KAMAN

Gabelli & Company
24th Annual Aerospace & Defense Conference

September 13, 2018

Forward Looking Statements

FORWARD-LOOKING STATEMENTS

This presentation contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. 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 forward-looking statements are intended to provide management's current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid. They can be identified by the use of words such as "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "would," "could," "will" and other words of similar meaning in connection with a discussion of future operating or financial performance. Examples of forward looking statements include, among others, statements relating to future sales, earnings, cash flows, results of operations, uses of cash and other measures of financial performance.

Because forward-looking statements relate to the future, they are subject to inherent risks, uncertainties and other factors that may cause the Company's actual results and financial condition to differ materially from those expressed or implied in the forward-looking statements. Such risks, uncertainties and other factors include, among others: (i) changes in domestic and foreign economic and competitive conditions in markets served by the Company, particularly the defense, commercial aviation and industrial production markets; (ii) changes in government and customer priorities and requirements (including cost-cutting initiatives, government and customer shut-downs, the potential deferral of awards, terminations or reductions of expenditures to respond to the priorities of Congress and the Administration, or budgetary cuts resulting from Congressional actions or automatic sequestration); (iii) changes in geopolitical conditions in countries where the Company does or intends to do business; (iv) the successful conclusion of competitions for government programs (including new, follow-on and successor programs) and thereafter successful contract negotiations with government authorities (both foreign and domestic) for the terms and conditions of the programs; (v) the timely receipt of any necessary export approvals and/or other licenses or authorizations from the U.S. Government; (vi) the existence of standard government contract provisions permitting renegotiation of terms and termination for the convenience of the government; (vii) the successful resolution of government inquiries or investigations relating to our businesses and programs; (viii) risks and uncertainties associated with the successful implementation and ramp up of significant new programs, including the ability to manufacture the products to the detailed specifications required and recover start-up costs and other investments in the programs; (ix) potential difficulties associated with variable acceptance test results, given sensitive production materials and extreme test parameters; (x) the receipt and successful execution of production orders under the Company's existing U.S. government JPF contract, including the exercise of all contract options and receipt of orders from allied militaries, but excluding any next generation programmable fuze programs, as all have been assumed in connection with goodwill impairment evaluations; (xi) the continued support of the existing K-MAX® helicopter fleet, including sale of existing K-MAX® spare parts inventory and the receipt of orders for new aircraft sufficient to recover our investment in the restart of the K-MAX® production line; (xii) the accuracy of current cost estimates associated with environmental remediation activities; (xiii) the profitable integration of acquired businesses into the Company's operations; (xiv) the ability to implement our ERP systems in a cost-effective and efficient manner, limiting disruption to our business, and allowing us to capture their planned benefits while maintaining an adequate internal control environment; (xv) changes in supplier sales or vendor incentive policies; (xvi) the effects of price increases or decreases; (xvii) the effects of pension regulations, pension plan assumptions, pension plan asset performance, future contributions and the pension freeze, including the ultimate determination of the U.S. Government's share of any pension curtailment adjustment calculated in accordance with CAS 413; (xviii) future levels of indebtedness and capital expenditures; (xix) the continued availability of raw materials and other commodities in adequate supplies and the effect of increased costs for such items; (xx) the effects of currency exchange rates and foreign competition on future operations; (xxi) changes in laws and regulations, taxes, interest rates, inflation rates and general business conditions; (xxii) the effects, if any, of the UK's exit from the EU; (xxiii) future repurchases and/or issuances of common stock; (xxiv) the incurrence of unanticipated restructuring costs or the failure to realize anticipated savings or benefits from past or future expense reduction actions; and (xxv) other risks and uncertainties set forth herein and in our 2017 Form 10-K and our Second Quarter Form 10-Q filed August 8, 2018.

