Creating Tomorrow's KAMAN Today

Q4 2020 Earnings Call Supplement

February 26, 2021

Forward Looking Statements

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 Figures

Management believes that the Non-GAAP financial measures (i.e. financial measures that are not computed in accordance with Generally Accepted Accounting Principles) identified by an asterisk (*) 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 herein.

Q4 2020 Overview

KAMAN

Financial Performance (from continuing operations)	▪ Net Sales down 22% over fourth quarter of 2019; Organic sales* down 29% ▪ Gross margins of 29.3% and SG&A controls improve profitability ▪ Adjusted EBITDA* of 9.3%, down over the prior year period ▪ Adjusted diluted earnings per share* of $0.41 leading to $2.11 for the full year ▪ Repaid $100 million on Revolving Credit Facility; Cash on hand of $104 million
Key Messages	▪ Full year performance benefited from diversified product portfolio providing offset to continued weakness in commercial aviation ▪ Delivered realized cost savings of approximately $26 million in 2020 ▪ Maintained discipline in application of our COVID-19 policies and procedures ▪ Strong balance sheet and available capacity under our revolving credit facility ▪ No debt maturities until 2024

Diversified Portfolio

KAMAN

Full Year 2020 Sales up 3.0% to $784.5 million; Organic Sales* down 7.1%

Actual Full Year 2020 Sales By End Market

- 55% Defense
- 28% Commercial, Business & General Aviation
- 9% Medical
- 8% Industrial and Other

Commercial, Business & General Aviation Sales 28% of Total

Boeing & Airbus (Commercial Aviation)(direct and indirect)	35%
All Other (Business & General Aviation)	65%

OEM	88%
Aftermarket	12%

Meaningful Long Term Growth

KAMAN

Diverse End Market Exposure with Meaningful Long Term Growth

Platform / End Markets	2020 Sales		Long Term Growth Drivers
	Organic Q4 YoY	Sequential Q4 vs. Q3	
Defense	↓	↓	✓ Defense exposures provide stability and growth opportunities ✓ Continue to identify new opportunity on key defense programs, such as the F-18, the Joint Strike Fighter, Columbia Class Submarine
Commercial, Business & General Aviation	↓	↑	✓ Breadth of content on a wide range of fixed wing and rotary ✓ Continued investment in R&D through the downturn ✓ Positioned to capture share from COVID-19 headwinds
Medical	↑	↓	✓ Aging population ✓ Increasing biopharma capital budgets ✓ Strong technical advances and product development pipelines
Industrials	↓	↑	✓ Increasing number of robotics applications ✓ Maintenance and replacement of industrial equipment

