



NEWS RELEASE
May 2, 2022

KAMAN REPORTS FIRST QUARTER 2022 RESULTS

First Quarter 2022 Highlights:

- Results were in line with our expectations and we are maintaining company outlook for 2022
- Delivered year over year growth in Engineered Products
- Net sales: \$158 million
- Gross Margin: 32.0%, a 120 basis point improvement over first quarter 2021
- Net earnings: \$4.0 million
- Adjusted EBITDA*: \$12.2 million; Adjusted EBITDA margin*: 7.7%
- Diluted earnings per share: \$0.14 per share, \$0.15 per share adjusted*

Table 1. Summary of Financial Results (unaudited)

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

| | Three Months Ended | | |
|--------------------------------------|--------------------|----------------------|------------------|
| | April 1, 2022 | December 31, 2021 | April 2, 2021 |
| Net sales | \$ 158,048 | \$ 175,147 | \$ 171,616 |
| Net earnings | 4,028 | 9,169 | 7,984 |
| Adjusted EBITDA* | 12,186 | 23,591 | 17,113 |
| Adjusted EBITDA margin* | 7.7 % | 13.5 % | 10.0 % |
| Diluted earnings per share | \$ 0.14 | \$ 0.33 | \$ 0.29 |
| Adjusted diluted earnings per share* | 0.15 | 0.48 | 0.29 |

*See the end of this release for an explanation of the Company's use of Adjusted EBITDA, Adjusted EBITDA margin, Free cash flow and Adjusted diluted earnings per share. See tables 5-9 for reconciliations to the most comparable GAAP measure.

BLOOMFIELD, Conn. (May 2, 2022) - Kaman Corp. (NYSE:KAMN) today reported financial results for the first fiscal quarter ended April 1, 2022.

"Overall company performance was in line with our expectations. In the first quarter, our Engineered Products segment benefited from robust sales into medical and industrial end markets and improving aerospace demand. This segment is poised for continued growth which is supported by strong order rates for these products leading to a backlog increase of 23 percent since the beginning of the year. Additionally, sales to Boeing and Airbus improved, making it the third quarter in a row of increased sales," said Ian K. Walsh, Chairman, President and Chief Executive Officer.

"In Precision Products, lower sales and margin were realized for our K-MAX® and JPF programs. During the quarter, we continued to support the transformation of this segment, increasing research and development investment in our air vehicles program as we progress on the implementation of autonomous technology in our growing family of unmanned aerial systems. We are working closely with the U.S. government and are pleased with

the support of \$7 million in new funding which will go towards the advancement of our autonomous logistics system. We are on target for a full scale model demonstration of our new *KARGO UAV* unmanned aerial system planned for the second half of the year."

"In our Structures segment, quarterly results were lower than the same period last year, however sales and margin are expected to improve over the course of the year. We continue to take meaningful steps to adjust our cost structure and capacity, while working to secure more complex structural programs aligned with our capabilities. In fact, during the quarter, we expanded our medical imaging program through a new partnership with Mirion Technologies, a major medical equipment manufacturer and were recently awarded a prototype contract for sophisticated composite panels for a leading satellite communication company."

"In April, we announced a new \$50 million share repurchase program which supports our continued commitment to delivering value to our shareholders with our first priority of this program to limit future dilution from the issuance of shares under our employee stock plan. Our strong free cash flow generation allows us make strategic investments in our business while having the optionality for share repurchases and the ability to continue our dividend. Kaman is in a great position to execute on our strategy to provide meaningful shareholder returns," said Walsh.

Outlook

"Year to date, we have seen robust demand for Kaman's products with meaningful growth in our seals, springs and contacts products in our Engineered Products segment. This strength in order activity gives us confidence in the improvement we expect to see in our end markets in 2022. In our Precision Products segment, we are managing our programs with a focus on securing additional Joint Programmable Fuze DCS orders. In our Structures segment, we will continue to apply lean initiatives and reduce costs while seeking to expand into more profitable, complex structures programs. Over the course of the year, we expect to see improved performance for the company from product mix changes, timing of sales and a continued focus on operations excellence. As such, we are maintaining our full year guidance for 2022."