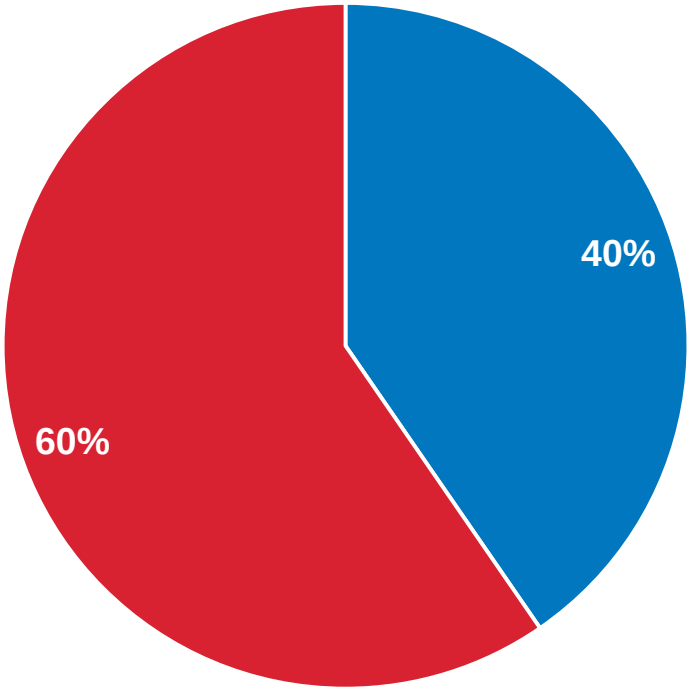
Any forward-looking information provided in this presentation should be considered with these factors in mind. We assume no obligation to update any forward-looking statements contained in this report.

Non-GAAP Measures

In the course of our presentation we may reference certain non-GAAP financial measures related to company performance. A reconciliation of that information to the most directly comparable GAAP measures is provided in our recent earnings release furnished with the U.S. Securities and Exchange Commission on Form 8-K on August 8, 2018, a copy of which can be accessed in the investor relations section of the Company's website.

Kaman Corporation Overview

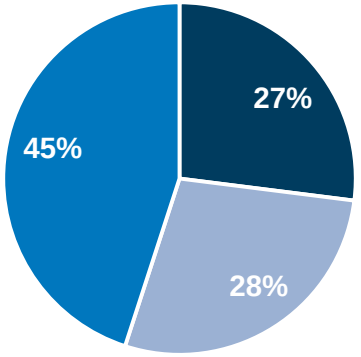
Revenues: $1.9 billion



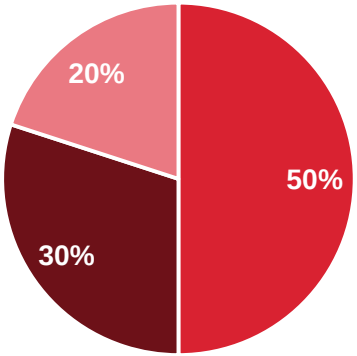
- Aerospace: $0.8 Billion
- Distribution: $1.1 Billion

Aerospace

- Defense
- Fuzing
- Commercial



Distribution



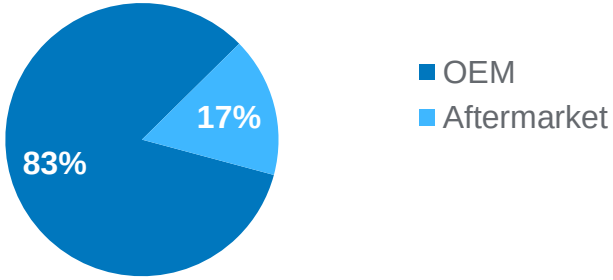
- Bearings & Mechanical Power Transmission
- Automation
- Fluid Power

LTM June 2018 actual results

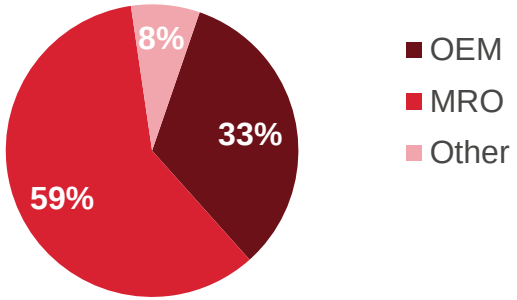
Diverse End Markets

LTM June 2018 Results

Aerospace



Distribution



Selected Platforms		
Boeing	Airbus	Fuzing
• 787/777 • 737 • A-10	• A350 • A330 • A320	• JPF • AMRAAM • Tomahawk
Bell Helicopter	Sikorsky	Kaman
• AH-1Z • Rotor Blades	• UH-60 • CH-53	• SH-2G • K-MAX®

