KARMAN SPACE & DEFENSE

Impossible Ends **Here**

Q3 FY2026 | NYSE: KRMN

# Third Quarter Fiscal Year 2026 Earnings Presentation

November 5, 2026


**Jon Rambeau**
Chief Executive Officer

**Chris Boynton**
Chief Financial Officer

**Jonathan Beaudoin**
Chief Operating Officer

**Mike Willis**
Departing Chief Financial Officer

**Steven Gitlin**
SVP, Investor Relations

IMPORTANT INFORMATION

# Forward-looking statements & non-GAAP measures

## FORWARD-LOOKING STATEMENTS

This presentation may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the fact that they do not relate strictly to historical or current facts and by the use of forward-looking words such as “expect,” “expectation,” “believe,” “anticipate,” “may,” “could,” “intend,” “belief,” “plan,” “estimate,” “target,” “predict,” “likely,” “seek,” “project,” “model,” “ongoing,” “will,” “should,” “forecast,” “outlook” or similar terminology. These statements are based on and reflect our current expectations, estimates, assumptions and projections, our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. Forward-looking statements are neither predictions nor guarantees of future events, circumstances or performance and are inherently subject to known and unknown risks, uncertainties and assumptions that could cause our actual results to differ materially from those indicated by those statements. There can be no assurance that our expectations, estimates, assumptions or projections, including with respect to the future earnings and performance or capital structure of Karman, will prove to be correct or that any of our expectations, estimates or projections will be achieved.

Numerous factors could cause our actual results and events to differ materially from those expressed or implied by forward-looking statements, including, without limitation, that a significant portion of our revenue is generated from contracts with the United States military and U.S. military spending is dependent upon the U.S. defense budget; U.S. government contracts are subject to a competitive bidding process that can consume significant resources without generating any revenue; our business and operations expose us to numerous legal and regulatory requirements, and any violation of these requirements could materially adversely affect our business, results of operations, prospects and financial condition; our inability to adequately enforce and protect our intellectual property or defend against assertions of infringement could prevent or restrict our ability to compete; and we have in the past consummated acquisitions and intend to continue to pursue acquisitions, and our business may be adversely affected if we cannot consummate acquisitions on satisfactory terms, or if we cannot effectively integrate acquired operations. Readers are directed to the risk factors identified in the filings we make with the SEC from time to time, copies of which are available free of charge at the SEC’s website at www.sec.gov under Karman Holdings Inc.

The forward-looking statements included in this announcement are only made as of the date of this announcement. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable law.

## NON-GAAP FINANCIAL MEASURES

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Earnings Per Share (Adjusted EPS) and Free Cash Flow. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of these non-GAAP financial measures rather than their most directly comparable U.S. GAAP measures. A reconciliation of these non-GAAP financial measures to the most directly comparable U.S. GAAP measures is included in the appendix to this presentation. Investors are encouraged to review the reconciliation in conjunction with the presentation of these non-GAAP financial measures.

## FORWARD-LOOKING NON-GAAP FINANCIAL MEASURES

This presentation includes forward-looking non-GAAP financial measures, including projected Adjusted EBITDA. We have not provided a quantitative reconciliation of Adjusted EBITDA on a forward-looking basis to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP because such a reconciliation is not available without unreasonable effort due to the high variability, complexity and low visibility with respect to charges excluded from Adjusted EBITDA, particularly event-driven transactional and other non-core operating items.


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KARMAN AT A GLANCE

# Merchant supplier to the highest-priority programs

Mission-critical propulsion, interstage and payload systems supporting programs across all physical domains

**150+**
Customers and programs

**10/14**
MAC priority munitions programs

**100%**
Major U.S. space launch providers

## ALIGNED TO SECULAR GROWTH MARKETS

- **Hypersonics & Strategic Missile Defense**
  THAAD · PAC-3 · SM-3/SM-6 · NGI · Sentinel
- **Tactical Missiles & Integrated Defense**
  Switchblade · GMLRS · PrSM · Tomahawk · Coyote
- **Maritime Defense**
  Columbia · Virginia · Seawolf · Ship-to-Shore Connector
- **Space & Launch**
  Vulcan · Next-Gen Heavy Lift · National Security Space