"Kaman is well placed with a highly capable leadership team and is committed to organic growth through new product innovation. In addition to investments in our products, we remain focused on adding new, more profitable businesses by leveraging our strong balance sheet. As we look for both organic and inorganic growth opportunities, we will be disciplined in our approach to capital allocation, making the right investments for our company," Walsh said.

KAMAN BUSINESS RESULTS DISCUSSION BY REPORTING SEGMENT

Kaman manages its portfolio through three segments: (1) Engineered Products; (2) Precision Products; and (3) Structures.

Engineered Products - Our Engineered Products segment serves the aerospace and defense, industrial and medical markets providing sophisticated, proprietary aircraft bearings and components; super precision, miniature ball bearings; and proprietary spring energized seals, springs and contacts.

Table 2. Engineered Products Results

Thousands of U.S. dollars

| | Three Months Ended | | |
|------------------------|--------------------|-------------------|---------------|
| | April 1, 2022 | December 31, 2021 | April 2, 2021 |
| Net sales | \$ 81,452 | \$ 82,549 | \$ 71,779 |
| Operating income | 11,042 | 13,502 | 4,906 |
| Adjusted EBITDA | 17,269 | 20,082 | 11,496 |
| Adjusted EBITDA margin | 21.2 % | 24.3 % | 16.0 % |

Three months ended April 1, 2022 versus three months ended December 31, 2021 - Operating income decreased \$2.5 million, Adjusted EBITDA decreased \$2.8 million and margin decreased 310 basis points versus the fourth quarter of 2021. Compared to the prior period, results declined primarily due to lower volumes of bearings sold into military and commercial markets. This was partially offset by increased sales volumes of seals, springs and contacts for industrial and medical applications and higher sales volumes of aftermarket parts.

Three months ended April 1, 2022 versus three months ended April 2, 2021 - Operating income increased \$6.1 million, Adjusted EBITDA increased \$5.8 million and margin increased 520 basis points versus the first quarter of 2021. Results improved compared to the same period last year driven by increased volumes and margins of seals, springs and contacts for aerospace and medical applications and higher sales of commercial bearings and aftermarket products.

Precision Products - Our Precision Products segment serves the aerospace and defense markets providing precision safe and arming solutions for missile and bomb systems for the U.S. and allied militaries; subcontract helicopter work; restoration, modification and support of our SH-2G Super Seasprite maritime helicopters; manufacture and support of our heavy lift K-MAX® manned helicopter, the *K-MAX TITAN* unmanned aerial system and the *KARGO UAV* unmanned aerial system, a purpose built autonomous medium lift logistics vehicle.

Table 3. Precision Products Results

Thousands of U.S. dollars

| | Three Months Ended | | |
|------------------------|--------------------|-------------------|---------------|
| | April 1, 2022 | December 31, 2021 | April 2, 2021 |
| Net sales | \$ 47,549 | \$ 60,673 | \$ 60,533 |
| Operating income | 3,409 | 9,092 | 13,053 |
| Adjusted EBITDA | 4,440 | 10,133 | 14,084 |
| Adjusted EBITDA margin | 9.3 % | 16.7 % | 23.3 % |

Three months ended April 1, 2022 versus three months ended December 31, 2021 - Operating income decreased \$5.7 million, Adjusted EBITDA decreased \$5.7 million and margin decreased 740 basis points versus the fourth quarter of 2021. Compared to the prior period, results declined primarily due to lower sales and associated gross profit for our JPF and SH-2 programs.

Three months ended April 1, 2022 versus three months ended April 2, 2021 - Operating income decreased \$9.6 million, Adjusted EBITDA decreased \$9.6 million and margin decreased 1400 basis points versus the first quarter of 2021. Results declined compared to the same period last year, primarily due to lower K-MAX® sales, unfavorable K-MAX® blade exchanges and JPF sales mix. Additionally, results were impacted by increased R&D spend for new technologies.

Structures - Our Structures segment serves the aerospace and defense and medical end markets providing sophisticated complex metallic and composite aerostructures for commercial, military and general aviation fixed and rotary wing aircraft, and medical imaging solutions.