Selected Industries & Products	
Industries	Products
• Food and beverage • Machinery Manufacturing • Paper manufacturing • Mining • Durable goods • Primary metal • Chemicals	• Bearings • Mechanical power transmission • Material handling • Fluid power • Electric control • Automation

2018 First Half Highlights

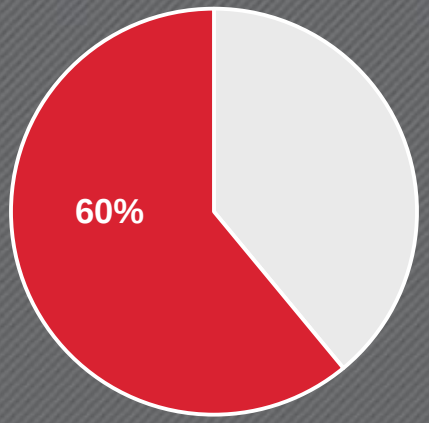
Financial Performance

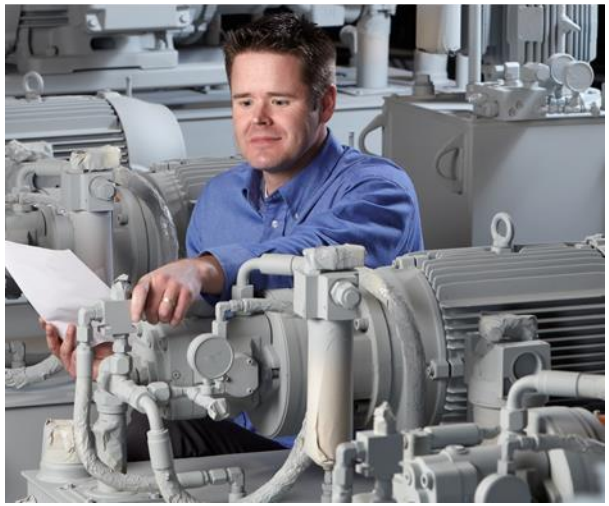
- Net Sales increased 5.3% to $931.5 million; Strong gross margin of 29.0%
- Net earnings increased 47.7% to $29.2 million
- Diluted earnings per share increased 47.1% to a $1.03
- Cash provided by operating activities of $93.7 million
- Total backlog increased 30.6% to $969.0 million from December 31, 2017

Key Events

- Total JPF orders of $410 million
- Extending our relationship with Bell Helicopter across a number of programs, including the AH-1Z attack helicopter
- Selected by Airbus as strategic technology partner
- Accelerating organic growth at Distribution
- Contributed $20.0 million to our defined benefit pension plan

