UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): September 16, 2022

KAMAN CORPORATION

(Exact name of registrant as specified in its charter)

Connecticut	**001-35419**	**06-0613548**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1332 Blue Hills Avenue, Bloomfield, Connecticut	**06002**
(Address of principal executive offices)	(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.
☐

EXPLANATORY NOTE

This Current Report on Form 8-K/A (this "Amendment") is filed by Kaman Corporation (the “Company”) for the purpose of amending Item 9.01 of the Current Report on Form 8-K (the "Original 8-K") filed on September 19, 2022. In the Original 8-K, the Company reported the acquisition of the aircraft wheel & brake division (now known as "Aircraft Wheel and Brake") of Parker-Hannifin Corporation, effective September 16, 2022, and indicated that the Company would file the historical financial statements of Aircraft Wheel and Brake and the pro forma financial information no later than 71 calendar days after the Original 8-K. This Amendment is being filed to include financial statements and the pro forma financial information required under Item 9.01(a) and (b) of Form 8-K. The financial statements and pro forma financial information filed within this Amendment should be read in conjunction with the Original 8-K.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of the Business Acquired

The following audited financial statements of Aircraft Wheel and Brake are attached hereto as Exhibit 99.1 and are incorporated herein by reference:

- Independent Auditor's Report of Deloitte & Touche LLP
- Combined Balance Sheet as of June 30, 2022 and 2021
- Combined Statements of Income for the years ended June 30, 2022 and 2021
- Combined Statement of Changes in Net Parent Investment for the years ended June 30, 2022 and 2021
- Combined Statements of Cash Flows for the years ended June 30, 2022 and 2021
- Notes to the Combined Financial Statements

(b) Pro Forma Financial Information

The following unaudited pro forma condensed combined financial information of the Company, after giving effect to the acquisition of Aircraft Wheel and Brake, is attached hereto as Exhibit 99.2 and is incorporated herein by reference:

- Unaudited Pro Forma Condensed Combined Balance Sheets as of July 1, 2022
- Unaudited Pro Forma Condensed Combined Statements of Operations for the six-month fiscal period ended July 1, 2022
- Unaudited Pro Forma Condensed Combined Statements of Operations for the year ended December 31, 2021
- Notes to Unaudited Pro Forma Condensed Combined Financial Statements

(d) Exhibits

The following exhibits are filed as part of this report:

Exhibit	Description
23.1	Consent of Deloitte & Touche LLP
99.1	Audited combined financial statements of Aircraft Wheel and Brake for the years ended June 30, 2022 and 2021
99.2	Unaudited pro forma condensed consolidated financial information for the six-month fiscal period ended July 1, 2022 and the year ended December 31, 2021
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 and Chief Financial Officer

Date: November 22, 2022

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 33-188247, 333-116371, 333-225615 and 333-212080) of Kaman Corporation of our report dated September 9, 2022, relating to the financial statements of Aircraft Wheel and Brake Business (A Carve-Out Business of Parker-Hannifin Corporation) appearing in this Current Report on Form 8-K/A dated November 22, 2022.

/s/ Deloitte & Touche LLP

Cleveland, Ohio
November 22, 2022

Aircraft Wheel and Brake Business

(A Carve-Out Business of Parker-Hannifin Corporation)

Combined Financial Statements

As of and for the years ending June 30, 2022 and 2021

Contents

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Parker-Hannifin Corporation:

Opinion

We have audited the combined financial statements of the Aircraft Wheel & Brake Business ("Aircraft Wheel & Brake"), a carve-out business of Parker-Hannifin Corporation, which comprise the combined balance sheets as of June 30, 2022 and 2021, and the related combined statements of income, changes in net parent investment, and cash flows for the years then ended, and the related notes to the combined financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Aircraft Wheel & Brake as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Parker-Hannifin Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The accompanying financial statements have been prepared from the separate records maintained by Aircraft Wheel & Brake and may not necessarily be indicative of the conditions that would have existed or the results of operations if Aircraft Wheel & Brake had been operated as an unaffiliated company. Portions of certain expenses represent allocations made from corporate office items applicable to Parker-Hannifin Corporation as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Aircraft Wheel & Brake's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement is resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Aircraft Wheel & Brake's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in the auditor's judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Aircraft Wheel & Brake's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

September 9, 2022

Aircraft Wheel and Brake Business

(A Carve-Out Business of Parker-Hannifin Corporation)

Combined Balance Sheets

	As of June 30,	
(Dollars in thousands)	**2022**	**2021**
Assets		
Current Assets		
Trade accounts receivable, net	$ 7,286	$ 7,002
Inventories	6,783	4,870
Other current assets	352	332
Contract assets	125	253
Total Current Assets	**14,546**	**12,457**
Plant and equipment, net	2,407	2,069
Long-term contract assets	1,221	1,181
Deferred income taxes	1,495	938
Goodwill	48,242	48,242
Total Assets	**$ 67,911**	**$ 64,887**
Liabilities and Equity		
Current Liabilities		
Accounts payable, trade	$ 4,357	$ 3,014
Accrued payrolls and other compensation	2,262	3,859
Other accrued liabilities	1,154	2,076
Total Current Liabilities	**7,773**	**8,949**
Long-term contract liabilities	161	24
Total Liabilities	**7,934**	**8,973**
Net parent investment	59,977	55,914
Total Liabilities and Net Parent Investment	**$ 67,911**	**$ 64,887**

The accompanying notes are an integral part of the combined financial statements.

Aircraft Wheel and Brake Business

(A Carve-Out Business of Parker-Hannifin Corporation)

Combined Statements of Income

(Dollars in thousands)	For the years ended June 30, 2022		2021	
Net sales	**$**	**72,094**	**$**	**66,274**
Cost of sales		42,172		39,642
Selling, general and administrative expenses		2,940		2,491
Other expense (income), net		903		1,148
Income before income taxes		26,079		22,993
Income tax expense		5,259		4,604
Net income	**$**	**20,820**	**$**	**18,389**

The accompanying notes are an integral part of the combined financial statements.

Aircraft Wheel and Brake Business

(A Carve-Out Business of Parker-Hannifin Corporation)

Combined Statements of Changes in Net Parent Investment

(Dollars in thousands)		Total Net Parent Investment
Balance at June 30, 2020	**$**	**53,878**
Net income		18,389
Net transfer to parent		(16,353)
Balance at June 30, 2021	**$**	**55,914**
Net income		20,820
Net transfer to parent		(16,757)
Balance at June 30, 2022	**$**	**59,977**

The accompanying notes are an integral part of the combined financial statements.

