquired Aircraft Reconfig Technologies ("ART") for $36.3 million. ART is a leading aircraft interiors engineering company which adds Federal Aviation Administration ("FAA") Organization Designation Authorization to our engineering services capabilities. This enables us to

issue supplemental type certificates and Parts Manufacturer Approval ("PMA") without reliance on third parties.

- In August 2025, we acquired Aerostrat Corp. ("Aerostrat") for $19.0 million, including estimated contingent consideration of $4.0 million. Aerostrat is a leading long-range maintenance planning software provider used by airlines, MRO facilities, and cargo companies to automate complex scheduling, ensure production capacity, and simplify aircraft allocation.

Pending Acquisition of MRO Holdings

On September 28, 2026, we entered into a definitive agreement to acquire a 65% interest in MRO Holdings which is a leading global provider of aircraft MRO services. Under the terms of the agreement and subject to closing conditions, we will acquire MRO Holdings for approximately $3.0 billion including the repayment of $1.3 billion of MRO Holdings' existing borrowings as part of the transaction.

We expect to fund the acquisition, including related expenses, through approximately $2.1 billion of new debt, approximately $780 million of our equity issued to existing MRO Holdings shareholders, and approximately $230 million of proceeds from a private investment in public equity (PIPE) offering. We have also secured a debt financing commitment to backstop the contemplated new financings. The acquisition is expected to close in the third quarter of fiscal 2027, subject to customary closing conditions, including regulatory approvals.

We will have the option to acquire the remaining 35% ownership interest of MRO Holdings with 5% exercisable at any time within six years of the closing of the acquisition and the remaining 30% exercisable in three equal tranches of 10% on the second, third, and fourth anniversaries of the closing of the initial acquisition. We will control the MRO Holdings' Board of Managers and expect to consolidate its financial results. Transaction costs associated with the transaction of $7.3 million were expensed as incurred during the first quarter of fiscal 2027.

Parts Supply

Our Parts Supply segment primarily consists of aftermarket distribution of new, OEM supplied replacement parts and sales and leasing of USM. We have established formal, exclusive distribution relationships with OEM suppliers of aircraft components, which are utilized by aircraft operators and aircraft repair and maintenance operations. We are a leading independent distributor of factory new aircraft parts for the aftermarket. We also distribute components and assemblies to OEMs through our recent ADI acquisition.

We also have an interest in a joint venture supporting the distribution of OEM parts to customers in Asia.

USM is an important category of the aviation aftermarket in which parts removed from engines or airframes can be refurbished to be utilized as replacement parts in the aftermarket. We utilize a network of third-party repair facilities to perform this work. USM parts often represent a cost-effective and more timely solution for operators when compared to sourcing new parts. We take an active role in sourcing USM inventory by monitoring the market for opportunities to acquire used aircraft and engines. After acquisition, we manage the process of disassembly, repair and inspection of the various parts or discrete components that can be sold to customers.

Repair, Engineering, and Software

Our Repair, Engineering, and Software segment primarily provides Airframe MRO, Component MRO, and integrated software solutions.

Our Airframe MRO services are primarily comprised of major airframe inspection, MRO, painting services, line maintenance, airframe modifications, structural repairs, avionics service and installation, exterior and interior refurbishment and engineering services and support for many types of commercial and military aircraft. Component MRO services are primarily comprised of repair and overhaul services for structural components, engine and airframe accessories, and interior refurbishment.

Our software solutions primarily consist of comprehensive, cloud-based, mobile, and AI-enabled aviation aftermarket software, which provide greater value across all aspects of airline and MRO technical operations. Trax is a cloud-based system of record for aircraft maintenance which is enhanced by mobile apps for real-time work execution. Aerostrat is an advanced platform for long-range heavy maintenance planning used by global airlines to automate complex scheduling to ensure heavy maintenance capacity and minimal aircraft out-of-service time. Airvoyant is an artificial intelligence ("AI") platform that automates the procurement workflow from requisition to invoice (end-to-end) through intelligent sourcing decisions using data science and agentic AI. Airinmar provides warranty claim management in support of our airline customers' maintenance activities.

To meet growing customer demand, we recently expanded our Airframe MRO Oklahoma City operations with the construction of a new 80,000 square foot facility with three bays and warehouse space adjacent to our existing hangar. This facility inducted its first aircraft in early calendar 2026. We are also expanding our Miami airframe maintenance operations with a 114,000 square foot facility with three bays adjacent to our existing hangar. The new Miami facility is expected to be operational before the end of calendar 2026.

Government Solutions

The Government Solutions segment primarily consists of our fleet management and operations of customer-owned aircraft, customized performance-based supply chain logistics programs in support of the DoW, the DoS and foreign governments and our Mobility Systems operations which provides products and services supporting the movement of equipment by the U.S. and foreign governments and non-governmental organizations.

Fleet management and operations of customer-owned aircraft are performed for the DoS under the INL/A WASS contract. We are the prime contractor on this ten-year performance-based contract which began in fiscal 2018. Our services under the contract include operating and maintaining the global DoS fleet of fixed- and rotary-wing aircraft. Supply chain logistics programs are primarily comprised of material planning, sourcing, logistics, information and program management and parts and component repair and overhaul.

Mobility Systems designs, manufactures, and repairs transportation pallets and a wide variety of containers and shelters used in support of military and humanitarian tactical deployment activities. The containers and shelters are used in numerous mission requirements, including armories, supply and parts storage, refrigeration systems, tactical operation centers, briefing rooms, laundry and kitchen facilities, water treatment, and sleeping quarters. Shelters include both stationary and vehicle-mounted applications. Mobility Systems also provides engineering, design, and system integration services for specialized command and control systems.

Legacy Commercial Programs

The Legacy Commercial Programs segment primarily consists of asset-heavy flight hour-based component pool and repair programs for commercial airlines and distribution of consumables and expendables inventory. Flight hour component inventory and repair programs for commercial airlines are primarily comprised of outsourcing programs for airframe parts and components.

Over the long-term, we expect to see strength in our aviation products and services given our offerings of value-added solutions to both commercial and government and defense customers. We believe long-term commercial aftermarket growth trends are favorable. As we continue to invest in the pipeline of opportunities in the government market, our long-term strategy continues to emphasize investing in the business and capitalizing on opportunities in both the commercial and government markets.

Discussion of Results of Operations

	Three Months Ended August 31,		
	2026	2025	% Change
Sales:			
Commercial	$ 670.8	$ 523.3	28.2 %
Government and defense	247.2	216.3	14.3 %
	$ 918.0	$ 739.6	24.1 %
Gross Profit:			
Commercial	$ 123.3	$ 89.5	37.8 %
Government and defense	53.0	44.2	19.9 %
	$ 176.3	$ 133.7	31.9 %
Gross Profit Margin:			
Commercial	18.4 %	17.1 %	
Government and defense	21.4 %	20.4 %	
Consolidated	19.2 %	18.1 %	

Consolidated sales for the first quarter of fiscal 2027 increased $178.4 million, or 24.1%, over the prior year quarter primarily due to an increase in sales to commercial customers. Consolidated sales to commercial customers increased $147.5 million, or 28.2%, over the prior year quarter primarily due to strong demand and volume growth in

our new parts Distribution activities, including from our recent ADI acquisition, which contributed sales of $35.3 million. In addition, our recent HAECO Americas acquisition contributed sales of $46.6 million. Our consolidated sales to government customers increased $30.9 million, or 14.3%, primarily due to volume growth in our Parts Supply segment from new parts Distribution activities, including from our recent ADI acquisition, which contributed sales of $8.4 million.

Consolidated cost of sales increased $135.8 million, or 22.4%, over the prior year quarter, which was largely in line with the consolidated sales increase of 24.1% discussed above.

Consolidated gross profit for the first quarter of fiscal 2027 increased $42.6 million, or 31.9%, over the prior year quarter. Gross profit on sales to commercial customers increased $33.8 million, or 37.8%, over the prior year quarter with the gross profit margin increased to 18.4% from 17.1%. These increases are primarily due to the mix of products sold and volume growth in our Parts Supply segment, including from our recent ADI acquisition.

Gross profit on sales to government customers increased $8.8 million, or 19.9%, with the gross profit margin increased to 21.4% from 20.4% in the prior year quarter. These increases across government customers are primarily attributable to strong demand and growth in our Government Solutions segment.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses increased $35.2 million, or 49.0%, over the prior year quarter and selling, general, and administrative expenses as a percent of sales increased to 11.7% from 9.7%. These increases were primarily due to incremental expenses of $22.0 million related to recent acquisition activity.

Interest Expense

Interest expense decreased $2.2 million in the first quarter of fiscal 2027 compared to the prior year quarter reflecting the impact of both lower interest rates and lower average borrowings. Our average borrowing rate on our Amended Revolving Credit Facility was 5.34% in the first quarter of fiscal 2027 compared to 6.14% in the prior year quarter.

Income Taxes

Our effective income tax rate for continuing operations was 27.6% in the first quarter of fiscal 2027 compared to 26.8% in the prior year quarter. The increase in the effective tax rate was primarily attributable to higher non-deductible expenses in fiscal 2027.

Operating Segment Results of Operations

Three-Month Periods Ended August 31, 2026 and 2025

Parts Supply Segment

	Three Months Ended August 31,		
	2026	2025	% Change
Third-party sales	$ 414.8	$ 317.8	30.5 %
Operating income	55.3	40.9	35.2 %
Operating margin	13.3 %	12.9 %	

Sales in the Parts Supply segment increased $97.0 million, or 30.5%, over the prior year quarter primarily due to a $42.6 million increase in sales in our new parts Distribution activities from increased demand and growth from new and expanded distribution agreements. In addition, the ADI acquisition contributed sales of $43.7 million during the first quarter of fiscal 2027. Whole asset sales in our USM activities increased $3.9 million in the first quarter of fiscal 2027 over the prior year quarter. Sales in the Parts Supply segment during the first quarter of fiscal 2027 also included sales of $4.7 million related to the wind-down of the Legacy Commercial Programs rotable asset pool.

