# KAMAN INVESTOR PRESENTATION

EXTEND YOUR REACH.

KAMAN

# 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.

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$ 1.2 B
ENTERPRISE VALUE

3,000+
EMPLOYEES

53
CONSECUTIVE YEARS OF DIVIDEND PAYMENTS

SALES IN
50+
COUNTRIES

Note: Data as of December 31, 2022

# OUR VISION

To propel our customers forward by imagining and delivering highly-engineered solutions

# 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
- Utilize the Vermont facility turnaround as a blueprint to improve other Structure segment sites

## 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
- U.S. Marine Corps Medium Unmanned Logistics Systems – Air (MULS-A) program award for KARGO UAS
- Agreement with PHI Aviation LLC for promotion, sales and support of KARGO UAV and a non-binding MOU for 50 units.

# SEGMENT OUTLOOK & STRATEGY

| | ENGINEERED PRODUCTS | PRECISION PRODUCTS | STRUCTURES |
|---|---|---|---|
| OUTLOOK | GROW | TRANSFORM | IMPROVE |
| MISSION | Grow organically | Pivot to new technologies and markets | Strengthen margin |
| STRATEGY | Win new business<br>Introduce new products<br>Focus on execution | Develop new products<br>Advance autonomous technologies<br>Launch next generation fuzing systems | Adopt VT operating model across segment<br>Improve quality and on-time delivery<br>Improve mix with higher aftermarket exposure |

# ENGINEERED PRODUCTS

## PROVIDING A BROAD RANGE OF PREMIER PRODUCTS FOR DIVERSE END MARKETS

### Aircraft Wheel & Brake

Proprietary technologies

### Self Lubricating Bearings

Karon® Self Lubricating Machinable Liner

### Traditional Airframe Bearings

Custom design capability

### Flexible Drive Systems

Patented and proprietary technology

### High Precision Miniature Bearings

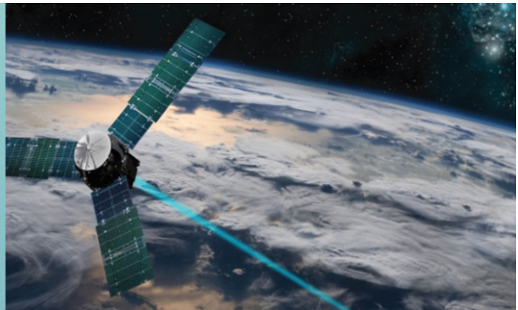
Proprietary design, machining & assembly