Table 4. Structures Results

Thousands of U.S. dollars

| | Three Months Ended | | |
|-------------------------------|---------------------------|------------------------------|--------------------------|
| | April 1, 2022 | December 31, 2021 | April 2, 2021 |
| Net sales | \$ 29,047 | \$ 31,925 | \$ 39,304 |
| Operating income (loss) | (617) | 531 | 320 |
| Adjusted EBITDA | 289 | 1,420 | 1,181 |
| Adjusted EBITDA margin | 1.0 % | 4.4 % | 3.0 % |

Three months ended April 1, 2022 versus three months ended December 31, 2021 - Operating income decreased \$1.1 million, Adjusted EBITDA decreased \$1.1 million and margin decreased 340 basis points versus the fourth quarter of 2021. Compared to the prior period, results declined primarily due to lower sales in our AH-1Z program.

Three months ended April 1, 2022 versus three months ended April 2, 2021 - Operating income decreased \$0.9 million, Adjusted EBITDA decreased \$0.9 million and margin decreased 200 basis points versus the first quarter of 2021. Compared to the same period last year, results declined primarily due to lower sales in our AH-1Z and composite blade programs. This was partially offset by improved volumes and margins in our Rolls-Royce program.

Please see the MD&A section of the Company's Form 10-Q filed with the Securities and Exchange Commission concurrently with the issuance of this release for greater detail on our results and various company programs.

CONFERENCE CALL

A conference call has been scheduled for tomorrow, May 3, 2022, at 8:30 AM ET. The call will be accessible by telephone within the U.S. at (844) 473-0975 and from outside the U.S. at (562) 350-0826 (using the Conference I.D.: 3685246) or via the Internet at www.kaman.com. A replay will be available two hours after the call and can be accessed at (855) 859-2056 or (404) 537-3406 using the Conference I.D.: 3685246. In its discussion, management 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 this release. In addition, a supplemental presentation relating to the first quarter 2022 results will be posted to the Company's website prior to the earnings call at www.kaman.com/investors/quarterly-earnings-calls.

ABOUT KAMAN CORPORATION

Kaman Corporation, founded in 1945 by aviation pioneer Charles H. Kaman, and headquartered in Bloomfield, Connecticut, conducts business in the aerospace & defense, industrial and medical markets. Kaman produces and markets proprietary aircraft bearings and components; super precision, miniature ball bearings; proprietary spring energized seals, springs and contacts; complex metallic and composite aerostructures for commercial, military and general aviation fixed and rotary wing aircraft; safe and arming solutions for missile and bomb systems for the U.S. and allied militaries; subcontract helicopter work; restoration, modification and support of our SH-2G Super Seasprite maritime helicopters; manufacture and support of our heavy lift K-MAX® manned helicopter, the *K-MAX TITAN* unmanned helicopter and the *KARGO UAV* unmanned aerial system, a purpose built autonomous medium lift logistics vehicle. More information is available at www.kaman.com.

NON-GAAP MEASURES DISCLOSURE

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 release 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. We define the Non-GAAP measures used in this release and other disclosures as follows:

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. The following tables illustrate the calculation of Adjusted EBITDA:

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

| <i>Thousands of U.S. dollars</i> | Three Months Ended | | | | |
|---|--------------------|------------------------|-----------------------|---------------|-------------------|
| | April 1, 2022 | | | | |
| | Consolidated | Engineered Products | Precision Products | Structures | Corp/ Elims** |
| Net sales | \$ 158,048 | \$ 81,452 | \$ 47,549 | \$ 29,047 | \$ — |
| Net earnings | 4,028 | | | | |
| Interest expense, net | 2,481 | | | | |
| Income tax expense (benefit) | 1,307 | | | | |
| Non-service pension and post retirement benefit income | (5,263) | | | | |
| Other expense (income), net | 504 | | | | |
| Operating income (loss) | \$ 3,057 | \$ 11,042 | \$ 3,409 | \$ (617) | \$ (10,777) |
| Depreciation and amortization | 8,832 | 6,227 | 1,031 | 906 | 668 |
| Restructuring and severance costs | 169 | — | — | — | 169 |
| Cost associated with corporate development activities | 128 | — | — | — | 128 |
| Other Adjustments | \$ 9,129 | \$ 6,227 | \$ 1,031 | \$ 906 | \$ 965 |
| Adjusted EBITDA | <u>\$ 12,186</u> | <u>\$ 17,269</u> | <u>\$ 4,440</u> | <u>\$ 289</u> | <u>\$ (9,812)</u> |
| Adjusted EBITDA margin | 7.7 % | 21.2 % | 9.3 % | 1.0 % | |

**Corp/Elims Operating income (loss) represents the Corporate office expenses and \$0.2 million of unallocated expenses that are shown on the Consolidated Statement of Earnings as their own line items.

