



Impossible Ends **Here** 

Third Quarter Fiscal Year 2025 Earnings Presentation

 November 6, 2025

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Chief Executive Officer

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Chief Financial Officer

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Chief Operating Officer

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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/ or 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 and/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 and/or attendees 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.

Karman is a Leading IP-Driven Merchant Supplier to Prime Contractors in Three High-Priority End Markets



END MARKETS

Hypersonics & Strategic Missile Defense



Hypersonics, missile deterrent technologies and strategic missile defense systems

Tactical Missiles & Integrated Defense Systems



Precision guided, small-diameter rocket and missile technologies and integrated defense systems

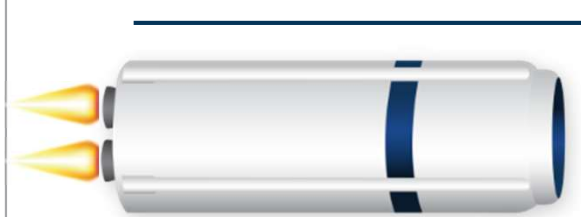
Space & Launch



Traditional and new space launch and rocket systems, space capsules, vehicles and payloads

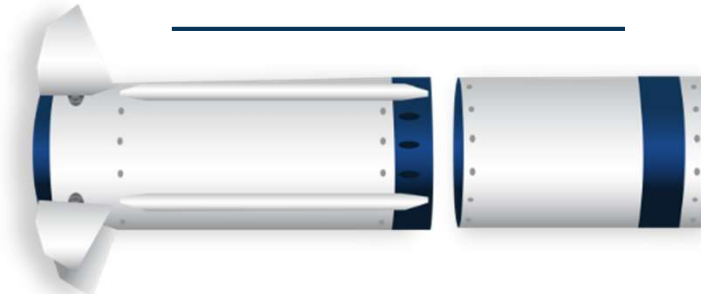
PRODUCT AREAS

Propulsion Systems



Vertically integrated offering of propulsion systems, launchers and subsystems

Aerodynamic Interstage Systems



Supporting subsystems for aerodynamics and interstage / hardware connection systems

Payload Protection & Deployment Systems



Full design and manufacturing of deployable shrouds, nose cones and supporting systems

~800K Square Ft.
Across 11 Locations

40+ Years
Heritage of Mission-Success

~1,100
Employees @12/31/24

~180
Engineers @ 12/31/24

ADVANCED SOLUTIONS FROM DESIGN TO PRODUCTION FOR OVER **80 CUSTOMERS & 130 PROGRAMS**

Third Quarter Fiscal Year 2025 | Key Financial Highlights



Record Revenue

- \$121.8 million
- +42% Year-over-Year (YoY)



Record Gross Profit

- \$49.9 million
- +48% YoY



Record Adjusted EBITDA & EPS

- \$37.7 million adjusted EBITDA, + 34% YoY
- \$0.10 adjusted Earnings Per Share (fully diluted), +150% YoY



Record Funded Backlog

- \$758 million
- +38% YoY

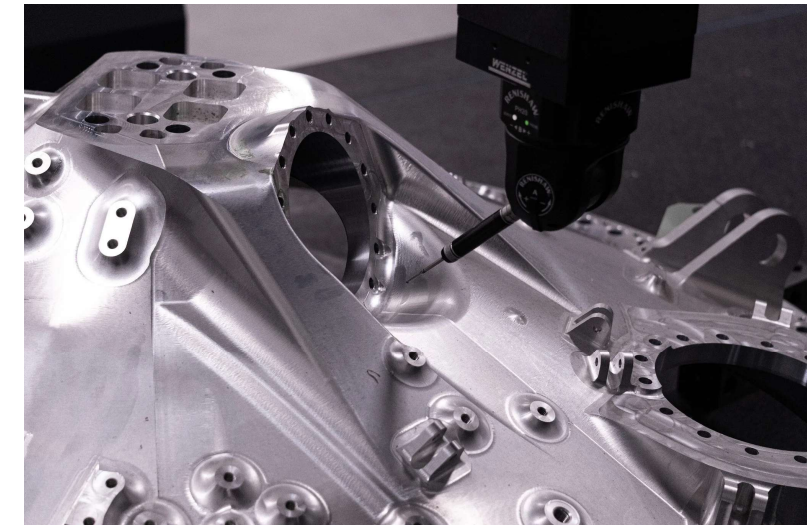
RECORD THIRD QUARTER 2025 RESULTS; RAISING AND NARROWING GUIDANCE FOR 2025

Five Axis Acquisition

Expands Our Capabilities and Market Opportunity

Advancing commercial space programs with unique launch vehicle engine solutions

- ✓ A specialized provider of critical components for the commercial space industry, including large nozzles for liquid fueled engines, gaseous oxygen systems and fluid control technologies
- ✓ Complementary and highly technical capabilities including proprietary technologies tied to 3D-printed Inconel
- ✓ Deeply embedded in major space engine programs that serve multiple launch vehicles
- ✓ Immediately accretive to all financial metrics
- ✓ Driven by strategic M&A roadmap