### Engine Aftermarket Components

FAA parts manufacturing authorization

### High Precision Seals, Springs & Contacts

Proprietary design, machining & assembly



# ENGINEERED PRODUCTS

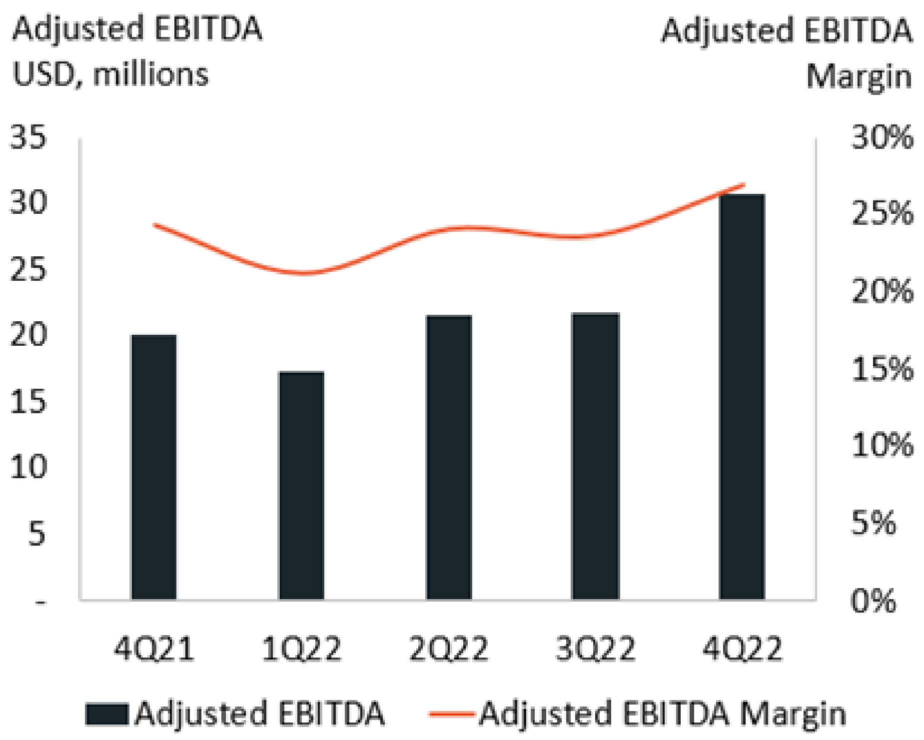
## 2022 Financial Results

| 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




**Execute on strong backlog, continue to expand margins and deliver solid results**

# PARKER AIRCRAFT WHEEL & BRAKE

## LEADING PORTFOLIO

- Trusted provider of mission critical wheel & brake technology products

## ESTABLISHED & PREDICTABLE BUSINESS

- Best in class margins and strong cash flow
- Long standing  customer relationships with global reach
- Solutions integrated into 100+ platforms worldwide
- Installed base of ~450,000 aircraft globally serviced
- Scalability for short-term and long-term growth
- Customized proprietary designs protected by intellectual property
- Experienced leadership team

~$70 M

2021 REVENUE

~40%

2021
EBITDA MARGIN

80%

SINGLE SOURCED CONTRACTS

1

CENTRALIZED LOCATION
AVON, OH

75+

CUSTOMERS

Note: All data including but not limited to Revenue and EBITDA Margin is LTM December 31, 2021 as provided by Parker and has not been audited.  See full presentation for acquisition published on May 23, 2022 at www.kaman.com/investors/investor-presentations.

# PRECISION PRODUCTS

## PROVIDING UNMATCHED PRECISON, VERSATILITY AND EFFICIENCY

### SAFE & ARM DEVICES
*Supporting U.S. & Allied militaries*

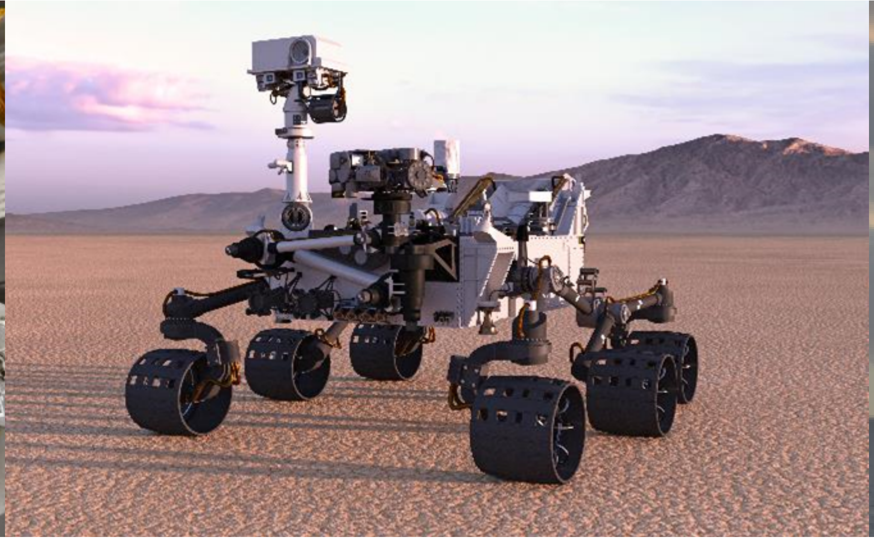
Joint Programmable Fuze
ATacMS®
AMRAAM®
Harpoon
JASSM®
MK54
SLAM-ER
Tomahawk

### MEMORY & MEASUREMENT
*Supporting mission & flight critical applications*

Ruggedized avionics modules
Advanced sensor technology
Signal Conditioning electronics

