# AAR Corp.

**AIR**

NYSE; manufacturing; SIC 3720, Aircraft & Parts; CIK 0000001750

# B

**second fifth of 255 graded peers in manufacturing**

rank 61 of 255; percentile 23.6; sampling error 3.0 points; lower is stronger

A B C D E

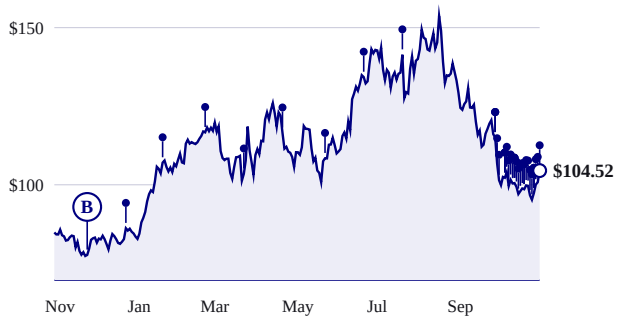
**B, the elk**



## Scoreboard

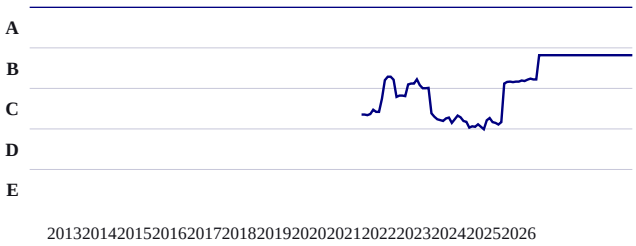
| | |
|---|---|
| **Profitability** | C<br>percentile 50.0 |
| **Solvency** | B<br>percentile 34.1 |
| **Growth and financing** | B<br>percentile 36.0 |
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $3.4B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: distress |
| **Inputs computable** | 7 of 14 |
| **Graded from** | filings received through Jul 22, 2026<br>100 days before the rescan; latest periodic filing 10-Q received Sep 29, 2026 |
| **Last close** | $104.38<br>2026-10-29; market equity $4.2B; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Jul 22, 2026*

AAR CORP. and its subsidiaries are referred to herein collectively as "AAR," "Company," "we," "us," and "our" unless the context indicates otherwise. AAR was incorporated in 1955 and we are a leading independent provider of solutions to the global aviation aftermarket. We offer a broad line of products and services to commercial and government aerospace customers and operate globally in over 20 countries.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 50.0** | | | | | | |
| Gross profitability | 18.5% | 21.9% | | 56.0 | 276 | 2026-05-31 |
| Return on invested capital | not computable | 9.7% | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Accruals ratio | 2.9% | (3.6%) | | 86.9 | 307 | 2026-05-31 |

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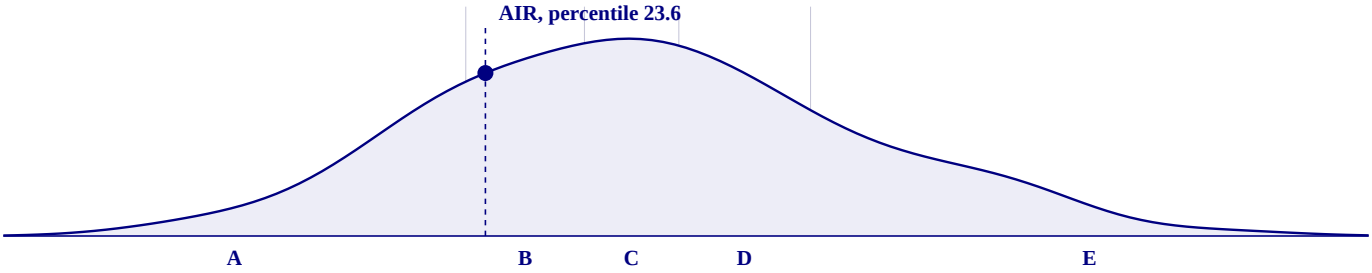
| | | | | | |
|---|---|---|---|---|---|
| Gross margin stability, five years | 0.7 pts | 2.1 pts | 7.0 | 229 | 2026-05-31 |
| **Solvency, sleeve percentile 34.1** | | | | | |
| Twelve-month failure probability | not computable | 0.04% | | | |
| *liabilities and a nearby cover-page share count are required at 2026-08-31* | | | | | |
| Altman Z double-prime | not computable | 3.66 | | | |
| *one or more required annual facts are missing* | | | | | |
| Net debt to EBITDA | not computable | 1.78x | | | |
| *one or more required annual facts are missing* | | | | | |
| Interest coverage | not computable | 5.09x | | | |
| *one or more required annual facts are missing* | | | | | |
| Current ratio | 2.84x | 2.25x | 34.1 | 324 | 2026-05-31 |
| **Growth and financing, sleeve percentile 36.0** | | | | | |
| Revenue growth, three-year compound | 18.4% | 2.2% | 8.2 | 269 | 2026-05-31 |
| Free cash flow growth, three-year compound | not computable | 13.5% | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | |
| Reinvestment rate | not computable | 26.1% | | | |
| *one or more required annual facts are missing* | | | | | |
| Asset growth, three years | 22.3% | 4.3% | 10.5 | 277 | 2026-05-31 |
| Net share issuance, one year | 11.3% | 0.01% | 89.2 | 241 | 2026-06-30 |

