



INDUSTRY UPDATE

AEROSPACE & DEFENSE
Q1 2024

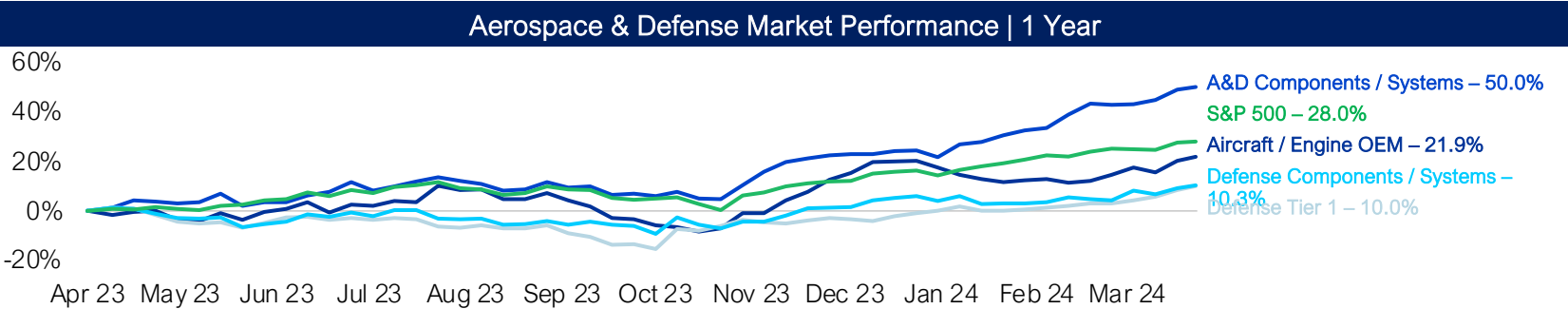
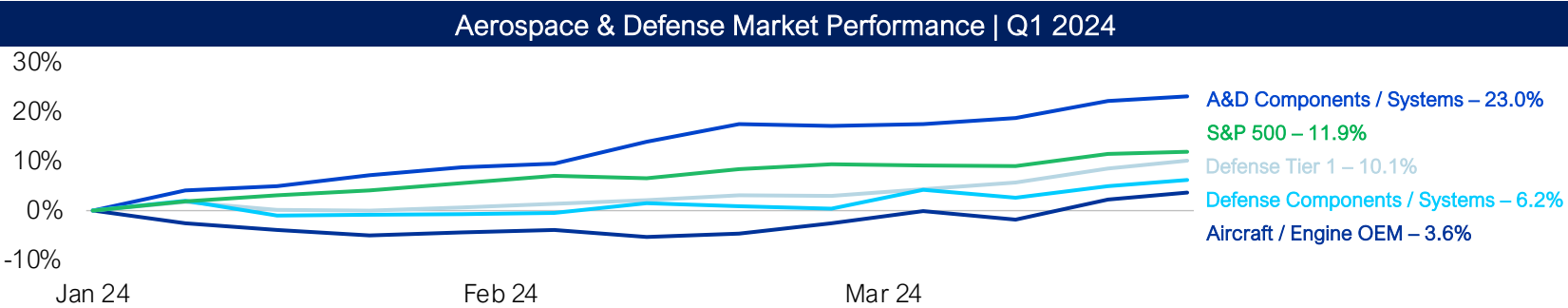


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Recent Market News / Developments

- On Jan. 5, an Alaska Airlines Boeing 737 MAX 9 experienced a "plugged" emergency exit door flying off mid-flight, prompting a series of quality and process examinations
- The US Army announced that it will halt the Future Attack and Reconnaissance Aircraft (FARA) program, redirecting funds to expedite the upgrade of Boeing Chinook CH-47s while maintaining plans to develop new attack helicopters and next-generation unmanned aircraft by 2030
- Ethiopian Airlines signed an MOU for eight 777-9s, with the potential to expand this to 20 aircraft
- The 2024 Defense budget was signed into law on March 25 at \$825 billion of total funding, after months of operations under a continuing resolution
- The Defense Department made an initial \$850 billion request for fiscal 2025