### DIVERSE AERIAL SYSTEMS
*Supporting heavy & medium lift applications*

SH-2G
K-MAX® (aftermarket & training)
*KARGO UAV* unmanned aerial system



# PRECISION PRODUCTS

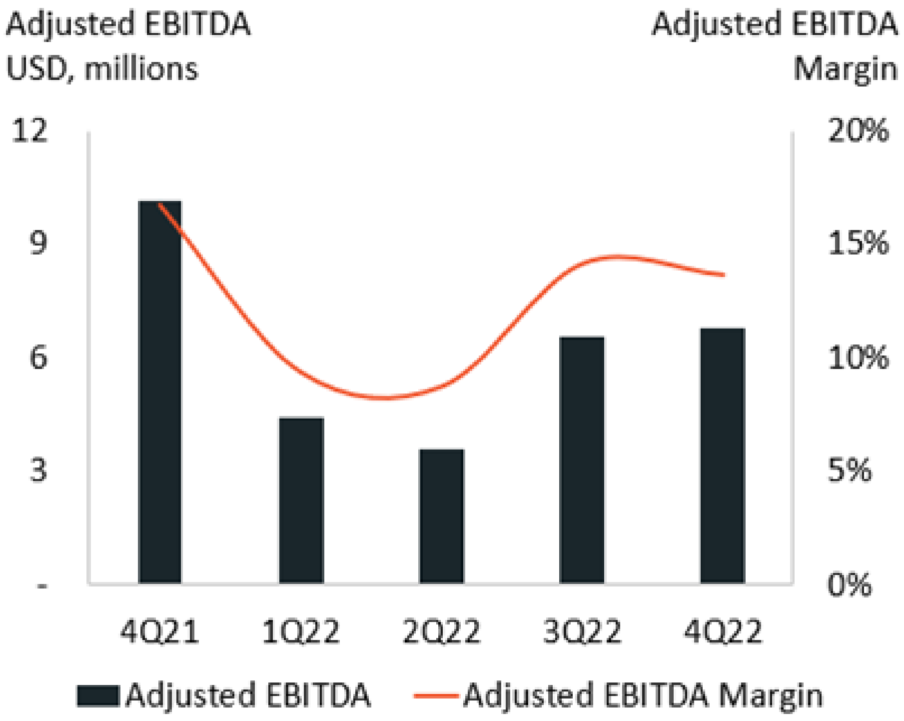
## 2022 Financial Results

| 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 for KARGO UAV Program

## Quarterly Results




**Pivot to new technologies and markets**

# KARGO UAV – Unmanned Aerial System

**Pursuing multiple opportunities with recent success on in both Commercial and Defense**

## Defense

- ✓ Down selected for MULS-A by US Marine Corp
- ✓ Funding provided for development of prototype
- ✓ Period of Performance 2023 – 2024

## Commercial

- ✓ Partnered with PHI, leading global helicopter solutions provider
- ✓ Intent to purchase 50 units
- ✓ Co-develop commercial platform, sales, and support model

## Capabilities

- Designed for easy transport and deployment
- Self-deploys with no payload up to 523 nautical miles
- Lifting capacity of 800 lbs
- Flight testing of full-scale vehicle - 2023

