

4Q 2022 EARNINGS SUPPLEMENT

February 24, 2023

CAUTIONARY STATEMENT

FORWARD LOOKING STATEMENTS

This presentation includes "forward looking statements" relating to the announced transactions and future operations of the Company, which can be identified by the use of words such as "will," "expect," "poise," "believe," "plans," "strategy," "prospects," "estimate," "project", "seek," "target," "anticipate," "intend," "future," "likely," "may," "should," "would," "could," and other words of similar meaning in connection with a discussion of future operating or financial performance or events. Forward-looking statements also may be included in other publicly available documents issued by the Company and in oral statements made by our officers and representatives from time to time. These statements are based on assumptions currently believed to be valid but involve significant risks and uncertainties, many of which are beyond our control, which could cause our actual results to differ from those expressed in the forward looking statements. Such risks and uncertainties include, among others, the ability to implement the anticipated business plans following closing and achieve anticipated benefits and savings; and future and estimated revenues, earnings, cash flow, charges, cost savings and expenditures. Additional risks and uncertainties that could cause our actual results to differ from those expressed in the forward looking statements are identified in our reports filed with the SEC, including our Quarterly Reports on Form 10-Q, our Annual Reports on Form 10-K, and our Current Reports on Form 8-K. The forward looking statements included in this presentation are made only as of the date of this presentation, and the Company does not undertake any obligation to update the forward looking statements to reflect subsequent events or circumstances.

NON-GAAP FINANCIAL MEASURES

Management believes that the Non-GAAP financial measures (i.e. financial measures that are not computed in accordance with Generally Accepted Accounting Principles) used in this presentation or in other disclosures provide important perspectives into the Company's ongoing business performance. The Company does not intend for the information to be considered in isolation or as a substitute for the related GAAP measures. Other companies may define the measures differently. Reconciliations from GAAP measures to the Non-GAAP measures are presented at the end of the presentation.



KEY MESSAGES

A FOCUS ON STRATEGIC INITIATIVES TO REDUCE VARIATION IN PERFORMANCE:

- Acquisition of Parker-Hannifin Aircraft Wheel & Brake to grow our engineered products portfolio
- Consolidation of precision products facilities
- Discontinuation of K-MAX and K-MAX TITAN programs
- Right size the total cost structure of the organization

FUTURE PERFORMANCE INDICATORS:

- Backlog of > \$720 M with organic backlog increasing ~60% in Engineered Products year-over-year
- Robust sales and order activity in medical, industrial, and commercial, business and general aviation markets
- Lower JPF sales and margins year-over-year
- U.S. Marine Corps Medium Unmanned Logistics Systems – Air (MULS-A) program award for KARGO UAS

2022 FINANCIAL RESULTS

\$688 M

NET SALES

26.0%*

GROSS MARGIN

\$21.0 M

CASH FLOW FROM
OPERATING ACTIVITIES

\$(2.7) M

FREE CASH FLOW

Net loss | \$46.2 M

Adjusted EBITDA | \$80.2 M

Adjusted EBITDA margin | 11.7%

Diluted EPS | \$(1.65)

Adjusted diluted EPS | \$1.12

* Includes \$44.5 million inventory write-down on K-MAX program.



