



INDUSTRY UPDATE

AEROSPACE & DEFENSE
Q4 2023

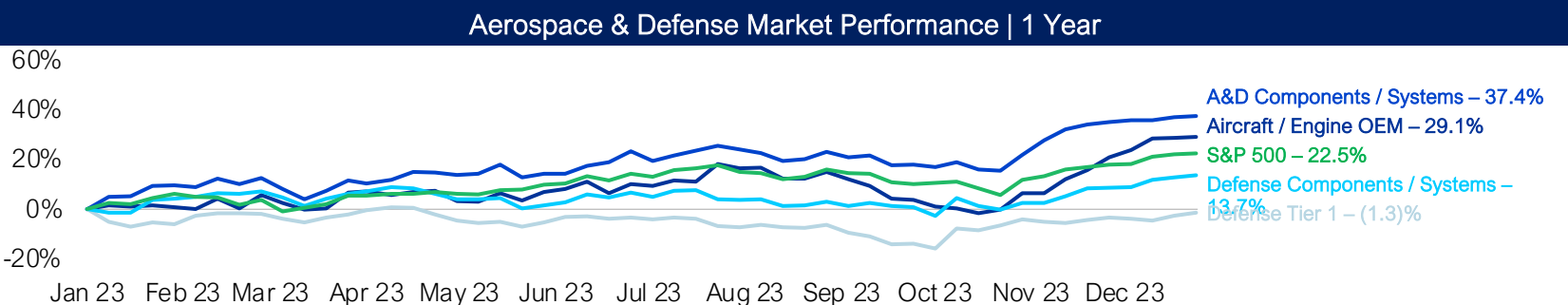
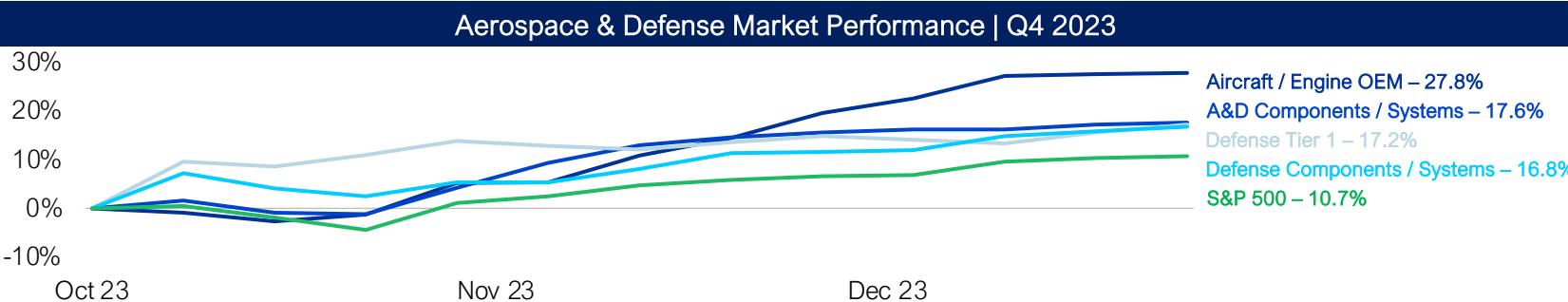


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CAPITAL GROUP

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Recent Market News / Developments

- Backed by strong order activity, Airbus confirmed in November that monthly output of the A350 is expected to increase to 10 aircraft per month in 2026, up from an average of 4 per month in 2023. Boeing similarly aims to boost 787 output to 10 aircraft per month in 2025 or 2026
- Southwest ordered 108 Boeing 737 Max 7s in support of its modernization and growth strategy
- Business aviation usage in North America and Europe is now aligned with 2022 trends, according to industry data tracker WingX Advance, with activity levels 20 percent above pre-Covid levels
- The National Defense Authorization Act (NDAA) was passed at \$886 billion for 2024, however appropriations bills have not been agreed to, as government funding continues to operate under continuing resolution(s)