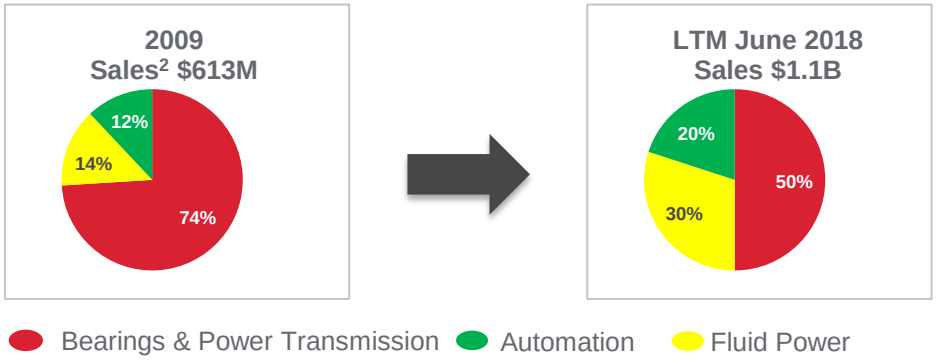
Distribution

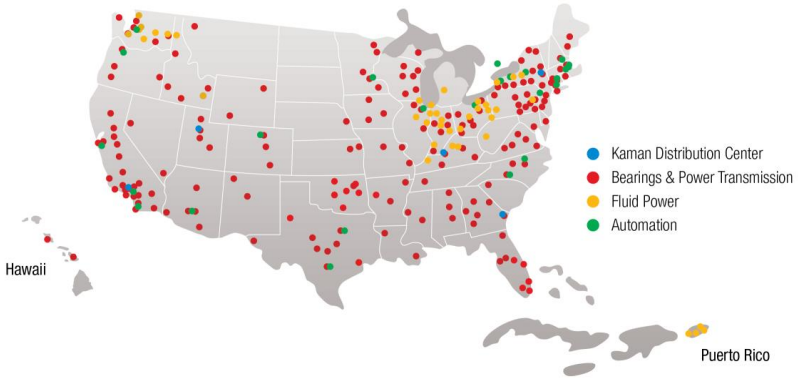




Distribution Overview

PRODUCT PLATFORM	BEARINGS & MECHANICAL POWER TRANSMISSION (BPT)	FLUID POWER	AUTOMATION
LTM June 2018 % of Sales	50%	20%	30%
Estimated Market Size[1]	$16 Billion	$7 Billion	$22 Billion
Product Offerings	• Bearings • Gearing • Hose & Fittings • Hydraulics & Pneumatics • Linear Motion • Material Handling • Power Transmission	• Cylinders • Filters, Regulators, Lubricators • Hydraulic Motors/Power Units • Hoses and Connections • Pumps & Vacuums • Valves	• Automation • Electrical • Sensors • Linear Motion • Motion Control • OEM Control Panels • Process Control & Instrumentation





(1) Source: Modern Distribution Management
(2) Source: Sales from Continuing Operations

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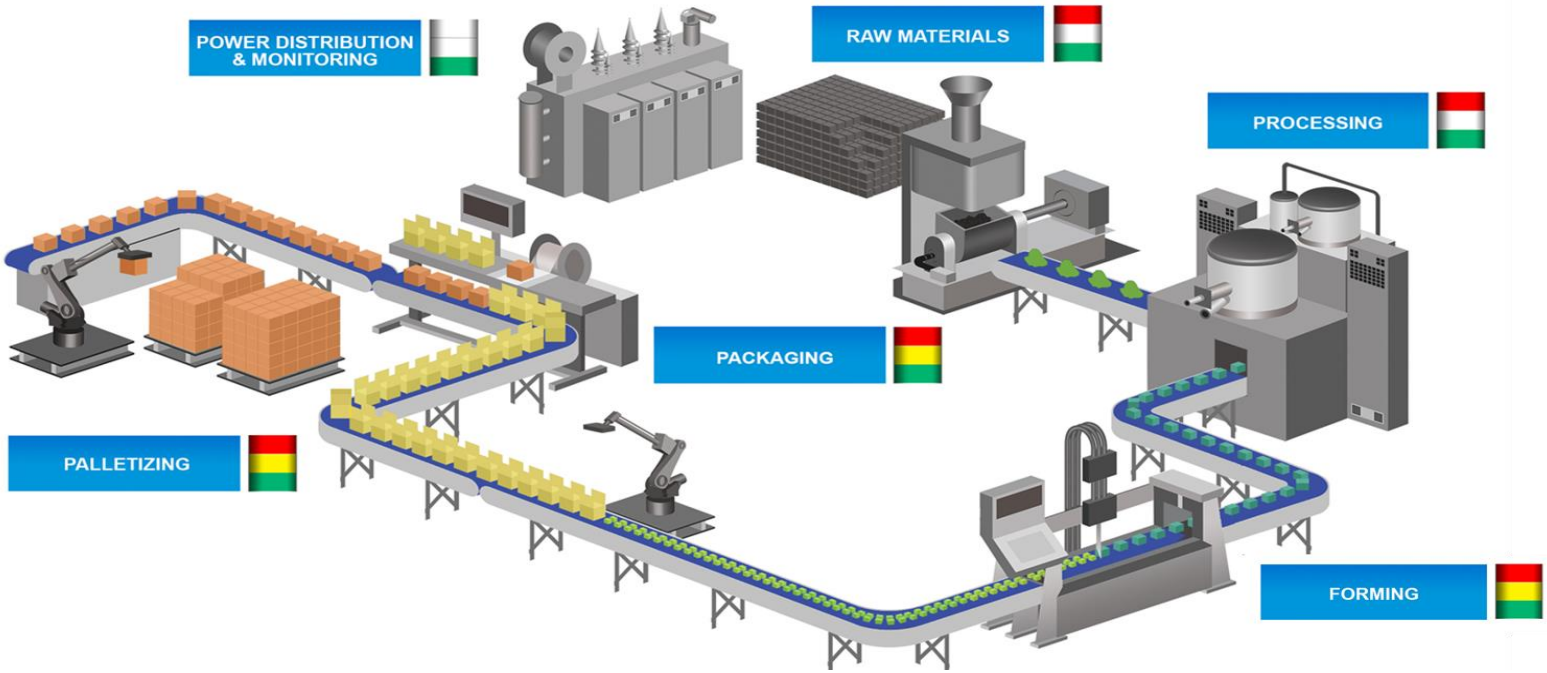
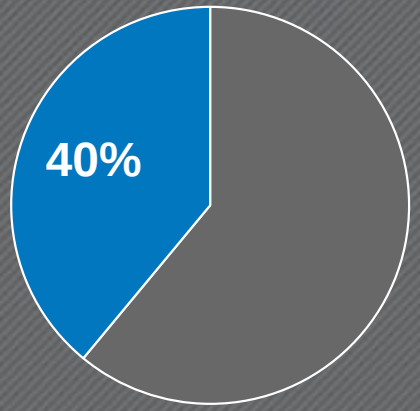
Expanded Product and Services Portfolio

