KARMAN SPACE & DEFENSE

Impossible Ends Here

First Quarter Fiscal Year 2025 Earnings Presentation

May 13, 2025

Tony Koblinski
Chief Executive Officer

Mike Willis
Chief Financial Officer

Jonathan Beaudoin
Chief Operating Officer

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 SPACE & DEFENSE

©2025 Karman Space & Defense

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

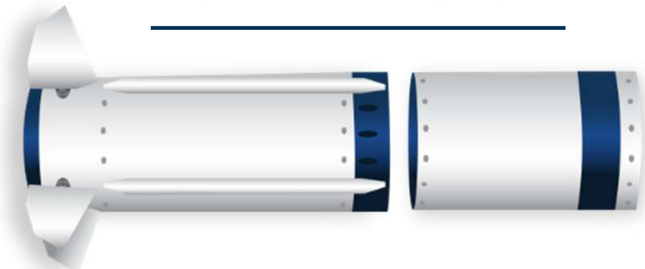
PRODUCT AREAS

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.	40+ Years	~1,200	~180
Across 11 Locations	*Heritage of Mission-Success*	*Employees*	*Engineers*

ADVANCED SOLUTIONS FROM DESIGN TO PRODUCTION FOR OVER 70 CUSTOMERS & 100 PROGRAMS

©2025 Karman Space & Defense

First Quarter 2025 Highlights

- Successful IPO in February
- Reported record 2024 financial results
- Refinanced debt
- Acquired MTI, expanding our capabilities, customers, contracted revenue and earnings
- Reported record quarterly revenue

Impossible Ends **Here**

©2025 Karman Space & Defense

First Quarter Fiscal Year 2025 | Key Financial Highlights



Record Revenue

- $100.1 million
- +21% YoY



Record Gross Profit

- $39.5 million
- +36% YoY



Record Adjusted EBITDA & EPS

- $30.3 million adjusted EBITDA
- $0.05 adjusted Earnings Per Share (Fully Diluted)