## WHY KARMAN WINS

01 **Mission-critical, proprietary content**
Highly engineered subsystems qualified for extreme environments; decades of IP and know-how

02 **Merchant supplier model, broad exposure**
Serves 150+ customers and programs, none more than 10% of revenue

03 **Integrated & expanding platform**
Engineering through production under one roof; inorganic growth extends reach


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THIRD QUARTER FISCAL 2026 | QUARTERLY ACHIEVEMENTS

# Key achievements driving momentum

**25%**
Year-over-year organic revenue growth

**11%**
Sequential revenue growth

**$1.7B**
Record backlog

**~$465M**
Quarterly bookings

**$13M**
Free cash flow (1)

**$218M**
7-year THAAD long-term agreement

THE TAKEAWAY **Strong execution, accelerating demand, growing footprint and expanding visibility**

(1) Free Cash Flow is a non-GAAP measure. Please see the Appendix for a reconciliation to the nearest GAAP measure.

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THIRD QUARTER FISCAL 2026 | KEY FINANCIAL HIGHLIGHTS

# Record results across every headline metric

Revenue

**$202M**

+66% YoY

Gross Profit

**$86M**

+73% YoY

Adjusted EBITDA

**$61M** (1)

+60% YoY

Adjusted EPS

**$0.19** (1)

+90% YoY

RECORD BACKLOG **$1.7B**

Up more than 100%
since Dec. 31, 2025

(1) Adjusted EBITDA and Adjusted EPS are non-GAAP measures. Please see the Appendix for a reconciliation to the nearest GAAP measure.

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# Strong results in high-priority end markets

| | THREE MONTHS ENDED SEPT. 30[1] | | | NINE MONTHS ENDED SEPT. 30[1] | | |
|---|---|---|---|---|---|---|
| *($ in millions, except per-share data and percentages)* | 2026 | 2025 | YoY | 2026 | 2025 | YoY |
| **Revenue** | **$201.6** | $121.8 | **66%** | **$534.9** | $337.0 | **59%** |
| **Gross Profit** | **$86.2** | $49.9 | **73%** | **$228.3** | $136.4 | **67%** |
| **Income before Provision for Income Tax** | **$13.3** | $11.9 | **12%** | **$41.2** | $19.0 | **117%** |
| **Net Income** | **$20.9** | $7.6 | **174%** | **$42.7** | $9.7 | **340%** |
| **Adjusted EBITDA[1,2]** | **$60.5** | $37.7 | **60%** | **$159.9** | $103.3 | **55%** |
| **Adjusted EBITDA Margin[1]** | **30.0%** | 31.0% | **(100) bps** | **29.9%** | 30.7% | **(80) bps** |
| **Adjusted EPS (diluted)[1]** | **$0.19** | $0.10 | **90%** | **$0.44** | $0.25 | **76%** |
| **Backlog[3]** | **$1,670.0** | $801.1 | **108%** | — | — | — |

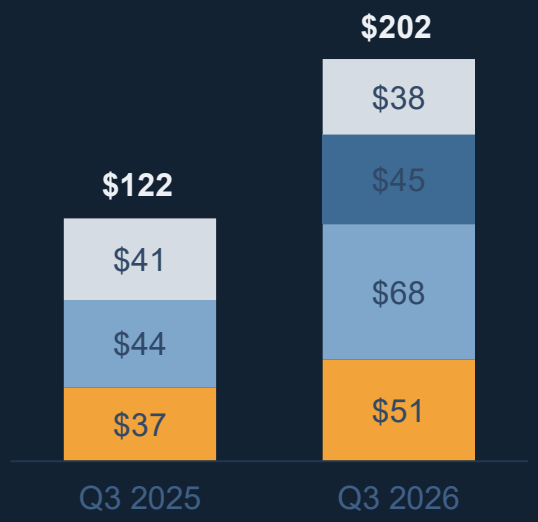
(1) Adjusted EBITDA, Adjusted EPS and Adjusted EBITDA margin are non-GAAP measures. Please see the Appendix for a reconciliation to the nearest GAAP measure.
(2) Net leverage ratio of 3.2 derived by calculating net debt of $791 million divided by annualized third quarter adjusted EBITDA of $61 million
(3) Represents the total value or current estimated value of existing contracts, less amounts previously invoiced. Contract types include but are not limited to purchase orders, long-term agreements and contractual authorizations to proceed.