ENGINEERED PRODUCTS

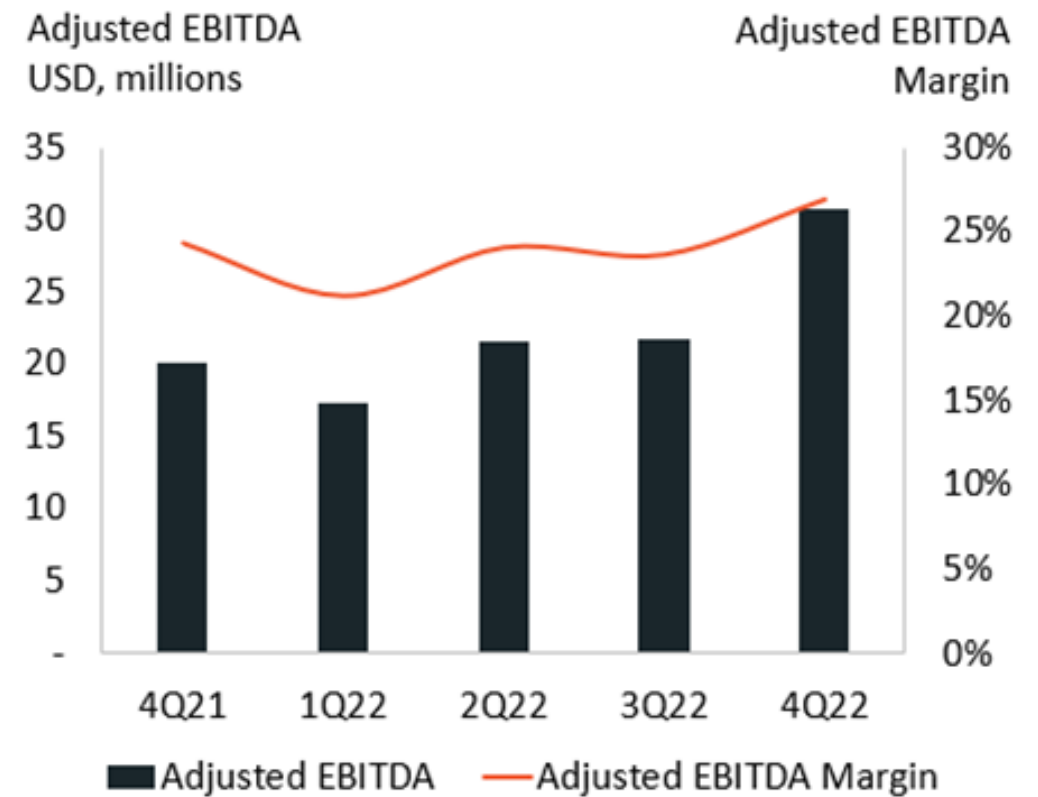
2022 Financial Results

Net Sales	Operating Income	Adj. EBITDA	Adj. EBITDA Margin
\$377 M	\$57.8M	\$91.4M	24.2%

Q4 Key Drivers

- Contribution of margin from Aircraft Wheel & Brake acquisition
- Higher volumes of commercial bearings
- Increase in sales of 23.8% sequentially and 38.1% over the prior year period.

Quarterly Results





PRECISION PRODUCTS

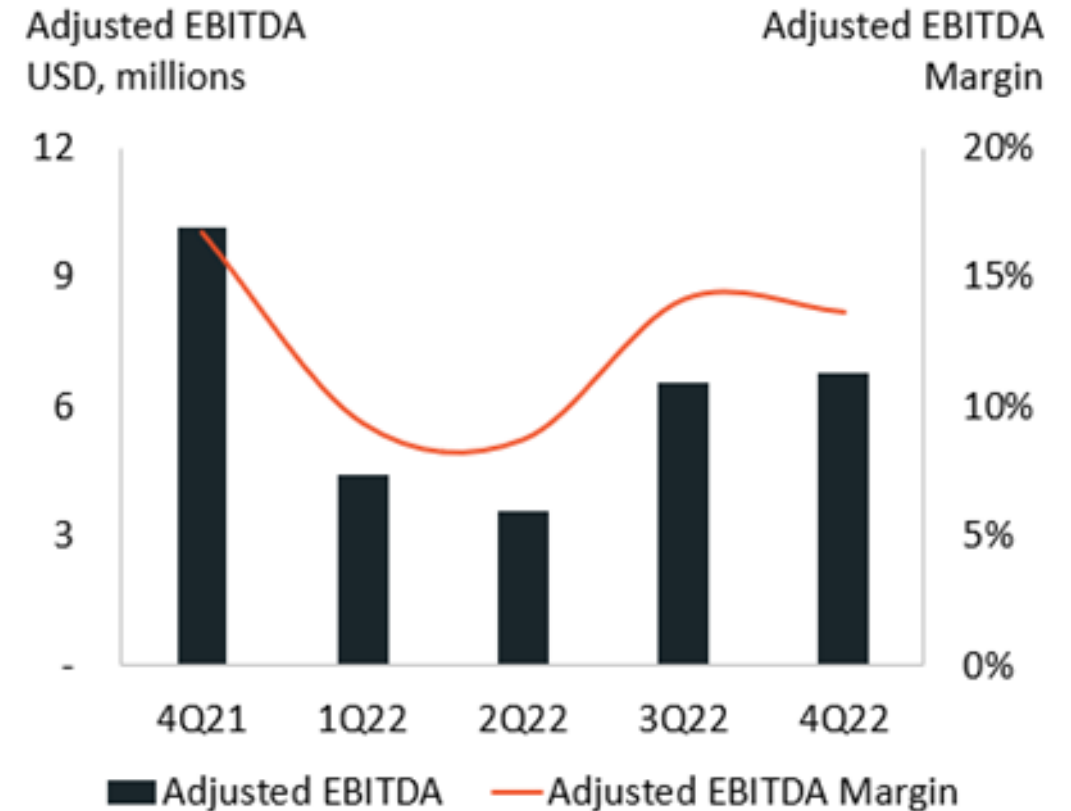
2022 Financial Results

Net Sales	Operating Income	Adj. EBITDA	Adj. EBITDA Margin
\$185 M	\$17.7M	\$21.4M	11.5%

Q4 Key Drivers

- Higher sales and margin for K-MAX[®] spares and support and the SH-2 program
- Lower sales and gross profit for JPF program
- Higher R&D spend