Third Quarter 2025 Financial Results



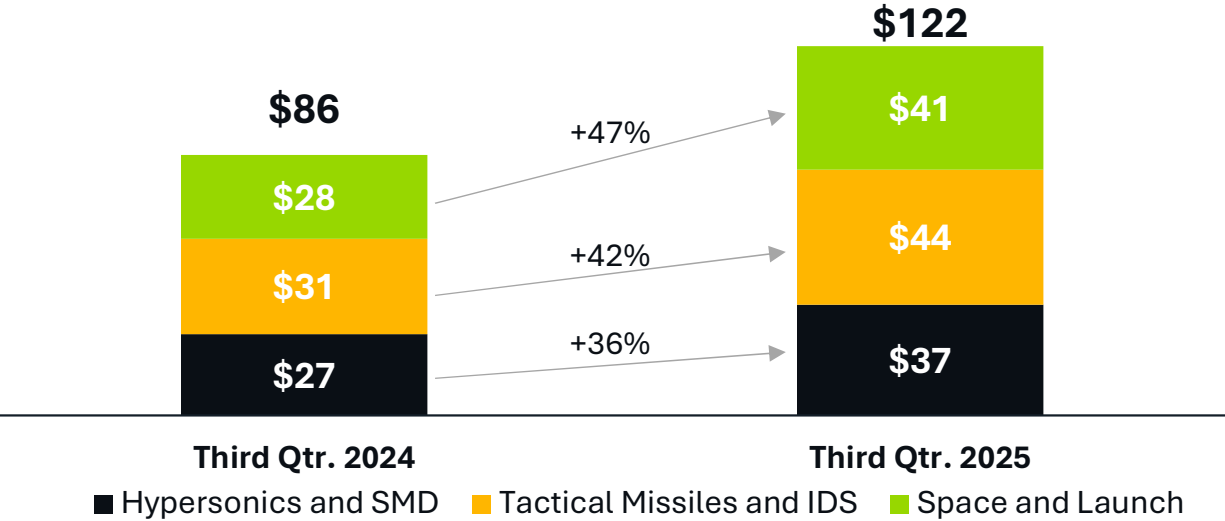
	For the Three Months Ended Sept. 30, ⁽¹⁾		YoY Growth	For the Nine Months Ended Sept. 30, 2025
	2025	2024		
<i>(In \$ millions, except percentages)</i>				
Revenue	\$121.8	\$86.0	42%	\$337.0
Gross Profit	\$49.9	\$33.8	48%	\$136.4
Income before Provision for Income Tax	\$11.9	\$5.2	127%	\$19.0
Net Income	\$7.6	\$4.3	78%	\$9.7
Adjusted EBITDA ⁽¹⁾	\$37.7	\$28.1	34%	\$103.3
Adjusted EBITDA Margin ⁽¹⁾	31%	32.6%	(160 bps)	30.7%
Adjusted Earnings Per Share (diluted) ⁽¹⁾	\$0.10	\$0.04	150%	\$0.25
Funded Backlog ⁽²⁾	\$758.0	\$550.6	38%	-

(1) Adjusted EBITDA, Adjusted EPS and Adjusted EBITDA margin are non-GAAP measures – see appendix for reconciliation. Non-GAAP financial measures should be viewed in conjunction with the GAAP metrics included in the appendix. Refer to the appendix for explanation and reconciliation of non-GAAP financial measures.