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THIRD QUARTER FISCAL 2026 | END MARKETS

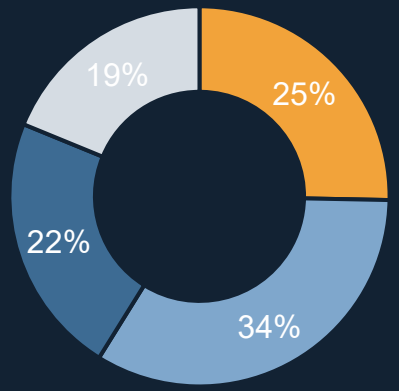
# Strong growth in defense end markets and Adj. EBITDA

## Revenue by end market ($M)




| YoY GROWTH | |
|---|---|
| Hypersonics & SMD | +40% |
| Tactical Missiles & IDS | +52% |
| Maritime Defense | n/m |
| Space & Launch | -7% |
| **Total** | **+66%** |

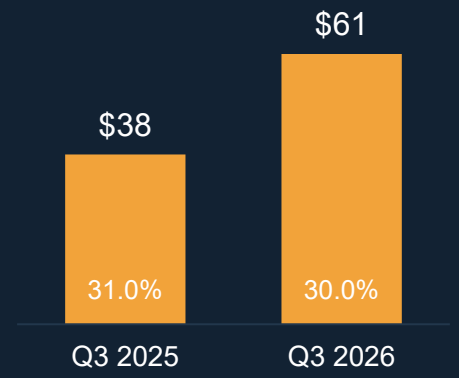
## Revenue mix




Share of Q3 FY2026 revenue; colors match end markets

## Adj. EBITDA ($M)[1]

**+60%** YoY




In-bar labels: adj. EBITDA margin

**$201.6M**
Total revenue, quarter ended Sept. 30, 2026

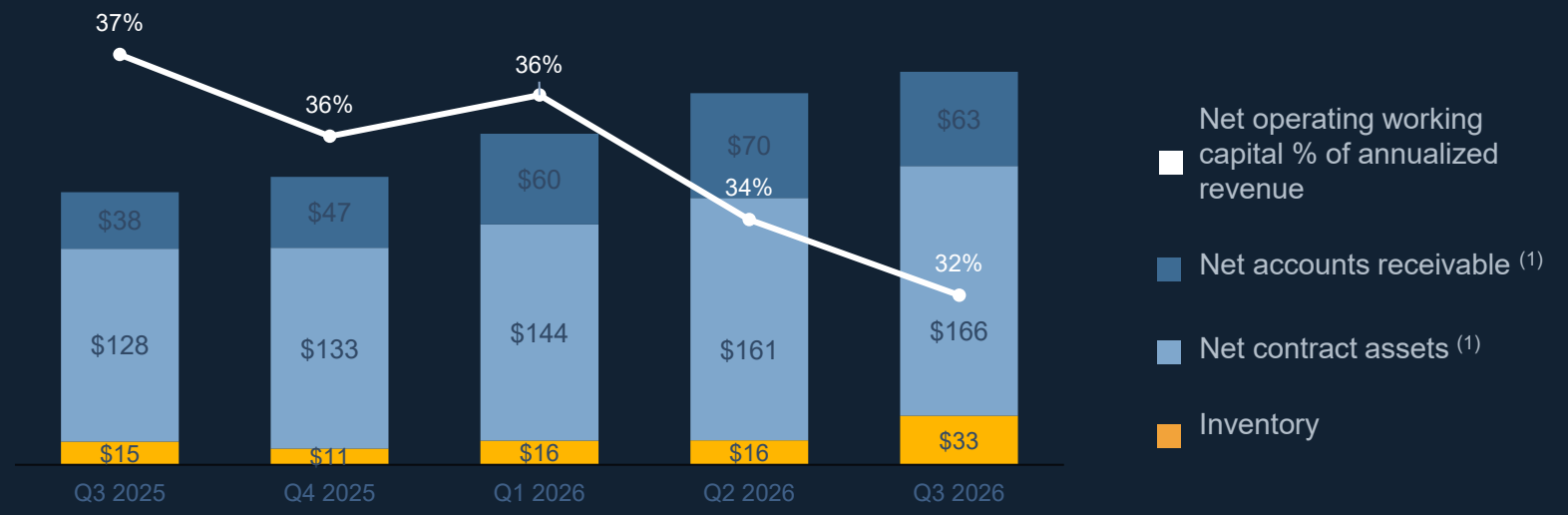
**Broad-based**
Strong growth across our defense end markets

**66% / 60%**
YoY growth in revenue / adjusted EBITDA (1)

(1) Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Please see the appendix for a reconciliation to the nearest GAAP measure.