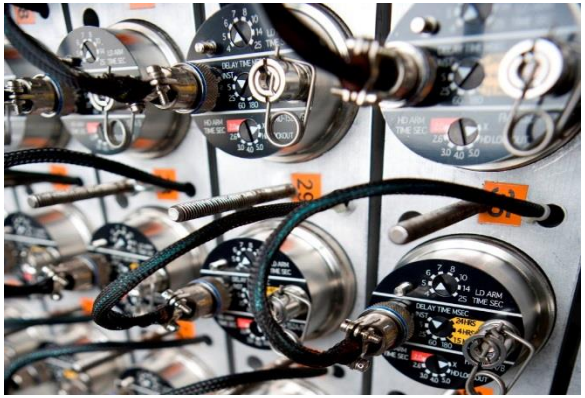


BEARINGS & POWER TRANSMISSION | FLUID POWER | AUTOMATION, CONTROL & ENERGY

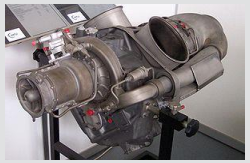
Value Added Offerings

Aerospace





Aerospace Overview

	DEFENSE AND COMMERCIAL PRODUCTS	FUZING PRODUCTS
Products	• Engineering design and testing • Tooling design & manufacture • Advanced machining and composite aerostructure manufacturing • Complex assembly • Helicopter MRO and support • Precision measuring systems • Airframe bearings • Miniature ball bearings • Flexible drive systems • Aftermarket engineered components • Memory products	• Bomb safe and arm fuzing devices • Missile safe and arm fuzing devices
Customers	• Global commercial and defense OEMs • Supplier to Tier I's and subcontract manufacturers • Aircraft operators and MRO • Specialized aerospace distributors • Industrial and medical manufacturers of high precision equipment	• U.S. Militaries • Foreign Allied Militaries • Weapon system OEMs
Platforms	K-MAX® 787 Medical Devices Bearings AH-1Z 737 Marine/Hydro Aftermarket 	

Specialty Bearings and Engineered Products

Positioned for growth

- Significant barriers to entry
- Differentiated product offerings
- Leading technology and engineering capability
- Well positioned on a broad range of fixed wing and rotary wing aircraft
- Increased exposure to healthcare and industrial applications
- Strong order rates and solid backlog

Products

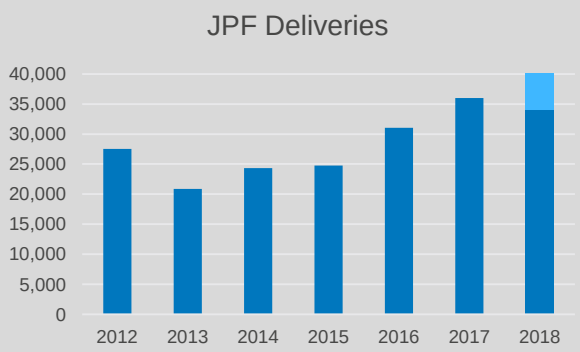
Markets

Fuzing Products

On Expansive array of U.S. Weapon Systems

JPF Program

- LTM orders of $495 million; DCS of $324 million; USG of $171 million
- Sole source provider to the US Air Force and 36 foreign governments
- Advanced capabilities and operational field reliability above 99%
- Increased production capacity to meet growing demand
- Record program backlog