Quarterly Results





STRUCTURES

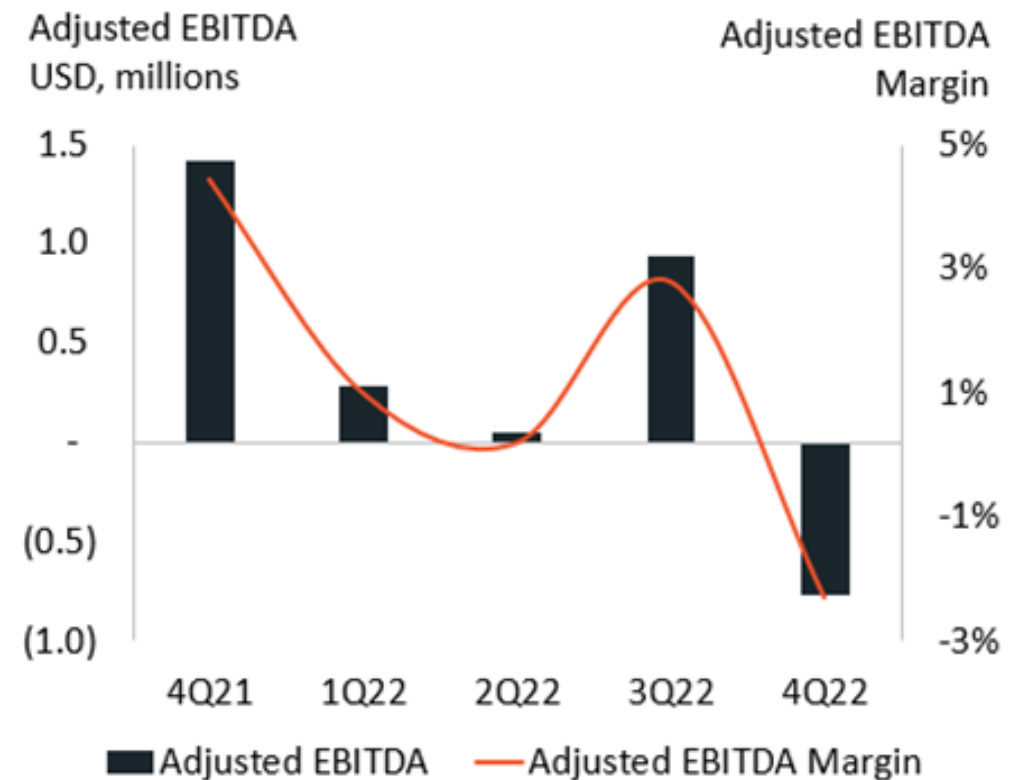
2022 Financial Results

Net Sales	Operating Income	Adj. EBITDA	Adj. EBITDA Margin
\$126M	\$(3.0)M	\$0.5M	0.4%