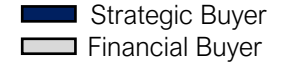
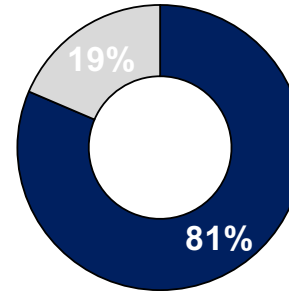
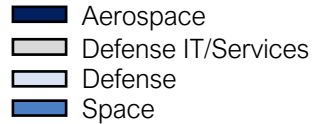
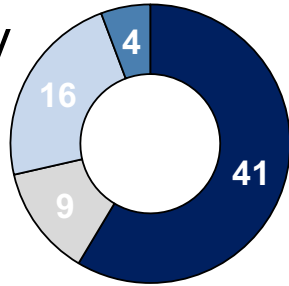
Source: S&P Capital IQ
 Note: Benchmark index for comparison is S&P 500. All values based on publicly available data as of 12/31/2023



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M&A Activity

Q4 2023
Transaction
Volume:
70



Select Transactions:

Announced	Target / Seller	Buyer	Transaction Value (\$mm)	Target Description
12/29/2023	KTI A.O.G.	Flightcheck Commercial Aviation Services, LLC (Lineage Capital)	-	Provides aircraft maintenance services to airline operators
12/04/2023	American Pacific Corporation (AE Industrial Partners)	NewMarket Corporation (NYSE:NEU)	\$700	Manufactures specialty chemicals, primarily oxidizers, used in solid rocket motors for space launch vehicles and national defense applications
12/01/2023	Quick Turn Engine Center, LLC (Unical Aviation)	FTAI Aviation Ltd. (NasdaqGS:FTAI)	-	Provides aircraft engine maintenance services
12/01/2023	Aviation Technologies, Inc.	Hawthorne Global Aviation Services, LLC (Wafra Inc.; NOVA Infrastructure Management)	-	Manufactures aerospace and defense electronics equipment including liquid crystal displays and modules, power, audio and cabin electronics, and connectors and cables
11/30/2023	Pioneer Aerospace Corporation	Space Exploration Technologies Corp. (Various PE)	\$2	Engages in the design and manufacture of aerodynamic deceleration systems that support specialized tactical, personnel, cargo, humanitarian, weapons and space exploration programs
11/29/2023	Ipsolon Research, Inc.	BlueHalo LLC (Arlington Management Employees)	-	Manufactures ultra-small form factor Software Defined Radio products including SDR modules, accessory modules, RF modules and custom SDR systems for aerospace and defense applications
11/29/2023	Conquest Cyber (United Data Technologies)	BlueVoyant LLC (Various PE)	-	Develops and provides cyber risk management software for the defense industrial base, healthcare, finance, energy and manufacturing industries. The company was founded in 2008 and is based in Nashville, Tennessee
11/29/2023	Votaw Precision Technologies, Inc. (Doerfer Corporation)	TechPrecision Corporation (NasdaqCM:TPCS)	\$110	Designs and manufactures precision components, fixtures, tools, ground support equipment, pressure vessels and other related items for aerospace, defense and commercial industries
11/20/2023	Critical Mission Solutions/Cyber & Intelligence Government Services (Jacobs Solutions Inc. (NYSE:J))	Amentum Services, Inc. (American Securities; Lindsay Goldberg; Goldberg Lindsay & Co)	-	Provides technical consulting, applied science research, training, intelligent asset management and program management services to federal government and defense agencies
11/14/2023	Skywheels Ltd	AeroRepair Corp. (GenNx360 Capital Partners; Dinan & Company)	-	Operates in maintenance, repair and overhaul services for aircraft wheels and brakes
11/07/2023	Unitech Aerospace Company	Charger Investment Partners LP	-	Designs and develops military and commercial aerospace parts and assemblies for commercial and military aerospace
10/24/2023	Iris Automation Inc. (Various PE)	uAvionix Corporation (DC Capital Partners)	-	Manufactures, develops and operates collision avoidance systems for industrial drones