Record Funded Backlog

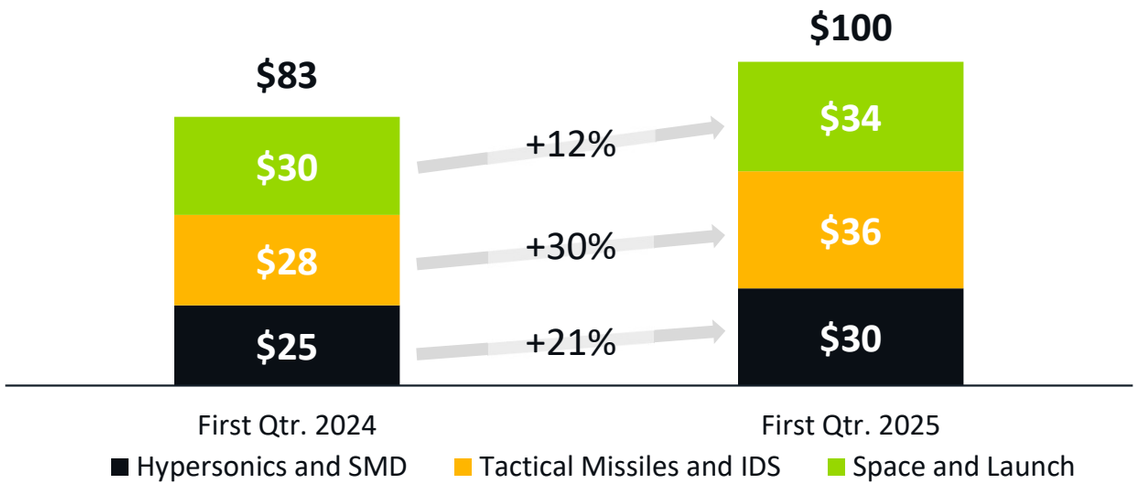
- $636 million

RECORD FIRST QUARTER 2025 RESULTS & POSITIONED FOR CONTINUED GROWTH IN 2025

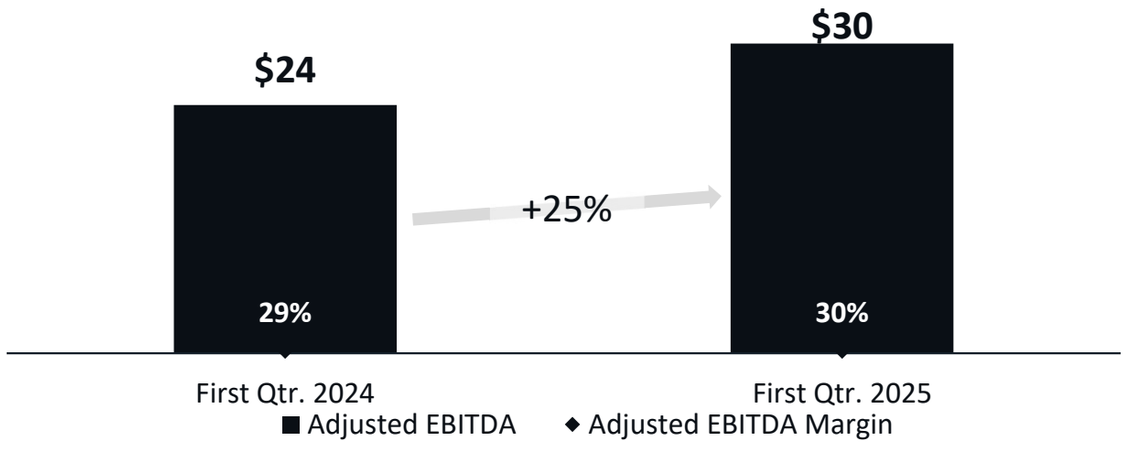
©2025 Karman Space & Defense

Double-Digit Growth in End Market Revenue and Adjusted EBITDA

Revenue ($M)



Adj. EBITDA & Margin ($M)[1]



- Total revenue for the quarter ended March 31, 2025 was $100M
- Double-digit growth across each of our core end-markets
- 25% Year-over-year growth 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.

©2025 Karman Space & Defense

First Quarter Fiscal Year 2025 Selected Financial Results

Item ($ in millions, except EPS)	First Qtr. 2025	First Qtr. 2024	Change from 2024	2025 Margin[1]	2024 Margin[1]
Revenue	$ 100.1	$ 83	20.6%	100%	100%
Gross Profit	39.5	29.0	36.0%	39.4%	34.9%
Net Income (loss)	(4.8)	2.1	NA	(4.8%)	2.6%
Adjusted EBITDA	30.3	24.3	24.7%	30.3%	29.3%
Adjusted EPS (fully diluted)	0.05	0.03	67%	NA	NA

[1] Item expressed as a percentage of revenue

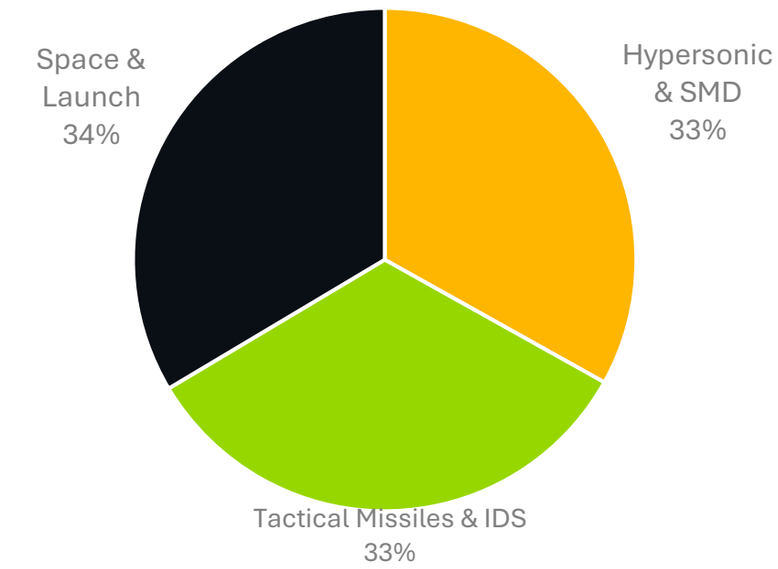
KARMAN SPACE & DEFENSE

©2025 Karman Space & Defense

Highly Diversified Revenue Provides Resiliency

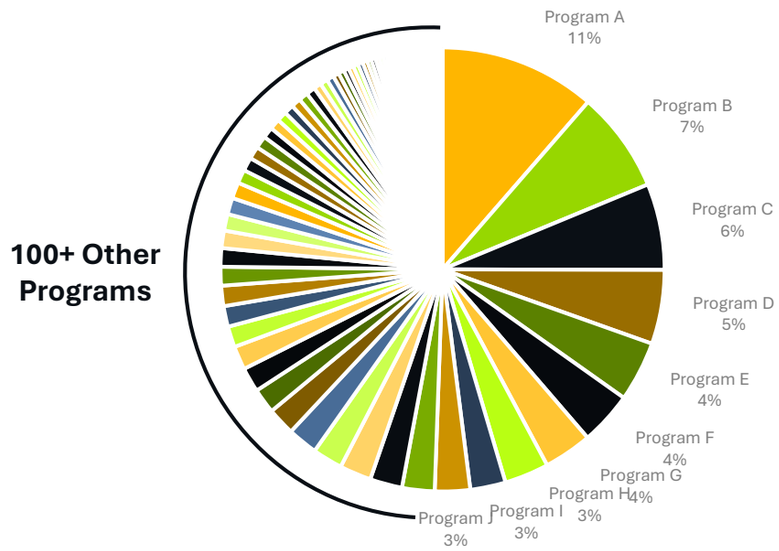
Significant Diversification Across Programs, Customers, and Markets

By End Market (fiscal year 2024)



Tied to high growth markets, with balance across hypersonics, missile defense, and space

By Program (fiscal year 2024)



No program >11% of revenue with content across enduring and emerging programs

Note: All figures based on revenue for the year ended December 31, 2024. Totals may not tie to 100% due to rounding.