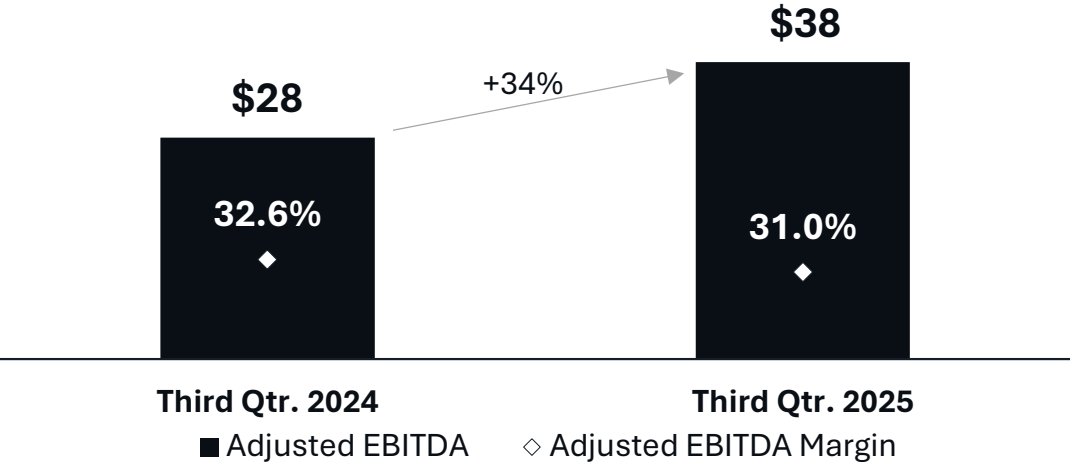
(2) Represents the total value of existing contracts, less amounts previously invoiced. Contract types include but are not limited to purchase orders, long term agreements and contractual authorization to proceed.

Double-Digit Growth in End Market Revenue and Adjusted EBITDA

Revenue (\$M)



Adj. EBITDA (\$M) & Margin⁽¹⁾



- Total revenue for the quarter ended September 30, 2025 was \$122M
- Double-digit revenue growth across each of our end-markets
- 42% year-over-year growth in revenue and 34% in adjusted EBITDA

(1) Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Please see the appendix for a reconciliation of each non-GAAP measure to its most closely comparable GAAP measure.

Strong Demand for Critical Programs Supported by Karman



- ✓ Driving Growth
- ✓ Expanding Capacity to Support Demand
- ✓ Karman is a Longstanding Supplier of Qualified Content on High Priority Programs

Army Awards Lockheed Martin \$4.24 Billion Deal For GMLRS Production

Army awards Lockheed multiyear \$9.8 billion contract for thousands of PAC-3 missiles

US Army Awards Raytheon \$5 Billion Deal for Coyote Missile System

Opinion! The urgent need to procure more THAAD interceptors

Pentagon Asks to Quadruple Missile Production: Report

Karman is Well-Positioned to Capitalize on Robust Defense Spending Trends



Tailwinds expected from incremental ~\$150bn defense spending provided as part of OBBBA⁽¹⁾

“Golden Dome”

~\$25bn



- Supports vision for layered missile defense architecture for America, utilizing missile technologies and space-based assets

Unmanned Systems

~\$5bn⁽²⁾



- Increased deployment and development of multi-domain drone and counter-drone technology

Hypersonics

~\$3bn⁽³⁾



- Continued development and acceleration of hypersonic defense, strike, and strategic sourcing

Missile & Munitions

~\$17bn



- Restocks America’s arsenal of munitions, expands production of missile interceptors, and expands industrial base capacity



Karman
Positioning

Longstanding **supplier to critical programs likely to form core infrastructure** with proven **capability set critical for development and delivery of new solutions**

Multi-year track record delivering critical enabling technologies (i.e., solid rocket motors, launcher systems)

Continue to **leverage proven, technical design capabilities** to win with emerging hypersonic technologies and programs

Longstanding supplier to critical programs serving **80+ prime contractor customers across more than 130 programs**

Source: House Armed Service Committee.

(1) Passed as part of One Big Beautiful Bill Act (“OBBBA”) and signed into law on July 4, 2025.

(2) Includes estimated \$2.4bn captured in “Missiles & Munitions”.

(3) Includes estimated \$2.6bn captured in “Golden Dome” and \$0.4bn captured in “Missile & Munitions”.

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Updated 2025 Guidance and Preliminary 2026 Expectations



2025 Revenue Range

\$461 million - \$463 million

34% year over year increase to midpoint of range

2025 Adjusted EBITDA Range

\$142 million - \$143 million

34% year over year increase to midpoint of range

Preliminary 2026 Revenue Growth Expectations

20% to 25%

Exclusive of future acquisitions

- 2025 guidance supported by 100% revenue visibility based on first nine months 2025 revenue and funded backlog expected to convert to revenue in the fourth quarter of fiscal year 2025 (to the midpoint of revenue guidance range)
- Solutions highly aligned with U.S. Department of Defense priorities in missiles, missile defense, space and launch
- Highly diversified portfolio of customers and programs
- Minimal current international sales mitigates potential demand impact from tariffs