Operating income in the Parts Supply segment increased $14.4 million, or 35.2%, over the prior year quarter, and operating margin increased to 13.3% from 12.9%. These increases were primarily due to improved profitability across the mix of products sold in our USM activities.

Repair, Engineering, and Software Segment

	Three Months Ended August 31,		
	2026	2025	% Change
Third-party sales	$ 297.5	$ 226.4	31.4 %
Operating income	16.0	20.0	(20.0)%
Operating margin	5.4 %	8.8 %	

Sales in the Repair, Engineering, and Software segment increased $71.1 million, or 31.4%, over the prior year quarter primarily due to growth within our Airframe MRO services of $54.3 million. The HAECO Americas acquisition contributed sales of $46.6 million during the quarter. In addition, the ART acquisition contributed sales of $7.8 million during the quarter.

Operating income in the Repair, Engineering, and Software segment decreased $4.0 million, or 20.0%, from the prior year quarter and the operating margin decreased to 5.4% from 8.8%. These decreases were primarily due to lower profitability in our Airframe MRO activities and the recognition of compensation expense of $4.9 million related to the Trax contingent consideration.

Government Solutions Segment

	Three Months Ended August 31,		
	2026	2025	% Change
Third-party sales	$ 138.8	$ 133.9	3.7 %
Operating income	19.1	12.7	50.4 %
Operating margin	13.8 %	9.5 %	

Sales in the Government Solutions segment increased $4.9 million, or 3.7%, over the prior year quarter primarily due to higher volumes across the Mobility Systems' pallet product line.

Operating income in the Government Solutions segment increased $6.4 million, or 50.4%, over the prior year quarter and the operating margin increased to 13.8% from 9.5%. These increases were primarily attributable to higher volumes within our Mobility Systems activities.

Legacy Commercial Programs Segment

	Three Months Ended August 31,		
	2026	2025	% Change
Third-party sales	$ 66.9	$ 61.5	8.8 %
Operating income (loss)	2.9	0.4	625.0 %
Operating margin	4.3 %	0.7 %	

Sales in the Legacy Commercial Programs segment increased $5.4 million, or 8.8%, from the prior year quarter primarily due to increased parts sales as we wind-down the Legacy Commercial Programs operations. Sales of rotable parts were $24.3 million in the current quarter compared to $6.5 million in the prior year quarter.

Operating income in the Legacy Commercial Programs segment increased $2.5 million, or 625.0%, over the prior year quarter with the operating margin increasing to 4.3% from 0.7%. These increases were primarily due to the increased volume of rotable parts sales partially offset by unfavorable cumulative catch-up adjustments of $3.4 million related to our long-term, flight hour programs where we provide component inventory management and repair services.

Liquidity, Capital Resources and Financial Position

Our operating activities are funded and commitments met through the generation of cash from operations. Our ability to generate cash from operations is influenced primarily by our operating performance and changes in working capital. In addition to operations, our current capital resources include an unsecured revolving credit facility under the credit agreement with various financial institutions as lenders and Wells Fargo Bank, N.A., as administrative agent for the lenders (the "Credit Agreement"), and an accounts receivable financing program. Periodically, we may also raise capital through common stock and debt financings in the public or private markets. We continually evaluate various financing arrangements, including the issuance of common stock or debt, which would allow us to improve our liquidity position and finance future growth on commercially reasonable terms. Our continuing ability to borrow from our lenders and issue debt and equity securities to the public and private markets in the future may be negatively affected by a number of factors, including the overall health of the credit markets, general economic conditions, airline industry conditions, geo-political events, our debt service obligations, and our operating performance.

At August 31, 2026, our liquidity and capital resources included working capital of $1,189.1 million inclusive of cash of $104.5 million. We expect that our cash on hand, coupled with future cash flows from operations and other available sources of liquidity discussed below, will provide ample liquidity to enable us to meet our cash requirements for at least the next 12 months and foreseeable future thereafter.

Borrowings

On March 1, 2024, we entered into an amendment (the "Revolver Amendment") to our Credit Agreement, which governs the Company's existing revolving credit facility (the revolving credit facility as amended by the Revolver Amendment, the "Amended Revolving Credit Facility"). Among other things, the Revolver Amendment (i) increased the aggregate commitments under the Amended Revolving Credit Facility to $825.0 million from $620.0 million under the Revolving Credit Facility, (ii) increased the maximum leverage ratio permitted under the financial covenants applicable to the Amended Revolving Credit Facility and (iii) included an additional pricing level that increases the interest rate margins on the Amended Revolving Credit Facility to 250 basis points (in the case of loans based on the secured overnight financing rate ("SOFR")) and 150 basis points (in the case of Base Rate loans) if our adjusted total debt to EBITDA ratio exceeds 3.75:1.00.

Under certain circumstances, we may request an increase to the lending commitments under the Credit Agreement by an aggregate amount of up to $300 million, not to exceed $1,125 million in total. The Credit Agreement expires on December 14, 2027. Borrowings under the Credit Agreement bear interest at a variable rate based on SOFR plus 112.5 to 250 basis points based on certain financial measurements if a SOFR loan, or at the offered fluctuating Base Rate plus 12.5 to 150 basis points based on certain financial measurements if a Base Rate loan.

At August 31, 2026, borrowings outstanding under the Amended Revolving Credit Facility were $185.0 million and there were approximately $7.7 million of outstanding letters of credit, which reduced the availability under this facility to $632.3 million. There are no other terms or covenants limiting the availability of the Amended Revolving Credit Facility. As of August 31, 2026, we also had other financing arrangements that did not limit availability on our Amended Revolving Credit Facility, including foreign lines of credit of $9.9 million.

On March 1, 2024, we issued $550.0 million aggregate principal amount of 6.75% Senior Notes due 2029 (the "Notes") to fund a portion of the purchase price for the acquisition of the Product Support business. The Notes bear interest at a rate of 6.75% per year, payable semiannually in cash in arrears on March 15 and September 15 of each year, commencing September 15, 2024. The Notes will mature on March 15, 2029.

On August 14, 2025, we issued an additional $150.0 million aggregate principal amount of our Notes (the "Additional Notes") at an original issuance premium 102% of their principal amount, or $3.0 million. Other than with respect to the date of issuance and the offering price, the Additional Notes have the same terms as the Notes.

Our financing arrangements require us to comply with leverage and interest coverage ratios and comply with certain affirmative and negative covenants, including those relating to financial reporting and notification, compliance with applicable laws, and limitations on additional liens, indebtedness, acquisitions, investments and disposition of assets. Our financing arrangements also generally require our significant domestic subsidiaries to provide a guarantee

of payment. At August 31, 2026, we were in compliance with the financial and other covenants under each of our financing arrangements.

Sale of Receivables

We maintain a Purchase Agreement with Citibank N.A. ("Purchaser") for the sale, from time to time, of certain accounts receivable due from certain customers (the "Purchase Agreement"). Under the Purchase Agreement, the maximum amount of receivables sold is limited to $150.0 million and Purchaser may, but is not required to, purchase the eligible receivables we offer to sell. The term of the Purchase Agreement expires after February 22, 2027, but, the Purchase Agreement may be terminated earlier under certain circumstances. The term of the Purchase Agreement is automatically extended for annual terms unless either party provides advance notice that they do not intend to extend the term.

We have no retained interests in the sold receivables, other than limited recourse obligations in certain circumstances, and only perform collection and administrative functions for the Purchaser. We account for these receivable transfers as sales under Accounting Standards Codification 860, *Transfers and Servicing*, and de-recognize the sold receivables from our Condensed Consolidated Balance Sheet. At August 31, 2026, we have utilized $22.1 million which reduced the availability under the Purchase Agreement to $127.9 million.

Stock Repurchase Program

On December 16, 2021, our Board of Directors authorized a renewal of our stock repurchase program, under which we may repurchase up to $150 million of our common stock with no expiration date. No repurchases were made during the three-month period ended August 31, 2026. Since inception of the renewal authorization, we have repurchased 2.4 million shares for an aggregate purchase price of $107.5 million. The timing and amount of repurchases are subject to prevailing market conditions and other considerations, including our liquidity and acquisition and other investment opportunities.

Cash Flows from Operating Activities

Net cash provided by operating activities was $55.8 million in the first quarter of fiscal 2027 compared to a use of cash of $44.9 million in the prior year quarter. The increase in cash provided by operating activities over the prior year of $100.7 million was primarily attributable to working capital changes, including increased inventory investments in both new parts and used serviceable material in the current year.

Cash Flows from Investing Activities

Net cash used in investing activities was $25.6 million during the first quarter of fiscal 2027 compared to $23.8 million in the prior year quarter. The increase in cash used in investing activities over the prior year of $1.8 million was primarily related to a loan provided to a third-party for USM engine investments partially offset by lower acquisition-related payments.

Cash Flows from Financing Activities

Net cash used in financing activities was $24.9 million during the first quarter of fiscal 2027 compared to cash provided of $51.1 million in the prior year quarter. The increase in cash used in financing activities over the prior year of $76.0 million was primarily related to the $150.0 million debt offering in the prior year quarter.

Critical Accounting Policies and Significant Estimates

We make a number of significant estimates, assumptions and judgments in the preparation of our financial statements. See *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the year ended May 31, 2026 for a discussion of our critical accounting policies. There have been no significant changes to the application of our critical accounting policies during the first quarter of fiscal 2027.