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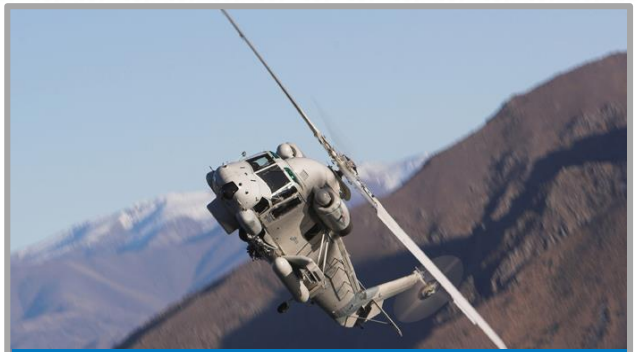
Air Vehicles and MRO



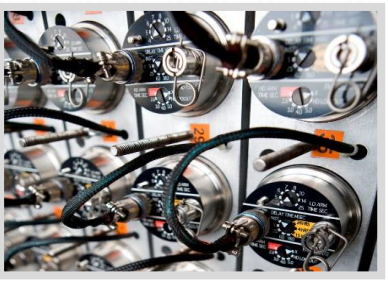
SH-2G Super Seasprite

Unmanned K-MAX®

Commercial K-MAX®

- SH-2G
  - In service with Egypt, New Zealand, Poland, and Peru
  - Fleet will grow 50% since 2014 upon completion of Peru program
  - Opportunity to expand and upgrade the capability of Egyptian fleet
- K-MAX®
  - Delivered first new production aircraft in 2017
  - Unmanned aircraft currently stationed at Marine Operational Test and Evaluation Squadron One (VMX-1)
- Aftermarket support including spares, repairs and MRO

Significant Programs



JPF

AH-1Z

UH-60

A350

SH-2

K-MAX®

HH-60W CRH

A330

787

737

Trent 7000

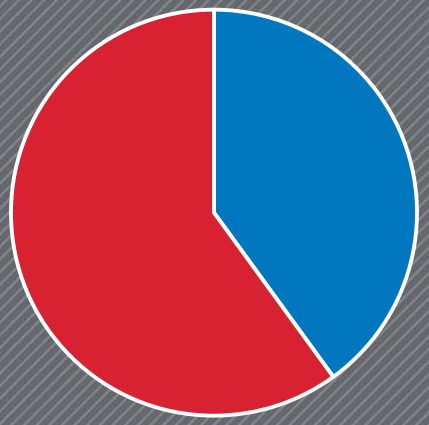
P-8

Backlog of $825 million at June 29, 2018

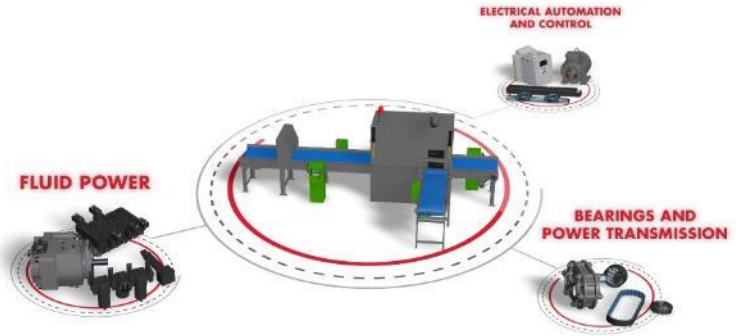
Primary Aerospace Locations

1. **Everett, WA**
   Engineering
2. **Gilbert, AZ**
   Aftermarket Components
3. **Wichita, KS**
   Composites
4. **Charleston, SC**
   Engineering
5. **Jacksonville, FL**
   Assembly & Metallics
6. **Orlando, FL**
   Fuzing
7. **Middletown, CT**
   Fuzing
8. **Bloomfield, CT**
   - Air Vehicles & MRO
   - Specialty Bearings
9. **Bennington, VT**
   Composites
10. **Chihuahua, Mexico**
    Metallics
11. **Hochstadt, Germany**
    Specialty Bearings
12. **Rimpar, Germany**
    Specialty Bearings
13. **Pracatice, Czech Republic**
    Specialty Bearings
14. **Darwen, UK**
    Composites
15. **Burnley, UK**
    Tooling
16. **Hyde, UK**
    Metallics
17. **Goa, India**
    Composites (Joint Venture)

