



INDUSTRY UPDATE

AEROSPACE & DEFENSE
Q3 2023

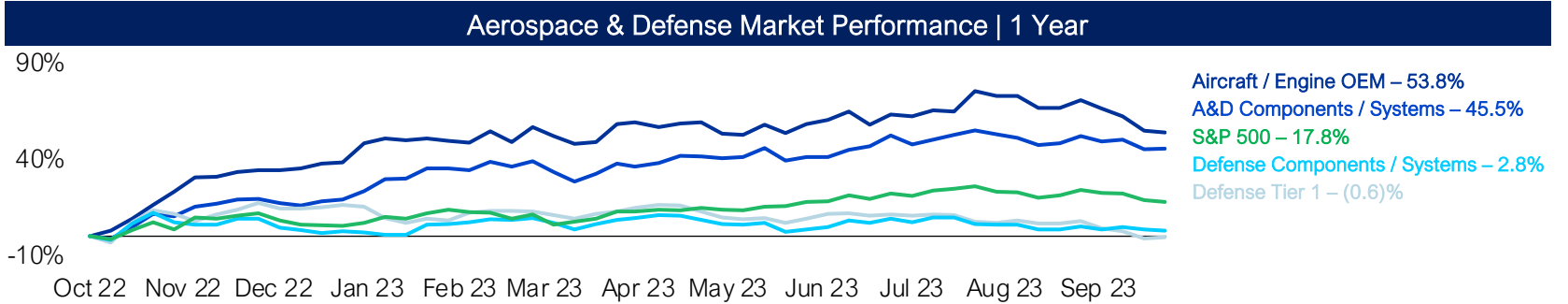
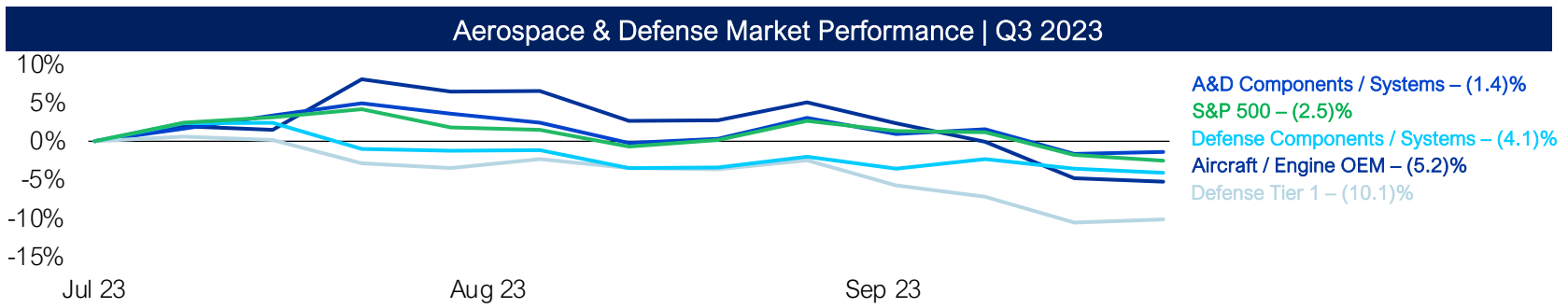


GREENWICH
CAPITAL GROUP

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Recent Market News / Developments

- ❑ United Airlines announced it would buy 50 additional Boeing 787-9 Dreamliners and 60 Airbus A321neos into the 2030s, locking in delivery slots as manufacturers' struggle with their supply chains and delay new aircraft
- ❑ Air France-KLM announced it will place an order for 50 Airbus A350 family aircraft to be delivered starting in 2026, with purchase rights for 40 more
- ❑ Deliveries of 737s fell to 15 in September after averaging about 33 per month through August. Deliveries have been affected by aft pressure bulkhead fastener work required on select airframes
- ❑ Pratt & Whitney announced its GTF engines from A320neo jets contain a rare powder metal defect that could lead to cracks in some engine components, with hundreds of engines requiring quality inspections
- ❑ U.S. offshore helicopter operator PHI Group has placed an order for 28 medium and super-medium helicopters from Airbus, one of the first major orders from an oil-and-gas operator since a downturn in energy prices in 2015
- ❑ Indonesian and Boeing officials signed an MOU for Indonesia to acquire up to 24 F-15EX fighter jets