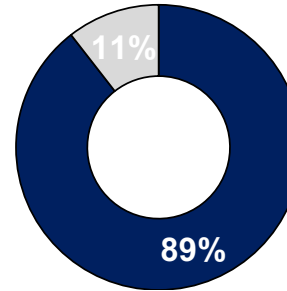
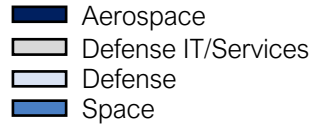
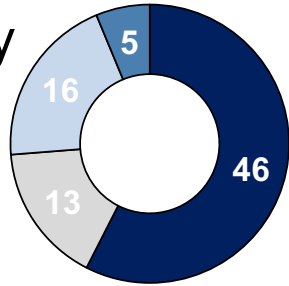
Source: S&P Capital IQ
 Note: Benchmark index for comparison is S&P 500. All values based on publicly available data as of 3/31/2024



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M&A Activity

Q1 2024
Transaction
Volume:
80



Select Transactions:

Announced	Target / Seller	Buyer	Transaction Value (\$mm)	Target Description
03/14/2024	Fox Valley Metal-Tech, Inc.	ArmorWorks Enterprises, LLC (Littlejohn Capital, LLC)	-	Manufactures metal fabrications for commercial and defense applications
03/14/2024	Mission Microwave Technologies, LLC (Gaas Labs, LLC)	J.F. Lehman and Company, LLC	-	Develops and manufactures solid-state power amplifiers and block-up converters to support ground-based, airborne and space-based applications
03/07/2024	Stack HIP, LLC (Stack Metallurgical Group, Inc.)	Kittyhawk, Inc. (Trive Capital Management LLC)	-	Provides HIP services to aerospace, defense and medical customers
02/26/2024	Galleon Embedded Computing GmbH	Spectra A&D Holdings (Vance Street Management LLC)	-	Provides high performance computing systems for the aerospace and defense sectors
02/21/2024	Anillo Industries Inc.	Novaria Holdings LLC (KKR & Co. Inc. (NYSE:KKR))	-	Manufactures and supplies Army Navy, Military Specification, National Aerospace Standard series and OEM washers, bushings, shims and stampings to the aerospace industry
02/20/2024	Flex Force Enterprises Inc.	High Point Aeratechnologies LLC (Highlander Partners, L.P.)	-	Manufactures drone defense and remote and weapons solutions for government
02/20/2024	Mtag Composites Limited	Tiderock Companies, Inc. (OTCPK:TDRK)	\$9	Engages in the manufacturing of phenolic, epoxy and polyester glass fibre and carbon fibre reinforced plastic mouldings for customers in aerospace and other industries
02/19/2024	LION Group, Inc.	Galls, LLC (Charlesbank Capital Partners, LLC; Guggenheim Partners Investment Management, LLC)	-	Manufactures firefighting training tools and protective personal equipment for police and fire departments, civilian government agencies, emergency services and military organizations
02/12/2024	Cast-Rite Corporation	ADC Aerospace (GreyLion Partners LP)	-	Manufactures and supplies die cast and injection molding parts for use in aerospace and other industries
01/22/2024	FJR, Inc.	MCM Capital Partners	-	Operates as a custom injection molding company for aerospace and defense, engineered materials, diversified industries, medical and life science and government sectors
01/08/2024	Samtan Engineering Corporation	Fairbanks Morse Defense (Arcline Investment Management LP)	-	Provides metal stamping and deep drawings for aerospace and defense industries
01/04/2024	Walbar Engine Components/Numet Machining Techniques, LLC/AeroCision, LLC	Arlington Management Employees, LLC	-	Provides process-engineers, manufactures and assembles aerospace parts made from super alloys and exotics for aerospace OEMs