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

| <i>Thousands of U.S. dollars</i> | 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 | <u>\$ 23,591</u> | <u>\$ 20,082</u> | <u>\$ 10,133</u> | <u>\$ 1,420</u> | <u>\$ (8,044)</u> |
| 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 Consolidated Statement of Earnings as their own line items.

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

| <i>Thousands of U.S. dollars</i> | Three Months Ended | | | | |
|---|--------------------|------------------------|-----------------------|------------|------------------|
| | April 2, 2021 | | | | |
| | Consolidated | Engineered Products | Precision Products | Structures | Corp/ Elims** |
| Net sales | \$ 171,616 | \$ 71,779 | \$ 60,533 | \$ 39,304 | \$ — |
| Net earnings | 7,984 | | | | |
| Interest expense, net | 4,251 | | | | |
| Income tax expense (benefit) | 207 | | | | |
| Non-service pension and post retirement benefit income | (6,643) | | | | |
| Income from TSA | (475) | | | | |
| Other expense (income), net | 289 | | | | |
| Operating income (loss) | \$ 5,613 | \$ 4,906 | \$ 13,053 | \$ 320 | \$ (12,666) |
| Depreciation and amortization | 9,209 | 6,590 | 1,031 | 861 | 727 |
| Restructuring and severance costs | 1,352 | — | — | — | 1,352 |
| Costs from transition service agreement | 705 | — | — | — | 705 |
| Loss on sale of business | 234 | — | — | — | 234 |
| Other Adjustments | \$ 11,500 | \$ 6,590 | \$ 1,031 | \$ 861 | \$ 3,018 |
| Adjusted EBITDA | \$ 17,113 | \$ 11,496 | \$ 14,084 | \$ 1,181 | \$ (9,648) |
| Adjusted EBITDA margin | 10.0 % | 16.0 % | 23.3 % | 3.0 % | |

**Corp/Elims Operating income (loss) represents the Corporate office expenses and \$2.3 million of unallocated expenses that are shown on the Consolidated Statement of Earnings as their own line items.

Free Cash Flow - Free cash flow is defined as GAAP “Net cash provided by (used in) operating activities” in a period less “Expenditures for property, plant & equipment” in the same period. Management believes 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 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. The following table illustrates the calculation of free cash flow.

Table 9. Free Cash Flow (unaudited)

| <i>Thousands of U.S. dollars</i> | Three Months Ended | | | | Last Twelve Months |
|---|---------------------------|------------------------|--------------------------|----------------------|---------------------------|
| | July 2, 2021 | October 1, 2021 | December 31, 2021 | April 1, 2022 | April 1, 2022 |
| Net cash provided by (used in) operating activities | \$ (12,308) | \$ 28,846 | \$ 34,575 | \$ (1,017) | \$ 50,096 |
| Expenditures for property, plant & equipment | (3,424) | (3,262) | (6,166) | (6,877) | (19,729) |
| Free cash flow | <u>\$ (15,732)</u> | <u>\$ 25,584</u> | <u>\$ 28,409</u> | <u>\$ (7,894)</u> | <u>\$ 30,367</u> |