Source: S&P Capital IQ

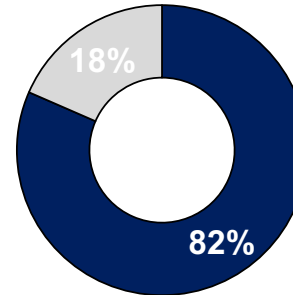
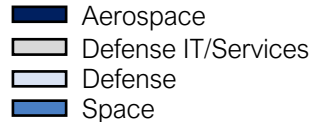
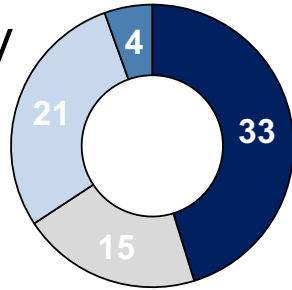
Note: Benchmark index for comparison is S&P 500. All values based on publicly available data as of 9/30/2023



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M&A Activity

Q3 2023
Transaction
Volume:
73



Select Transactions:

Announced	Target / Seller	Buyer	Transaction Value (\$mm)	Target Description
09/29/2023	Datron World Communications, Inc.	Cyberlux Corporation (OTCPK:CYBL)	-	Manufactures and supplies tactical military communication equipment
09/29/2023	Advanced It Concepts, LLC	FVLCRUM Fund	-	Operates as an IT and training solutions systems integrator that provides IT services, training simulations, cybersecurity and more for government markets
09/26/2023	Evertel Technologies, LLC (Word Systems, Inc.)	Genasys Inc. (NasdaqCM:GNSS)	\$5	Provides communication platform intended to serve the law enforcement agencies and first responders in the United States
09/19/2023	VTG LLC (TJC LP)	A&M Capital Advisors, LP	-	Provides lifecycle engineering and infrastructure services for aerospace and defence platforms
09/07/2023	Blue Force Technologies, Inc.	Anduril Industries, Inc. (Various PE)	-	Designs and manufactures high-end composite aircraft and their components
09/06/2023	United Electronic Industries, Inc.	AMETEK, Inc. (NYSE:AME)	-	Operates as a technology hardware, storage and peripherals company serving the automotive, aerospace, power generation and medical industries
08/24/2023	Soar Technology, Inc.	Forward Slope Incorporated (Trive Capital Management)	-	Designs, develops and deploys artificial intelligence and cognitive software systems for the military and civilian applications. Based in Ann Arbor, Michigan
08/21/2023	Hypergiant Industries, Inc.	Trive Capital Management LLC	-	Operates as an artificial intelligence (AI) defense platform and solutions company for A&D and other markets
08/07/2023	Aethercomm, Inc.	Frontgrade Technologies (Veritas Capital Fund Management, L.L.C)	-	Designs, manufactures and supplies RF and microwave amplifier modules, subsystems and systems for use in radar, electronic warfare, communication, test and measurement, and other systems that require high power
08/02/2023	Flying Colours Corp.	Flexjet, LLC. (Flight Options; Resilience Capital Partners; Directional Aviation; Next Sparc)	-	An aviation services company, provides aircraft completions and maintenance services
07/22/2023	Dynamac, Inc.	Continuum Equity Management, LP	-	A precision CNC machining facility that provides engages in the CNC production milling and turning for defense and other industries
07/20/2023	Talyn Air, Inc.	Ampaire Inc. (Various PE)	-	Electric vertical takeoff and landing aircraft manufacturing business for passengers and cargo
07/17/2023	Greene Group Industries, LLC	Tinicum Incorporated	-	Engages in metal fabrication, stamping and forming, CNC machining, wire EDM, and metal injection molding activities for electronics/communications, commercial/industrial, defense/aerospace and medical/dental markets
07/17/2023	Trident Systems Incorporated	LightRidge Solutions (ATL Partners)	-	Develops and provides technology solutions for military and intelligence communities, and commercial and international customers
07/13/2023	Coining Technologies Inc.	Gem Manufacturing Co., Inc. (CORE Industrial Partners)	-	Manufactures, engineers and supplies precision metal components for A&D and other markets