Forward-Looking Statements

This report contains certain forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. 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 beliefs of our management, as well as assumptions and estimates based on information available to us 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) adverse events and negative publicity in the aviation industry; (iii) a reduction in sales to the U.S. government and its contractors; (iv) cost overruns and losses on fixed-price contracts; (v) nonperformance by subcontractors or suppliers; (vi) our ability to manage our operational footprint; (vii) a reduction in outsourcing of maintenance and repair activity by airlines; (viii) a shortage of skilled personnel or work stoppages; (ix) competition from other companies; (x) financial, operational and legal risks arising as a result of operating internationally; (xi) failure to complete, integrate, and realize the anticipated benefits of acquisitions, including execution of related operational and financial plans; (xii) circumstances associated with divestitures; (xiii) inability to recover costs due to fluctuations in market values for aviation products and equipment; (xiv) cyber or other security threats or disruptions; (xv) a need to make significant capital expenditures to keep pace with technological developments in our industry; (xvi) restrictions on use of intellectual property and tooling important to our business; (xvii) inability to protect the value of our intellectual property; (xviii) our ability to manage our debt and fund our other liquidity needs; (xix) limitations on our ability to access the debt and equity capital markets or to draw down funds under loan agreements; (xx) non-compliance with restrictive and financial covenants contained in our debt and loan agreements; (xxi) changes in or non-compliance with laws and regulations related to federal contractors, the aviation industry, international operations, safety, and environmental matters, and the costs of complying with such laws and regulations; and (xxii) exposure to product liability and property claims that may be in excess of our liability insurance coverage. 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.

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 from time to time with the SEC. These events and uncertainties are difficult or impossible to predict accurately and many are beyond our control. The risks described in these reports are not the only risks we face, as additional risks and uncertainties are not currently known or foreseeable or impossible to predict accurately or risks that are beyond our control or deemed immaterial may materially adversely affect our business, financial condition or results of operations in future periods. 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, except as required by law.

Item 3 – Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk includes fluctuating interest rates under our credit agreements, changes in foreign exchange rates, and credit losses on accounts receivable. See Note 1 of Notes to Consolidated Financial Statements in our Annual Report on Form 10- K for the year ended May 31, 2026 for a discussion of accounts receivable exposure.

Foreign Currency Risk. Revenues and expenses of our foreign operations are translated at average exchange rates during the period, and balance sheet accounts are translated at period-end exchange rates. Balance sheet translation adjustments are excluded from the results of operations and are recorded in stockholders’ equity as a component of accumulated other comprehensive loss. A hypothetical 10 percent devaluation of the U.S. dollar against foreign currencies would not have had a material impact on our financial position or continuing operations for the quarter ended August 31, 2026.

Interest Rate Risk. Refer to the section Quantitative and Qualitative Disclosures about Market Risk in our Annual Report on Form 10-K for the year ended May 31, 2026. There were no significant changes during the quarter ended August 31, 2026.

Item 4 – Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of August 31, 2026. This evaluation was carried out under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer. There are inherent limitations to the effectiveness of any system of disclosure controls

and procedures. Therefore, effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective as of August 31, 2026 to provide reasonable assurance that information required to be disclosed in the reports that are filed under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported in a timely manner.

There were no changes in our internal control over financial reporting during the quarter ended August 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II – OTHER INFORMATION

Item 1 – Legal Proceedings

The information in Note 15 to the Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference. There are no matters which constitute material pending legal proceedings to which we are a party other than those incorporated into this item by reference from Note 15 to our Condensed Consolidated Financial Statements for the quarter ended August 31, 2026 contained in this Quarterly Report on Form 10-Q.

Item 1A – Risk Factors

There have been no material changes in the risk factors disclosed under Part I, Item 1A "Risk Factors" contained in our Annual Report on Form 10-K for the fiscal year ended May 31, 2026 with the exception of the addition of the following risk factors:

The acquisition of MRO Holdings may not be completed on a timely basis, or at all, and the failure to complete the acquisition could adversely affect our business, operating results and financial condition.

We have entered into a definitive agreement with respect to the acquisition of a 65% controlling interest in MRO Holdings (the "Acquisition"). We can provide no assurance that the Acquisition will be consummated on a timely basis or at all. Pursuant to the stock purchase agreement that we entered into relating to the Acquisition (the "Purchase Agreement"), the Acquisition is subject to a number of closing conditions. Many of the closing conditions will not be within our control, and we cannot predict when or if these conditions will be satisfied. There can be no assurance as to when, or if, the conditions to closing of the Acquisition will be satisfied or waived or that other events will not intervene to delay the Acquisition or result in the termination of the Purchase Agreement. Any delay in completing the Acquisition could cause us not to realize some or all of the benefits that we expect to achieve if the Acquisition is successfully completed within our expected timeframe. Similarly, delays in the completion of the Acquisition could, among other things, result in additional transaction costs, loss of revenue or other negative effects associated with uncertainty about completion of the Acquisition.

If the Acquisition is not completed, our ongoing business, financial condition, financial results and stock price may be adversely affected, and we will be subject to the following risks: (i) depending on the reasons for the failure to complete the Acquisition, we could be liable for monetary or other damages in connection with the termination or breach of the Purchase Agreement; (ii) we have dedicated, and will continue to dedicate, significant time and resources, financial and otherwise, in planning for the Acquisition and the associated integration, the benefit of which we would lose if the Acquisition is not completed and which could otherwise have been devoted to other opportunities that may have been beneficial to us; (iii) while the Purchase Agreement is in force, we will be required to conduct our business, and cause our subsidiaries to conduct their businesses, in the ordinary course in all material respects, and will be restricted from amending our organizational documents in a manner that would adversely affect the Acquisition; (iv) these requirements and restrictions may adversely affect our ability to execute certain of our business strategies; (v) we may experience negative reactions from the financial markets or from suppliers, customers, regulators and employees, and may not be able to retain key management personnel and other key employees; and (vi) we may be subject to litigation related to any failure to complete the Acquisition or related to any enforcement proceeding commenced against us to perform our obligations pursuant to the Purchase Agreement.

Furthermore, we are subject to the following risks in connection with this pending Acquisition:

- We currently have a significant amount of debt and expect to incur additional debt in connection with the Acquisition, which could adversely affect our financial condition and our ability to react to changes in our business;
- The financing commitments we have obtained in connection with the Acquisition are subject to customary conditions and if such financing is not available, we may remain obligated to complete the Acquisition;
- We will incur substantial transaction fees and costs in connection with the Acquisition;

- We do not currently control MRO Holdings and will not control its business or assets until the consummation of the Acquisition;
- While the Acquisition is pending, we and MRO Holdings will be subject to business uncertainties that could adversely affect our respective businesses;
- Uncertainties associated with the Acquisition may cause a loss of key employees, and we may be unable to attract and retain key personnel during the pendency of the Acquisition and thereafter;
- The assumption of unknown liabilities in the Acquisition may harm our financial condition and results of operations;

- We may not be able to enforce claims with respect to the representations and warranties that the sellers have provided under the Purchase Agreement and recovery under our representations and warranties insurance policy may be limited or unavailable in certain circumstances; and
- Legal proceedings related to the Acquisition could result in substantial costs, an injunction preventing the completion of the Acquisition and/or a judgment resulting in the payment of damages.

We may not realize the anticipated benefits of the Acquisition, and we may face difficulties integrating MRO Holdings' operations, which could have a material adverse effect on our business, operating results and financial condition.

Even if the Acquisition is completed, we may not realize the anticipated benefits of the Acquisition, including any synergies, cost savings, financial or business growth opportunities. The benefits of the Acquisition may not be achieved within the anticipated timeframe, or at all. Further, we may not be able to successfully execute our integration plans for MRO Holdings and may face diversion of management attention from our existing business, unanticipated costs and risks associated with integrating MRO Holdings' operations, and challenges in combining our business with MRO Holdings' operations. Failing to realize the anticipated benefits of the Acquisition and difficulties integrating MRO Holdings could have a material adverse effect on our business, operating results and financial condition.

Item 5 – Other Information

During the three months ended August 31, 2026, none of our directors or "officers" (as defined in Rule 16a-1(f) promulgated under the Exchange Act) adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" as such terms are defined under Item 408 of Regulation S-K.

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Item 6 – Exhibits

The exhibits to this report are listed on the following index:

Exhibit No.	Description	Exhibits	
10.	Material Contracts	10.1*	Form of AAR CORP. Fiscal 2027 Short-Term Incentive Plan (filed herewith).
		10.2*	Form of AAR CORP. Fiscal 2027 Restricted Stock Agreement for Ratable Vesting (filed herewith).
		10.3*	Form of AAR CORP. Fiscal 2027 Restricted Stock Agreement for Cliff Vesting (filed herewith).
		10.4*	Form of AAR CORP. Fiscal 2027 Performance Restricted Stock Agreement (filed herewith).
		10.5*	Form of Fiscal 2027 Director Restricted Stock Agreement (incorporated by reference to Exhibit 10.34 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 31, 2026).
		10.6*	Form of AAR CORP. Fiscal 2027 Special Performance-Based Restricted Stock Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 24, 2026).
31.	Rule 13a-14(a)/15(d)-14(a) Certifications	31.1	Section 302 Certification of Chief Executive Officer of Registrant (filed herewith).
		31.2	Section 302 Certification of Chief Financial Officer of Registrant (filed herewith).
32.	Section 1350 Certifications	32.1	Section 906 Certification of Chief Executive Officer of Registrant (filed herewith).
		32.2	Section 906 Certification of Chief Financial Officer of Registrant (filed herewith).
101.	Interactive Data File	101	The following materials from the Registrant's Quarterly Report on Form 10-Q for the quarter ended August 31, 2026, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at August 31, 2026 and May 31, 2026, (ii) Condensed Consolidated Statements of Income for the three-months ended August 31, 2026 and 2025, (iii) Condensed Consolidated Statements of Comprehensive Income for the three-months ended August 31, 2026 and 2025, (iv) Condensed Consolidated Statements of Cash Flows for the three-months ended August 31, 2026 and 2025, (v) Condensed Consolidated Statement of Changes in Equity for the three-months ended August 31, 2026 and 2025, and (vi) Notes to Condensed Consolidated Financial Statements.**
104.	Cover Page Interactive Data File	104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101).