Aircraft Wheel and Brake Business

(A Carve-Out Business of Parker-Hannifin Corporation)

Combined Statements of Cash Flows

	For the years ended June 30,	
(Dollars in thousands)	**2022**	**2021**
Operating activities		
Net income	$ 20,820	$ 18,389
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	434	490
Deferred income tax	(557)	(530)
Changes in:		
Accounts receivable	(284)	(288)
Inventories	(1,913)	14
Contract assets	128	95
Other current and non-current assets	(60)	(370)
Accounts payable	1,356	(1,372)
Other current and non-current liabilities	(2,382)	10
Net cash provided by operating activities	**$ 17,542**	**$ 16,438**
Investing activities		
Purchases of plant and equipment	(785)	(85)
Net cash used in investing activities	**$ (785)**	**$ (85)**
Financing activities		
Net transfer to parent	(16,757)	(16,353)
Net cash used in financing activities	**$ (16,757)**	**$ (16,353)**
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	**$ -**	**$ -**
Non-cash items related to investing and financing activities		
Plant and equipment additions included in trade payables	$ 47	$ 60
Share-based compensation included in net transfer to parent	$ 103	$ 117

The accompanying notes are an integral part of the combined financial statements.

Note 1 - Basis of Presentation

Description of Business

The accompanying combined financial statements present the assets, liabilities, revenue and expenses of the Aircraft Wheel and Brake Business ("AWB" or the "the Business" or the "carve-out entity"), which represents a division of Parker-Hannifin Corporation ("Parker-Hannifin" or "the Parent"). On May 23, 2022, the Parent executed an Asset Purchase Agreement ("APA") with an unrelated third party to divest the Business. The divestiture is expected to close in September 2022 and remains subject to customary closing conditions, including regulatory clearance.

AWB utilizes proprietary technology and extensive material science know-how to deliver aircraft wheel and brakes and related components for the aviation, aerospace and defense markets. The Business is located in Cleveland, Ohio and is a provider of high-quality aircraft wheel and brake parts and related components, important for the manufacture of modern aircraft.

Basis of Financial Statement Presentation

The accompanying combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States "U.S. GAAP" and are presented on a standalone basis as if the operations of the Business had been conducted independently from Parker-Hannifin. These combined financial statements have been prepared solely to demonstrate its historical result of operations, financial position, and cash flows for the indicated period under Parker-Hannifin's management. As the Business has not operated as a separate legal or standalone entity, and there is no direct ownership of the Business by any shareholder or legal entity of Parker-Hannifin other than at the consolidated level, a net parent investment is shown in lieu of shareholder equity in the Combined Balance Sheets of the Business to reflect the residual of the total assets and total liabilities derived in accordance with the carve-out principles reflecting the shareholder interest in the Business. This information is further reflected in the Combined Statements of Changes in Net Parent Investment to show the change in this balance within the period presented. Further, earnings per share data have not been presented in the combined financial statements of the Business as it does not operate as a separate legal entity with its own capital structure. AWB has historically operated as a part of Parker-Hannifin; consequently, stand-alone financial statements have not been historically prepared for the Business.

The Combined Statements of Income include all revenues and costs directly attributable to the Business. In addition, certain shared corporate expenses related to the Business have been allocated from Parker-Hannifin. The Business receives services and support functions from Parker-Hannifin and is dependent upon the Parent's ability to perform these services and functions. The costs associated with these services and support functions have been allocated to the Business using the most meaningful respective allocation methodologies, which were primarily based on proportionate sales, headcount, percentage of payroll, average assets from the two most recent years and other measures of the Business. These allocated costs primarily include, but are not limited to, corporate administrative expenses, employee related costs for shared corporate employees and usage fees of shared resources of the functional groups such as sales, finance, marketing, human resources and information technology.

The assets and liabilities related to the Business are specifically identifiable and have been attributed to the Business' combined financial statements based upon the assets and liabilities that are expected to be transferred pursuant to the APA.

AWB believes the assumptions and allocations underlying the combined financial statements are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered by Parker-Hannifin to be a reasonable reflection of the utilization of services provided to or the benefit received by the Business during the period presented relative to the total costs incurred by Parker-Hannifin. However, the amounts recorded for these transactions and allocations are not necessarily representative of the amount that would have been reflected in the combined financial statements had the Business been an entity that operated independently of Parker-Hannifin. Actual costs that would have been incurred if the Business had been a stand-alone business would depend on multiple factors, including organizational structure and strategic decision making made in various areas, such as information technology and infrastructure. Consequently, future results of operations of the Business will include costs and expenses that may be materially different from the historical results of operations, balance sheet, and cash flows. Accordingly, the combined financial statements included herein are not indicative of the future results of operations and financial position.

Note 2 - Significant Accounting Policies

Cash Management

Cash management is centrally managed. Transfers of cash, both to and from Parker-Hannifin's centralized cash management system are reflected as a component of Net Parent Investment in the Combined Balance Sheets and as a financing activity in the accompanying Combined Statements of Cash Flows. As a result, the Business does not have a cash balance reflected on the Combined Balance Sheets as of June 30, 2022 or June 30, 2021.

Use of Estimates

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Our significant estimates are the allocation of corporate expenses and goodwill impairment. Actual results could differ from those estimates.

Revenue Recognition

Revenues are recognized when control of performance obligations, which are distinct goods or services within the contract, is transferred to the customer. Control is transferred when the customer has the ability to direct the use of and obtain the benefits from the goods or services. When revenue is recognized at a point in time, control generally transfers at time of shipment. Revenues are recognized over time if the customer simultaneously receives control as the Business performs work under a contract, if the customer controls the asset as it is being produced, or if the product produced for the customer has no alternative use and the Business has a contractual right to payment.

For contracts where revenue is recognized over time, we use the cost-to-cost, efforts expended or units of delivery method depending on the nature of the contract, including length of production time. The estimation of these costs and efforts expended requires judgment on the part of management due to the duration of the contractual agreements as well as the technical nature of the products involved. We adjust these estimates on a consistent basis and establish a contract reserve when the estimated costs to complete a contract exceed the expected contract revenues.

A contract's transaction price is allocated to each distinct performance obligation. When there are multiple performance obligations within a contract, the transaction price is allocated to each performance obligation based on its standalone selling price. The primary method used to estimate a standalone selling price is the price observed in standalone sales to customers of the same product or service. Revenue is recognized when control of the individual performance obligations is transferred to the customer.

We consider the contractual consideration payable by the customer and assess variable consideration that may affect the total transaction price. Variable consideration primarily includes prompt pay discounts, rebates and volume discounts and is included in the estimated transaction price when there is a basis to reasonably estimate the amount, including whether the estimate should be constrained in order to avoid a significant reversal of revenue in a future period. These estimates are based on historical experience, anticipated performance under the terms of the contract and our best judgment at the time.

Payment terms vary by customer and the geographic location of the customer. The time between when revenue is recognized and payment is due is not significant. Our contracts with customers generally do not include significant financing components or noncash consideration.

Taxes collected from customers and remitted to governmental authorities are excluded from revenue. Shipping and handling costs are treated as fulfillment costs and are included in cost of sales. The costs to obtain a contract where the amortization period for the related asset is one year or less are expensed as incurred.

There is generally no unilateral right to return products. The Business primarily offers an assurance-type standard warranty that the product will conform to certain specifications for a defined period of time or usage after delivery. This type of warranty does not represent a separate performance obligation.

Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and between annual tests whenever events or circumstances indicate the carrying value of a reporting unit may exceed its fair value. As quoted market prices are not available, determining whether an impairment occurred requires the valuation of the reporting unit, which is estimated using both income-based and market-based valuation methods. The income-based valuation method utilizes a discounted cash flow model which requires several assumptions, including future sales growth and operating margin levels as well as assumptions regarding future industry-specific market conditions. Parker-Hannifin regularly prepares discrete operating forecasts and uses these forecasts as the basis for the assumptions in the discounted cash flow analysis. Within the discounted cash flow models, Parker-Hannifin uses a discount rate, commensurate with its cost of capital but adjusted for inherent business risks, and an appropriate terminal growth factor. The market-based valuation performed for each reporting unit includes an analysis consisting of market-adjusted multiples based on key data points for guideline public companies. The Business is a part of Parker-Hannifin's aerospace reporting unit and the annual impairment tests performed in fiscal years 2022 and 2021 resulted in no impairment loss being recognized.

Trade accounts receivable, net

Trade accounts receivable are initially recorded at their net collectible amount and are generally recorded at the time the revenue from the sales transaction is recorded. We evaluate the collectability of our receivables based on historical experience and current and forecasted economic conditions based on management's judgment. Additionally, receivables are written off to bad debt when management makes a final determination of uncollectability. Historically, the Business has experienced an insignificant amount of uncollected accounts receivable. As such, the Business has determined that the estimated allowance for bad debt is insignificant for the years ended June 30, 2022 and 2021.

Plant, Equipment and Depreciation

Plant and equipment are recorded at cost and are depreciated principally using the straight-line method for financial reporting purposes. Depreciation rates are based on estimated useful lives of the assets, generally 40 years for buildings, 15 years for land improvements and building equipment, seven to 10 years for machinery and equipment, and three to eight years for vehicles and office equipment. Improvements, which extend the useful life of property, are capitalized, and maintenance and repairs are expensed as incurred.

We review plant and equipment for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. When plant and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the appropriate accounts and any gain or loss is included in current income. The Business did not identify any circumstances that would indicate the carrying value of plant and equipment may not be recoverable for the years ended June 30, 2022 or 2021, respectively.

Stock-based Compensation

Certain employees of the Business participate in the Parent's stock-based compensation plans. Stock-based compensation expenses related to these plans were directly attributable to the Business based on participants within the Business. These costs are primarily recognized within the cost of sales caption on the Combined Statements of Income. See Note 6, *Stock Incentive Plans,* for additional information.

Postemployment Benefit Plans

Employees of the Business participate in various retirement plans sponsored by the Parent. These plans are shared amongst the Parent's subsidiaries and businesses, including AWB, and include pension benefits, postretirement health care benefits, and defined contribution benefits. The Business' combined financial statements reflect the pension plan of the Parent on a multi-employer basis. As a result, the assets and liabilities related to these plans are not reflected in the combined financial statements. We identified expenses related to the Business based on active participants. See Note 8, *Postemployment Benefits,* for additional information.

Income taxes

The provision for income taxes for AWB was calculated using a "separate return" method. Its operations were historically included in the income tax fillings of Parker-Hannifin. Income taxes are provided based upon income for financial reporting purposes. Tax credits and similar tax incentives are applied to reduce the provision for income taxes in the year in which the credits arise. If incurred, accrued interest and penalties related to unrecognized tax benefits are recognized in income tax expense. Deferred income taxes arise from temporary differences in the recognition of income and expense for tax purposes. A valuation allowance is recorded to reduce the carrying amount of deferred tax assets unless it is more likely than not that such assets will be realized. AWB's current provision is the amount of tax payable or refundable based on its hypothetical, current-year separate return. See Note 7, *Income Taxes* for additional information.

Net Parent Investment

The Business's equity on the Combined Balance Sheets represents Parker-Hannifin's net investment in AWB and is presented as net parent investment in lieu of shareholder equity. The net parent investment account includes assets and liabilities that are maintained by Parker-Hannifin on behalf of the Business such as accrued liabilities related to corporate allocations, including administrative expenses for sales, finance, marketing, human resources and information technology.

Research and development costs

Research and development costs are expensed as incurred. These amounts include costs incurred by the Business related to independent research and development initiatives. The core focus areas include electric products and weight reduction. Research and development costs amounted to $325 thousand in 2022 and $308 thousand in 2021. Research and development costs are recorded to cost of sales expense caption within the Combined Statements of Income.

Recently adopted accounting standards

In December 2019, the Financial Account Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2019-1 to simplify the accounting in Accounting Standards Codification ("ASC") 740, *Income Taxes*. This guidance removes certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences. This guidance also clarifies and simplifies other areas of ASC 740. Certain amendments in this update must be applied on a prospective basis, certain amendments must be applied on a retrospective basis, and certain amendments must be applied on a modified retrospective basis through a cumulative-effect adjustment to equity in the period of adoption. This ASU was effective beginning in the first quarter of 2021. The adoption of this ASU did not have a significant impact on the Business' combined financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments*. This ASU introduces a new current expected credit losses model, which applies to financial assets and certain other instruments that are not measured at fair value through net income subject to credit losses and measured at amortized cost, including held-to-maturity securities and certain off-balance sheet credit exposures. The amendments in this ASU were adopted for fiscal years beginning on July 1, 2020, including interim periods within those fiscal years. The adoption of this ASU did not have a significant impact on the Business' combined financial statements and related disclosures.

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that are adopted by the Business as of the specified effective date. Except as discussed elsewhere in the notes to the combined financial statements, the Business did not adopt any new accounting pronouncements during the years ended June 30, 2022 and 2021.

Recently issued accounting standards not yet adopted

In November 2021, the FASB issued ASU 2021-10, Government Assistance (Topic 832): *Disclosures by Business Entities about Government Assistance*, which requires business entities to disclose information about certain government assistance they receive. Such disclosure requirements include the nature of the transactions and the related accounting policy used, the line items on the balance sheet and income statement that are affected and the amounts applicable to each financial statement line item and significant terms and conditions of the transactions. ASU 2021-10 is effective for annual periods beginning after December 15, 2021, however early adoption is permitted. The guidance may be applied either prospectively to all in-scope transactions that are reflected in the combined financial statements at the date of initial application and to new transactions that are entered into after the date of initial application, or retrospectively. The Business is currently evaluating the impact this guidance will have on its combined financial statements and does not expect it to be material.

Note 3 - Inventories, net

Inventories are stated at the lower of cost or net realizable value using the first-in, first-out ("FIFO") method.

The inventories caption in the Combined Balance Sheets is comprised of the following components:

	As of June 30,			
(Dollars in thousands)		**2022**		**2021**
Raw material	$	612	$	600
Work in process		5,857		4,442
Finished products		492		354
Inventory reserve		(178)		(526)
Total	$	6,783	$	4,870

Note 4 - Plant, Equipment and Depreciation

The plant and equipment caption in the Combined Balance Sheets is comprised of the following components:

	As of June 30,			
(Dollars in thousands)		**2022**		**2021**
Land and land improvements	$	268	$	268
Building & building improvements		3,577		3,577
Machinery & equipment		7,483		7,889
Construction in progress		824		60
Plant and equipment, gross	$	12,152	$	11,794
Accumulated depreciation		(9,745)		(9,725)
Plant and equipment, net	$	2,407	$	2,069

Depreciation expense was $434 thousand and $490 thousand for the years ended June 30, 2022 and 2021, respectively. Depreciation expense is included in cost of sales in the Combined Statements of Income.