Source: Capital IQ and GCG research

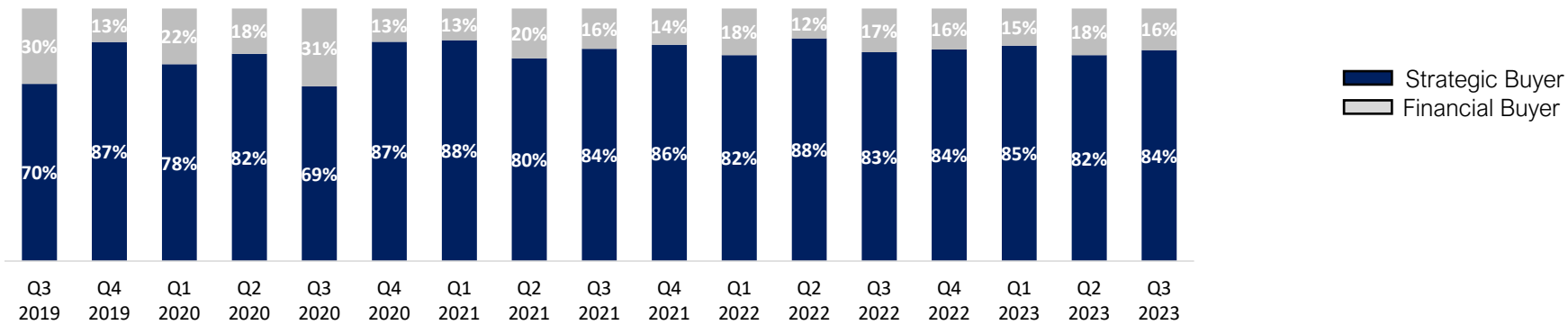
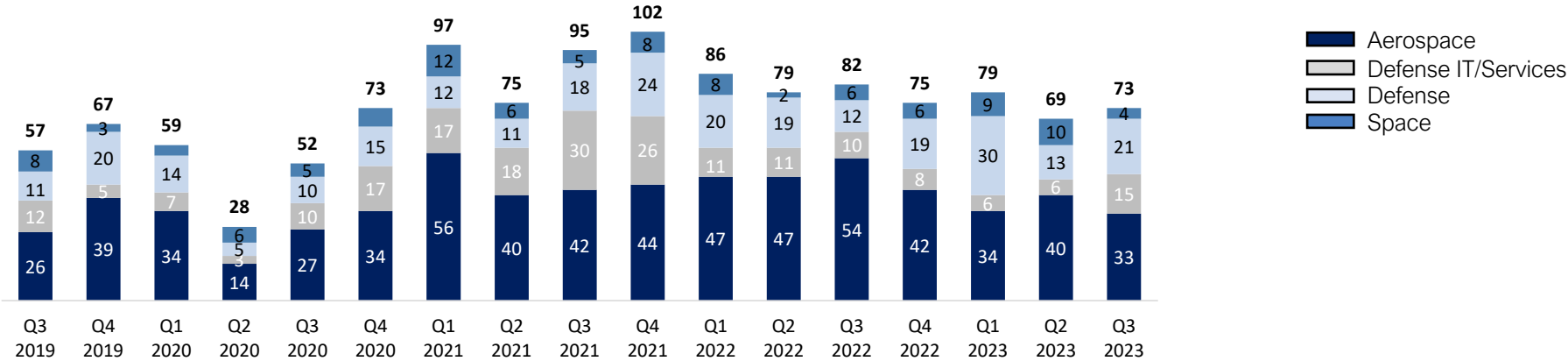
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M&A Trends