A Focus on Cost

KAMAN

Significant Cost Savings Achieved; Continued focus on cost in 2021

Instituted Cost Savings

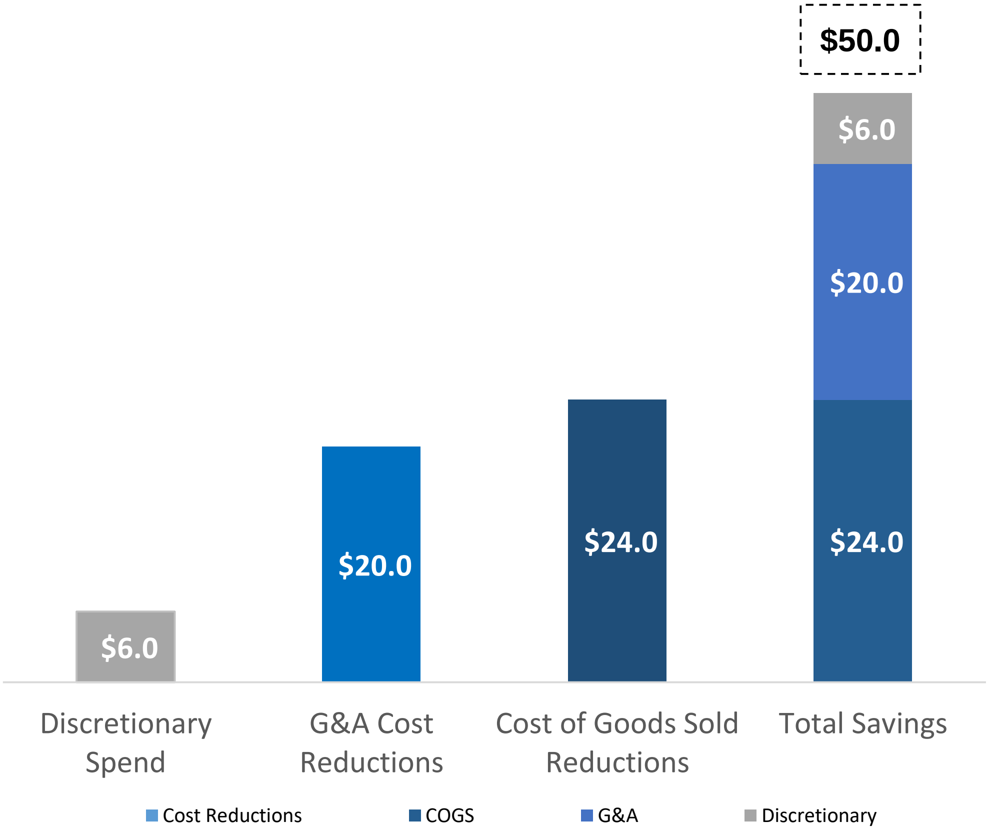
Actions:
- Execution on G&A Transformation Initiative
- Workforce reductions
- Employee furloughs
- Salary reductions across senior management
- Reduced discretionary spending

Result: $26 Million of Savings in 2020; $50 Million Annualized Savings

Benefit to 2021

- 2020 actions demonstrate an ability to flex cost structure
- Aggressive cost actions help maintain margins in 2021
- Positioned for margin expansion on recovery
- Full realization of cost savings dependent on recovery

~$50 million of Annualized Savings in 2020



Looking Ahead

2021 Outlook

(in millions)	2021 Low	2021 High
Sales	$ 725.0	$ 745.0
Adjusted EBITDA*	$ 85.0	$ 96.5
% of Sales	*11.7%*	*13.0%*
Diluted Earnings Per Share	$ 1.55	$ 1.87
Adjusted Free Cash Flow*[1]	$ 30.1	$ 40.1

[1] Includes a $10 million discretionary pension contribution

Platform / End Markets	Q1 2021	Q2 – Q4 2021	Full Year Expectations
Defense	↓	↓	Uncertainty for JPF DCS orders due to change in Presidential Administration
Commercial, Business & General Aviation	↓	↑	Tough first half comps ease over course of year as expected recovery begins in the second half
Medical	↑	↑	Strong order rates and improved performance expected in 2021
Industrials	↓	↑	Strong order rates and improved performance expected in 2021

Looking Ahead – 2021 Outlook

KAMAN

2021 Additional Considerations

2021 Earnings Back Half Weighted

- Approximately 30% of earnings expected in the first half
- Less than 10% of earnings expected in the first quarter

JPF Deliveries of 30K-35K excludes a previously expected DCS order

- Uncertainty in timing resulting from change in administration
- Continue to support U.S. Allied Militaries

Bal Seal Retention Payment of $25.1 million

- Included in Bal Seal purchase price
- Agreement between former owners and Bal Seal Employees
- Accounted for as compensation expense by Kaman under ASC 805

Pension

- Net periodic benefit of approximately $26.3 million
- Discretionary pension contribution of $10 million

Tax Rate

- Estimated Annualized Tax Rate of 24.0%

Interest Expense

- Estimated interest expense of approximately $16.4 million

Expected recovery in back half of year as pandemic impact begins to ease

KAMAN

Non-GAAP Reconciliations

Non-GAAP Reconciliation

KAMAN

Organic Sales

Organic Sales is defined as "Net Sales" less sales derived from acquisitions completed during the preceding twelve months. We believe that this measure provides management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, which can obscure underlying trends. We also believe that presenting Organic Sales enables a more direct comparison to other businesses and companies in similar industries. Management recognizes that the term "Organic Sales" may be interpreted differently by other companies and under different circumstances. No other adjustments were made during the three-month and twelve-month fiscal periods ended December 31, 2020 and 2019, respectively.