* Management contract and compensatory arrangement.

** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AAR CORP.

(Registrant)

Date: September 29, 2026

/s/ DYLAN Z. WOLIN
Dylan Z. Wolin
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.1

AAR CORP.
Fiscal 2027 Short-Term Incentive Plan

1. Purpose.

The purpose of the AAR CORP. 2027 Short-Term Incentive Plan ("STIP") is to provide an incentive for selected senior executives of AAR CORP. (the "Company") and its subsidiaries to achieve the Company's short-term performance goals by providing them with an annual cash incentive payment based on the financial and operating success of the Company. The STIP payment for the fiscal year ending May 31, 2027 ("Fiscal 2027") will be based on Earnings Per Share and Working Capital Turns.

2. Definitions.

(a) "Board" means the Board of Directors of the Company.

(b) "Bonus" means the annual cash incentive paid to a Participant under this STIP for Fiscal 2027.

(c) "Cause" means the Participant's unsatisfactory performance or conduct detrimental to the Company and its subsidiaries, as solely determined by the Company.

(d) "Committee" means the Human Capital and Compensation Committee of the Board (the "Committee").

(e) "Company" means AAR CORP.

(f) "Disability" means the inability of the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(g) "Earnings Per Share" means adjusted diluted earnings per share from continuing operations as disclosed by the Company in its periodic reports filed with the Securities and Exchange Commission, excluding non-GAAP items included on the Company's quarterly earnings releases, special charges or unusual or infrequent items incurred during the performance period, and as may be adjusted for changes in generally accepted accounting principles.

(h) "Fiscal 2027" means the Company's fiscal year ending May 31, 2027.

(i) "Participant" means any active executive of the Company or subsidiary who has been selected by the Committee as eligible to earn a Bonus under the STIP.

(j) "Retirement" means the Participant's voluntary termination of his employment, or his termination of employment by the Company or a subsidiary without Cause, when he has

(i) attained age 65 or (ii) attained age 55 and his age plus the number of his consecutive years of service with the Company and subsidiaries is at least 75.

(k) "Salary" means a Participant's base annual salary earned during Fiscal 2027 while a Participant.

(l) "STIP" means this AAR CORP. 2027 Short-Term Incentive Plan.

(m) "Working Capital Turns" means net sales divided by average working capital, where working capital is defined as net accounts receivable plus net inventories minus accounts payable, excluding non-GAAP items included on the Company's quarterly earnings releases, special charges or unusual or infrequent items incurred during the performance period, including changes in the Company's accounts receivable financing program, and as may be adjusted for changes in generally accepted accounting practices.

3. Administration.

The STIP shall be administered by the Committee. The Committee has full authority to select the senior executives eligible to participate in the STIP and determine when the senior executive's participation in the STIP will begin and end. Subject to the express provisions of the STIP, the Committee shall be authorized to interpret the STIP and to establish, amend and rescind any rules and regulations relating to the STIP and to make all other determinations deemed necessary or advisable for the proper administration of the STIP. The determinations of the Committee in the proper administration of the STIP shall be conclusive and binding.

4. Eligibility and Participation.

Participation in the STIP is limited to those senior executives of the Company or a subsidiary who the Committee designates as Participants. When the Committee selects an executive to become a Participant under the STIP, it shall designate the date as of which the executive's participation shall begin.

5. Annual Bonus Awards.

(a) Determination of Participants, Performance Goals and Target Bonus Amounts. In the beginning of Fiscal 2027, the Committee shall (i) determine the Participants for Fiscal 2027, (ii) establish threshold, target and maximum Earnings Per Share and Working Capital Turns performance goals, and (iii) approve the target Bonus payment for each Participant expressed as a percentage of the Participant's Salary.

(b) Bonus Payment. As soon as reasonably practicable after the end of Fiscal 2027, the Committee shall determine the extent to which each of the Earnings Per Share and Working Capital Turns targets were attained for Fiscal 2027. The Bonus payable to each Participant will be equal to the sum of (i) 80% of the Participant's target Bonus multiplied by the applicable Earnings Per Share Multiplier Percentage, and (ii) 20% of the Participant's target Bonus multiplied by the Working Capital Turns Multiplier Percentage (except in each case for such lower amounts as otherwise determined by the Committee in its discretion):

Earnings Per Share (80%)			**Working Capital Turns (20%)**	
	Percentage Achievement of Earnings Per Share	**Payout Against Associated Target STIP**	**Percentage of Achievement of Working Capital Turns Target**	**Payout Against Associated STIP**
	<85%	0%	<75%	0%
	85%	50%	75%	50%
	100%	100%	100%	100%
	110%	200%	125%	200%

Achievement of Earnings Per Share and Working Capital Turns targets between established ranges will be paid out on a straight-line basis within the targeted payout ranges, up to the maximum 200% payout.

6. STIP Limitations.

Notwithstanding Section 5, (a) the Committee retains full discretion to determine whether any Bonus will be payable for Fiscal 2027, regardless of performance results and (b) no Bonus shall be paid under the STIP to a Participant whose employment with the Company and all subsidiaries terminates during Fiscal 2027 unless the termination is due to death, Disability or Retirement, or as otherwise approved by the Committee. If the Participant terminates during Fiscal 2027 due to death, Disability or Retirement, the Participant shall be entitled to a pro rata portion of the Bonus the Participant would have earned under the STIP had the Participant remained employed through the end of Fiscal 2027. Such Bonus will be paid at the same time Bonuses are paid to active Participants, unless otherwise directed by the Committee.

7. Payment of Bonuses.

A Participant's Bonus for Fiscal 2027 shall be paid in cash to the Participant, or to the Participant's beneficiary (or beneficiaries) in the event of the Participant's death, within three months after the end of Fiscal 2027, unless the Participant has previously elected to have all or a portion of the Bonus deferred in accordance with the AAR CORP. Supplemental Key Executive Retirement Plan. The Company shall deduct all taxes required by law to be withheld from all Bonus payments.

8. No Assignment.

Except in the event of a Participant's death, the rights and interests of a Participant under the STIP shall not be assigned, encumbered or transferred.

9. Termination of Participation.

The Committee reserves the right to cancel a Participant's participation in the STIP at any time.

10. Employment Rights.

Nothing contained in the STIP shall be construed as conferring a right upon any Participant to continue in the employment of the Company or any subsidiary.

11. Recoupment.

Notwithstanding any other provision of the STIP, the Company shall have the right to seek recoupment of all or any portion of a Bonus (including by forfeiture of any outstanding Bonus opportunity or by the Participant's remittance to the Company of previously paid Bonus amounts) in accordance with and pursuant to the Company's Compensation Recoupment Policy or any other policy as in effect from time to time. The value with respect to which such recoupment is sought shall be determined by the Company. The Company shall be entitled, as permitted by applicable law, to deduct the amount of such payment from any amounts the Company may owe to the Participant.

Exhibit 10.2

Fiscal 2027 Form (Ratable Vesting)

AAR CORP.

Restricted Stock Agreement ("Agreement")

Subject to the provisions of the AAR CORP. 2013 Stock Plan as amended and restated July 13, 2020 (reflecting amendments since July 13, 2020) and the Long-Term Incentive Plan for Fiscal 2027 (together, the "Plan"), the terms of which are hereby incorporated by reference, and in consideration of the agreements of the Grantee herein provided, AAR CORP. a Delaware corporation ("Company"), hereby grants to Grantee a restricted stock award ("Award"), effective July 23, 2026 ("Date of Award"), for the number of shares of common stock ("Common Stock") of the Company, $1.00 par value ("Award Shares") set forth in the Company's notification of Award grant letter to the

Grantee, and incorporated herein by reference, subject to the forfeiture and nontransferability provisions hereof and the other terms and conditions set forth herein:

1. Acceptance by Grantee. The Award is conditioned upon the acceptance by the Grantee of the terms and conditions of the Award as set forth in this Agreement. The Grantee must confirm acceptance of the Award and this Agreement on Morgan Stanley's web site (www.stockplanconnect.com). If the Grantee does not accept the Award and this Agreement within 30 days from the date of the notification of the Award, the Award referenced herein shall expire unless the acceptance date is extended in writing by the Company.

2. Restrictions. The Grantee represents that he is accepting the Award Shares without a view to the distribution of said Shares and that he will not sell, assign, transfer, pledge or otherwise encumber the Award Shares during the period commencing on the Date of Award and ending on the date(s) restrictions applicable to such Award Shares (or portion thereof) are released pursuant to paragraph 3 of this Agreement (each such period applicable to a portion of the Award Shares as set forth below, the "Restrictive Period").

3. Release of Restrictions. Subject to the provisions of paragraph 4 below, the restrictions described in paragraph 2 above shall be released with respect to 33⅓% of the Award Shares on each of July 31, 2027, July 31, 2028, and July 31, 2029, except as follows:

   (a) *In General.* If the Grantee's employment with the Company and all Subsidiaries of the Company terminates prior to July 31, 2029, for any reason other than Retirement, death, or Disability, the Grantee shall forfeit to the Company all Award Shares not previously released from the restrictions of paragraph 2 hereof.

