

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of report (Date of earliest event reported): March 15, 2023



KAMAN CORPORATION

(Exact name of registrant as specified in its charter)

Connecticut
(State or Other Jurisdiction of Incorporation)

001-35419
(Commission File Number)

06-0613548
(IRS Employer Identification No.)

1332 Blue Hills Avenue, Bloomfield, Connecticut
(Address of principal executive offices)

06002
(Zip Code)

(860) 243-7100

(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (\$1 par value per share)	KAMN	New York Stock Exchange LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Item 7.01 Regulation FD Disclosure.

From time to time, members of the Company's senior management present information about the Company to investors. A copy of an investor presentation dated March 16, 2023 is attached as Exhibit 99.1.

The information in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section and shall not be deemed incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed with this report:

<u>Exhibit</u>	<u>Description</u>
99.1	Investor Presentation dated March 16, 2023
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KAMAN CORPORATION

By: /s/ James G. Coogan
James G. Coogan
Senior Vice President,
Chief Financial Officer and Treasurer

Date: March 15, 2023



KAMAN INVESTOR PRESENTATION

March 16, 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.



\$ 1.2 B
ENTERPRISE VALUE

3,000+
EMPLOYEES

53
CONSECUTIVE YEARS
OF DIVIDEND
PAYMENTS

SALES IN
50+
COUNTRIES

KAMAN
2022
ANNUAL REPORT

Note: Data as of December 31, 2022

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OUR VISION

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



KAMAN.COM | 4



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

KAMAN
CORPORATION
2023

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



ENGINEERED PRODUCTS

PROVIDING A BROAD RANGE OF PREMIER PRODUCTS FOR DIVERSE END MARKETS

100%
FAA
PARTS

Aircraft Wheel & Brake	Self Lubricating Bearings	Traditional Airframe Bearings	Flexible Drive Systems	High Precision Miniature Bearings	Engine Aftermarket Components	High Precision Seals, Springs & Contacts
						
Proprietary technologies	Karon® Self Lubricating Machinable Liner	Custom design capability	Patented and proprietary technology	Proprietary design, machining & assembly	FAA parts manufacturing authorization	Proprietary design, machining & assembly





ENGINEERED PRODUCTS

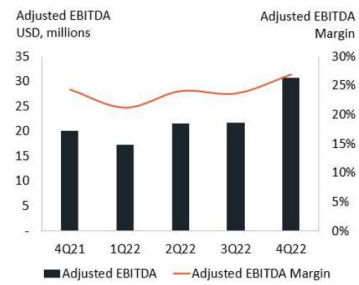
2022 Financial Results

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

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.

~\$70 M

2021 REVENUE

~40%

2021
EBITDA MARGIN

80%

SINGLE SOURCED
CONTRACTS

1

CENTRALIZED LOCATION
AVON, OH

75+

CUSTOMERS

KAMAN.COM | »



PRECISION PRODUCTS

PROVIDING UNMATCHED PRECISION, VERSATILITY AND EFFICIENCY

SAFE & ARM DEVICES

Supporting U.S. & Allied militaries

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

MEMORY & MEASUREMENT

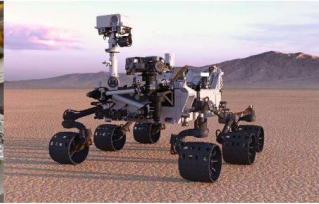
Supporting mission & flight critical applications

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



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PRECISION PRODUCTS

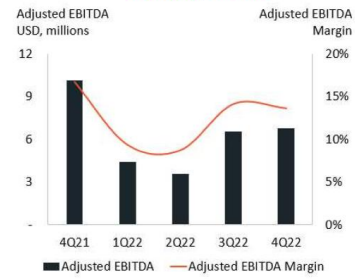
2022 Financial Results

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

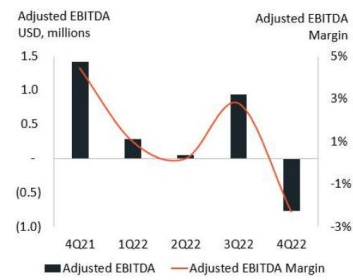
2022 Financial Results

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

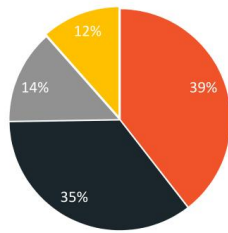
Quarterly Results



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



2022 SALES BY END MARKET



- Defense
- Commercial, Business & General Aviation
- Medical
- Industrial & Other

CONSOLIDATED SALES: \$688 M

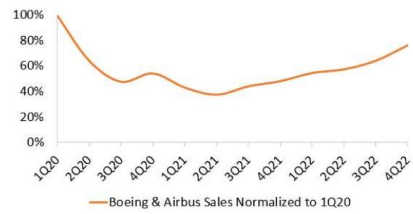
~81%

OEM

~19%

Aftermarket

BOEING & AIRBUS SALES

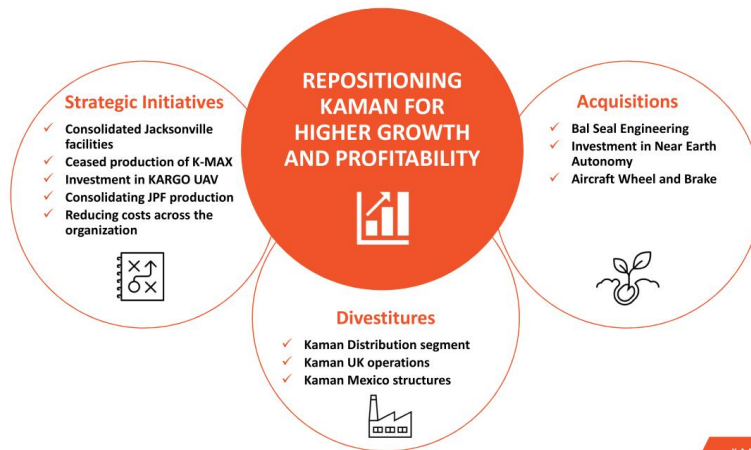


Boeing & Airbus Sales Normalized to 1Q20



PORTFOLIO TRANSFORMATION

KAMAN
2023
10-K





FOCUSED ON EXECUTION

GROWTH THROUGH INNOVATION

Accelerate internal investments in our products, facilities and people

DE-LEVERAGING & CAPITAL ALLOCATION

Paydown debt
Maintain a disciplined approach to shareholder returns

OPERATIONAL EXCELLENCE

Drive significantly improved operating and financial performance
Eliminate sources of variation

EBITDA
MARGIN






FREE CASH FLOW
CONVERSION

RETURN ON
INVESTED CAPITAL

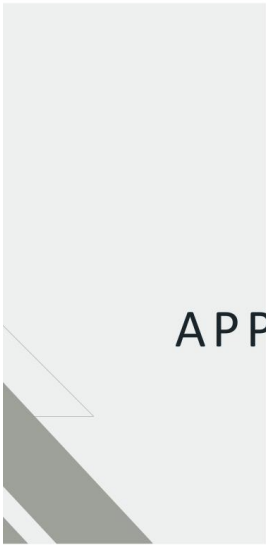
KAMAN
2018



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





APPENDIX





NON-GAAP RECONCILIATIONS

KAMAN

2021

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 assets 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 assets 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-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>