Karman is a New Kind of Space & Defense Company



Profitable Space & Defense “Smidcap” Growth Company

24% revenue CAGR, **33%** adjusted EBITDA CAGR 2022-2024



Highly Diverse Space & Defense Portfolio

80+ prime contractor customers, **130+** programs across full lifecycle



Merchant Supplier of Critical Content

Uniquely aligned with key national security and space priorities



Full Solution Provider

From IP-driven design through vertically integrated, full rate production



Proven Inorganic Growth Process

Identification
Acquisition
Integration
Synergy Generation

Financial Tables

Consolidated Balance Sheets



(\$ in thousands)

	September 30, 2025 (unaudited)	December 31, 2024
ASSETS		
Cash and cash equivalents	\$ 18,665	\$ 11,530
Accounts receivable, net	70,183	55,220
Contract assets	146,980	107,222
Inventory	15,379	9,883
Prepaid and other	9,361	17,856
Total current assets	260,568	201,711
Property, plant and equipment, net	83,032	60,880
Goodwill	301,840	225,146
Intangible assets, net	245,128	208,952
Right-of-use lease assets	70,752	76,084
Other	6,759	1,187
Total assets	\$ 968,079	\$ 773,960
LIABILITY AND EQUITY		
Accounts payable	\$ 32,665	\$ 28,296
Accrued payroll and related expenses	13,121	11,249
Contract liabilities	18,789	29,868
Short term notes payable, net of debt issuance costs	2,816	7,140
Short term lease liabilities	5,973	5,513
Income taxes payable	11,433	20,054
Other current liabilities	6,334	12,487
Total current liabilities	91,137	114,607
Noncurrent lease liabilities, net of current	79,752	83,295
Noncurrent notes payable, net of current, net of debt issuance costs	365,144	326,920
Revolving line of credit	30,000	25,000
Deferred tax liabilities	30,501	25,370
Other non-current	2,424	2,772
Total liabilities	598,958	577,964
Total Equity	369,121	195,996
Total liabilities and equity	\$ 968,079	\$ 773,960

Reconciliation of Non-GAAP Financial Measures



	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
<i>(unaudited, in thousands, except percent and per share data)</i>				
Net income	\$ 7,644	\$ 4,292	\$ 9,653	\$ 11,018
Income tax provision	4,217	933	9,309	1,333
Depreciation and amortization ¹	10,970	8,136	30,146	23,790
Interest expense, net	10,002	12,533	33,268	37,994
EBITDA	32,833	25,894	82,376	74,135
Transaction-related expenses ²	3,533	1,074	9,399	3,164
Integration expenses and non-recurring restructuring costs ³	559	849	1,200	1,741
Lender and administrative agent fees ⁴	—	—	1,466	—
Share-based Compensation ⁵	—	248	8,084	745
Other non-recurring costs ⁶	800	—	800	—
Adjusted EBITDA	\$ 37,725	\$ 28,065	\$ 103,325	\$ 79,785
Revenue	\$ 121,787	\$ 85,968	\$ 337,008	\$ 254,013
Net income margin	6.3%	5.0%	2.9%	4.3%
Adjusted EBITDA Margin	31.0%	32.6%	30.7%	31.4%
GAAP net income per share	\$ 0.06	\$ 0.03	\$ 0.07	\$ 0.07
Transaction-related expenses ²	0.03	0.01	0.07	0.02
Integration expenses and non-recurring restructuring costs ³	—	—	0.01	0.01
Lender and administrative agent fees ⁴	—	—	0.01	—
Share-based compensation ⁵	—	—	0.06	—
Other non-recurring costs ⁷	0.01	—	0.03	—
Adjusted EPS⁸	\$ 0.10	\$ 0.04	\$ 0.25	\$ 0.10

Reconciliation of Non-GAAP Financial Measures



Footnotes

This presentation includes certain non-GAAP financial measures: Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EPS. 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 following 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. For the three and nine months ended September 30, 2025, these expenses related to the Secondary Offering, MTI and ISP acquisitions.
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 non-recurring lender fees associated with one-off amendments to the Company's credit agreement, separate from ongoing administrative fees.
5. **Share-based compensation** reflects share-based compensation expenses associated with the Company's P Units and Phantom Units. These Units were fully vested in connection with the completion of the Company's IPO in February 2025.
6. **Other non-recurring costs** for the three and nine months ended September 30, 2025 include estimated legal settlements and related professional fees that are non-recurring and do not reflect ongoing business operations.
7. **Other non-recurring costs** for the three months ended September 30, 2025 include (i) estimated legal settlements and related professional fees and (ii) write-off of a tax refund; for the nine months ended September 30, 2025 also include a \$2.5 million write-off of unamortized debt issuance costs associated with our previous term loan in connection with refinancing of the new Term Loan. These costs are non-recurring and do not reflect ongoing business operations.
8. Total may not sum due to rounding.



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