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# Revenue growth has outpaced net operating working capital




PAST 12 MONTHS

**37% → 32%**

Net operating working capital as a share of annualized revenue

**Key Highlights**

- Revenue is scaling faster than net operating working capital
- Contract assets make up the majority of working capital requirement
- Inventory remains small
- Accounts receivable growing normally

(1) Net accounts receivable = accounts receivable – accounts payable; net contract assets = contract assets – contract liabilities.

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FISCAL 2026 OUTLOOK

# Raising 2026 guidance

| | PRIOR GUIDANCE | | UPDATED GUIDANCE |
|---|---|---|---|
| **Revenue** | **$730 million – $745 million**<br>57% YoY increase to midpoint of range | → | **$755 million – $760 million**<br>**61% YoY increase to midpoint of range** |
| **Adjusted EBITDA** | **$215 million – $222.5 million**<br>51% YoY increase to midpoint of range | → | **$225 million – $227 million**<br>**55% YoY increase to midpoint of range** |

**01** 2026 guidance supported by full revenue visibility based on backlog expected to convert to revenue during fiscal year 2026 (to the midpoint of revenue guidance range)

**02** Capabilities highly aligned with U.S. Department of War priorities in hypersonics, missiles, missile defense, UAS, counter-UAS, maritime; and with commercial space and launch demand

**03** Highly diversified portfolio of customers and programs


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# Financial Tables



# Consolidated Balance Sheet

| *($ in thousands)* | September 30, 2026 *(unaudited)* | December 31, 2025 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 68,168 | $ 33,959 |
| Accounts receivable, net | 122,613 | 78,716 |
| Contract assets | 208,275 | 156,298 |
| Inventory | 32,660 | 10,662 |
| Prepaid and other current assets | 20,820 | 11,768 |
| Total current assets | 452,536 | 291,403 |
| Property, plant and equipment, net | 148,359 | 95,409 |
| Goodwill | 550,638 | 352,513 |
| Intangible assets, net | 354,019 | 285,888 |
| Right-of-use lease assets | 128,820 | 72,214 |
| Other assets | 8,832 | 6,669 |
| Total assets | $ 1,643,204 | $ 1,104,096 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Accounts payable | $ 59,916 | $ 31,632 |
| Accrued payroll and related expenses | 18,595 | 13,776 |
| Contract liabilities | 42,495 | 22,814 |
| Current portion of term loan | 7,312 | 3,836 |
| Current portion of lease liabilities | 8,174 | 6,216 |
| Income taxes payable | — | 5,299 |
| Other current liabilities | 9,617 | 5,094 |
| Total current liabilities | 146,109 | 88,667 |
| Lease liabilities, net of current | 142,067 | 81,944 |
| Term loan, net of current | 851,495 | 495,312 |
| Revolving line of credit | — | — |
| Deferred tax liabilities | 48,485 | 47,832 |
| Other non-current | 13,288 | 7,650 |
| Total liabilities | 1,201,444 | 721,405 |
| Total stockholders' equity | 441,760 | 382,691 |
| Total liabilities and stockholders' equity | $ 1,643,204 | $ 1,104,096 |