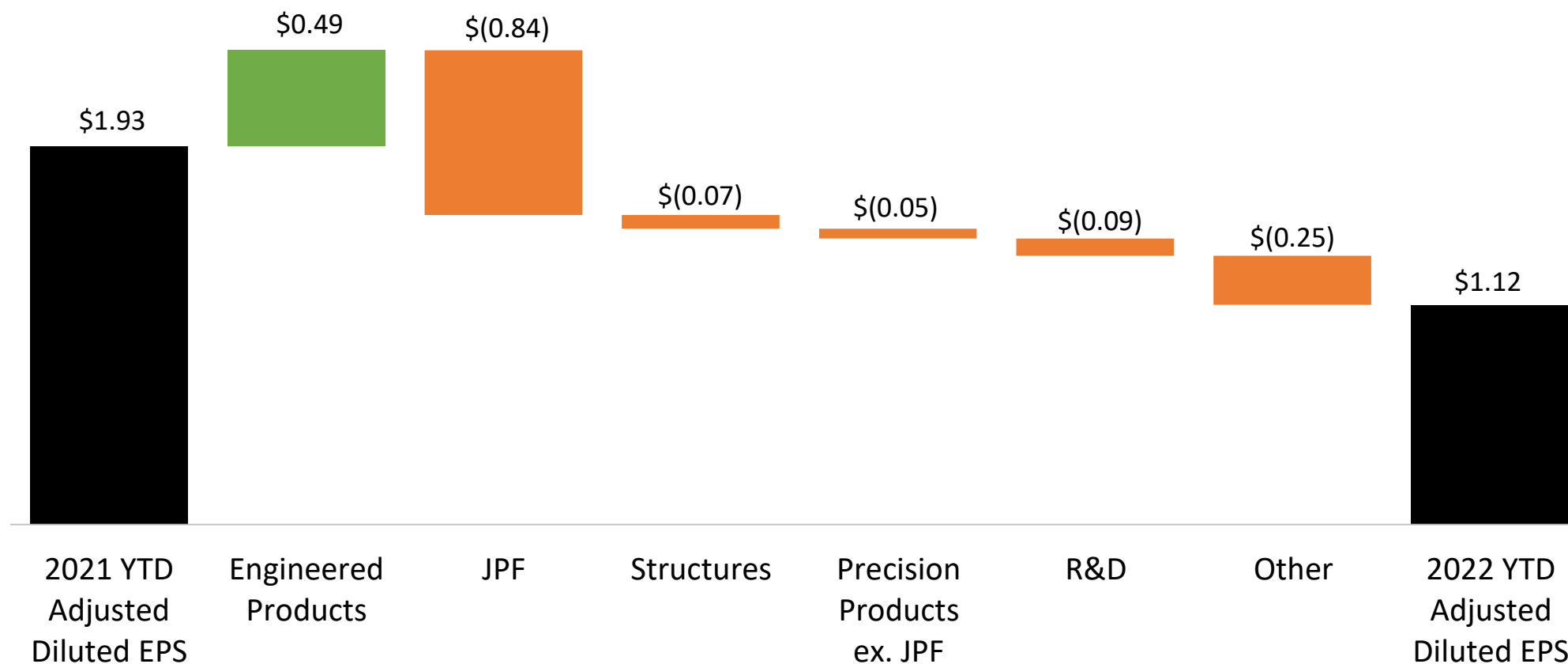
Q4 Key Drivers

- Lower sales and margins in UH-60 Black Hawk and A-10 programs
- Higher sales and margins for Boeing P-8A and Rolls Royce programs

Quarterly Results

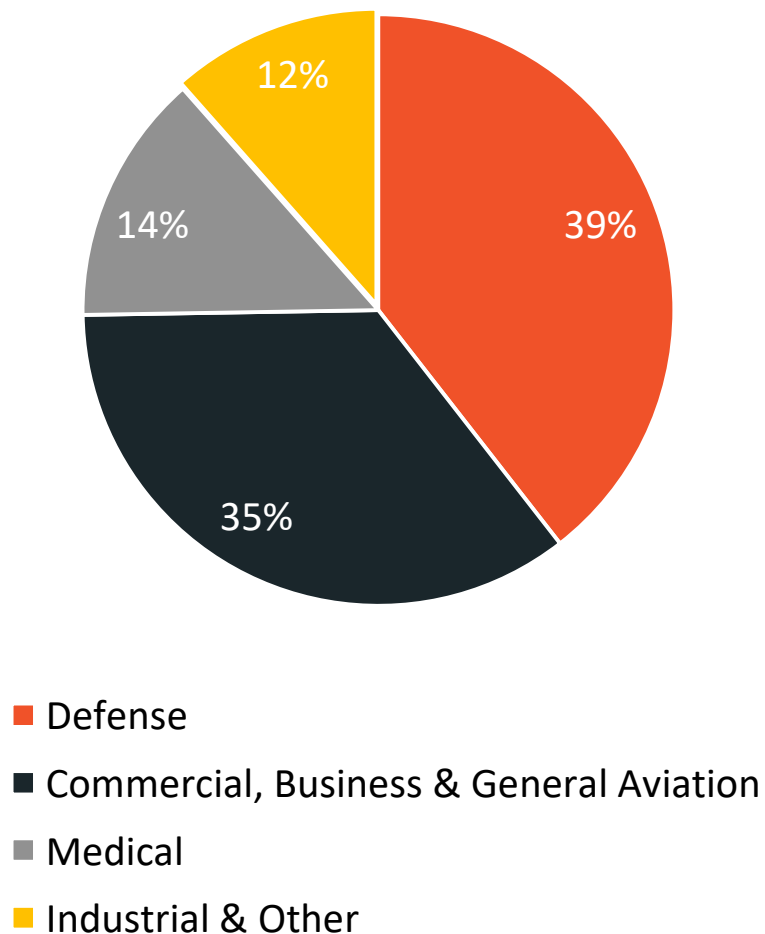


2022 YEAR TO DATE EPS BRIDGE



Note: Segment results excludes R&D expense. Other includes corporate, tax expense, interest expense, and pension income.