Source: Capital IQ and GCG research

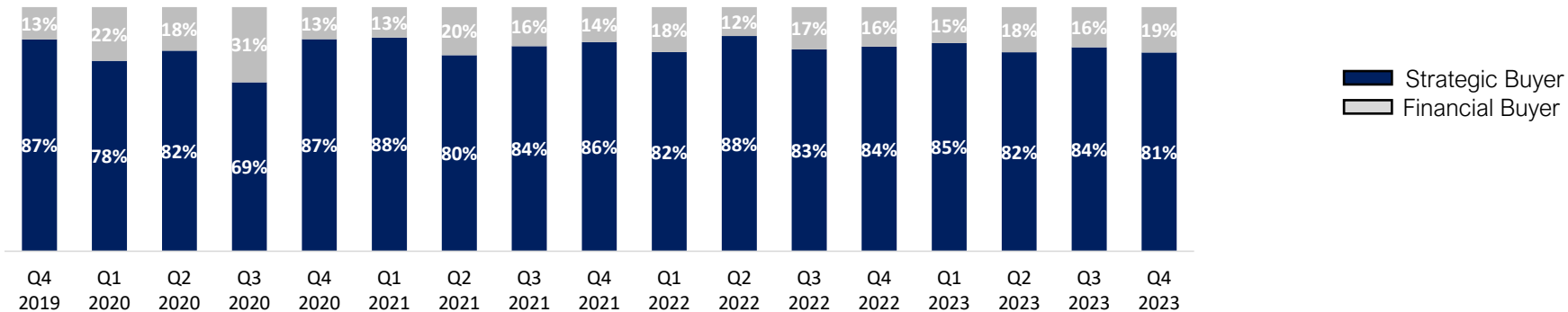
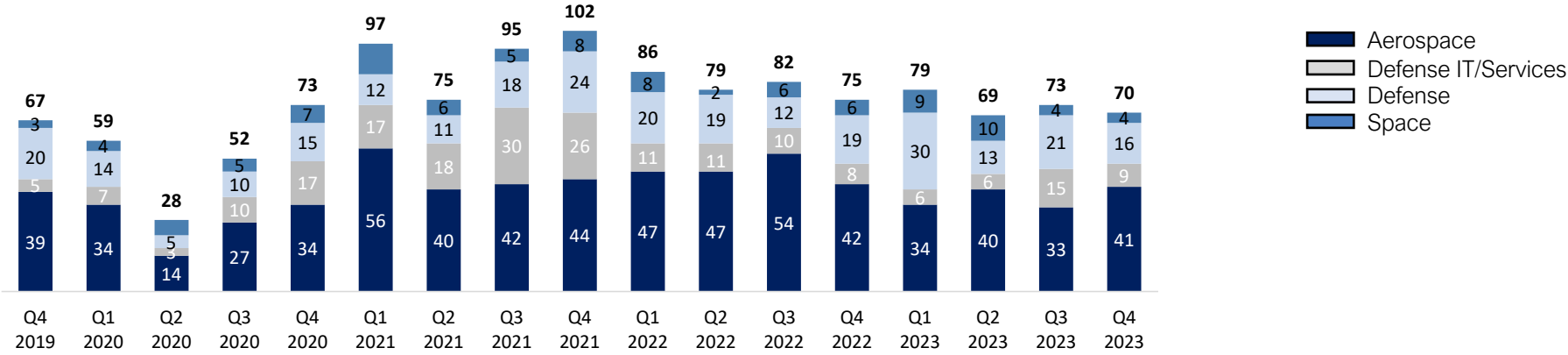
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M&A Trends