FORWARD-LOOKING STATEMENTS

This release 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) the global economic impact of the COVID-19 pandemic; (iv) changes in geopolitical conditions in countries where the Company does or intends to do business; (v) 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; (vi) the timely receipt of any necessary export approvals and/or other licenses or authorizations from the USG; (vii) timely satisfaction or fulfillment of material contractual conditions precedents in customer purchase orders, contracts, or similar arrangements; (viii) the existence of standard government contract provisions permitting renegotiation of terms and termination for the convenience of the government; (ix) the successful resolution of government inquiries or investigations relating to our businesses and programs; (x) 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; (xi) potential difficulties associated with variable acceptance test results, given sensitive production materials and extreme test parameters; (xii) the receipt and successful execution of production orders under the Company's existing USG 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; (xiii) 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 investments in the K-MAX® production line; (xiv) the accuracy of current cost estimates associated with environmental remediation activities; (xv) the profitable integration of acquired businesses into the Company's operations; (xvi) the ability to recover from cyber-based or other security attacks, information technology failures or other disruptions; (xvii) changes in supplier sales or vendor incentive policies; (xviii) the ability of our suppliers to satisfy their performance obligations, including any supply chain disruptions; (xix) the effects of price increases or decreases; (xx) the effects of pension regulations, pension plan assumptions, pension plan asset performance, future contributions and the pension freeze, including the ultimate determination of the USG's share of any pension curtailment adjustment calculated in accordance with CAS 413; (xxi) future levels of indebtedness and capital expenditures; (xxii) the continued availability of raw materials and other commodities in adequate supplies and the effect of increased costs for such items; (xxiii) the effects of currency exchange rates and foreign competition on future operations; (xxiv) changes in laws and regulations, taxes, interest rates, inflation rates and general business conditions; (xxv) future repurchases and/or issuances of common stock; (xxvi) the occurrence of unanticipated restructuring costs or the failure to realize anticipated savings or benefits from past or future expense reduction actions; (xxvii) the ability to recruit and retain skilled employees; and (xxviii) other risks and uncertainties set forth herein and in our 2021 Form 10-K and our first quarter 2022 Form 10-Q filed May 2, 2022.

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

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KAMAN CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Thousands of U.S. dollars, except share data) (unaudited)

| | Three Months Ended | |
|--|---------------------------|----------------------|
| | April 1, 2022 | April 2, 2021 |
| Net sales | \$ 158,048 | \$ 171,616 |
| Cost of sales | 107,461 | 118,711 |
| Gross profit | 50,587 | 52,905 |
| Selling, general and administrative expenses | 39,721 | 38,128 |
| Research and development costs | 5,113 | 4,226 |
| Intangible asset amortization expense | 2,467 | 2,637 |
| Costs from transition services agreement | — | 705 |
| Restructuring and severance costs | 169 | 1,352 |
| Loss on sale of business | — | 234 |
| Net loss on sale of assets | 60 | 10 |
| Operating income | 3,057 | 5,613 |
| Interest expense, net | 2,481 | 4,251 |
| Non-service pension and post retirement benefit income | (5,263) | (6,643) |
| Income from transition services agreement | — | (475) |
| Other income, net | 504 | 289 |
| Net earnings before income taxes | 5,335 | 8,191 |
| Income tax expense | 1,307 | 207 |
| Net earnings | <u>\$ 4,028</u> | <u>\$ 7,984</u> |
| Earnings per share: | | |
| Basic earnings per share | \$ 0.14 | \$ 0.29 |
| Diluted earnings per share | \$ 0.14 | \$ 0.29 |
| Average shares outstanding: | | |
| Basic | 27,950 | 27,815 |
| Diluted | 28,082 | 27,867 |

KAMAN CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Thousands of U.S. dollars, except share data) (unaudited)