Adjusted EBITDA from Continuing Operations

Adjusted EBITDA from continuing operations 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's for the period presented. Adjusted EBITDA from continuing operations differs from earnings from continuing operations, as calculated in accordance with GAAP, in that it excludes interest expense, net, income tax expense, depreciation and amortization, other expense (income), net, non-service pension and post retirement benefit expense (income), and certain items that are not indicative of the operating performance of the Company for the period presented. We have made numerous investments in our business, such as acquisitions and capital expenditures, including facility improvements, new machinery and equipment, improvements to our information technology infrastructure and ERP systems, which we have adjusted for in Adjusted EBITDA from continuing operations. Adjusted EBITDA from continuing operations also does not give effect to cash used for debt service requirements and thus does not reflect funds available for distributions, reinvestments or other discretionary uses. Management believes Adjusted EBITDA from continuing operations provides 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 it provides 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 from continuing operations is not presented as an alternative measure of operating performance, as determined in accordance with GAAP. No other adjustments were made during the three-month and Twelve-month fiscal periods ended December 31, 2020 and 2019..

Adjusted Earnings from Continuing Operations and Adjusted Diluted Earnings Per Share from Continuing Operations

Adjusted Earnings from Continuing Operations and Adjusted Diluted Earnings per Share from Continuing Operations 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 from Continuing Operations 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. The following table illustrates the calculation of Adjusted Earnings from Continuing Operations and Adjusted Diluted Earnings per Share from Continuing Operations using “Earnings from Continuing Operations” and “Diluted earnings per share from continuing operations” from the “Consolidated Statements of Operations” included in the Company's Form 10-K filed with the Securities and Exchange Commission on February 25, 2021.

Adjusted Free Cash Flow

Adjusted Free Cash Flow from continuing operations - Adjusted Free Cash Flow from continuing operations 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 will 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 from continuing operations 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 from continuing operations and Adjusted Free Cash Flow internally to assess overall liquidity.

Non-GAAP Reconciliation

KAMAN

Organic Sales

(in thousands)	For the Three Months Ended December 31, 2020	For the Three Months Ended December 31, 2019	For the Twelve Months Ended December 31, 2020	For the Twelve Months Ended December 31, 2019
Net Sales From Continuing Operations	$ 185,288	$ 237,792	$ 784,459	$ 761,608
Acquisition Sales	16,516	-	76,965	-
Organic Sales	$ 168,772	$ 237,792	$ 707,494	$ 761,608
$ Change	$ (69,020)		$ (54,114)	
% Change	(29.0)%		(7.1)%	

Adjusted EBITDA from Continuing Operations

(in thousands)	For the Three Months Ended December 31, 2020	For the Three Months Ended December 31, 2019	For the Twelve Months Ended December 31, 2020	For the Twelve Months Ended December 31, 2019
Net Sales From Continuing Operations	$ 185,288	$ 237,792	$ 784,459	$ 761,608
(Loss) earnings from continuing operations, net of tax	$ (31,420)	$ 34,105	$ (70,434)	$ 56,446
Interest Expense, net	4,888	2,607	19,270	17,202
Income Tax Expense	(6,708)	(19,103)	(7,730)	(15,859)
Non-service pension and Post-Retirement Expense	(4,062)	(98)	(16,250)	(396)
Other expense (income), net	(304)	58	(728)	(309)
Depreciation and Amortization	11,695	6,546	43,899	25,854
Other Adjustments				
Non-cash, non-tax impairment charges	36,285	-	86,592	-
Restructuring and severance costs	539	1,005	8,359	1,558
Cost associated with corporate development activities	207	7,097	4,539	10,090
Bal Seal acquisition costs	45	-	8,506	-
Expenses associated with Bal Seal purchase accounting	5,704	-	25,169	-
Transition service agreement cost, net of transition service agreement income	397	790	4,076	1,000
Senior Leadership Transition Costs	-	-	280	-
Reversal of prior year accruals in current period	-	-	(2,123)	-
Loss (Gain) on sale of U.K Tooling business	-	3,739	(493)	3,739
Adjusted EBITDA from Continuing Operations	$ 17,266	$ 36,746	$ 102,932	$ 99,325
Adjusted EBITDA Margin	*9.3%*	*15.5%*	*13.1%*	*13.0%*