2022 SALES BY END MARKET



CONSOLIDATED SALES: \$688 M

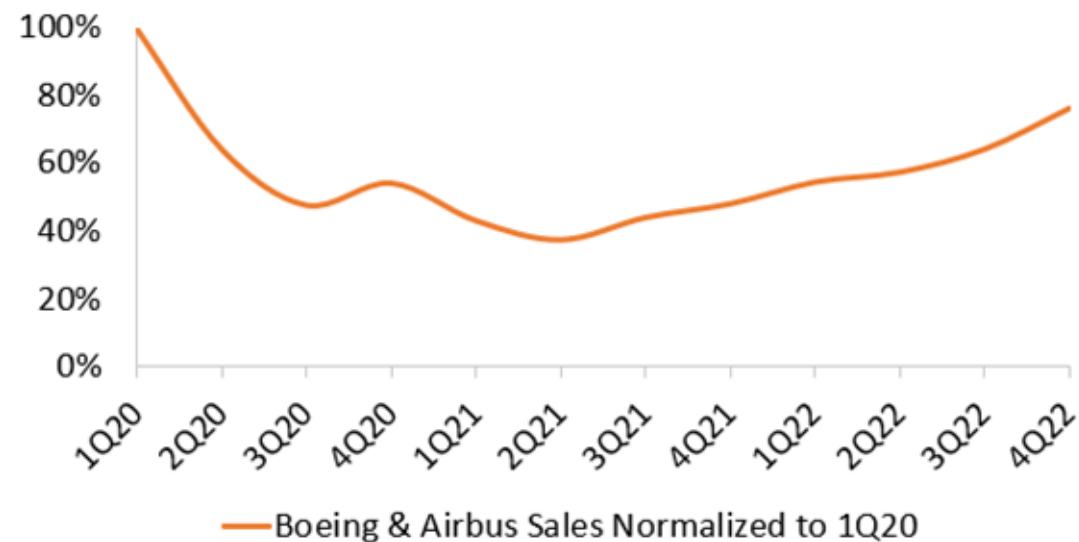
~81%

OEM

~19%

Aftermarket

BOEING & AIRBUS SALES



2023 OUTLOOK

2023 OUTLOOK RANGE

Net sales	\$730 M – \$750 M
Earnings from continuing operations	\$4.0 M – \$11.6 M
Adjusted EBITDA	\$95.0 M – \$105.0 M
Adjusted EBITDA margin	13.0% – 14.0%
Diluted EPS	\$0.14 - \$0.41
Adjusted Diluted EPS	\$0.30 – \$0.57
Cash from operating activities	\$60 M – \$70 M
Free cash flow	\$35 M – \$45 M

~ \$33 M

INTEREST EXPENSE

~ \$1.5 M

PENSION INCOME

~ \$25 M

CAPITAL EXPENDITURES

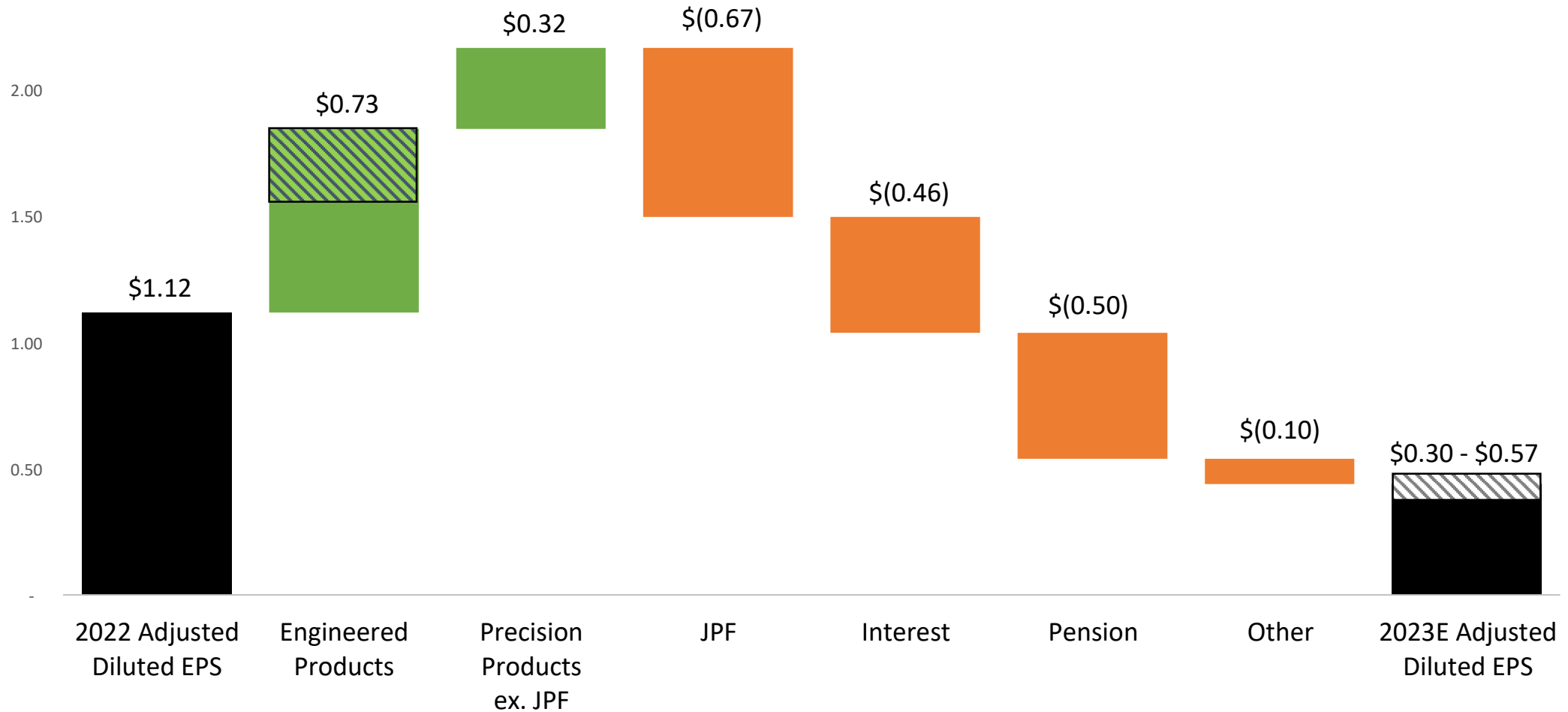
~ 23%

TAX RATE

Note: Full Outlook summary is in the Appendix.