Note 5 -Revenue Recognition

Revenue is derived primarily from the sale of products in the Aerospace and Defense market. The majority of the Business's revenues are recognized at a point in time. The Business accounted for revenue of approximately $1,056 thousand and $1,575 thousand related to over time contracts for the years ended June 30, 2022 and 2021, respectively.

Disaggregation of revenue

Revenue from contracts with customers is disaggregated by geographic location. The Business operates as one segment.

Contracts consist of individual purchase orders for standard product, blanket purchase orders and production contracts. Blanket purchase orders are often associated with individual purchase orders and have terms and conditions which are subject to a master supply or distributor agreement. Individual production contracts, some of which may include multiple performance obligations, are typically for products manufactured to the customer's specifications.

Total revenues by geographic region based on the customers operation's location:

	For the years ended June 30,			
(Dollars in thousands)	**2022**		**2021**	
North America	$	59,011	$	54,888
Europe		12,493		11,105
Asia Pacific		107		91
Latin America		467		190
Africa		16		-
Total	$	72,094	$	66,274

The majority of revenues from the Business are generated from sales to customers within North America.

Contract balances

Contract assets and contract liabilities are reported on a contract-by-contract basis. Contract assets reflect revenue recognized and performance obligations satisfied in advance of customer billing. Contract liabilities relate to payment received in advance of the satisfaction of performance under the contract. Payments from customers are received based on the terms established in the contract with the customer.

Total contract assets and contract liabilities are as follows:

	As of June 30,			
(Dollars in thousands)	**2022**		**2021**	
Contract assets, current	$	125	$	253
Contract assets, noncurrent		1,221		1,181
Total contract assets	$	1,346	$	1,434
Contract liabilities, current		(867)		(1,620)
Contract liabilities, noncurrent		(161)		(24)
Total contract liabilities	$	(1,028)	$	(1,644)

Contract liabilities at June 30, 2022 decreased from the prior year amount due to a decrease in the receipt of advance payments. Contract assets at June 30, 2022 decreased from the prior year amount due to a slight reduction in the satisfaction of performance obligations prior to customer billings. During fiscal year 2022, approximately $987 thousand of revenue was recognized that was included in the contract liabilities at June 30, 2021. The contract liabilities are included in the other accrued liabilities caption within the Combined Balance Sheets.

Concentrations of risk
The Business had net sales to three individual customers which totaled 38% and 41% of their total net sales for the years ended June 30, 2022 and 2021, respectively. Revenue earned from each customer as a percentage of net sales is as follows:

	For the years ended June 30,	
	2022	2021
Customer A	18%	22%
Customer B	11%	5%
Customer C	9%	14%

No other customer represented more than 10 percent of net sales.

Remaining performance obligations
Our backlog represents written firm orders from a customer to deliver products and, in the case of blanket purchase orders, only includes the portion of the order for which a schedule or release has been agreed to with the customer. We believe our backlog represents our unsatisfied or partially unsatisfied performance obligations. Backlog at June 30, 2022 was $57,479 thousand, of which approximately 87 percent is expected to be recognized as revenue within the next 12 months and the balance thereafter.

Note 6 – Stock Incentive Plans

The Parent has stockholder approved plans which provide for granting equity awards, including stock appreciation rights (SARs), restricted stock units (RSUs), and long-term incentive performance plan (LTIP) to select employees to provide long-term performance incentives to its employees, including employees specific to the Business. All stock-based compensation plans are managed on a consolidated basis by the Parent. Share based compensation expense recognized by the Business was $103 thousand in 2022 and $117 thousand in 2021. The share-based compensation expense recognized for the period is classified as a cost of sales in the Combined Statements of Income.

Note 7 – Income Taxes

Income before income taxes was derived from the following sources:

	For the years ended June 30,	
(Dollars in thousands)	**2022**	**2021**
United States	$ 26,079	$ 22,993
Foreign	-	-
Total	$ 26,079	$ 22,993

The income tax expense /(benefit) includes the following:

(Dollars in thousands)	For the years ended June 30, 2022	2021
Federal:		
Current	$ 5,499	$ 4,853
Deferred	(528)	(501)
State and local:		
Current	318	281
Deferred	(30)	(29)
Total income tax expense	$ 5,259	$ 4,604

A reconciliation of the effective income tax rate to the statutory federal rate follows:

	For the years ended June 30, 2022	2021
Statutory federal income tax rate	21.00 %	21.00 %
State and local income taxes	0.87 %	0.87 %
Foreign derived intangible income deduction	(1.25) %	(1.38) %
Research tax credit	(0.31) %	(0.36) %
Other	(0.15) %	(0.10) %
Effective income tax rate	20.16 %	20.03 %

Significant components of deferred tax assets and liabilities are:

(Dollars in thousands)	As of June 30, 2022	2021
Deferred tax assets:		
Retirement benefits	$ 2	$ 11
Other liabilities and reserves	116	112
Long-term contracts	1,141	704
Stock-based compensation	19	11
Inventory	255	190
Total deferred tax assets	$ 1,533	$ 1,028
Deferred tax liabilities:		
Depreciation and amortization	(38)	(90)
Total deferred tax liabilities	$ (38)	$ (90)
Net deferred tax asset	$ 1,495	$ 938

As of June 30, 2022, and 2021, AWB had no material unrecognized tax benefits under the separate return approach. It is not anticipated that the amount of unrecognized tax benefits will significantly increase or decrease in the next twelve months.

Parker-Hannifin files income tax returns in the United States and is subject to examination by taxing authorities in the normal course of business. The Parent is open to assessment of U.S. federal income tax returns by the Internal Revenue Service for years after 2013.

Note 8 – Postemployment Benefits

AWB recognized net periodic benefit costs of $200 thousand and $573 thousand for the years ended June 30, 2022 and 2021, respectively. These figures do not represent cash payment to the Parent for its plan. Service-related expense is included in the cost of sales and selling, general and administrative expense captions while non-service expense is included in the other expense (income), net caption within the Combined Statements of Income.

Note 9 – Transactions with Affiliated Parties

Parker-Hannifin and its subsidiaries provide a variety of corporate services to the Business, such as sales, finance, marketing, human resources and information technology. To the extent that costs were not directly attributable to the Business, those costs were allocated based on specific metrics correlated with the nature of these services (e.g., employee headcount, net sales, etc.). The Business includes the following allocated amounts:

	For the years ended June 30,			
(Dollars in thousands)	**2022**		**2021**	
Corporate allocation	$	3,672	$	3,483
Royalty expense		999		963
Total	$	4,671	$	4,446

Corporate allocated expenses are included in cost of sales and selling, general and administrative captions in the Combined Statements of Income. Royalty expense allocated to the Business is included in the other income and expense caption. Although it is not practicable to estimate what such costs would have been if it had operated as a separate entity, the Business considers such allocations have been made on a reasonable basis.

Net transactions with Parker-Hannifin are reflected on the Combined Statements of Changes in Net Parent Investment. This includes direct and allocated charges from the Parent to the Business.