Source: Capital IQ and GCG research

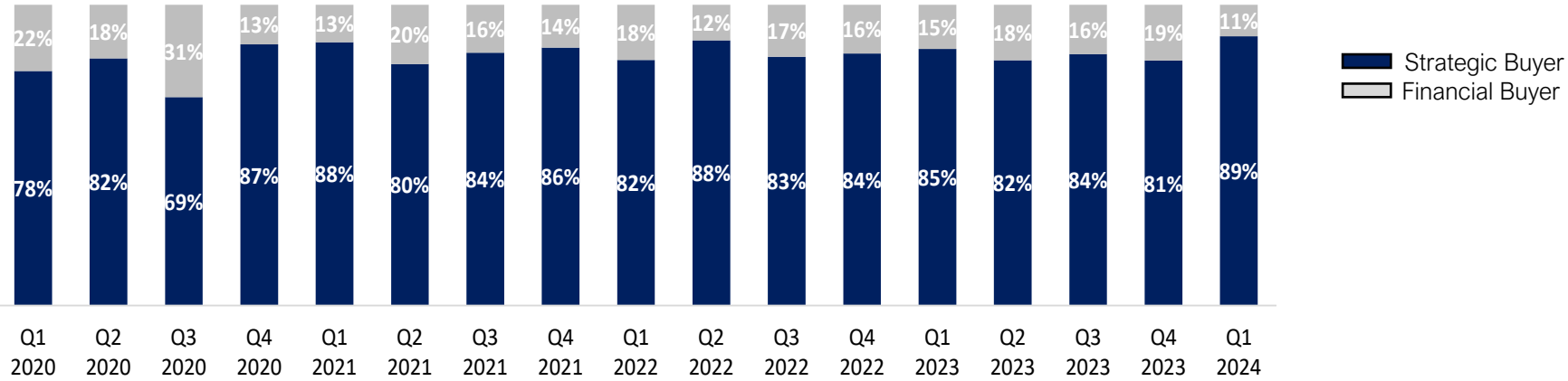
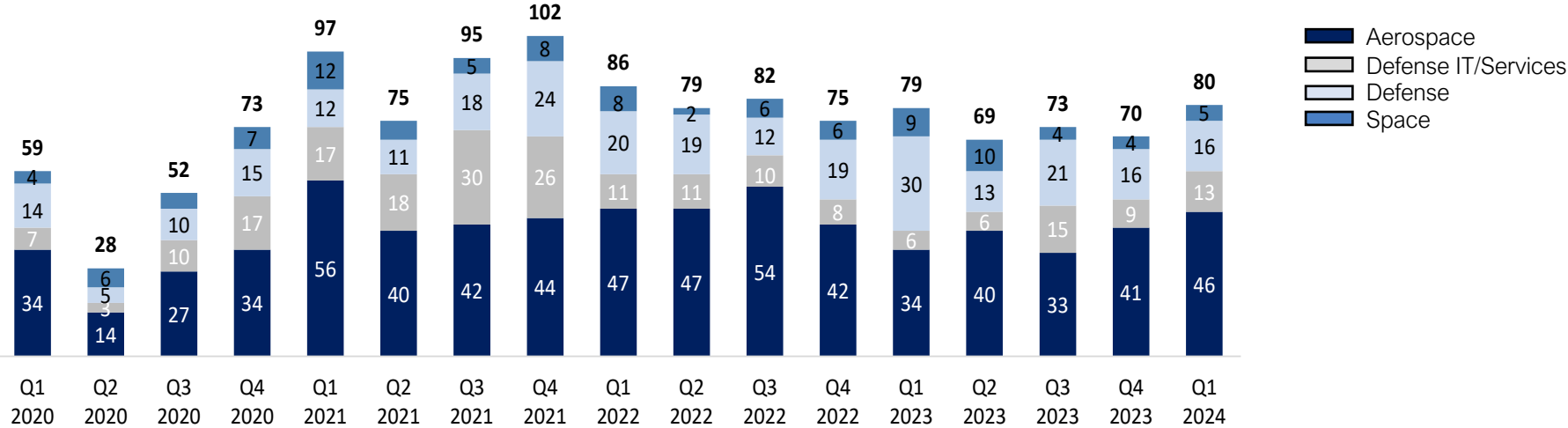
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M&A Trends