Investment Highlights



Secular trends helping to drive significant long-term growth opportunities in both Aerospace and Distribution segments



AEROSPACE

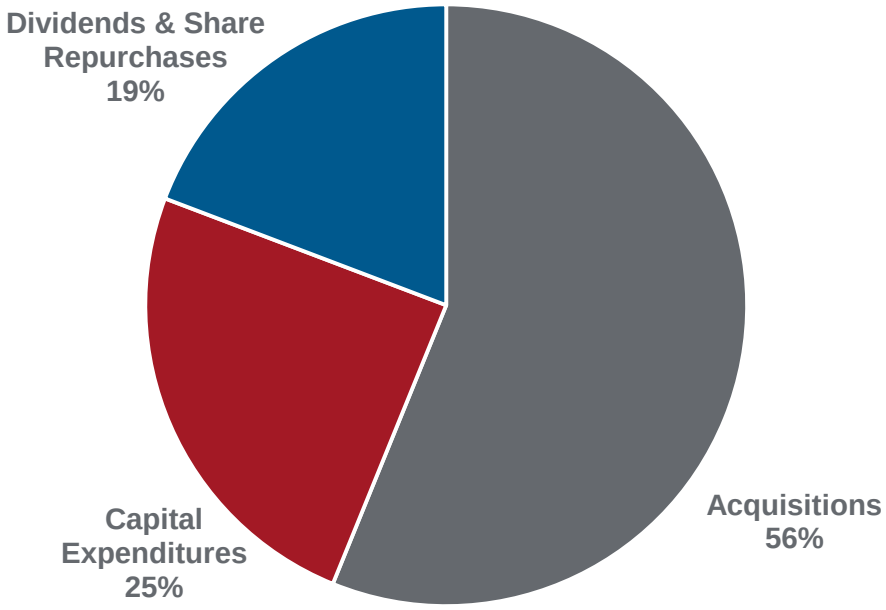
- OEM/Tier 1 outsourcing and supplier consolidation
- Increased defense budget
- Higher bearing content on new platforms driving bearing sales
- Balance of commercial and defense programs across diverse end markets
- Expanded geographic footprint

DISTRIBUTION

- Supplier consolidation favors larger national service providers
- Increased need for value added services
- Large fragmented market provides consolidation opportunities
- Factory automation trends driving fluid power and high speed automation solutions
- Increased corporate account penetration

Capital Deployment Framework

Focused on growth investments and return of capital to shareholders



Total $970 Million

Period: 2010 to YTD June 2018

- High return capital expenditures
- Strategic acquisitions
- Dividend raised 11% in 2017 - 43% increase since 2010
- Dividends paid for 48 consecutive years
- $100 million share repurchase authorization

Kaman Investment Highlights

Strategically Positioned	
Highly Engineered Products	Outstanding portfolio of highly engineered products and proprietary technologies
Best-in-class Vendors	Continue to partner with leading brands and enhance product portfolio
Diverse End Markets	Broad exposure to diverse products, platforms and customers
Strong Financial Performance	
Top Line Growth	Shown consistent, reliable performance with ~8% revenue CAGR over the past 10 years
Profitability Gains	Focus on product mix and operational efficiency to enhance profitability
Strong Free Cash Flow	Average Free Cash Flow Conversion from 2014 to 2017 well in excess of Net Earnings
Strong Capital Structure	Maintain conservative leverage of 2.0x–3.0x net debt / Adjusted EBITDA over the long term
Reliable Business Strategies	
Efficient Capital Allocation	Deploy capital to drive future growth while returning capital to shareholders
Focus on Innovation	Commitment to internal investment to maintain differentiation and drive productivity
Operational Excellence	Strategic investments designed to optimize operational efficiency and returns