Note 10 – Contingencies

Various lawsuits, claims, and proceedings have been or may be instituted or asserted against AWB, including those pertaining to environmental, safety and health, commercial, tax, product liability, employment, and employee and retiree benefit matters, and other actions and claims arising out of the normal course of business. While the amounts claimed in these other matters may be substantial, the ultimate liability is not readily determinable because of the considerable uncertainties that exist. Accordingly, it is possible that the Business' liquidity or results of operations in a particular period could be materially affected by one or more of these other matters. However, based on facts currently available, management is not aware of any pending or asserted lawsuits, claims or proceedings that would have a material adverse effect, individually or in the aggregate, on the financial position.

Note 11 - Goodwill

The $48,242 thousand of goodwill attributable to AWB as of June 30, 2022 and 2021 is based on the relative fair value approach performed in accordance with ASC 350-20-40-3, *Intangibles-Goodwill and Other*. The Business represents a portion of the Parent's reporting unit and the fair value is as of the acquisition date. The reporting unit's goodwill is attributed to AWB based on their proportion of fair value between the reporting unit and the Business. The Parent tests goodwill for impairment at the reporting unit level on an annual basis as of December 31, or more frequently if changes in facts and circumstances indicate that impairment in the value of goodwill may exist. The Business did not record impairment expense or identify indicators of impairment for the years ended June 30, 2022 or 2021. See Note 2, *Significant Accounting Polices* for additional information on significant estimates for goodwill impairment.

Note 12 - Subsequent Events

Subsequent events have been evaluated through September 9, 2022, the date these combined financial statements were available to be issued. No events were identified that would require accrual or disclosure in these combined financial statements.

Exhibit 99.2

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF THE COMBINED COMPANY AND RELATED NOTES

Introduction

The following unaudited pro forma condensed combined financial statements present the combination of the financial information of Kaman Corporation (the “Company”) and the Aircraft Wheel and Brake Business of Parker-Hannifin Corporation (“Aircraft Wheel and Brake”) adjusted to give effect to the business combination completed on September 16, 2022 (the “Acquisition”). The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X.

The Company conducts business in the aerospace and defense, medical and industrial markets. The Company produces and markets proprietary aircraft bearings and components; super precision, miniature ball bearings; proprietary spring energized seals, springs and contacts; wheels, brakes and related hydraulic components for helicopters, fixed-wing and UAV aircraft; 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 its SH-2G Super Seasprite maritime helicopters; and manufacture and support of its 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.

Aircraft Wheel and Brake was previously a division of Parker-Hannifin Corporation, which is an American technology corporation specializing in motion and control products. The division has been a trusted provider of mission-critical wheel and brake technology products and solutions for more than eighty years. With a strong product portfolio supporting more than 100 platforms, Aircraft Wheel and Brake specializes in wheels, brakes, and related hydraulic components for fixed-wing aircraft and rotorcraft. It has long-standing global relationships with leading military and general aviation customers providing customized proprietary designs, protected by intellectual property. Aircraft Wheel and Brake operates out of one centralized facility in Avon, Ohio, providing a full suite of capabilities including design, development and qualification, as well as manufacturing and assembly, product support and repairs.

The Acquisition was completed on September 16, 2022 pursuant to the asset purchase agreement dated May 21, 2022. The Company acquired the assets constituting Aircraft Wheel and Brake in exchange for $441.3 million in cash, including an estimated working capital adjustment of $1.3 million. The Company funded the Acquisition closing payment with a combination of cash on hand and a drawdown of $412.0 million under its revolving credit agreement with JPMorgan Chase Bank, N.A. (the “Credit Facility”).

The unaudited pro forma combined financial information has been prepared on the basis set forth in the notes below and has been adjusted to illustrate the estimated effects of the following (collectively the “Acquisition and related transactions”):

- the acquisition of Aircraft Wheel and Brake and the impact of preliminary purchase accounting for the acquired assets and assumed liabilities;
- the drawdown of the Credit Facility; and
- the reclassification of certain Aircraft Wheel and Brake historical financial information to conform to the Company’s presentation.

The unaudited pro forma condensed combined financial information should be read in conjunction with the following:

- Aircraft Wheel and Brake’s combined audited financial statements and related notes for the years ended June 30, 2022 and June 30, 2021 included elsewhere in this Form 8-K/A;
- The Company’s audited consolidated financial statements for the year ended December 31, 2021 and the related notes included in the Company’s Form 10-K, filed with the Securities Exchange Commission (“SEC”) on February 24, 2022; and
- The Company’s unaudited condensed consolidated financial statements for the six months ended July 1, 2022 and the related notes included in the Company’s Form 10-Q, filed with the SEC on August 4, 2022.

These unaudited pro forma condensed combined financial statements consists of the "unaudited pro forma combined balance sheet", the "unaudited pro forma combined statement of operations", and collectively as the "unaudited pro forma combined financial statements", were prepared using the acquisition method of accounting for the business combination. Under this method of accounting, which is in accordance with Accounting Standard Codification ("ASC") 805 – Business Combinations under generally accepted accounting principles in the United States ("U.S. GAAP"), the Company is the accounting acquirer of Aircraft Wheel and Brake and the purchase price for Aircraft Wheel and Brake is allocated to the underlying assets acquired and liabilities assumed based on their respective fair values, with any excess purchase price allocated to goodwill.

The unaudited pro forma combined statement of operations for the fiscal year ended December 31, 2021 and for the six months ended July 1, 2022 give effect to the Acquisition and related transactions as if they had occurred on January 1, 2021. The unaudited pro forma combined balance sheet as of July 1, 2022, gives effect to the Acquisition and related transactions as if they had occurred on July 1, 2022. The Company has a fiscal year ending December 31, while prior to the Acquisition, Aircraft Wheel and Brake had a fiscal year ending June 30. As a result, in order to prepare the unaudited pro forma combined statement of operations for the year ended December 31, 2021 and the six month period ended July 1, 2022, the information for Aircraft Wheel and Brake was prepared as follows:

- the historical statement of operations for the fiscal year ended June 30, 2022 of Aircraft Wheel and Brake has been adjusted to reflect a trailing twelve-month period ending December 31, 2021 and a trailing six-month period ending June 30, 2022. The statement of operations of Aircraft Wheel and Brake for the trailing twelve-month period ending December 31, 2021 was derived by taking the audited statement of operations for the year ended June 30, 2021, combining the results with the audited statement of operations for the year ended June 30, 2022, and removing the results for the six month unaudited periods of July 1, 2020 – December 31, 2020, and January 1, 2022 – June 30, 2022; and,
- the statement of operations of Aircraft Wheel and Brake for the trailing six-month period ending June 30, 2022 was derived by taking the audited statement of operations for the year ended June 30, 2022 and removing the unaudited results for the six-month period of July 1, 2021 – December 31, 2021.