2023 EPS







Note: Data represents the midpoint. The range of \$0.30 per share to \$0.57 per share includes potential variability in the segment contribution. Other includes corporate and tax expense.



Represents the expected contribution from AWB.

2023 MARKET OUTLOOK

PLATFORM / END MARKETS	2023 vs. 2022	FULL YEAR EXPECTATIONS
 Defense	↓	Improved performance in defense offerings and addition of Aircraft Wheel and Brake to offset lower JPF volume
 Commercial, Business & General Aviation	↑	Benefiting from strong order rates, improved performance and addition of Aircraft Wheel and Brake
 Medical	↑	Benefiting from strong order rates, improved performance and adoption of new technologies
 Industrials	↑	Benefiting from strong order rates, improved performance and expansion into new markets



APPENDIX

NON-GAAP RECONCILIATIONS

Adjusted EBITDA and Adjusted EBITDA Margin - Adjusted EBITDA for the consolidated company results is defined as net earnings before interest, taxes, other expense (income), net, depreciation and amortization and certain items that are not indicative of the operating performance of the Company for the periods presented. Adjusted EBITDA for the segments is defined as operating income before depreciation and amortization. Adjusted EBITDA margin is defined as Adjusted EBITDA as a percent of Net sales. Management believes Adjusted EBITDA and Adjusted EBITDA margin provide an additional perspective on the operating results of the organization and its earnings capacity and helps improve the comparability of our results between periods because they provide a view of our operations that excludes items that management believes are not reflective of operating performance, such as items traditionally removed from net earnings in the calculation of EBITDA as well as Other expense (income), net and certain items that are not indicative of the operating performance of the Company for the period presented. Adjusted EBITDA and Adjusted EBITDA margin are not presented as an alternative measure of operating performance, as determined in accordance with GAAP.

Adjusted Earnings from Continuing Operations and Adjusted Diluted Earnings Per Share - Adjusted earnings from continuing operations and adjusted diluted earnings per Share are defined as GAAP "Earnings from continuing operations" and "Diluted earnings per share from continuing operations", less items that are not indicative of the operating performance of the business for the periods presented. These items are included in the reconciliation below. Management uses adjusted earnings from continuing operations and adjusted diluted earnings per share to evaluate performance period over period, to analyze the underlying trends in our business and to assess its performance relative to its competitors. We believe that this information is useful for investors and financial institutions seeking to analyze and compare companies on the basis of operating performance.

Free Cash Flow - Free cash flow is defined as GAAP "Net cash provided by (used in) operating activities from continuing operations" in a period less "Expenditures for property, plant & equipment" in the same period. Management believes free cash flow from continuing operations provides an important perspective on our ability to generate cash from our business operations and, as such, that it is an important financial measure for use in evaluating the Company's financial performance. Free cash flow should not be viewed as representing the residual cash flow available for discretionary expenditures such as dividends to shareholders or acquisitions. Management uses free cash flow internally to assess overall liquidity.

NON-GAAP RECONCILIATION - OUTLOOK

2023 Outlook

Millions of U.S. dollars (except share data)

	2022	2023 Outlook	
	Actual	Low End	High End
Net Sales	\$ 688.0	\$ 730.0	\$ 750.0
Adjusted EBITDA			
Net Earnings	\$ (46.2)	\$ 4.0	\$ 11.6
Interest expense	16.9	33.2	33.2
Income tax expense	(16.7)	1.2	3.5
Pension income	(20.6)	(1.5)	(1.5)
Other income	0.3	-	-
Depreciation and amortization	40.7	52.3	52.3
Other adjustments	105.8	5.8	5.8
Adjusted EBITDA	\$ 80.2	\$ 95.0	\$ 105.0
Adjusted EBITDA margin	11.7%	13.0%	14.0%
Adjusted Diluted Earnings Per Share			
Diluted earnings per share	\$ (1.65)	\$ 0.14	\$ 0.41
Adjustments	2.77	0.16	0.16
Adjusted diluted earnings per share	\$ 1.12	\$ 0.30	\$ 0.57
Cash Flow			
Cash flow from operating activities	\$ 21.0	\$ 60.0	\$ 70.0
Expenditures for property, plant & equipment	(23.7)	(25.0)	(25.0)
Adjusted free cash flow	\$ (2.7)	\$ 35.0	\$ 45.0
Discretionary Pension Contribution	\$ -	\$ -	\$ -

NON-GAAP RECONCILIATIONS

Table 5. Adjusted EBITDA and Adjusted EBITDA Margin (unaudited)