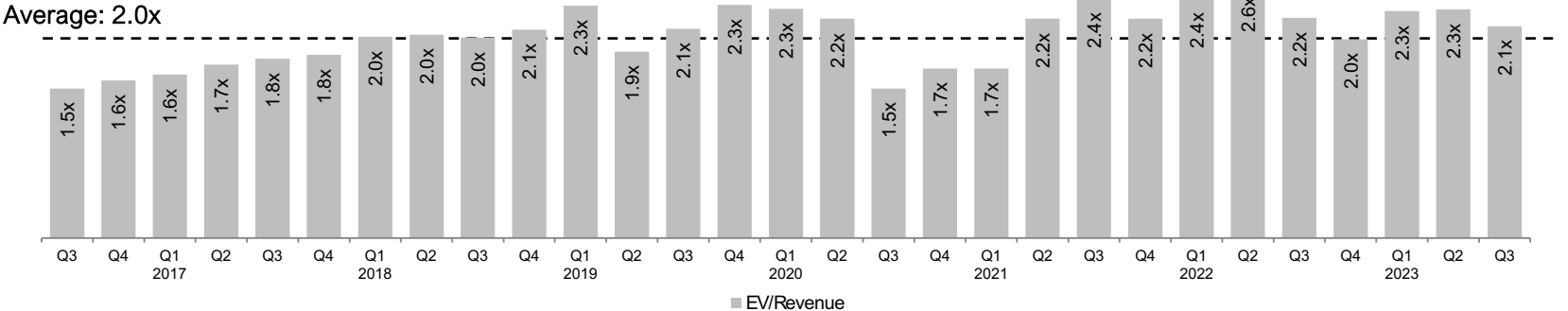
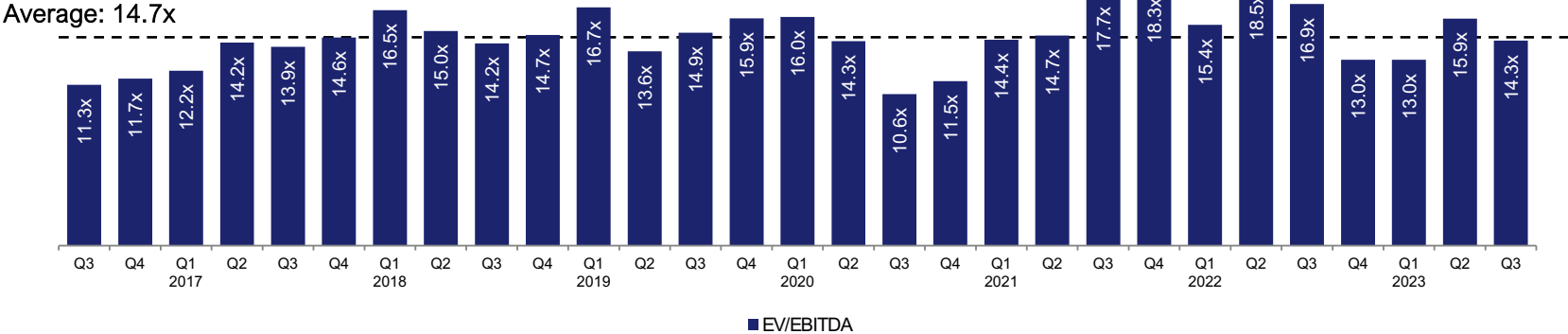


Source: S&P Capital IQ & GCG Research
 Note: All values based on publicly available data as of 9/30/2023



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Public Company Trading Multiples