The unaudited pro forma adjustments to the historical financial statements are based on currently available information, and in many cases are based on estimates and management's preliminary valuation of the fair value of tangible and intangible assets acquired and liabilities assumed. The assumptions underlying the pro forma adjustments are described in the accompanying notes to these unaudited pro forma combined financial statements. The Company believes such assumptions are reasonable under the circumstances and reflect the best currently available estimates and judgments. The actual purchase accounting assessment may vary based on final analyses of the valuation of assets acquired and liabilities assumed, particularly with regard to definite-lived intangible assets for which variances could be material. The Company will finalize the accounting for the Acquisition as soon as practicable within the measurement period in accordance with ASC 805, but in no event later than one year from the Acquisition.

The unaudited pro forma combined financial statements may not be indicative of the Company's future performance and do not necessarily reflect what the Company's financial position and results of operations would have been had these transactions occurred at the beginning of the period presented. Further, the unaudited pro forma combined financial statements do not purport to project the future operating results or financial position of the Company following the completion of the Acquisition. Additionally, the unaudited pro forma combined financial statements do not reflect any revenue enhancements, anticipated synergies, operating efficiencies, or cost savings that may be achieved related to the Acquisition, nor do they reflect any costs or expenditures that may be required to achieve any possible synergies.

KAMAN CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEETS
AS OF JULY 1, 2022
(In thousands, except share and per share amounts)

	As of July 1, 2022	As of June 30, 2022	Transaction Accounting Adjustments				As of July 1, 2022
Assets	Kaman Corp	Aircraft Wheel and Brake	Acquisition Accounting Adjustments (Note 3)		Financing Adjustments (Note 3)		Pro Forma Combined
Current assets:							
Cash and cash equivalents	$ 80,244	$ —	$ (441,340)	A	$ 412,000	I	$ 41,658
			(9,246)	B			
Accounts receivable, net	77,692	7,286					84,978
Contract assets	109,290	125					109,415
Contract costs, current portion	909	—					909
Inventories	214,688	6,783	4,305	H			225,776
Income tax refunds receivable	16,194	—	2,330	B			18,524
Assets held for sale, current portion	363	—					363
Other current assets	15,754	352					16,106
Total current assets	515,134	14,546	(443,951)		412,000		497,729
Property, plant and equipment, net of depreciation	192,769	2,407	5,277	D			200,453
Operating right-of-use assets, net	8,618	—					8,618
Goodwill	233,135	48,242	115,376	C			396,753
Other intangible assets, net	131,403	—	257,900	E			389,303
Deferred income taxes	15,335	1,495	(1,495)	F			15,335
Contract costs, noncurrent portion	9,865	—					9,865
Assets held for sale, noncurrent portion	901	—					901
Investment in Near Earth Autonomy	10,000	—					10,000
Other assets	40,937	1,221					42,158
Total assets	$ 1,158,097	$ 67,911	$ (66,893)		$ 412,000		$ 1,571,115

KAMAN CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEETS
AS OF JULY 1, 2022
(In thousands, except share and per share amounts)

	As of July 1, 2022	As of June 30, 2022	Transaction Accounting Adjustments				As of July 1, 2022
Liabilities and Shareholders' Equity	Kaman Corp	Aircraft Wheel and Brake	Acquisition Accounting Adjustments (Note 3)		Financing Adjustments (Note 3)		Pro Forma Combined
Current liabilities:							
Accounts payable – trade	$ 32,192	$ 4,357					36,549
Accrued salaries and wages	29,306	2,262					31,568
Contract liabilities, current portion	2,893	—					2,893
Operating lease liabilities, current portion	3,896	—					3,896
Income taxes payable	239	—					239
Liabilities held for sale, current portion	340	—					340
Other current liabilities	36,275	1,154	867	**B**			38,296
Total current liabilities	105,141	7,773	867		—		113,781
Long-term debt, excluding current portion, net of debt issuance costs	197,542	—			412,000	**I**	609,542
Deferred income taxes	6,354	—					6,354
Underfunded pension	10,978	—					10,978
Contract liabilities, noncurrent portion	16,528	161					16,689
Operating lease liabilities, noncurrent portion	5,398	—					5,398
Liabilities held for sale, noncurrent portion	230	—					230
Other long-term liabilities	36,984	—					36,984
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; 30,584,400 shares issued	30,584	—					30,584
Additional paid-in capital	241,597	—					241,597
Retained earnings	753,985	—	(7,783)	**B**			746,202
Accumulated other comprehensive income (loss)	(125,202)	—					(125,202)
Less 2,598,056 shares of common stock, respectively, held in treasury, at cost	(122,022)	—					(122,022)
Net Parent Investment	—	59,977	(59,977)	**G**			—
Total shareholders' equity	778,942	59,977	(67,760)		—		771,159
Total liabilities and shareholders' equity	$ 1,158,097	$ 67,911	$ (66,893)		$ 412,000		$ 1,571,115

See accompanying notes to unaudited pro forma combined financial statements

KAMAN CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
FOR THE SIX-MONTH FISCAL PERIOD ENDED JULY 1, 2022

	For the Six Months Ended July 1, 2022	For the Six Months Ended June 30, 2022	Transaction Accounting Adjustments				For the Six Months Ended July 1, 2022
	Kaman Corp	Aircraft Wheel and Brake	Acquisition Accounting Adjustments (Note 3)		Financing Adjustments (Note 3)		Pro Forma Combined
Net sales	$ 318,814	$ 36,449					$ 355,263
Cost of sales	216,120	21,341	325	**AA**			237,653
			(133)	**CC**			—
Gross profit	102,694	15,108	(192)		—		117,610
Selling, general and administrative expenses	78,971	1,697	37	**CC**			78,728
			(1,977)	**DD**			
Research and development costs	10,328	—	96	**CC**			10,424
Intangible asset amortization expense	4,906	—	6,980	**BB**			11,886
Restructuring and severance costs	3,096	—					3,096
Net loss on sale of assets	56	—					56
Operating income	5,337	13,411	(5,328)		—		13,420
Interest expense, net	4,474	—			8,116	**FF**	12,590
Non-service pension and post-retirement benefit income	(10,287)	—					(10,287)
Other expense, net	1,194	474					1,668
Earnings before income taxes	9,956	12,937	(5,328)		(8,116)		9,449
Income tax expense	1,864	2,629	(1,228)	**EE**	(1,870)	**GG**	1,395
Net earnings	$ 8,092	$ 10,308	$ (4,100)		$ (6,246)		$ 8,054
Earnings per share:							
Basic earnings per share	$ 0.29						$ 0.29
Diluted earnings per share	$ 0.29						$ 0.29
Average shares outstanding:							
Basic	27,977						27,977
Diluted	28,071						28,071