Thousands of U.S. dollars

	Three Months Ended December 31, 2022				
	Consolidated	Engineered Products	Precision Products	Structures	Corp/Elims**
Net sales	\$ 197,143	\$ 113,972	\$ 49,925	\$ 33,246	\$ -
Net (loss) earnings	(54,943)				
Interest expense, net	8,786				
Income tax expense (benefit)	(18,724)				
Non-service pension and post retirement benefit income	(5,145)				
Other expense (income), net	(2,100)				
Operating income (loss)	\$ (72,126)	\$ 17,168	\$ 6,016	\$ (1,624)	\$ (93,686)
Depreciation and amortization	13,675	11,231	785	856	803
Goodwill impairment	25,306				25,306
Program assts impairment	53,677				53,677
Restructuring and severance costs	6,989	-	-	-	6,989
Cost associated with corporate development activities	1,167	-	-	-	1,167
Inventory step-up associated with acquisition	2,299	2,299	-	-	-
Other Adjustments	\$ 103,113	\$ 13,530	\$ 785	\$ 856	\$ 87,942
Adjusted EBITDA	\$ 30,987	\$ 30,698	\$ 6,801	\$ (768)	\$ (5,744)
Adjusted EBITDA margin	15.7%	26.9%	13.6%	(2.3)%	

**Corp/Elims Operating income (loss) represents the Corporate office expenses and \$86.0 million of unallocated expenses that are shown on the Condensed Consolidated Statement of Earnings as their own line items.

NON-GAAP RECONCILIATIONS

Table 6. Adjusted EBITDA and Adjusted EBITDA Margin (unaudited)

Thousands of U.S. dollars

	Three Months Ended September 30, 2022				
	Consolidated	Engineered Products	Precision Products	Structures	Corp/Elims**
Net sales	\$ 172,004	\$ 92,052	\$ 46,282	\$ 33,670	\$ -
Net earnings	625				
Interest expense, net	3,614				
Income tax expense (benefit)	128				
Non-service pension and post retirement benefit income	(5,142)				
Other expense (income), net	1,221				
Operating income (loss)	\$ 446	\$ 14,156	\$ 5,730	\$ 71	\$ (19,511)
Depreciation and amortization	9,383	6,856	804	870	853
Restructuring and severance costs	(243)	-	-	-	(243)
Cost associated with corporate development activities	10,725	-	-	-	10,725
Inventory step-up associated with acquisition	760	760	-	-	-
(Gain) loss on sale of business	(457)	-	-	-	(457)
Other Adjustments	\$ 20,168	\$ 7,616	\$ 804	\$ 870	\$ 10,878
Adjusted EBITDA	\$ 20,614	\$ 21,772	\$ 6,534	\$ 941	\$ (8,633)
Adjusted EBITDA margin	12.0%	23.7%	14.1%	2.8%	

**Corp/Elims Operating income (loss) represents the Corporate office expenses and \$0.7 million of unallocated income that are shown on the Condensed Consolidated Statement of Earnings as their own line items.

NON-GAAP RECONCILIATIONS

Table 7. Adjusted EBITDA and Adjusted EBITDA Margin (unaudited)

Thousands of U.S. dollars

	Three Months Ended December 31, 2021				
	Consolidated	Engineered Products	Precision Products	Structures	Corp/Elims**
Net sales	\$ 175,147	\$ 82,549	\$ 60,673	\$ 31,925	\$ -
Net earnings	9,169				
Interest expense, net	4,058				
Income tax expense (benefit)	6,676				
Non-service pension and post retirement benefit income	(6,397)				
Other expense (income), net	(417)				
Operating income (loss)	\$ 13,089	\$ 13,502	\$ 9,092	\$ 531	\$ (10,036)
Depreciation and amortization	9,180	6,580	1,041	889	670
Restructuring and severance costs	675	-	-	-	675
Cost associated with corporate development activities	647	-	-	-	647
Other Adjustments	\$ 10,502	\$ 6,580	\$ 1,041	\$ 889	\$ 1,992
Adjusted EBITDA	\$ 23,591	\$ 20,082	\$ 10,133	\$ 1,420	\$ (8,044)
Adjusted EBITDA margin	13.5%	24.3%	16.7%	4.4%	

**Corp/Elims Operating income (loss) represents the Corporate office expenses and \$0.7 million of unallocated expenses that are shown on the Condensed Consolidated Statement of Earnings as their own line items.

NON-GAAP RECONCILIATIONS

Table 8. Adjusted EBITDA and Adjusted EBITDA Margin (unaudited)

Thousands of U.S. dollars

	Twelve Months Ended December 31, 2022				
	Consolidated	Engineered Products	Precision Products	Structures	Corp/Elims**
Net sales	\$ 687,961	\$ 377,241	\$ 185,023	\$ 125,697	\$ -
Net (loss) earnings	(46,226)				
Interest expense, net	16,874				
Income tax expense (benefit)	(16,732)				
Non-service pension and post retirement benefit income	(20,574)				
Other expense (income), net	315				
Operating income (loss)	\$ (66,343)	\$ 57,833	\$ 17,705	\$ (3,000)	\$ (138,881)
Depreciation and amortization	40,712	30,461	3,663	3,519	3,069
Goodwill impairment	25,306				25,306
Program assts impairment	53,677				53,677
Restructuring and severance costs	9,842	-	-	-	9,842
Cost associated with corporate development activities	14,420	-	-	-	14,420
Inventory step-up associated with acquisition	3,059	3,059	-	-	-
Gain on sale of business	(457)				(457)
Other Adjustments	\$ 146,559	\$ 33,520	\$ 3,663	\$ 3,519	\$ 105,857
Adjusted EBITDA	\$ 80,216	\$ 91,353	\$ 21,368	\$ 519	\$ (33,024)
Adjusted EBITDA margin	11.7%	24.2%	11.5%	0.4%	

**Corp/Elims Operating income (loss) represents the Corporate office expenses and \$88.5 million of unallocated expenses that are shown on the Condensed Consolidated Statement of Earnings as their own line items.