## Among 255 peers

*manufacturing; letters are fifths of this list*




*Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.*

| Rank | Company | Percentile | Letter | Warnings |
|---|---|---|---|---|
| 56 | Donaldson Co. Inc. (DCI) | 21.7 | A/B | |
| 57 | Middleby Corp. (MIDD) | 22.0 | A/B | |
| 58 | Quanex Building Products Corp. (NX) | 22.4 | A/B | |
| 59 | Valmont Industries Inc. (VMI) | 22.8 | A/B | |
| 60 | Aptargroup, Inc. (ATR) | 23.2 | B | |
| 61 | AAR Corp. (AIR) | 23.6 | B | |
| 62 | AeroVironment Inc. (AVAV) | 24.0 | B | |
| 63 | Griffon Corp. (GFF) | 24.4 | B | |
| 64 | Tennant Co. (TNC) | 24.8 | B | |
| 65 | Armstrong World Industries Inc. (AWI) | 25.2 | B | |
| 66 | ATI Inc. (ATI) | 25.6 | B | |

## What the price implies

*at the 2026-10-29 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 44.2% | 13.7% | 76 |
| Distance from 52-week high | (32.0%) | (24.9%) | 36 |
| EBIT to enterprise value | not computable | 4.1% | |
| Free cash flow yield | 1.5% | 3.4% | 30 |

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| | | | |
|---|---|---|---|
| Book value to price | 0.41 | 0.35 | 56 |
| Sales to price | 0.79 | 0.52 | 64 |
| Composite equity issuance, five years | 12.7% | (9.6%) | 77 |
| Relative strength against the sector, log excess return | 0.23 | (0.00) | 76 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 6 of 9, period end 2026-05-31** | |
| Return on assets above zero | pass |
| Operating cash flow above zero | pass |
| Return on assets improved | pass |
| Operating cash flow exceeds net income | fail |
| Long-term leverage fell | pass |
| Current ratio improved | pass |
| No new shares issued | fail |
| Gross margin improved | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $104.5M |
| Operating cash flow, four quarters | $199.4M |
| Months of runway | not finite |
| Days since last periodic filing | 31 (10-Q received Sep 29, 2026) |
| Median daily dollar volume, 63 sessions | $45.6M |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | gross profit | us-gaap:GrossProfit | $622.0M | 2026-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 2 | assets | us-gaap:Assets | $3.4B | 2026-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 3 | net income | us-gaap:NetIncomeLoss | $187.7M | 2026-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 4 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $98.7M | 2026-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 5 | assets | us-gaap:Assets | $2.8B | 2025-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 6 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $3.3B | 2026-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 7 | gross profit | us-gaap:GrossProfit | $527.7M | 2025-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 8 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $2.8B | 2025-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 9 | gross profit | us-gaap:GrossProfit | $442.3M | 2024-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 10 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $2.3B | 2024-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 11 | gross profit | us-gaap:GrossProfit | $370.1M | 2023-05-31 | 2025-07-22 | 10-K | 25-001475 |
| 12 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $2.0B | 2023-05-31 | 2025-07-22 | 10-K | 25-001475 |
| 13 | gross profit | us-gaap:GrossProfit | $313.2M | 2022-05-31 | 2024-07-19 | 10-K | 24-080890 |
| 14 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $1.8B | 2022-05-31 | 2024-07-19 | 10-K | 24-080890 |
| 15 | current assets | us-gaap:AssetsCurrent | $1.7B | 2026-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 16 | current liabilities | us-gaap:LiabilitiesCurrent | $613.2M | 2026-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 17 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $36.6M | 2026-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 18 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $36.1M | 2025-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 19 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $34.7M | 2025-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 20 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $43.6M | 2024-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 21 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $29.7M | 2024-05-31 | 2026-07-22 | 10-K | 26-085459 |
| 22 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $23.3M | 2023-05-31 | 2025-07-22 | 10-K | 25-001475 |
| 23 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $29.5M | 2023-05-31 | 2025-07-22 | 10-K | 25-001475 |
| 24 | assets | us-gaap:Assets | $2.8B | 2024-05-31 | 2025-07-22 | 10-K | 25-001475 |
| 25 | assets | us-gaap:Assets | $1.8B | 2023-05-31 | 2024-07-19 | 10-K | 24-080890 |
| 26 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 39,892,472 | 2026-06-30 | 2026-07-22 | 10-K | 26-085459 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 27 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 35,847,589 | 2025-06-30 | 2025-07-22 | 10-K | 25-001475 |