See accompanying notes to unaudited pro forma combined financial statements

KAMAN CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2021	Transaction Accounting Adjustments				For the Year Ended December 31, 2021
	Kaman Corp	Aircraft Wheel and Brake	Acquisition Accounting Adjustments (Note 3)		Financing Adjustments (Note 3)		Pro Forma Combined
Net sales	$ 708,993	$ 69,174					$ 778,167
Cost of sales	472,375	40,059	608	**HH**			516,807
			(540)	**JJ**			—
			4,305	**LL**			
Gross profit	236,618	29,115	(4,373)		—		261,360
Selling, general and administrative expenses	152,474	2,551	129	**JJ**			165,267
			10,113	**KK**			
Research and development costs	16,072	—	411	**JJ**			16,483
Intangible asset amortization expense	10,468	—	17,950	**II**			28,418
Costs from transition services agreement	1,728						1,728
Restructuring and severance costs	6,154	—					6,154
Loss on sale of business	234						234
Net gain on sale of assets	(8)	—					(8)
Operating income	49,496	26,564	(32,976)		—		43,084
Interest expense, net	16,290	—			16,233	**NN**	32,523
Non-service pension and post-retirement benefit income	(26,229)	—					(26,229)
Income from transition services agreement	(931)						(931)
Other expense, net	(142)	1,067					925
Earnings before income taxes	60,508	25,497	(32,976)		(16,233)		36,796
Income tax expense	16,832	4,931	(7,598)	**MM**	(3,740)	**OO**	10,425
Net earnings	$ 43,676	$ 20,566	$ (25,378)		$ (12,493)		$ 26,371
Earnings per share:							
Basic earnings per share	$ 1.57						$ 0.95
Diluted earnings per share	$ 1.57						$ 0.95
Average shares outstanding:							
Basic	27,865						27,865
Diluted	27,891						27,891

See accompanying notes to unaudited pro forma combined financial statements

NOTES TO UNAUDITED CONDENSED PRO FORMA COMBINED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The Acquisition is accounted for using the acquisition method of accounting in accordance with ASC 805 with the Company considered the accounting and legal acquirer of Aircraft Wheel and Brake. The unaudited pro forma financial statements reflect the preliminary assessment of fair values and useful lives assigned to the assets acquired and liabilities assumed. Fair value estimates are determined based on preliminary valuation analyses. The detailed valuation studies necessary to arrive at the required estimates of the fair values for the assets acquired and liabilities assumed have not been finalized. Therefore, as this pro forma financial information has been prepared based on preliminary estimates of consideration and fair values attributable to the Aircraft Wheel and Brake Acquisition, the actual amounts eventually recorded for the purchase accounting, including the identifiable intangibles and goodwill, may differ materially from the information presented.
The following unaudited pro forma combined financial information has been prepared in accordance with Article 11 of Regulation S-X. The Company has elected not to present Management's Adjustments and will only be presenting Transaction Accounting Adjustments in the following unaudited pro forma combined financial information.

The pro forma combined provision for income taxes does not necessarily reflect the amounts that would have resulted had the post-combination company filed consolidated income tax returns during the periods presented.

The pro forma basic earnings per share amounts presented in the unaudited pro forma combined statements of operations are based upon the number of post-combination company's common shares outstanding, assuming the Acquisition and related transactions occurred on January 1, 2021.

The unaudited pro forma combined financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings or cost savings that may be associated with the Acquisitions and related transactions. The pro forma adjustments reflecting the consummation of the Acquisitions and related transactions are based on certain currently available information and certain assumptions and methodologies that the Company believes are reasonable under the circumstances. The unaudited pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments, and it is possible the difference may be material. The Company believes that its assumptions and methodologies provide a reasonable basis for presenting all the significant effects of the Acquisitions and related transactions based on information available to management at the time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma combined financial information.

2. ESTIMATED CONSIDERATION AND PRELIMINARY PURCHASE PRICE ALLOCATION

On May 21, 2022, the Company entered into a definitive agreement to acquire the assets constituting Aircraft Wheel and Brake. The Aircraft Wheel and Brake acquisition closed on September 16, 2022. The Acquisition was accounted for as a business combination using the acquisition method of accounting in line with ASC 805. The Company was determined to be the accounting acquirer of Aircraft Wheel and Brake. The Company recorded the preliminary fair value of assets acquired and liabilities assumed from Aircraft Wheel and Brake, with any excess purchase price allocated to goodwill.

The following represents the total preliminary estimated purchase consideration for Aircraft Wheel and Brake based on the asset purchase agreement:

in thousands		**September 16, 2022**
Closing cash consideration	$	440,000
Estimated working capital adjustment		1,340
Total preliminary estimated purchase consideration	$	441,340

2. ESTIMATED CONSIDERATION AND PRELIMINARY PURCHASE PRICE ALLOCATION (CONTINUED)

Below includes the preliminary calculation of assets acquired and liabilities assumed performed for the purpose of these unaudited pro forma financial statements. The allocation of the purchase price to the fair values of the assets acquired and liabilities assumed includes pro forma adjustments to the fair values of Aircraft Wheel and Brake's assets and liabilities. The final amounts recorded for the acquisition may differ materially from the information presented below.

in thousands		
Accounts receivable	$	7,286
Contract assets		125
Inventories		11,088
Other current assets		352
Property, plant and equipment		7,684
Other intangible assets		257,900
Other assets		1,221
Total assets acquired		285,656
Accounts payable - trade		4,357
Accrued salaries and wages		2,262
Other current liabilities		1,154
Other long-term liabilities		161
Total liabilities acquired		7,934
Net assets acquired	$	277,722
Preliminary estimated transaction consideration	$	441,340
Estimated goodwill	$	163,618

The intangible assets, which are recognized at their preliminary fair value in the unaudited pro forma condensed combined balance sheet consist of the following:

in thousands		Amount	Estimated Useful Life (in years)
Customer relationships	$	244,500	24
Backlog		13,400	2
Preliminary fair value adjustments to intangible assets	$	257,900	

The acquired intangible assets will be amortized based on the pattern in which the economic benefits of the intangible assets are expected to be consumed. Based on the acquisition date of September 16, 2022, the expected impact on operating results for the five years following the acquisition is as follows:

in thousands	Year Ended December 31, 2022 Amortization Expense	Year Ended December 31, 2023 Amortization Expense	Year Ended December 31, 2024 Amortization Expense	Year Ended December 31, 2025 Amortization Expense	Year Ended December 31, 2026 Amortization Expense
Customer relationships	1,998	7,665	9,255	10,430	10,892
Backlog	3,493	7,981	1,926	—	—
Total amortization	5,491	15,646	11,181	10,430	10,892

3. ADJUSTMENTS TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma combined financial information has been prepared to illustrate the effect of the Acquisition and related transactions and has been prepared for informational purposes only by reflecting the pro forma adjustments below.

Transaction Accounting Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

The Transaction Accounting Adjustments included in the unaudited pro forma combined balance sheet as of July 1, 2022 are as follows:

(A) Reflects the $441.3 million preliminary estimated cash consideration paid to Parker-Hannifin Corporation in connection with the Aircraft Wheel and Brake acquisition.

(B) Reflect adjustments for estimated incremental transaction costs incurred in connection the Acquisition. Of the total estimated transaction costs of $12.1 million, $1.8 million was settled against cash and $0.2 million was accrued as of July 1, 2022. The transaction accounting adjustment to cash as of July 1, 2022 reflects $9.0 million in additional costs incurred and settled as of the closing date of the Acquisition on September 16, 2022 and the payment of the $0.2 million in transaction costs previously accrued. The transaction accounting adjustment to other current liabilities as of July 1, 2022 reflects $1.1 million in additional accrued transaction costs as of the closing date, partially offset by the elimination of the $0.2 million in acquisition costs previously accrued. The transaction adjustment to income tax refunds receivable of $2.3 million represents the tax impact of the additional transaction expense using the federal and state statutory rate of approximately 23.0%.