   (b) *Retirement*. If the Grantee's employment with the Company and all Subsidiaries of the Company terminates by reason of Retirement prior to July 31, 2029, the Restrictive Period shall terminate with respect to the unreleased portions of the Award Shares on the dates set forth above in paragraph 3.

   For this purpose, "Retirement" means the Grantee's voluntary termination of employment, or his termination of employment by the Company or a Subsidiary without Cause (as defined in Section 4 below), when he has (i) attained age 65 or

(ii) attained age 55 and his age plus the number of his consecutive years of service with the Company and Subsidiaries is at least 75.

(c) *Death or Disability*. If the Grantee's employment with the Company and all Subsidiaries of the Company terminates by reason of death or Disability occurring on or after the Date of Award and on or before July 31, 2029, the Restrictive Period shall terminate as to a pro-rata share of Award Shares determined by (i) multiplying the number of Award Shares by a fraction, the numerator of which is the number of full months that have elapsed from the Date of Award to the date of death or Disability, and the denominator of which is 36, and (ii) subtracting from such product the number of Award Shares previously released from the restrictions of paragraph 2 hereof. The remaining shares shall be forfeited and returned to the Company. For this purpose, "Disability" means the inability of the Grantee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(d) *Restrictive Covenant.* If at any time prior to release from the restrictions hereunder, Grantee, without the Company's express written consent, directly or indirectly, alone or as a member of a partnership, group, or joint venture or as an employee, officer, director, or greater than 1% stockholder of any corporation, or in any capacity engages in any activity which is competitive with any of the businesses conducted by the Company or its affiliated companies at any time during the Grantee's term of employment, the Grantee shall forfeit to the Company all Award Shares not previously released from the restrictions of paragraph 2 hereof. The foregoing forfeiture obligation shall apply only to the extent permitted and enforceable under applicable law and shall not apply in any jurisdiction where enforcement of such restriction would be prohibited or unlawful under applicable law. The Grantee agrees that the Grantee has had at least fourteen (14) days to review this Agreement and the restrictive covenant in this paragraph 3(d) before being required to execute it (through online acceptance). The Grantee further acknowledges and understands that the Grantee has the right to seek advice from counsel of the Grantee's choosing before accepting this Agreement.

4. Change in Control. If in connection with a Change in Control of the Company the Award is not continued or assumed by the acquiring or surviving entity, then notwithstanding any conditions or restrictions contained in this Agreement, the Restrictive Period shall terminate as to all Award Shares not previously released. If in connection with a Change in Control of the Company the Award is continued or assumed by the acquiring or surviving entity, and within two years following such Change in Control, either the Grantee's employment is terminated by the Company or a Subsidiary of the Company without Cause, or the Grantee terminates his employment with the Company and all Subsidiaries for Good Reason, then notwithstanding any conditions or restrictions contained in this Agreement, the Restrictive Period shall terminate as to all Award Shares not previously released. For this purpose, (a) "Cause" means (i) the Grantee's dishonesty, fraud or breach of trust, gross negligence or substantial misconduct in the performance of,

or substantial nonperformance of, his assigned duties or willful violation of Company policy, (ii) any act or omission by the Grantee that is a substantial cause for a regulatory body with jurisdiction over the Company to request or recommend the suspension or removal of the participant or to impose sanctions upon the Company or the Grantee, or (iii) a material breach by the Grantee of any applicable employment agreement between him and the Company, and in each case, the Company shall have the sole discretion to determine whether a Grantee's termination of employment is for Cause; and (b) "Good Reason" means (i) a material reduction in the nature or scope of the Grantee's duties, responsibilities, authority, power or functions from those enjoyed by the Grantee immediately prior to the Change in Control, or a material reduction in the Grantee's compensation (including benefits), occurring at any time during the two-year period immediately after the Change in Control, or (ii) a relocation of the Grantee's primary place of employment of at least 100 miles.

5. Change in Outstanding Shares. In the event of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, recapitalization, merger, consolidation, combination or exchange of shares or other similar corporate change, the Award Shares shall be treated in the same manner in any such transaction as other shares of Common Stock. Any additional shares of stock received by Grantee with respect to the Award Shares in any such transaction shall be subject to the same restrictions as are then applicable to those Award Shares for which the additional shares have been issued.

6. Rights of Grantee. As the holder of the Award Shares, the Grantee is entitled to all of the rights of a stockholder of AAR CORP. with respect to any of the Award Shares, when issued, including, but not limited to, the right to receive dividends declared and payable since the Date of Award; provided, however, that such dividends shall be accumulated and held by the Company until the restrictions are released in accordance with Section 3 or 4, at which time such accumulated dividends shall be paid to the Grantee in cash. Any accumulated or unpaid dividends relating to Award Shares that are forfeited shall also be forfeited.

7. Shares. In aid of the restrictions set forth in paragraph 2, the Grantee will be required to execute a stock power in favor of the Company, which will be cancelled upon release of restrictions with respect to Award Shares released. Award Shares shall be held by the Company in electronic book entry form on the records of the Company's Transfer Agent, together with the executed stock power, for the account of the Grantee until such restrictions are released pursuant to the terms hereof, or such Award Shares are forfeited to the Company as provided by the Plan or this Agreement. The Grantee shall be entitled to the Award Shares as to which such restrictions have been released, and the Company agrees to issue such Award Shares in electronic form on the records of the Transfer Agent. Upon request by the Grantee, the Transfer Agent will transfer such released Award Shares in electronic form to the Grantee's broker for the Grantee's account or issue certificates in the name of the Grantee representing the Award Shares for which restrictions have been released.

8. Legend. The Company may, in its discretion, place a legend or legends on any electronic shares or certificates representing Award Shares issued to the Grantee that the Company believes is required to comply with any law or regulation.

9. Committee Powers. The Committee may subject the Award Shares to such conditions, limitations or restrictions as the Committee determines to be necessary or desirable to comply with any law or regulation or with the requirements of any securities exchange. At any time during an applicable Restrictive Period, the Committee may reduce or terminate the Restrictive Period otherwise applicable to all or any portion of the Award Shares.

10. Withholding Taxes. Upon and as a condition to the release of restrictions with respect to the applicable portion of the Award Shares (or, if the Grantee makes a timely election under Section 83(b) of the Code, upon the Date of Award), the Grantee shall pay to the Company an amount sufficient to satisfy all minimum tax withholding requirements, including those arising under federal, state and local income tax laws. Payment of the minimum withholding requirement may be made by one or more of the following methods: (a) in cash, (b) in cash received from a broker-dealer to whom the Grantee has submitted irrevocable instructions to deliver the amount of withholding tax to the Company from the proceeds of the sale of shares of Common Stock subject to the Award, (c) by delivery to the Company of other Common Stock owned by the Grantee that is acceptable to the Company, valued at its fair market value on the date of payment, (d) by certifying to ownership by attestation of such previously owned Common Stock, or (e) by having shares of Common Stock withheld from the Award Shares otherwise distributable to the Grantee. The Grantee acknowledges that it is the Grantee's sole responsibility to timely file any election under Section 83(b) of the Code, and the Company makes no representation or undertaking regarding the tax treatment of any aspect of this Award. Payment shall be made pursuant to the on-line procedures set forth on the Plan online web site through Morgan Stanley (www.stockplanconnect.com).

11. Postponement of Distribution. Notwithstanding anything herein to the contrary, the distribution of any portion of the Award Shares shall be subject to action by the Board taken at any time in its sole discretion (a) to effect, amend or maintain any necessary registration of the Plan or the Award Shares distributable in satisfaction of this Award under the Securities Act of 1933, as amended, or the securities laws of any applicable jurisdiction, (b) to permit any action to be taken in order to (i) list such Award Shares on a stock exchange if the Common Stock is then listed on such exchange or (ii) comply with restrictions or regulations incident to the maintenance of a public market for its Shares of Common Stock, including any rules or regulations of any stock exchange on which the Award Shares are listed, or (c) to determine that such Award Shares and the Plan are exempt from such registration or that no action of the kind referred to in (b)(ii) above needs to be taken; and the Company shall not be obligated by virtue of any terms and conditions of this Award or any provision of this Agreement or the Plan to issue or release the Award Shares in violation of the Securities Act of 1933 or the law of any government having jurisdiction thereof. Any such postponement shall not shorten the term of any restriction attached to the Award Shares and neither the Company nor its directors or officers shall have any obligation or liability to the Grantee or to any other person as to which issuance under the Award Shares was delayed.

12. Recoupment. Notwithstanding any other provisions of this Agreement, the Company shall have the right to seek recoupment of all or any portion of an Award (including by forfeiture of any outstanding Award Shares or by the Grantee's remittance to the Company of Award Shares pursuant to which the restrictions previously lapsed or of a cash payment equal to Award Shares pursuant to which the restrictions previously lapsed) in accordance with and pursuant to the Company's Compensation Recoupment Policy or any other policy as in effect from time to time. The value with respect to which such recoupment is sought shall be determined by the Company. The Company shall be entitled, as permitted by applicable law, to deduct the amount of such payment from any amounts the Company may owe to the Grantee.

13. Miscellaneous.

(a) This Award and this Agreement shall be construed, administered and governed in all respects under and by the laws of the State of Illinois.

(b) Capitalized terms used herein and not defined herein will have the meanings set forth in the Plan.

(c) Nothing in the Award shall confer on the Grantee any right to be or to continue in the employ of the Company or any of its Subsidiaries or shall interfere in any way with the right of the Company or any of its Subsidiaries to terminate the employment of the Grantee at any time for any reason or no reason.