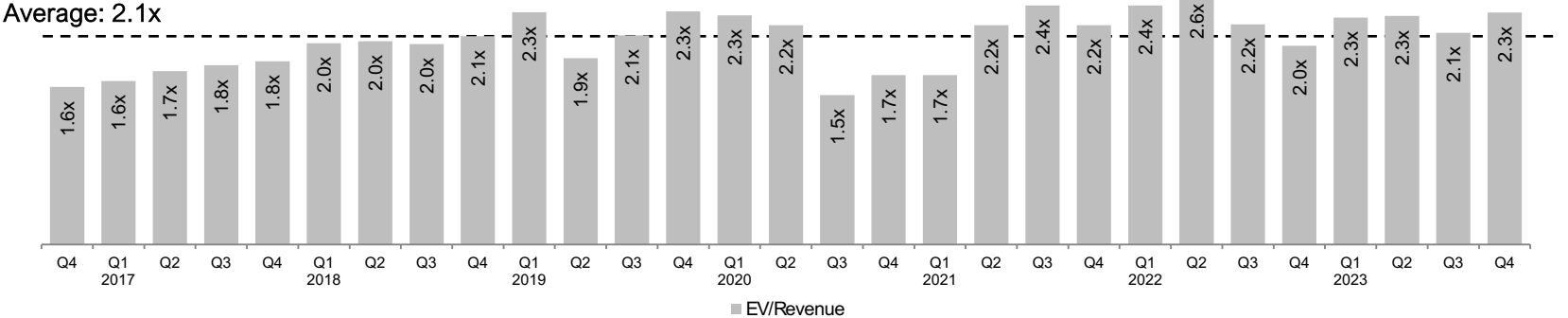
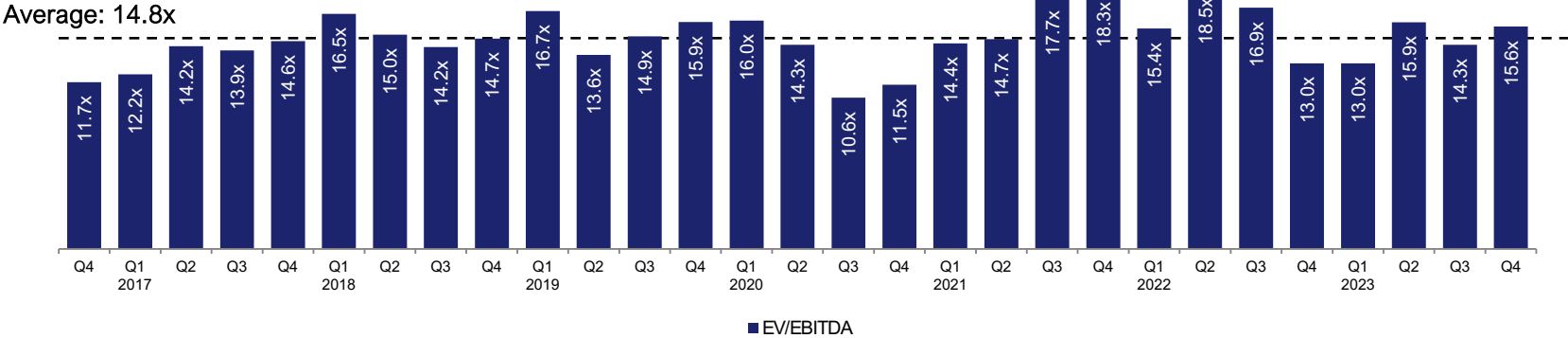


Source: S&P Capital IQ & GCG Research
 Note: All values based on publicly available data as of 12/31/2023



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Public Company Trading Multiples



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 12/31/2023



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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	\$196,605	\$75,756	36.0%	36.8%	11.4%	3.8%	2.6x	NM
Airbus SE	\$118,332	\$66,897	14.9%	30.2%	16.4%	11.0%	1.7x	14.4x
Rolls-Royce Holdings plc	\$35,686	\$19,625	41.5%	239.8%	21.7%	11.1%	1.8x	13.5x
Textron Inc.	\$17,995	\$13,427	2.9%	13.6%	16.2%	11.8%	1.3x	10.9x
MTU Aero Engines AG	\$12,434	\$5,467	18.7%	(0.2%)	2.1%	(4.4%)	2.2x	NM
Bombardier Inc.	\$9,335	\$7,639	14.7%	4.0%	19.8%	10.7%	1.2x	10.8x
Dassault Aviation société anonyme	\$7,324	\$6,876	4.9%	17.1%	31.9%	10.7%	1.1x	6.5x
Embraer S.A.	\$5,048	\$5,374	33.8%	70.4%	18.0%	5.0%	0.9x	16.6x
Mean	\$37,739	\$25,133	20.9%	51.5%	17.2%	7.5%	1.6x	12.1x
Median	\$15,214	\$10,533	16.8%	23.6%	17.2%	10.7%	1.5x	12.2x