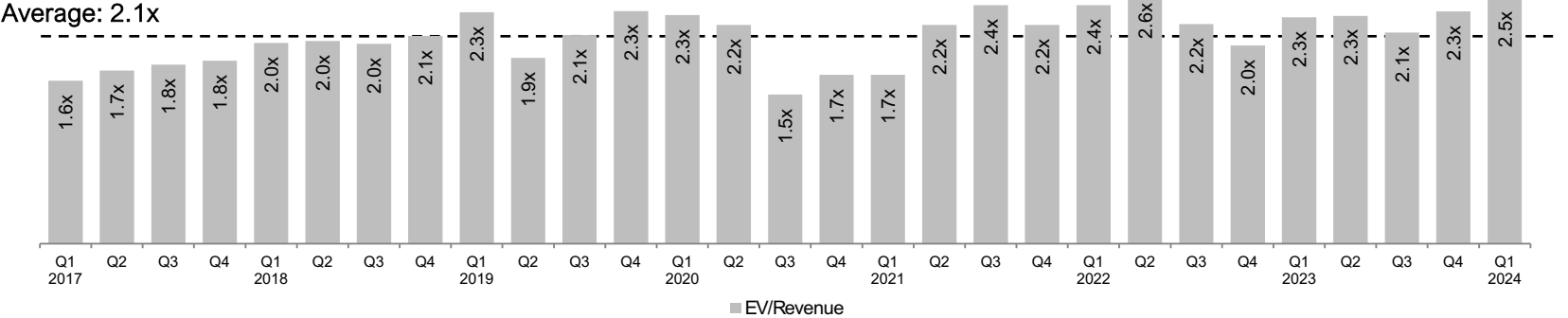
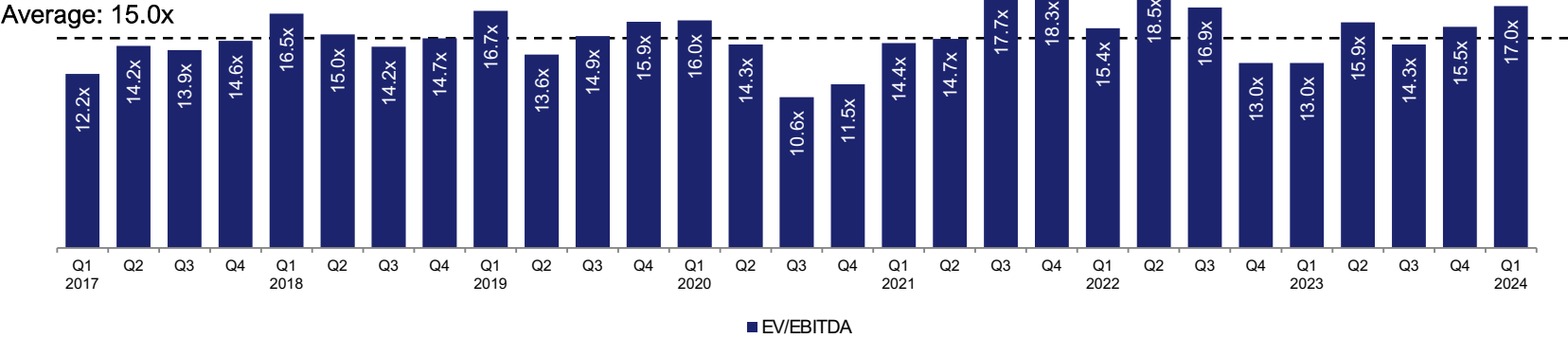


Source: S&P Capital IQ & GCG Research
 Note: All values based on publicly available data as of 3/31/2024



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Public Company Trading Multiples



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 3/31/2024



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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	\$153,804	\$77,794	(27.3%)	(10.8%)	11.9%	4.1%	2.0x	42.6x
Airbus SE	\$139,087	\$72,340	18.7%	36.9%	15.3%	9.4%	2.0x	19.6x
Rolls-Royce Holdings plc	\$47,467	\$20,999	40.4%	190.5%	22.1%	14.1%	2.3x	13.7x
Textron Inc.	\$20,474	\$13,683	18.5%	35.0%	16.5%	12.2%	1.5x	11.8x
MTU Aero Engines AG	\$13,424	\$5,928	17.1%	0.8%	2.8%	(1.2%)	2.3x	NM
Dassault Aviation société anonyme	\$9,679	\$5,487	10.7%	10.4%	39.6%	9.6%	1.8x	11.6x
Bombardier Inc.	\$8,812	\$8,046	5.4%	(22.4%)	20.3%	11.6%	1.1x	9.4x
Embraer S.A.	\$5,740	\$5,381	38.8%	55.9%	17.2%	7.6%	1.1x	14.2x
Mean	\$38,009	\$26,207	15.3%	37.1%	18.2%	8.4%	1.8x	17.6x
Median	\$16,949	\$10,865	17.8%	22.7%	16.9%	9.5%	1.9x	13.7x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2024