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 9/30/2023



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Public Comparable Companies

Company Name	Enterprise	Revenue	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	(\$mils)	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Aircraft/Engine OEM								
The Boeing Company	\$154,152	\$73,608	(9.2%)	58.3%	9.1%	1.5%	2.1x	NM
Airbus SE	\$101,567	\$67,266	(7.0%)	54.2%	17.0%	11.5%	1.6x	12.7x
Rolls-Royce Holdings plc	\$26,165	\$19,625	40.4%	247.6%	21.7%	11.1%	1.4x	10.3x
Textron Inc.	\$17,696	\$13,162	15.5%	34.1%	16.0%	11.8%	1.3x	11.0x
MTU Aero Engines AG	\$10,346	\$6,500	(29.9%)	20.2%	17.3%	13.6%	1.6x	10.6x
Bombardier Inc.	\$8,707	\$7,238	(29.0%)	94.4%	19.5%	10.2%	1.2x	11.6x
Dassault Aviation société anonyme	\$6,949	\$6,876	(5.7%)	64.6%	31.9%	10.7%	1.0x	6.5x
Embraer S.A.	\$4,154	\$5,271	(10.3%)	60.2%	18.2%	4.8%	0.8x	15.5x
Mean	\$33,080	\$24,943	(4.4%)	79.2%	18.8%	9.4%	1.4x	11.2x
Median	\$14,021	\$10,200	(8.1%)	59.2%	17.7%	10.9%	1.4x	11.0x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2023



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Public Comparable Companies (Cont'd)

Company Name	Enterprise	Revenue	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	(\$mils)	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
A&D Components/Systems								
Safran SA	\$66,514	\$24,157	0.5%	70.7%	46.8%	18.6%	2.8x	14.5x
TransDigm Group Incorporated	\$63,192	\$6,243	(5.7%)	60.7%	58.4%	48.0%	10.1x	20.9x
HEICO Corporation	\$20,556	\$2,641	(8.5%)	(8.5%)	39.0%	26.1%	7.8x	28.9x
Woodward, Inc.	\$8,170	\$2,778	4.5%	54.8%	22.4%	12.8%	2.9x	20.9x
Hexcel Corporation	\$6,177	\$1,706	(14.3%)	25.9%	24.6%	19.8%	3.6x	17.1x
Spirit AeroSystems Holdings, Inc.	\$5,139	\$5,393	(44.7%)	(26.4%)	0.0%	(1.7%)	1.0x	NM
AAR Corp.	\$2,353	\$2,094	3.1%	66.2%	18.6%	7.9%	1.1x	12.3x
Triumph Group, Inc.	\$2,119	\$1,357	(38.1%)	(10.8%)	29.3%	14.3%	1.6x	10.4x
Senior plc	\$1,047	\$1,180	(10.8%)	52.6%	16.4%	8.0%	0.9x	10.0x
Ducommun Incorporated	\$927	\$743	(0.1%)	9.7%	20.9%	10.9%	1.2x	9.8x
Astronics Corporation	\$722	\$621	(20.1%)	101.8%	14.5%	0.6%	1.2x	NM
Héroux-Devtek Inc.	\$538	\$431	2.2%	32.7%	14.2%	10.2%	1.3x	11.4x
Latécoère S.A.	\$457	\$617	(63.1%)	(78.3%)	34.7%	(7.0%)	0.8x	NM
Magellan Aerospace Corporation	\$374	\$625	(11.0%)	11.3%	6.9%	5.4%	0.6x	10.4x
Mean	\$12,735	\$3,613	(14.7%)	25.9%	24.8%	12.4%	2.6x	15.2x
Median	\$2,236	\$1,531	(9.6%)	29.3%	21.7%	10.5%	1.3x	12.3x

Source: S&P Capital IQ

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Public Comparable Companies (Cont'd)

Company Name	Enterprise	Revenue	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	(\$mils)	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Defense Tier 1								
RTX Corporation	\$137,645	\$70,573	(26.5%)	(12.1%)	20.4%	17.1%	2.0x	11.0x
Lockheed Martin Corporation	\$116,861	\$67,393	(11.2%)	5.9%	12.8%	15.3%	1.7x	11.0x
Northrop Grumman Corporation	\$80,327	\$37,881	(3.4%)	(6.4%)	20.2%	19.1%	2.1x	10.5x
General Dynamics Corporation	\$70,557	\$40,859	2.7%	4.1%	16.1%	12.4%	1.7x	12.9x
BAE Systems plc	\$41,354	\$28,613	3.4%	38.4%	63.1%	12.3%	1.5x	10.6x
Leonardo S.p.a.	\$12,868	\$16,409	27.4%	102.8%	11.6%	9.4%	0.8x	8.1x
Huntington Ingalls Industries, Inc.	\$10,947	\$10,899	(10.1%)	(7.6%)	13.2%	9.8%	1.0x	9.1x
Saab AB (publ)	\$6,456	\$4,317	(5.5%)	63.2%	21.5%	10.6%	1.5x	13.9x
Mean	\$59,627	\$34,618	(2.9%)	23.5%	22.4%	13.3%	1.5x	10.9x
Median	\$55,956	\$33,247	(4.5%)	5.0%	18.2%	12.4%	1.6x	10.8x