| Assets | April 1, 2022 | December 31, 2021 |
|--|----------------------|--------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 129,097 | \$ 140,800 |
| Accounts receivable, net | 68,824 | 73,524 |
| Contract assets | 99,360 | 112,354 |
| Contract costs, current portion | 841 | 850 |
| Inventories | 209,527 | 193,100 |
| Income tax refunds receivable | 14,241 | 13,832 |
| Other current assets | 14,506 | 12,083 |
| Total current assets | <u>536,396</u> | <u>546,543</u> |
| Property, plant and equipment, net of accumulated depreciation of \$256,512 and \$251,888, respectively | 197,073 | 197,822 |
| Operating right-of-use assets, net | 10,066 | 11,011 |
| Goodwill | 238,074 | 240,681 |
| Other intangible assets, net | 134,990 | 138,074 |
| Deferred income taxes | 15,601 | 15,717 |
| Contract costs, noncurrent portion | 10,114 | 10,249 |
| Other assets | 37,941 | 38,385 |
| Total assets | <u>\$ 1,180,255</u> | <u>\$ 1,198,482</u> |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Accounts payable – trade | \$ 41,446 | \$ 42,134 |
| Accrued salaries and wages | 27,668 | 38,892 |
| Contract liabilities, current portion | 2,808 | 2,945 |
| Operating lease liabilities, current portion | 4,333 | 4,502 |
| Income taxes payable | 443 | 386 |
| Other current liabilities | 35,002 | 32,076 |
| Total current liabilities | <u>111,700</u> | <u>120,935</u> |
| Long-term debt, excluding current portion, net of debt issuance costs | 197,297 | 189,421 |
| Deferred income taxes | 6,137 | 6,506 |
| Underfunded pension | 16,310 | 21,786 |
| Contract liabilities, noncurrent portion | 16,528 | 16,528 |
| Operating lease liabilities, noncurrent portion | 6,380 | 7,140 |
| Other long-term liabilities | 39,155 | 39,837 |
| Commitments and contingencies | | |
| Shareholders' equity: | | |
| Preferred stock, \$1 par value, 200,000 shares authorized; none outstanding | — | — |
| Common stock, \$1 par value, 50,000,000 shares authorized; voting; 30,550,123 and 30,434,269 shares issued, respectively | 30,550 | 30,434 |
| Additional paid-in capital | 238,417 | 248,153 |
| Retained earnings | 755,519 | 750,445 |
| Accumulated other comprehensive income (loss) | (115,841) | (111,385) |
| Less 2,591,242 and 2,573,896 shares of common stock, respectively, held in treasury, at cost | (121,897) | (121,318) |
| Total shareholders' equity | <u>786,748</u> | <u>796,329</u> |
| Total liabilities and shareholders' equity | <u>\$ 1,180,255</u> | <u>\$ 1,198,482</u> |

KAMAN CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Thousands of U.S. dollars) (unaudited)

| | Three Months Ended | |
|---|--------------------|---------------|
| | April 1, 2022 | April 2, 2021 |
| Cash flows from operating activities: | | |
| Net earnings | \$ 4,028 | \$ 7,984 |
| Adjustments to reconcile net earnings to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 8,832 | 9,209 |
| Amortization of debt issuance costs | 442 | 424 |
| Accretion of convertible notes discount | — | 738 |
| Provision for doubtful accounts | 135 | 173 |
| Loss on sale of business | — | 234 |
| Net loss on sale of assets | 60 | 10 |
| Net loss on derivative instruments | 449 | 590 |
| Stock compensation expense | 2,081 | 1,743 |
| Deferred income taxes | (1,247) | 1,793 |
| Changes in assets and liabilities, excluding effects of acquisitions/divestitures: | | |
| Accounts receivable | 4,307 | 50,254 |
| Contract assets | 12,973 | (5,704) |
| Contract costs | 144 | (432) |
| Inventories | (17,285) | (13,655) |
| Income tax refunds receivable | (410) | 418 |
| Operating right of use assets | 915 | 799 |
| Other assets | (2,249) | 1,042 |
| Accounts payable - trade | (612) | (14,707) |
| Contract liabilities | (137) | (5,439) |
| Operating lease liabilities | (899) | (908) |
| Acquired retention plan payments | — | (25,108) |
| Other current liabilities | (10,581) | (6,796) |
| Income taxes payable | 53 | 1,173 |
| Pension liabilities | (1,876) | (5,452) |
| Other long-term liabilities | (140) | (798) |
| Net cash used in operating activities | (1,017) | (2,415) |
| Cash flows from investing activities: | | |
| Proceeds from sale of business, net of cash on hand | — | (3,428) |
| Expenditures for property, plant & equipment | (6,877) | (4,678) |
| Other, net | 424 | 6 |
| Net cash used in investing activities | (6,453) | (8,100) |
| Cash flows from financing activities: | | |
| Purchase of treasury shares | (575) | (344) |
| Dividends paid | (5,572) | (5,545) |
| Other, net | 2,112 | 1,205 |
| Net cash used in financing activities | (4,035) | (4,684) |
| Net decrease in cash and cash equivalents | (11,505) | (15,199) |
| Effect of exchange rate changes on cash and cash equivalents | (198) | (166) |
| Cash and cash equivalents and restricted cash at beginning of period | 140,800 | 136,089 |
| Cash and cash equivalents and restricted cash at end of period | \$ 129,097 | \$ 120,724 |