# Reconciliation of Non-GAAP Financial Measures

| *(unaudited, in thousands, except percent and per share data)* | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **Net income** | **$ 20,908** | **$ 7,644** | **$ 42,734** | **$ 9,653** |
| Income tax expense (benefit) | (7,603) | 4,217 | (1,532) | 9,309 |
| Depreciation and amortization[1] | 16,509 | 10,970 | 48,317 | 30,146 |
| Interest expense, net | 17,995 | 10,002 | 45,925 | 33,268 |
| **EBITDA** | **47,809** | **32,833** | **135,444** | **82,376** |
| Transaction-related expenses[2] | 3,898 | 3,533 | 7,552 | 9,399 |
| Integration expenses and non-recurring restructuring costs[3] | 2,280 | 559 | 5,630 | 1,200 |
| Lender and administrative agent fees[4] | 3,859 | — | 4,639 | 1,466 |
| Stock-based Compensation[5] | 1,907 | — | 3,351 | 8,084 |
| Other adjustments[6] | 756 | 800 | 3,258 | 800 |
| **Adjusted EBITDA** | **$ 60,509** | **$ 37,725** | **$ 159,875** | **$ 103,325** |
| Revenue | $ 201,623 | $ 115,097 | $ 534,896 | $ 337,008 |
| **Net income margin** | **10.4%** | **5.9%** | **8.0%** | **2.9%** |
| **Adjusted EBITDA Margin** | **30.0%** | **30.7%** | **29.9%** | **30.7%** |
| **GAAP net income per share** | **$ 0.16** | **$ 0.06** | **$ 0.32** | **$ 0.07** |
| Transaction-related expenses[2] | 0.03 | 0.03 | 0.05 | 0.07 |
| Integration expenses and non-recurring restructuring costs[3] | 0.01 | — | 0.04 | 0.01 |
| Lender and administrative agent fees[4] | 0.03 | — | 0.04 | 0.01 |
| Stock-based compensation[5] | 0.01 | — | 0.02 | 0.06 |
| Other adjustments[7] | (0.05) | 0.01 | (0.03) | 0.03 |
| **Adjusted EPS[8]** | **$ 0.19** | **$ 0.10** | **$ 0.44** | **$ 0.25** |
| Net cash provided by operating activities | $ 26,728 | | | |
| Less: Purchases of property and equipment | (13,361) | | | |
| **Free Cash Flow** | **13,367** | | | |

# Reconciliation of Non-GAAP Financial Measures

**Footnotes**

This presentation includes certain non-GAAP financial measures: Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EPS, and Free Cash Flow. We believe the non-GAAP financial measures will help investors understand our financial condition and operating results and assess our future prospects. We believe these non-GAAP financial measures, each of which is discussed in greater detail in the earnings release that accompanies this presentation, are important supplemental measures because they exclude unusual or non-recurring items as well as non-cash items that are unrelated to or may not be indicative of our ongoing operating results. Further, when read in conjunction with our U.S. GAAP results, these non-GAAP financial measures provide a baseline for analyzing trends in our underlying businesses and can be used by management as a tool to help make financial, operational and planning decisions. We may use non-GAAP financial metrics in certain management compensation plans, debt covenants, internal budgetary decision making, and other resource allocation decisions. Finally, these measures are often used by analysts and other interested parties to evaluate companies in our industry by providing more comparable measures that are less affected by factors such as capital structure.

We recognize that these non-GAAP financial measures have limitations, including that they may be calculated differently by other companies or may be used under different circumstances or for different purposes, thereby affecting their comparability from company to company. In order to compensate for these and the other limitations discussed below, management does not consider these measures in isolation from or as alternatives to the comparable financial measures determined in accordance with U.S. GAAP. Readers should review the reconciliations on the immediately preceding page and should not rely on any single financial measure to evaluate our business.

1. Depreciation and amortization includes depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets.
2. Transaction-related expenses represent legal and due diligence fees incurred in connection with planned and completed acquisitions, which are required to be expensed as incurred. We believe these costs are not indicative of the underlying business performance.
3. Integration expenses and non-recurring restructuring costs include company-wide system implementation expenses, company re-branding costs and compliance efforts. This category also includes post-acquisition integration costs, and employee expenses related to acquisitions or restructuring activities.
4. Lender and administrative agent fees reflect lender fees associated with discrete amendments to our credit agreement, separate from ongoing administrative fees. These costs are infrequent and we believe these costs are not indicative of the underlying business performance.
5. Stock-based compensation reflects share-based compensation expenses associated with our equity awards.
6. Represents items management believes are not indicative of the underlying business performance, including estimated legal settlements and related professional fees. Such costs are inconsistent in both amount and frequency.
7. Other adjustments primarily consisted of non-recurring tax benefits, write-offs of unamortized debt issuance costs related to debt extinguishments and other expenses that we believe are not indicative of the underlying business performance.
8. Total may not sum due to rounding.

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