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
A&D Components/Systems								
Safran SA	\$74,462	\$24,157	12.0%	41.0%	46.8%	18.6%	3.0x	15.6x
TransDigm Group Incorporated	\$72,245	\$6,585	20.0%	60.7%	58.3%	48.8%	11.0x	22.3x
HEICO Corporation	\$24,531	\$2,968	10.5%	10.5%	38.9%	25.8%	8.3x	30.8x
Woodward, Inc.	\$8,785	\$2,915	9.6%	40.9%	23.9%	14.6%	3.0x	18.7x
Spirit AeroSystems Holdings, Inc.	\$7,285	\$5,555	96.9%	7.4%	(2.4%)	(5.1%)	1.3x	NM
Hexcel Corporation	\$6,860	\$1,761	13.2%	25.3%	24.4%	19.3%	3.9x	18.9x
Triumph Group, Inc.	\$2,763	\$1,403	116.4%	57.6%	27.8%	13.7%	2.0x	13.6x
AAR Corp.	\$2,463	\$2,170	4.8%	39.0%	18.8%	8.7%	1.1x	11.5x
Senior plc	\$1,168	\$1,180	13.7%	49.9%	16.4%	8.0%	1.0x	10.7x
Ducommun Incorporated	\$1,037	\$753	19.7%	4.2%	21.3%	10.5%	1.4x	11.0x
Astronics Corporation	\$786	\$652	9.8%	69.1%	15.7%	1.5%	1.2x	NM
Héroux-Devtek Inc.	\$546	\$428	(3.1%)	18.1%	14.7%	10.4%	1.3x	11.0x
Latécoère S.A.	\$435	\$617	(97.8%)	(99.5%)	34.7%	(7.0%)	0.7x	NM
Magellan Aerospace Corporation	\$399	\$628	5.8%	(19.8%)	7.6%	6.0%	0.6x	9.6x
Mean	\$14,555	\$3,698	16.5%	21.7%	24.8%	12.4%	2.8x	15.8x
Median	\$2,613	\$1,582	11.2%	32.1%	22.6%	10.4%	1.3x	13.6x

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	\$153,691	\$67,086	16.9%	(16.6%)	17.4%	13.5%	2.3x	16.2x
Lockheed Martin Corporation	\$126,286	\$67,688	10.8%	(6.8%)	12.7%	15.2%	1.9x	11.9x
Northrop Grumman Corporation	\$83,785	\$38,685	6.3%	(14.2%)	20.4%	18.5%	2.2x	11.1x
General Dynamics Corporation	\$80,381	\$41,455	17.5%	4.7%	15.9%	11.6%	1.9x	15.5x
BAE Systems plc	\$47,370	\$28,613	16.1%	37.1%	63.1%	12.3%	1.7x	11.7x
Leonardo S.p.a.	\$14,546	\$15,945	14.1%	91.6%	12.0%	9.4%	0.9x	8.8x
Huntington Ingalls Industries, Inc.	\$12,885	\$11,089	26.9%	12.6%	13.5%	9.7%	1.2x	10.6x
Saab AB (publ)	\$7,936	\$4,529	18.2%	53.3%	21.5%	10.7%	1.6x	14.9x
Mean	\$65,860	\$34,386	15.9%	20.2%	22.0%	12.6%	1.7x	12.6x
Median	\$63,876	\$33,649	16.5%	8.6%	16.6%	12.0%	1.8x	11.8x

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.	\$53,794	\$18,657	21.0%	1.2%	26.6%	14.9%	2.9x	18.2x
Thales S.A.	\$31,960	\$19,682	5.1%	16.1%	26.4%	12.7%	1.6x	11.0x
Teledyne Technologies Incorporated	\$23,798	\$5,629	9.2%	11.6%	43.2%	24.4%	4.2x	17.3x
Elbit Systems Ltd.	\$11,137	\$5,855	7.9%	31.5%	25.3%	8.7%	1.8x	17.0x
AeroVironment, Inc.	\$3,534	\$654	13.0%	47.1%	40.8%	19.4%	5.4x	25.8x
Kratos Defense & Security Solutions, Inc.	\$2,939	\$1,013	35.1%	96.6%	25.5%	5.6%	2.9x	41.2x
Mercury Systems, Inc.	\$2,735	\$927	(1.4%)	(18.3%)	31.2%	6.9%	2.9x	35.4x
Chemring Group PLC	\$1,251	\$573	31.8%	24.5%	100.0%	19.0%	2.1x	10.8x
Espey Mfg. & Electronics Corp.	\$30	\$36	15.8%	31.7%	23.9%	14.2%	0.9x	6.0x
Mean	\$14,575	\$5,892	15.3%	26.9%	38.1%	14.0%	2.7x	20.3x
Median	\$3,236	\$1,013	13.0%	24.5%	26.6%	14.2%	2.9x	17.3x
Aerospace & Defense Mean	\$32,425	\$14,896	17.0%	28.7%	25.7%	11.8%	2.3x	15.6x
Aerospace & Defense Median	\$7,787	\$5,555	14.1%	24.5%	21.5%	11.0%	1.8x	13.5x

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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