Source: S&P Capital IQ

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Public Comparable Companies (Cont'd)

Company Name	Enterprise	Revenue	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	(\$mils)	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Defense Components/Systems								
L3Harris Technologies, Inc.	\$42,193	\$17,988	(11.1%)	(16.2%)	27.2%	15.3%	2.3x	14.4x
Thales S.A.	\$30,426	\$19,682	(5.9%)	27.1%	26.4%	12.7%	1.6x	10.9x
Teledyne Technologies Incorporated	\$22,227	\$5,590	(0.6%)	21.1%	43.0%	24.2%	4.0x	16.4x
Elbit Systems Ltd.	\$10,259	\$5,703	(3.8%)	5.2%	25.3%	8.3%	1.8x	18.2x
AeroVironment, Inc.	\$2,962	\$584	9.0%	33.8%	37.1%	16.5%	5.1x	27.8x
Mercury Systems, Inc.	\$2,717	\$974	7.2%	(8.6%)	32.5%	9.4%	2.8x	25.9x
Kratos Defense & Security Solutions, Inc.	\$2,229	\$967	4.7%	47.8%	24.8%	4.3%	2.3x	39.9x
Chemring Group PLC	\$986	\$546	(5.8%)	7.0%	100.0%	16.4%	1.9x	11.1x
Espey Mfg. & Electronics Corp.	\$25	\$36	(3.6%)	17.1%	22.6%	13.4%	0.7x	5.3x
Mean	\$12,669	\$5,785	(1.1%)	14.9%	37.7%	13.4%	2.5x	18.9x
Median	\$2,840	\$974	(3.6%)	17.1%	27.2%	13.4%	2.3x	16.4x
Aerospace & Defense Mean	\$28,181	\$14,857	(7.0%)	33.8%	26.0%	12.2%	2.1x	14.3x
Aerospace & Defense Median	\$7,094	\$5,590	(5.7%)	27.1%	21.5%	11.5%	1.6x	11.4x

Source: S&P Capital IQ

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Aerospace & Defense Expertise

GCG's Aerospace & Defense ("A&D") team has an extensive industry background formed by working with dozens of clients across nearly all aspects of the commercial aerospace, regional jet, business jet, helicopter, military aircraft, and defense supply chain continuum. With experience serving private and publicly traded A&D companies in the U.S. and abroad, GCG has a deep understanding of the trends and dynamics affecting this increasingly global industry.

More about Greenwich Capital Group

Greenwich Capital Group LLC ("GCG") is a leading investment bank that advises clients including closely-held and family-owned businesses, private equity firms, and public companies. GCG's senior bankers have collectively advised on hundreds of transactions over many years of experience in mergers and acquisitions, with most having backgrounds with large U.S. and global firms. GCG is focused on advising clients in key industry verticals throughout the U.S.

GCG was founded by entrepreneurially minded investment banking professionals focused on building an organization centered around advising clients. We strive to build relationships by representing our clients' long-term interests and earning their trust. In contrast to the practice of pushing transaction responsibilities to junior resources, our philosophy is to deliver personalized, senior-level attention and experience to every GCG engagement. We are proud to offer references that will speak to a differentiated level of service and results. For additional perspective or to discuss M&A related opportunities in the aerospace and defense sector, please reach out to GCG's Aerospace & Defense practice leader, Peter Frankfort. For more information, please visit www.greenwichgp.com.

Data Sources: We have based our findings on data provided by industry recognized sources. Data and information for this publication was collated from the S&P Capital IQ database. For more information on this or anything else related to our research, please email info@greenwichgp.com.

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