# STRUCTURES

## PROVIDING KEY STRUCTURAL COMPONENTS ACROSS CRITICAL END MARKETS

**Black Hawk Cockpit**
Sikorsky multi-year contract awarded in Dec 2021

**AH-1Z**
Bell blade skin to core structural components

**Medical Imaging Tables**
Partnership with Mirion Technologies in Jan 2022

**A-10 Thunderbolt**
Boeing wing assemblies contract through 2030


**Commercial**
Engine OEM

# STRUCTURES

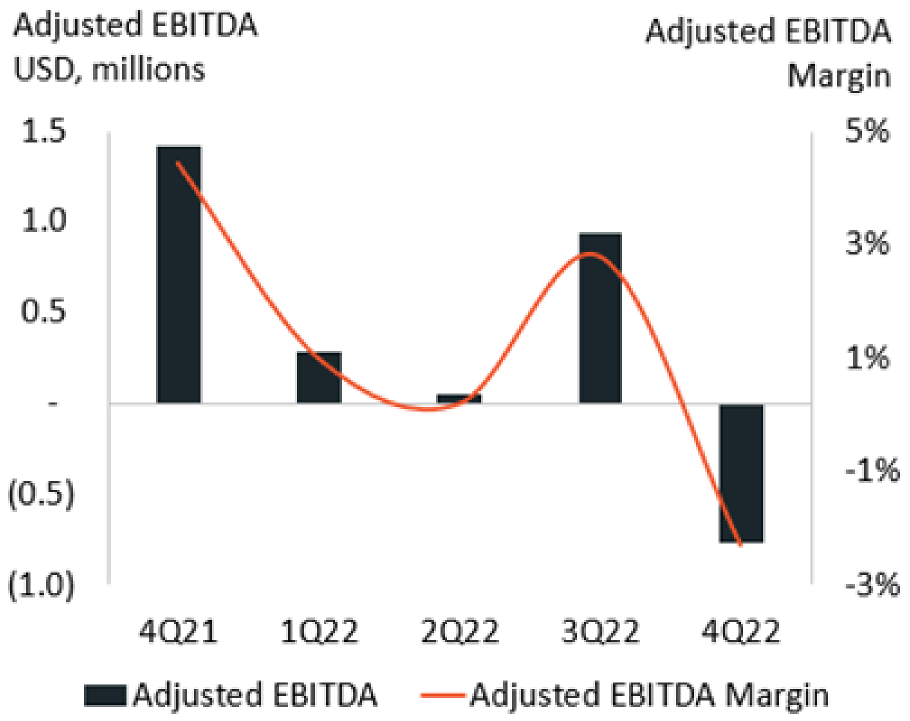
## 2022 Financial Results

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

## Q4 Key Drivers

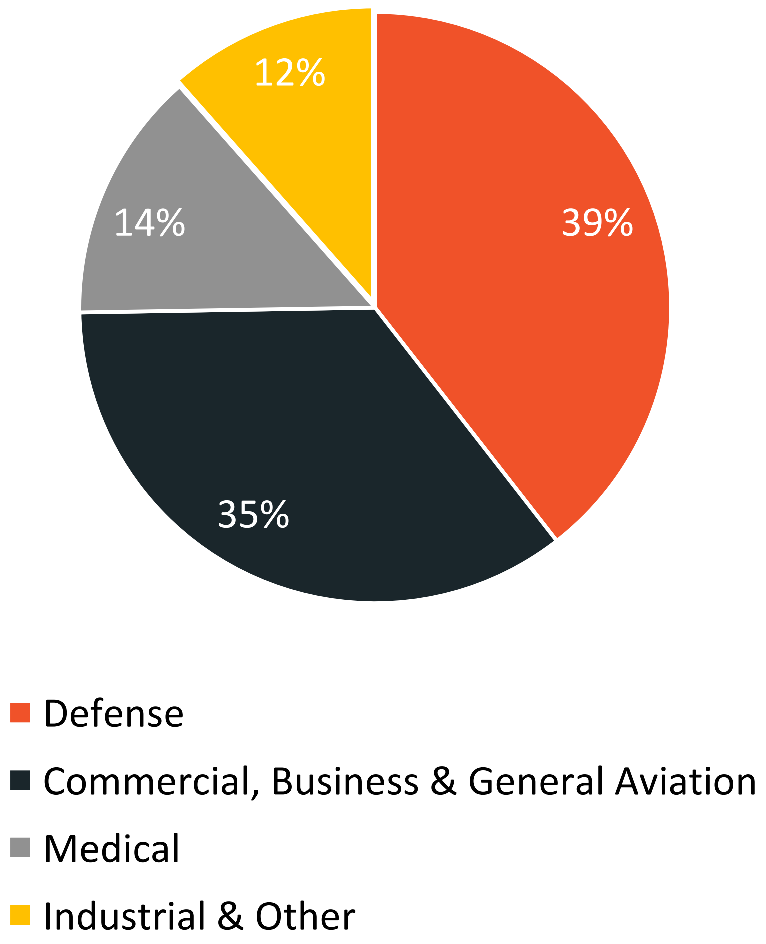
- Lower sales and margins in UH-60 Black Hawk and A-10 programs
- Higher sales and margins for Vermont facility due to Boeing P-8A and Rolls Royce programs