(d) This Agreement has been examined by the parties hereto, and accordingly the rule of construction that ambiguities be construed against a party which causes a document to be drafted shall have no application in the construction or interpretation hereof. If any part of this Agreement is held invalid for any reason, the remainder hereof shall nevertheless remain in full force and effect.

(e) This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and any prior understanding or representation of any kind antedating this Agreement concerning such subject matter shall not be binding upon either party except to the extent incorporated herein; provided, however, that this Agreement, including paragraphs 3 and 4, shall be subject to the provisions of any written employment or severance agreement that has been or may be executed by the Grantee and the Company, and the provisions in such employment or severance agreement concerning the Award shall supercede any inconsistent or contrary provision of this Agreement. No consent, waiver, modification or amendment hereof, or additional obligation assumed by either party in connection herewith, shall be binding unless evidenced by a writing signed by both parties and referring specifically hereto. No consent, waiver, modification or amendment with respect hereto shall be construed as applicable to any past or future events other than the one in respect of which it was specifically made.

(f) This Agreement shall be construed consistent with the provisions of the Plan and in the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control and any terms of this Agreement which conflict with Plan terms shall be void.

Questions concerning the provisions of this Agreement should be directed to the Company's Corporate Secretary: 630/227-2060; fax 630/227-2058.

Exhibit 10.3

Fiscal 2027 Form (Cliff Vesting)

AAR CORP.

Restricted Stock Agreement ("Agreement")

Subject to the provisions of the AAR CORP. 2013 Stock Plan as amended and restated July 13, 2020 (reflecting amendments since July 13, 2020) and the Long-Term Incentive Plan for Fiscal 2027 (together, the "Plan"), the terms of which are hereby incorporated by reference, and in consideration of the agreements of the Grantee herein provided, AAR CORP. a Delaware corporation ("Company"), hereby grants to Grantee a restricted stock award ("Award"), effective July 23, 2026 ("Date of Award"), for the number of shares of common stock ("Common Stock") of the Company, $1.00 par value ("Award Shares") set forth in the Company's notification of Award grant letter to the Grantee, and incorporated herein by reference, subject to the forfeiture and nontransferability provisions hereof and the other terms and conditions set forth herein:

1. Acceptance by Grantee. The Award is conditioned upon the acceptance by the Grantee of the terms and conditions of the Award as set forth in this Agreement. The Grantee must confirm acceptance of the Award and this Agreement on Morgan Stanley's web site (www.stockplanconnect.com). If the Grantee does not accept the Award and this Agreement within 30 days from the date of the notification of the Award, the Award referenced herein shall expire unless the acceptance date is extended in writing by the Company.

2. Restrictions. The Grantee represents that he is accepting the Award Shares without a view to the distribution of said Shares and that he will not sell, assign, transfer, pledge or otherwise encumber the Award Shares during the period commencing on the Date of Award and ending on the date restrictions applicable to such Award Shares are released pursuant to paragraph 3 of this Agreement ("Restrictive Period").

3. Release of Restrictions. Subject to the provisions of paragraph 4 below, the restrictions described in paragraph 2 above shall be released with respect to 100% of the Award Shares on July 31, 2029, except as follows:

   (a) *In General.* If the Grantee's employment with the Company and all Subsidiaries of the Company terminates prior to the last day of the Restrictive Period for any reason other than Retirement, death or Disability, the Grantee shall forfeit to the Company all Award Shares not previously released from the restrictions of paragraph 2 hereof.

   (b) *Retirement*. If the Grantee's employment with the Company and all Subsidiaries of the Company terminates by reason of Retirement prior to the last day of the Restrictive Period, the Restrictive Period shall terminate on July 31, 2029.

   For this purpose, "Retirement" means the Grantee's voluntary termination of employment, or his termination of employment by the Company or a Subsidiary without Cause (as defined in Section 4 below), when he has (i) attained age 65 or

(ii) attained age 55 and his age plus the number of his consecutive years of service with the Company and Subsidiaries is at least 75.

(c) *Death or Disability*. If the Grantee's employment with the Company and all Subsidiaries of the Company terminates by reason of death or Disability occurring on or after the Date of Award and on or before July 31, 2029, the Restrictive Period shall terminate as to a pro-rata share of Award Shares determined by multiplying the number of Award Shares by a fraction, the numerator of which is the number of full months that have elapsed from the Date of Award to the date of death or Disability, and the denominator of which is 36 (the number of full months in the Restrictive Period). The remaining shares shall be forfeited and returned to the Company. For this purpose, "Disability" means the inability of the Grantee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(d) *Restrictive Covenant.* If at any time prior to release from the restrictions hereunder, Grantee, without the Company's express written consent, directly or indirectly, alone or as a member of a partnership, group, or joint venture or as an employee, officer, director, or greater than 1% stockholder of any corporation, or in any capacity engages in any activity which is competitive with any of the businesses conducted by the Company or its affiliated companies at any time during the Grantee's term of employment, the Grantee shall forfeit to the Company all Award Shares not previously released from the restrictions of paragraph 2 hereof. The foregoing forfeiture obligation shall apply only to the extent permitted and enforceable under applicable law, and shall not apply in any jurisdiction where enforcement of such restriction would be prohibited or unlawful under applicable law. The Grantee agrees that the Grantee has had at least fourteen (14) days to review this Agreement and the restrictive covenant in this paragraph 3(d) before being required to execute it (through online acceptance). The Grantee further acknowledges and understands that the Grantee has the right to seek advice from counsel of the Grantee's choosing before accepting this Agreement.

4. Change in Control. If in connection with a Change in Control of the Company the Award is not continued or assumed by the acquiring or surviving entity, then notwithstanding any conditions or restrictions contained in this Agreement, the Restrictive Period shall terminate as to all Award Shares not previously released. If in connection with a Change in Control of the Company the Award is continued or assumed by the acquiring or surviving entity, and within two years following such Change in Control, either the Grantee's employment is terminated by the Company or a Subsidiary of the Company without Cause, or the Grantee terminates his employment with the Company and all Subsidiaries for Good Reason, then notwithstanding any conditions or restrictions contained in this Agreement, the Restrictive Period shall terminate as to all Award Shares not previously released. For this purpose, (a) "Cause" means (i) the Grantee's dishonesty, fraud or breach of trust, gross negligence or substantial misconduct in the performance of, or substantial nonperformance of, his assigned duties or willful violation of Company

policy, (ii) any act or omission by the Grantee that is a substantial cause for a regulatory body with jurisdiction over the Company to request or recommend the suspension or removal of the participant or to impose sanctions upon the Company or the Grantee, or (iii) a material breach by the Grantee of any applicable employment agreement between him and the Company, and in each case, the Company shall have the sole discretion to determine whether a Grantee's termination of employment is for Cause; and (b) "Good Reason" means (i) a material reduction in the nature or scope of the Grantee's duties, responsibilities, authority, power or functions from those enjoyed by the Grantee immediately prior to the Change in Control, or a material reduction in the Grantee's compensation (including benefits), occurring at any time during the two-year period immediately after the Change in Control, or (ii) a relocation of the Grantee's primary place of employment of at least 100 miles.

5. Change in Outstanding Shares. In the event of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, recapitalization, merger, consolidation, combination or exchange of shares or other similar corporate change, the Award Shares shall be treated in the same manner in any such transaction as other shares of Common Stock. Any additional shares of stock received by Grantee with respect to the Award Shares in any such transaction shall be subject to the same restrictions as are then applicable to those Award Shares for which the additional shares have been issued.

6. Rights of Grantee. As the holder of the Award Shares, the Grantee is entitled to all of the rights of a stockholder of AAR CORP. with respect to any of the Award Shares, when issued, including, but not limited to, the right to receive dividends declared and payable since the Date of Award; provided, however, that such dividends shall be accumulated and held by the Company until the restrictions are released in accordance with Section 3 or 4, at which time such accumulated dividends shall be paid to the Grantee in cash. Any accumulated or unpaid dividends relating to Award Shares that are forfeited shall also be forfeited.

7. Shares. In aid of the restrictions set forth in paragraph 2, the Grantee will be required to execute a stock power in favor of the Company, which will be cancelled upon release of restrictions with respect to Award Shares released. Award Shares shall be held by the Company in electronic book entry form on the records of the Company's Transfer Agent, together with the executed stock power, for the account of the Grantee until such restrictions are released pursuant to the terms hereof, or such Award Shares are forfeited to the Company as provided by the Plan or this Agreement. The Grantee shall be entitled to the Award Shares as to which such restrictions have been released, and the Company agrees to issue such Award Shares in electronic form on the records of the Transfer Agent. Upon request by the Grantee, the Transfer Agent will transfer such released Award Shares in electronic form to the Grantee's broker for the Grantee's account or issue certificates in the name of the Grantee representing the Award Shares for which restrictions have been released.

8. Legend. The Company may, in its discretion, place a legend or legends on any electronic shares or certificates representing Award Shares issued to the Grantee that the Company believes is required to comply with any law or regulation.

9. Committee Powers. The Committee may subject the Award Shares to such conditions, limitations or restrictions as the Committee determines to be necessary or desirable to comply with any law or regulation or with the requirements of any securities exchange. At any time during the Restrictive Period, the Committee may reduce or terminate the Restrictive Period otherwise applicable to all or any portion of the Award Shares.