©2025 Karman Space & Defense

2025 Full Year Guidance

Revenue	**$423 million to $433 million** ***24% year over year increase to midpoint of range***
Adjusted EBITDA	**$132 million to $137 million** ***27% year over year increase to midpoint of range***

- Supported by 95% revenue visibility based on first quarter revenue and funded backlog expected to convert to revenue in 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
- Diversified portfolio of customers and programs
- Minimal current international sales mitigates potential demand impact from tariffs

KARMAN SPACE & DEFENSE

©2025 Karman Space & Defense

Priorities for 2025 and Beyond

1

Leverage our growing backlog and robust pipeline to **deliver controlled, sustained, organic growth**

2

Continue executing on inorganic growth opportunities - roughly 1 to 2 smaller acquisitions per year

3

Investing in our team's talents, along with processes and systems

4

Fulfilling our Vision of being the industry's most sought-after partner for mission critical systems

©2025 Karman Space & Defense



Financial Tables

Non-GAAP Financial Measures

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.

©2025 Karman Space & Defense

Consolidated Balance Sheets - Assets

($ in thousands)

	March 31, 2025	December 31, 2024
	(unaudited)	
ASSETS		
Cash and cash equivalents	$ 113,679	$ 11,530
Accounts receivable, net	47,768	55,220
Contract assets	122,154	107,222
Inventory	10,417	9,883
Prepaid and other	7,522	17,856
Total current assets	301,540	201,711
Property, plant and equipment, net	63,364	60,880
Goodwill	225,146	225,146
Intangible assets, net	204,575	208,952
Right-of-use lease assets	73,573	76,084
Other	7,195	1,187
Total assets	$ 875,393	$ 773,960

©2025 Karman Space & Defense

Consolidated Balance Sheets – Liabilities and Equity

($ in thousands)

	March 31, 2025	December 31, 2024
	(unaudited)	
LIABILITIES AND EQUITY		
Accounts payable	$ 25,445	$ 28,296
Accrued payroll and related expenses	8,289	11,249
Contract liabilities	26,001	29,868
Short term notes payable, net of debt issuance costs	7,140	7,140
Short term lease liabilities	5,511	5,513
Income taxes payable	16,817	20,054
Other current liabilities	1,062	12,487
Total current liabilities	90,265	114,607
Noncurrent lease liabilities, net of current	81,602	83,295
Noncurrent notes payable, net of current, net of debt issuance costs	325,419	326,920
Revolving line of credit	—	25,000
Deferred tax liabilities	26,443	25,370
Other non-current	2,746	2,772
Total liabilities	526,475	577,964
Total Equity	348,918	195,996
Total liabilities and equity	$ 875,393	$ 773,960

©2025 Karman Space & Defense

Reconciliation of Non-GAAP Financial Measures

(unaudited, in thousands, except percent and per share data)	For the three months ended March 31, 2025	2024
Net (loss) income	$ (4,798)	$ 2,122
Income tax provision	3,308	87
Depreciation and amortization[1]	8,869	7,350
Interest expense, net	11,373	12,060
EBITDA	18,752	21,619
Transaction related expenses[2]	1,962	2,011
Integration expenses and non-recurring restructuring costs[3]	261	416
Lender and administrative agent fees[4]	1,260	—
Share-based Compensation5	8,084	251
Adjusted EBITDA	$ 30,319	$ 24,297
Revenue	$ 100,124	$ 83,006
Net (loss) income margin	(4.8%)	2.6%
Adjusted EBITDA Margin	30.3%	29.3%
GAAP net (loss) income per share	$ (0.04)	$ 0.01
Transaction related expenses[2]	0.02	0.01
Integration expenses and non-recurring restructuring costs[3]	—	0.01
Lender and administrative agent fees[4]	0.01	—
Share-based compensation[5]	0.06	—
Adjusted EPS	$ 0.05	$ 0.03

1. Depreciation and amortization expense includes allocated depreciation and amortization from cost of goods sold.
2. Represents legal and due diligence fees incurred in connection with planned and completed acquisitions, which are required to be expensed as incurred. During the periods presented, these costs were incurred for due diligence and legal fees related to an acquisition of equipment and intangible assets. Additionally, the Company incurred certain professional service fees related to its IPO that did not meet the requirements to be deferred issuance costs, these costs are considered non-recurring and outside the ordinary course of business and therefore are not indicative of ongoing operating performance. During the three months ended March 31, 2025, the $1.9 million was mostly related to such IPO related expenses.
3. These costs include company-wide system implementation expenses and Company re-branding costs. This category also includes post-acquisition integration costs, and employee expenses related to acquisitions or restructuring activities.
4. Reflects non-recurring lender fees associated with one-off amendments to the Company's credit agreement, separate from ongoing administrative fees.
5. Reflects share-based compensation expenses associated with the Company's P Units and Phantom Units that were fully vested in connection with the completion of the Company's IPO in February 2025.

©2025 Karman Space & Defense



investors@karman-sd.com