NON-GAAP RECONCILIATIONS

Table 9. Adjusted EBITDA (unaudited)

Thousands of U.S. dollars

	Twelve Months Ended December 31, 2021				
	Consolidated	Engineered Products	Precision Products	Structures	Corp/Elims**
Net sales	\$ 708,993	\$ 317,683	\$ 256,329	\$ 134,981	\$ -
Net earnings	43,676				
Interest expense, net	16,290				
Income tax expense (benefit)	16,832				
Non-service pension and post retirement benefit income	(26,229)				
Other income, net	(142)				
Income from TSA	(931)				
Operating income (loss)	\$ 49,496	\$ 43,097	\$ 55,366	\$ (340)	\$ (48,627)
Depreciation and amortization	36,654	26,306	4,148	3,462	2,738
Restructuring and severance costs	6,154	-	-	-	6,154
Cost associated with corporate development activities	1,198	-	-	-	1,198
Costs from transition services agreement	1,728	-	-	-	1,728
Loss on sale of business	234	-	-	-	234
Other Adjustments	\$ 45,968	\$ 26,306	\$ 4,148	\$ 3,462	\$ 12,052
Adjusted EBITDA	\$ 95,464	\$ 69,403	\$ 59,514	\$ 3,122	\$ (36,575)
Adjusted EBITDA margin	13.5%	21.8%	23.2%	2.3%	

**Corp/Elims Operating income (Loss) represents the Corporate office expenses and \$8.1 million of unallocated expenses that are shown on the Condensed Consolidated Statement of Earnings as their own line items.

NON-GAAP RECONCILIATIONS

Table 10. Adjusted net earnings and Adjusted Diluted Earnings per Share (unaudited)

Thousands of U.S. dollars (except share data)

	Three Months Ended			Year Ended					
	December 31, 2022			December 31, 2022			December 31, 2021		
	Pre-Tax	Tax-Effect	Diluted EPS	Pre-Tax	Tax-Effect	Diluted EPS	Pre-Tax	Tax-Effect	Diluted EPS
Net (loss) earnings	\$(73,667)	\$ (54,943)	\$ (1.96)	\$(62,958)	\$ (46,226)	\$ (1.65)	\$ 60,508	\$ 43,676	\$ 1.57
Adjustments:									
Goodwill impairment	25,306	18,874	0.67	25,306	18,580	0.66	-	-	-
Program assets impairment	53,677	40,034	1.43	53,677	39,410	1.41	-	-	-
Restructuring and severance costs	6,989	5,213	0.19	9,842	7,226	0.25	6,154	4,810	0.17
Costs associated with corporate development activities	1,167	870	0.03	14,420	10,587	0.38	1,198	941	0.04
Inventory step-up associated with acquisition	2,299	1,715	0.06	3,059	2,246	0.08	-	-	-
Costs from transition services agreement	-	-	-	-	-	-	1,728	1,370	0.05
Income from transition services agreement	-	-	-	-	-	-	(931)	(739)	(0.03)
Tax benefit on sale of UK operations	-	-	-	-	-	-	287	287	0.01
(Gain) loss on sale of business	-	-	-	(457)	(336)	(0.01)	234	234	0.01
Tax-related items	-	-	-	-	-	-	3,131	3,131	0.11
Adjustments	\$ 89,438	\$ 66,706	\$ 2.38	\$105,847	\$ 77,713	\$ 2.77	\$ 11,801	\$ 10,034	\$ 0.36
Adjusted net earnings	\$ 15,771	\$ 11,763	\$ 0.42	\$ 42,889	\$ 31,487	\$ 1.12	\$ 72,309	\$ 53,710	\$ 1.93
Diluted weighted average shares outstanding			28,051			28,011			27,891

NON-GAAP RECONCILIATIONS

Table 11. Free Cash Flow (unaudited)

Thousands of U.S. dollars

	Three Months Ended				Twelve Months Ended
	April 1, 2022	July 1, 2022	September 30, 2022	December 31, 2022	December 31, 2022
Net cash provided by (used in) operating activities	\$ (1,017)	\$ (25,937)	\$ (6,746)	\$ 54,669	\$ 20,969
Expenditures for property, plant & equipment	(6,877)	(3,643)	(7,106)	(6,063)	(23,689)
Free cash flow	<u>\$ (7,894)</u>	<u>\$ (29,580)</u>	<u>\$ (13,852)</u>	<u>\$ 48,606</u>	<u>\$ (2,720)</u>