(C) Reflects the elimination of the historical amount of $48.2 million in goodwill for Aircraft Wheel and Brake and the recording of the estimated goodwill created from the Acquisition of $163.6 million as described in Note 2.

(D) Reflects the preliminary fair value adjustments to property, plant and equipment of Aircraft Wheel and Brake.

(E) Reflects the preliminary fair value adjustments to intangibles assets of Aircraft Wheel and Brake. See Note 2 for the preliminary fair values of acquired intangible assets as well as the estimated amortization expense for the six-months ended July 1, 2022 and the year ended December 31, 2021. The acquired intangible assets will be amortized based on the pattern in which the economic benefits of the intangible assets are expected to be consumed. The fair value of these intangible assets are estimated using the multi-period excess earnings method.

(F) Reflects the preliminary transaction accounting adjustment to the deferred tax asset of Aircraft Wheel and Brake.
(G) Reflects the elimination of the historical net parent investment in Aircraft Wheel and Brake.
(H) Reflects the preliminary fair value adjustment to the inventories of Aircraft Wheel and Brake.

Financing Adjustments

(I) Reflects the drawdown of $412.0 million from the Credit Facility, which is classified as noncurrent based on the maturity date of December 13, 2024.

Transaction Accounting Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations

The Transaction Accounting Adjustments included in the unaudited pro forma combined statement of operations for the six months ended July 1, 2022, are as follows:

(AA) Reflects the incremental depreciation expense in connection with the property, plant and equipment fair value step-up of Aircraft Wheel and Brake, as described in tick mark (D). The property, plant and equipment acquired from Aircraft Wheel and Brake are primarily used in the manufacturing process. The average estimated remaining useful life of the Buildings, Building Improvements, Machinery & Equipment, and Furniture & Fixtures acquired is 5.75 years. This estimate is based on the Company's current assessment of the economic useful lives of these tangible assets.

(BB) Reflects the incremental amortization expense in connection with the intangible asset fair value step-up of Aircraft Wheel and Brake, as described in Note 2. Intangible assets are amortized based on the pattern in which the economic benefits of the intangible assets are expected to be consumed.

(CC) Reflects accounting policy alignment of historical Aircraft Wheel and Brake research and development costs and stock compensation expense recorded in costs of sales transferred to selling, general, and administrative expense. Aircraft Wheel and Brake applied a different accounting policy than the Company for classifying certain research and development costs and stock compensation expense between cost of sales and selling, general, and administrative expense. This adjustment reclassifies the expenses from cost of sales to selling, general, and administrative expense and research and development expense to conform to the Company's accounting policy. The Company is continuing to evaluate accounting policy differences between the Company and Aircraft Wheel and Brake, and further differences may be identified.

(DD) Reflects the elimination of $2.0 million of transaction costs incurred relating to the Acquisition. Transaction costs are reflected as if incurred on January 1, 2021, the date the Acquisition occurred for the purposes of the unaudited pro forma combined statement of operations. These costs are not expected to affect the Company's statements of operations beyond twelve months after the Acquisition.

(EE) Reflects the income tax impact of the Transaction Accounting Adjustments, using the combined federal and state statutory tax rate of approximately 23.0%.

Financing Adjustments

(FF) Reflects the estimated interest expense incurred on the $412.0 million drawdown from the Company's revolving Credit Facility to fund the Acquisition for the six months ended July 1, 2022. The unaudited pro forma financial information reflects an assumed interest rate of 3.94% based on the interest rate for the quarter ended September 30, 2022, and a maturity date of December 13, 2024. Interest rates on amounts outstanding under the Credit Facility are variable, and are determined based on the Senior Secured Net Leverage Ratio, as defined in the Credit Agreement. If the actual annual interest rate of the Credit Facility were to vary by 1/8th of a percent, the pro forma adjustment for interest expense would change by $0.3 million. This adjustment assumes that there will be no decrease in the principal amount of the Credit Facility for the six months ended July 1, 2022.

(GG) Reflects the income tax impact of the Financing Accounting Adjustments, using the combined federal and state statutory tax rate of approximately 23.0%.

The Transaction Accounting Adjustments included in the unaudited pro forma combined statement of operations for the year ended December 31, 2021, are as follows:

(HH) Reflects the incremental depreciation expense in connection with the property, plant and equipment fair value step-up of those of Aircraft Wheel and Brake, as described in tick mark (D). The property, plant and equipment acquired from Aircraft Wheel and Brake are primarily used in the manufacturing process. The average estimated remaining useful life of the Buildings, Building Improvements, Machinery & Equipment, and Furniture & Fixtures acquired is 5.75 years. This estimate is based on the Company's current assessment of the economic useful lives of these tangible assets.

(II) Reflects the incremental amortization expense in connection with the intangible asset fair value step-up of those of Aircraft Wheel and Brake, as described in Note 2. Intangible assets are amortized based on the pattern in which the economic benefits of the intangible assets are expected to be consumed.

(JJ) Reflects accounting policy alignment of historical Aircraft Wheel and Brake research and development costs and stock compensation expense recorded in costs of sales transferred to selling, general, and administrative expense. Aircraft Wheel and Brake applied a different accounting policy than the Company for classifying certain research and development costs and stock compensation expense between cost of sales and selling, general, and administrative expense. This adjustment reclassifies the expenses from cost of sales to selling, general, and administrative expense and research and development expense to conform to the Company's accounting policy. The Company is continuing to evaluate accounting policy differences between the Company and Aircraft Wheel and Brake, and further differences may be identified.

(KK) Reflects $10.1 million of incremental transaction costs incurred relating to the Acquisition. Transaction costs are reflected as if incurred on January 1, 2021, the date the Acquisition occurred for the purposes of the unaudited pro forma combined statement of operations. These costs, along with $2.0 million of transaction costs that were already incurred prior to the timing of the close of the transaction, are not expected to affect the Company's statements of operations beyond twelve months after the Acquisition.

(LL) Represents incremental cost of sales associated with the step-up in fair value associated with acquired inventory.

(MM) Reflects the income tax impact of the Transaction Accounting Adjustments, using the combined federal and state statutory tax rate of approximately 23.0%.

Financing Adjustments

(NN) Reflects the interest expense incurred on the $412.0 million drawdown from the Company's revolving Credit Facility to fund the Acquisition for the 12 months ended December 31, 2021. The unaudited pro forma financial information reflects an assumed interest rate of 3.94% based on the interest rate for the quarter ended September 30, 2022 and a maturity date of December 13, 2024. Interest rates on amounts outstanding under the Credit Facility are variable, and are determined based on the Senior Secured Net Leverage Ratio, as defined in the Credit Agreement. If the actual annual interest rate of the Credit Facility were to vary by 1/8th of a percent, the pro forma adjustment for interest expense would change by $0.5 million. This adjustment assumes that there will be no decrease in the principal amount of the Credit Facility for the year ended December 31, 2021.

(OO) Reflects the income tax impact of the Financing Accounting Adjustments, using the combined federal and state statutory tax rate of approximately 23.0%.