Non-GAAP Reconciliation

KAMAN

Adjusted Earnings from Continuing Operations and Adjusted Diluted Earnings Per Share from Continuing Operations

	For the three months ended December 31, 2020			
(in thousands, expect per share amounts)	**Adjustments to Net Earnings, Pre Tax**	**Tax Effect of Adjustments to Net Earnings**	**Adjustments to Net Earnings, Net of Tax**	**Calculation of Adjusted Diluted Earnings Per Share**
Net loss from continuing operations			$(31,420)	$(1.13)
Adjustments				
Non-cash non-tax impairment charge	$36,285	$ -	$36,285	$1.31
Restructuring and severance costs	539	123	416	0.01
Cost associated with corporate development activities	207	47	160	0.01
Bal Seal acquisition costs	45	10	35	0.00
Expenses associated with Bal Seal purchase accounting	5,704	-	5,704	0.21
Transition service agreement cost, net of transition service agreement income	397	91	306	0.00
Adjusted earnings from continuing operations			$11,486	$0.41
Weighted Average Shares Outstanding – Diluted			27,735	

	For the twelve months ended December 31, 2020			
(in thousands, expect per share amounts)	**Adjustments to Net Earnings, Pre Tax**	**Tax Effect of Adjustments to Net Earnings**	**Adjustments to Net Earnings, Net of Tax**	**Calculation of Adjusted Diluted Earnings Per Share**
Net loss from continuing operations			$(70,434)	$(2.54)
Adjustments				
Non-cash non-tax impairment charge	$86,592	$ -	$86,592	$3.13
Restructuring and severance costs	8,359	1,911	6,448	0.23
Cost associated with corporate development activities	4,539	1,038	3,501	0.13
Bal Seal acquisition costs	8,506	1,904	6,602	0.24
Expenses associated with Bal Seal purchase accounting	25,169	527	24,642	0.88
Transition service agreement cost, net of transition service agreement income	4,076	932	3,144	0.11
Senior leadership transition	280	64	216	0.01
Reversal of employee related tax matter in foreign operations	(2,123)	(244)	(1,879)	(0.07)
Gain on sale of UK Tooling Business	(493)	(123)	(370)	(0.01)
Adjusted earnings from continuing operations			$58,462	$2.11
Weighted Average Shares Outstanding – Diluted			27,723	

Non-GAAP Reconciliation

KAMAN

2021 Outlook

Adjusted EBITDA from continuing operations

(In Millions)	2021	
	Low	High
Sales from continuing operations	$ 725.0	$ 745.0
Earnings from continuing operations, net of tax	$ 43.5	$ 52.5
Interest expense, net	$ 16.4	$ 16.4
Income tax (benefit) expense	14.0	16.5
Net Periodic Pension Benefit	(26.3)	(26.3)
Other expense (income), net	(1.3)	(1.3)
Depreciation and amortization	38.7	38.7
Total Adjustments	41.5	44.0
Adjusted EBITDA from continuing operations	$ 85.0	$ 96.5
Adjusted EBITDA margin	11.7%	13.0%

Adjusted Free Cash Flow

(in Millions)	2021	
	Low	High
Operating cash flow from continuing operations	$ 25.0	$ 35.0
Bal Seal Acquisition Retention Payment	25.1	25.1
Cash used for the purchase of property, plant and equipment	(20.0)	(20.0)
Adjusted Free Cash Flow	$ 30.1	$ 40.1