## Quarterly Results




**Deploy Vermont facility blueprint to drive improved quality and performance across segment**

# 2022 SALES BY END MARKET

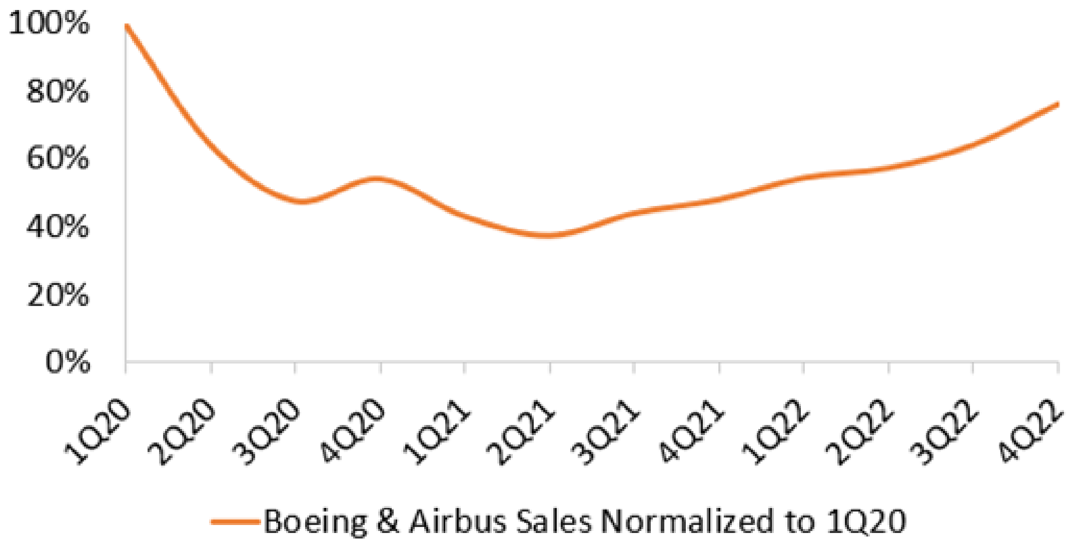



## CONSOLIDATED SALES: $688 M

~81% OEM

~19% Aftermarket

## BOEING & AIRBUS SALES



# PORTFOLIO TRANSFORMATION

## REPOSITIONING KAMAN FOR HIGHER GROWTH AND PROFITABILITY

### Strategic Initiatives

- ✓ Consolidated Jacksonville facilities
- ✓ Ceased production of K-MAX
- ✓ Investment in KARGO UAV
- ✓ Consolidating JPF production
- ✓ Reducing costs across the organization

### Acquisitions

- ✓ Bal Seal Engineering
- ✓ Investment in Near Earth Autonomy
- ✓ Aircraft Wheel and Brake

### Divestitures

- ✓ Kaman Distribution segment
- ✓ Kaman UK operations
- ✓ Kaman Mexico structures

# FOCUSED ON EXECUTION

| GROWTH THROUGH INNOVATION | DE-LEVERAGING & CAPITAL ALLOCATION | OPERATIONAL EXCELLENCE |
|---|---|---|
| Accelerate internal investments in our products, facilities and people | Paydown debt<br><br>Maintain a disciplined approach to shareholder returns | Drive significantly improved operating and financial performance<br><br>Eliminate sources of variation |

EBITDA MARGIN

FREE CASH FLOW CONVERSION

RETURN ON INVESTED CAPITAL

# 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 |
| Safe and Arm Devices | ↓ | 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 |

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# APPENDIX

# NON-GAAP RECONCILIATIONS

**For Kaman:**

**Adjusted EBITDA and Adjusted EBITDA Margin** - Adjusted EBITDA for the consolidated company results is defined as earnings from continuing operations 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", 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.

**Adjusted Free Cash Flow** – Adjusted 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 and any adjustments that are representative of the Company's cash generation or usage in the period. For 2021 we adjusted free cash flow to remove the cash payment made to Bal Seal employees under the retention plan established by the former owners of Bal Seal. Management believes free cash flow from continuing operations and adjusted free cash flow 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 and adjusted free cash flow should not be viewed as representing the residual cash flow available for discretionary expenditures such as dividends to shareholders or acquisitions, as it may exclude certain mandatory expenditures such as repayment of maturing debt and other contractual obligations. Management uses free cash flow and Adjusted free cash flow internally to assess overall liquidity.

**For Parker:**

**EBITDA and EBITDA Margin** – EBITDA and EBITDA margin for Aircraft Wheel and Brake represent unaudited financial information provided by Parker. EBITDA is defined as earnings before interest, taxes, net depreciation. EBITDA margin is defined as EBITDA as a percent of Net sale. EBITDA and EBITDA Margin are indicative of the operating performance of the Company for the periods presented. Management believes EBITDA and EBITDA margin provide an additional perspective on the operating results of the organization and its earnings capacity and helps improve the comparability of results between because they provide a view of operations that excludes items that management believes are not reflective of operating performance. EBITDA and EBITDA margin are not presented as an alternative measure of operating performance, as determined in accordance with GAAP.

# 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 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 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-Effected | Diluted EPS | Pre-Tax | Tax-Effected | Diluted EPS | Pre-Tax | Tax-Effected | 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 | $ (7,894) | $ (29,580) | $ (13,852) | $ 48,606 | $ (2,720) |