10. Withholding Taxes. Upon and as a condition to the release of restrictions with respect to the Award Shares (or, if the Grantee makes a timely election under Section 83(b) of the Code, upon the Date of Award), the Grantee shall pay to the Company an amount sufficient to satisfy all minimum tax withholding requirements, including those arising under federal, state and local income tax laws. Payment of the minimum withholding requirement may be made by one or more of the following methods: (a) in cash, (b) in cash received from a broker-dealer to whom the Grantee has submitted irrevocable instructions to deliver the amount of withholding tax to the Company from the proceeds of the sale of shares of Common Stock subject to the Award, (c) by delivery to the Company of other Common Stock owned by the Grantee that is acceptable to the Company, valued at its fair market value on the date of payment, (d) by certifying to ownership by attestation of such previously owned Common Stock, or (e) by having shares of Common Stock withheld from the Award Shares otherwise distributable to the Grantee. The Grantee acknowledges that it is the Grantee's sole responsibility to timely file any election under Section 83(b) of the Code, and the Company makes no representation or undertaking regarding the tax treatment of any aspect of this Award. Payment shall be made pursuant to the on-line procedures set forth on the Plan online web site through Morgan Stanley (www.stockplanconnect.com).

11. Postponement of Distribution. Notwithstanding anything herein to the contrary, the distribution of any portion of the Award Shares shall be subject to action by the Board taken at any time in its sole discretion (a) to effect, amend or maintain any necessary registration of the Plan or the Award Shares distributable in satisfaction of this Award under the Securities Act of 1933, as amended, or the securities laws of any applicable jurisdiction, (b) to permit any action to be taken in order to (i) list such Award Shares on a stock exchange if the Common Stock is then listed on such exchange or (ii) comply with restrictions or regulations incident to the maintenance of a public market for its Shares of Common Stock, including any rules or regulations of any stock exchange on which the Award Shares are listed, or (c) to determine that such Award Shares and the Plan are exempt from such registration or that no action of the kind referred to in (b)(ii) above needs to be taken; and the Company shall not be obligated by virtue of any terms and conditions of this Award or any provision of this Agreement or the Plan to issue or release the Award Shares in violation of the Securities Act of 1933 or the law of any government having jurisdiction thereof. Any such postponement shall not shorten the term of any restriction attached to the Award Shares and neither the Company nor its directors or officers shall have any obligation or liability to the Grantee or to any other person as to which issuance under the Award Shares was delayed.

12. Recoupment. Notwithstanding any other provisions of this Agreement, the Company shall have the right to seek recoupment of all or any portion of an Award (including by forfeiture of any outstanding Award Shares or by the Grantee's remittance to the Company of Award

Shares pursuant to which the restrictions previously lapsed or of a cash payment equal to Award Shares pursuant to which the restrictions previously lapsed) in accordance with and pursuant to the Company's Compensation Recoupment Policy or any other policy as in effect from time to time. The value with respect to which such recoupment is sought shall be determined by the Company. The Company shall be entitled, as permitted by applicable law, to deduct the amount of such payment from any amounts the Company may owe to the Grantee.

13. Miscellaneous.

(a) This Award and this Agreement shall be construed, administered and governed in all respects under and by the laws of the State of Illinois.

(b) Capitalized terms used herein and not defined herein will have the meanings set forth in the Plan.

(c) Nothing in the Award shall confer on the Grantee any right to be or to continue in the employ of the Company or any of its Subsidiaries or shall interfere in any way with the right of the Company or any of its Subsidiaries to terminate the employment of the Grantee at any time for any reason or no reason.

(d) This Agreement has been examined by the parties hereto, and accordingly the rule of construction that ambiguities be construed against a party which causes a document to be drafted shall have no application in the construction or interpretation hereof. If any part of this Agreement is held invalid for any reason, the remainder hereof shall nevertheless remain in full force and effect.

(e) This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and any prior understanding or representation of any kind antedating this Agreement concerning such subject matter shall not be binding upon either party except to the extent incorporated herein; provided, however, that this Agreement, including paragraphs 3 and 4, shall be subject to the provisions of any written employment or severance agreement that has been or may be executed by the Grantee and the Company, and the provisions in such employment or severance agreement concerning the Award shall supercede any inconsistent or contrary provision of this Agreement. No consent, waiver, modification or amendment hereof, or additional obligation assumed by either party in connection herewith, shall be binding unless evidenced by a writing signed by both parties and referring specifically hereto. No consent, waiver, modification or amendment with respect hereto shall be construed as applicable to any past or future events other than the one in respect of which it was specifically made.

(f) This Agreement shall be construed consistent with the provisions of the Plan and in the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control and any terms of this Agreement which conflict with Plan terms shall be void.

Questions concerning the provisions of this Agreement should be directed to the Company's Corporate Secretary: 630/227-2060; fax 630/227-2058.

Exhibit 10.4

Fiscal 2027 Form (Performance)

AAR CORP.

Performance Restricted Stock Agreement ("Agreement")

Subject to the provisions of the AAR CORP. 2013 Stock Plan as amended and restated effective July 13, 2020 (reflecting amendments since July 13, 2020) and the Long-Term Incentive Plan for Fiscal 2027 (together, the "Plan"), the terms of which are hereby incorporated by reference, and in consideration of the agreements of the Grantee herein provided, AAR CORP., a Delaware corporation ("Company"), hereby grants to the Grantee a performance restricted stock award ("Award"), effective July 23, 2026 ("Date of Award"), for the number of shares of common stock ("Common Stock") of the Company, $1.00 par value ("Award Shares") set forth in the Company's notification of Award grant letter to the Grantee and incorporated herein by reference, subject to the forfeiture and nontransferability provisions hereof and the other terms and conditions set forth herein:

1. Acceptance By Grantee. The Award is conditioned upon the acceptance by the Grantee of the terms and conditions of the Award as set forth in this Agreement. The Grantee must confirm acceptance of the Award and this Agreement on Morgan Stanley's web site (www.stockplanconnect.com). If the Grantee does not accept the Award and this Agreement within 30 days from the date of the notification of the Award, the Award referenced herein shall expire unless the acceptance date is extended in writing signed by the Company.

2. Performance Condition. The Award is conditioned upon the Company meeting the income from continuing operations, return on invested capital and relative total stockholder return performance goal targets for the three-year performance period beginning June 1, 2026, and ending May 31, 2029, as set forth in the Plan. If the Company does not meet these performance goal targets at the threshold level set forth in the Plan, the Grantee shall forfeit to the Company all Award Shares. If the Company meets these performance goal targets at or above the threshold level but less than the target level, the Grantee shall forfeit that number of Award Shares as determined under the Plan. If the Company meets these performance goal targets at or above the target level, the number of Award Shares granted shall be as determined under the Plan.

3. Restrictions. The Grantee represents that he is accepting the Award Shares without a view toward distribution of said Award Shares and that he will not sell, assign, transfer, pledge or otherwise encumber the Award Shares during the period commencing on the Date of Award and ending on the date the restrictions applicable to such Award Shares are released pursuant to paragraph 4 of this Agreement ("Restrictive Period").

4. Release of Restrictions. Subject to the provisions of paragraphs 2 and 5, the restrictions described in paragraph 3 above shall be released with respect to 100% of the Award Shares on July 31, 2029, except as follows:

(a) *In General*. Subject to the provisions of paragraph 2, if the Grantee's employment with the Company and all Subsidiaries of the Company terminates prior to the last day of the Restrictive Period for any reason other than Retirement, death or Disability, the Grantee shall forfeit to the Company all Award Shares not previously released from the restrictions of paragraph 3 hereof.

(b) *Retirement*. Subject to the provisions of paragraph 2, if the Grantee's employment with the Company and all Subsidiaries of the Company terminates by reason of Retirement prior to the last day of the Restrictive Period, the Restrictive Period shall terminate on July 31, 2029.

For this purpose, "Retirement" means the Grantee's voluntary termination of employment, or his termination of employment by the Company or a Subsidiary without Cause (as defined in Section 5 below), when he has (A) attained age 65 or (B) attained age 55 and his age plus the number of his consecutive years of service with the Company and Subsidiaries is at least 75.

(c) *Death or Disability*. Subject to the provisions of paragraph 2, if the Grantee's employment with the Company and all Subsidiaries of the Company terminates by reason of death or Disability occurring on or after the Date of Award and on or before July 31, 2029, the Restrictive Period shall terminate as to a pro-rata share of Award Shares determined by multiplying the number of Award Shares by a fraction, the numerator of which is the number of full months that have elapsed from the Date of Award to the date of death or Disability, and the denominator of which is 36 (the number of full months in the Restrictive Period). The remaining shares shall be forfeited and returned to the Company. For this purpose, "Disability" means the inability of the Grantee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(d) *Restrictive Covenant*. If at any time prior to the Award Shares' release from the restrictions hereunder, the Grantee, without the Company's express written consent, directly or indirectly, alone or as a member of a partnership, group, or joint venture or as an employee, officer, director, or greater than 1% stockholder of any corporation, or in any capacity engages in any activity which is competitive with any of the businesses conducted by the Company or its affiliated companies at any time during the Grantee's term of employment, the Grantee shall forfeit to the Company all Award Shares not previously released from the restrictions of paragraph 3 hereof. The foregoing forfeiture obligation shall apply only to the extent permitted and enforceable under applicable law, and shall not apply in any jurisdiction where enforcement of such restriction would be prohibited or unlawful under applicable law. The Grantee agrees that the Grantee has had at least fourteen (14) days to review this Agreement and the restrictive covenant in this paragraph 4(d) before being required to execute it (through online acceptance). The Grantee further acknowledges and understands that the Grantee has the right to seek advice from counsel of the Grantee's choosing before accepting this Agreement.

5. Change in Control. If in connection with a Change in Control of the Company the Award is not continued or assumed by the acquiring or surviving entity, then notwithstanding any conditions or restrictions contained in this Agreement, the Grantee shall be entitled to that number of Award Shares that would be available if the applicable performance goals were met at the target level, and the Restrictive Period shall terminate as to all such Award Shares. If in connection with a Change in Control of the Company the Award is continued or assumed by the acquiring or surviving entity, and within two years following such Change in Control, either the Grantee's employment is terminated by the Company or a Subsidiary of the Company without Cause, or the Grantee terminates his employment with the Company and all Subsidiaries for Good Reason, then notwithstanding any conditions or restrictions contained in this Agreement, the Grantee shall be entitled to that number of Award Shares that would be available if the applicable performance goals were met at the target level, and the Restrictive Period shall terminate as to all such Award Shares. For this purpose, (a) "Cause" means (i) the Grantee's dishonesty, fraud or breach of trust, gross negligence or substantial misconduct in the performance of, or substantial nonperformance of, his assigned duties or willful violation of Company policy, (ii) any act or omission by the Grantee that is a substantial cause for a regulatory body with jurisdiction over the Company to request or recommend the suspension or removal of the participant or to impose sanctions upon the Company or the Grantee, or (iii) a material breach by the Grantee of any applicable employment agreement between him and the Company, and in each case, the Company shall have the sole discretion to determine whether a Grantee's termination of employment is for Cause; and (b) "Good Reason" means (i) a material reduction in the nature or scope of the Grantee's duties, responsibilities, authority, power or functions from those enjoyed by the Grantee immediately prior to the Change in Control, or a material reduction in the Grantee's compensation (including benefits), occurring at any time during the two-year period immediately after the Change in Control, or (ii) a relocation of the Grantee's primary place of employment of at least 100 miles.

6. Change in Outstanding Shares. In the event of any change in the outstanding shares of Common Stock occurring through stock splits, stock dividends, stock consolidations, spin-offs, other distributions of assets to stockholders or assumption or conversion of outstanding Awards due to an acquisition after the Date of Award, the Award Shares shall be treated in the same manner in any such transaction as other shares of Common Stock. Any additional shares of Common Stock received by the Grantee with respect to the Award Shares in any such transaction shall be subject to the same restrictions as are then applicable to those Award Shares for which the additional shares have been issued.

7. Rights of Grantee. As the holder of the Award Shares, the Grantee is entitled to all of the rights of a stockholder of AAR CORP. with respect to any of the Award Shares, when issued, including, but not limited to, the right to receive dividends declared and payable since the Date of Award; provided, however, that such dividends shall be accumulated and held by the Company until the performance condition described in paragraph 2 is met, or if earlier, as described in paragraph 5, at which time such accumulated dividends shall be paid to the Grantee in cash to the extent the performance condition is met or if applicable, as described in Section 5. Any accumulated or unpaid dividends relating to Award Shares that are forfeited shall also be forfeited.

8. Shares. In aid of the restrictions set forth in paragraph 3, the Grantee will be required to execute a stock power in favor of the Company which will be cancelled upon release of restrictions with respect to Award Shares released. Award Shares shall be held by the Company in electronic book entry form on the records of the Company's Transfer Agent, together with the executed stock power, for the account of the Grantee until such restrictions are released pursuant to the terms hereof, or such Award Shares are forfeited to the Company as provided by the Plan or this Agreement. The Grantee shall be entitled to the Award Shares as to which such restrictions have been released, and the Company agrees to issue such Award Shares in electronic form on the records of the Transfer Agent. Upon request by the Grantee, the Transfer Agent will transfer such released Award Shares in electronic form to the Grantee's broker for the Grantee's account or issue certificates in the name of the Grantee representing the Award Shares for which restrictions have been released.

9. Legend. The Company may, in its discretion, place a legend or legends on any electronic shares or certificates representing Award Shares issued to the Grantee that the Company believes is required to comply with any law or regulation.

10. Committee Powers. The Committee may subject the Award Shares to such conditions, limitations or restrictions as the Committee determines to be necessary or desirable to comply with any law or regulation or with the requirements of any securities exchange. At any time during the Restrictive Period, the Committee may reduce or terminate the Restrictive Period otherwise applicable to all or any portion of the Award Shares.

11. Withholding Taxes. Upon and as a condition to the release of the restrictions with respect to the Award Shares (or, if the Grantee makes a timely election under Section 83(b) of the Code, upon the Date of Award), the Grantee shall pay to the Company an amount sufficient to satisfy all minimum tax withholding requirements, including those arising under federal, state and local income tax laws. Payment of the minimum withholding requirement may be made by one or more of the following methods: (a) in cash, (b) in cash received from a broker-dealer to whom the Grantee has submitted irrevocable instructions to deliver the amount of withholding tax to the Company from the proceeds of the sale of shares of Common Stock subject to the Award, (c) by delivery to the Company of other Common Stock owned by the Grantee that is acceptable to the Company, valued at its fair market value on the date of payment, (d) by certifying to ownership by attestation of such previously owned Common Stock, or (e) by having shares of Common Stock withheld from the Award Shares otherwise distributable to the Grantee. The Grantee acknowledges that it is the Grantee's sole responsibility to timely file any election under Section 83(b) of the Code, and the Company makes no representation or undertaking regarding the tax treatment of any aspect of this Award. Payment shall be made pursuant to the on- line procedures set forth on the Plan online web site through Morgan Stanley (www.stockplanconnect.com).

12. Postponement of Distribution. Notwithstanding anything herein to the contrary, the distribution of any portion of the Award Shares shall be subject to action by the Board taken at any time in its sole discretion (a) to effect, amend or maintain any necessary registration of the Plan or the Award Shares distributable in satisfaction of this Award under the

Securities Act of 1933, as amended, or the securities laws of any applicable jurisdiction, (b) to permit any action to be taken in order to (i) list such Award Shares on a stock exchange if the Common Stock is then listed on such exchange or (ii) comply with restrictions or regulations incident to the maintenance of a public market for its Shares of Common Stock, including any rules or regulations of any stock exchange on which the Award Shares are listed, or (c) to determine that such Award Shares and the Plan are exempt from such registration or that no action of the kind referred to in (b)(ii) above needs to be taken; and the Company shall not be obligated by virtue of any terms and conditions of this Award or any provision of this Agreement or the Plan to issue or release the Award Shares in violation of the Securities Act of 1933 or the law of any government having jurisdiction thereof. Any such postponement shall not shorten the term of any restriction attached to the Award Shares and neither the Company nor its directors or officers shall have any obligation or liability to the Grantee or to any other person as to which issuance under the Award Shares was delayed.

13. Recoupment. Notwithstanding any other provisions of this Agreement, the Company shall have the right to seek recoupment of all or any portion of an Award (including by forfeiture of any outstanding Award Shares or by the Grantee's remittance to the Company of Award Shares pursuant to which the restrictions previously lapsed or of a cash payment equal to Award Shares pursuant to which the restrictions previously lapsed) in accordance with and pursuant to the Company's Compensation Recoupment Policy or any other policy as in effect from time to time. The value with respect to which such recoupment is sought shall be determined by the Company. The Company shall be entitled, as permitted by applicable law, to deduct the amount of such payment from any amounts the Company may owe to the Grantee.

14. Miscellaneous.

(a) The Award and this Agreement shall be construed, administered and governed in all respects under and by the laws of the State of Illinois.

(b) Capitalized terms used herein and not defined herein will have the meanings set forth in the Plan.

(c) Nothing in the Award shall confer on the Grantee any right to be or to continue in the employ of the Company or any of its Subsidiaries or shall interfere in any way with the right of the Company or any of its Subsidiaries to terminate the employment of the Grantee at any time for any reason or no reason.

(d) This Agreement has been examined by the parties hereto, and accordingly the rule of construction that ambiguities be construed against a party which causes a document to be drafted shall have no application in the construction or interpretation hereof. If any part of this Agreement is held invalid for any reason, the remainder hereof shall nevertheless remain in full force and effect.

(e) This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and any prior understanding or representation of any kind

antedating this Agreement concerning such subject matter shall not be binding upon either party except to the extent incorporated herein; provided, however, that this Agreement, including paragraphs 4 and 5, shall be subject to the provisions of any written employment or severance agreement that has been or may be executed by the Grantee and the Company, and the provisions in such employment or severance agreement concerning the Award shall supercede any inconsistent or contrary provision of this Agreement. No consent, waiver, modification or amendment hereof, or additional obligation assumed by either party in connection herewith, shall be binding unless evidenced by a writing signed by both parties and referring specifically hereto. No consent, waiver, modification or amendment with respect hereto shall be construed as applicable to any past or future events other than the one in respect of which it was specifically made.

(f) This Agreement shall be construed consistent with the provisions of the Plan and in the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control and any terms of this Agreement which conflict with Plan terms shall be void.

Questions concerning the provisions of this Agreement should be directed to the Company's Corporate Secretary: 630/227-2060; fax 630/227-2058.

Exhibit 31.1

SECTION 302
CERTIFICATION

I, John M. Holmes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AAR CORP. (the "Registrant") for the quarterly period ended August 31, 2026;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

DATE: September 29, 2026

/s/ JOHN M. HOLMES
John M. Holmes
Chairman, President, and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

SECTION 302
CERTIFICATION

I, Dylan Z. Wolin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AAR CORP. (the "Registrant") for the quarterly period ended August 31, 2026;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of

financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

DATE: September 29, 2026

/s/ DYLAN Z. WOLIN
Dylan Z. Wolin
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the AAR CORP. (the "Company") quarterly report on Form 10-Q for the period ended August 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John M. Holmes, Chairman, President, and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 29, 2026

/s/ JOHN M. HOLMES
John M. Holmes
Chairman, President, and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the AAR CORP. (the "Company") quarterly report on Form 10-Q for the period ended August 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dylan Z. Wolin, Senior Vice President and Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 29, 2026

/s/ DYLAN Z. WOLIN
Dylan Z. Wolin
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)