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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	\$93,765	\$26,142	28.0%	52.1%	47.4%	18.7%	3.7x	18.9x
TransDigm Group Incorporated	\$85,241	\$6,977	20.0%	64.7%	58.6%	49.0%	12.2x	24.8x
HEICO Corporation	\$25,779	\$3,244	5.2%	5.2%	38.7%	25.9%	7.9x	29.7x
Woodward, Inc.	\$9,839	\$3,083	12.4%	57.2%	25.1%	15.9%	3.2x	18.3x
Spirit AeroSystems Holdings, Inc.	\$7,476	\$6,048	11.5%	2.6%	3.4%	1.4%	1.2x	NM
Hexcel Corporation	\$6,467	\$1,789	(2.7%)	5.2%	24.2%	19.0%	3.6x	17.8x
Triumph Group, Inc.	\$2,594	\$1,407	(11.6%)	26.4%	27.4%	12.7%	1.8x	13.8x
AAR Corp.	\$2,331	\$2,216	(5.6%)	8.0%	19.1%	8.7%	1.1x	10.6x
Senior plc	\$1,162	\$1,227	(1.9%)	14.3%	18.1%	8.1%	1.0x	10.3x
Ducommun Incorporated	\$980	\$757	(4.8%)	(9.4%)	21.6%	10.3%	1.3x	11.1x
Astronics Corporation	\$806	\$689	5.7%	37.8%	17.5%	2.4%	1.2x	31.4x
Latécoère S.A.	\$630	\$617	(3.4%)	(99.3%)	34.7%	(7.0%)	1.0x	NM
Héroux-Devtek Inc.	\$616	\$456	18.2%	40.3%	15.7%	11.6%	1.4x	11.1x
Magellan Aerospace Corporation	\$396	\$666	0.4%	7.4%	10.2%	8.3%	0.6x	7.0x
Mean	\$17,006	\$3,951	5.1%	15.2%	25.8%	13.2%	2.9x	17.1x
Median	\$2,463	\$1,598	2.8%	11.1%	22.9%	10.9%	1.3x	15.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2024



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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	\$170,408	\$68,920	16.2%	(0.2%)	17.5%	13.9%	2.5x	16.9x
Lockheed Martin Corporation	\$126,088	\$67,571	(0.1%)	(4.2%)	12.7%	15.1%	1.9x	12.0x
General Dynamics Corporation	\$89,033	\$42,272	12.3%	27.8%	15.8%	10.8%	2.1x	17.9x
Northrop Grumman Corporation	\$83,319	\$39,290	0.7%	2.1%	16.7%	10.1%	2.1x	18.7x
BAE Systems plc	\$54,537	\$29,396	19.8%	39.3%	65.4%	12.2%	1.9x	13.4x
Leonardo S.p.a.	\$17,913	\$16,902	51.5%	112.7%	11.2%	10.2%	1.1x	9.2x
Huntington Ingalls Industries, Inc.	\$13,685	\$11,454	10.8%	38.9%	14.4%	9.8%	1.2x	11.0x
Saab AB (publ)	\$11,421	\$5,132	45.7%	44.4%	21.8%	10.8%	2.4x	22.6x
Mean	\$70,801	\$35,117	19.6%	32.6%	21.9%	11.6%	1.9x	15.2x
Median	\$68,928	\$34,343	14.2%	33.3%	16.2%	10.8%	2.0x	15.2x

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
Defense Components/Systems								
L3Harris Technologies, Inc.	\$53,099	\$19,419	(1.0%)	6.3%	26.3%	17.9%	2.7x	14.4x
Thales S.A.	\$39,911	\$20,370	14.7%	14.6%	25.9%	12.9%	2.0x	13.5x
Teledyne Technologies Incorporated	\$22,888	\$5,636	(4.8%)	(5.0%)	43.3%	24.2%	4.1x	16.3x
Elbit Systems Ltd.	\$10,546	\$5,975	(2.9%)	23.4%	25.1%	9.1%	1.8x	16.6x
AeroVironment, Inc.	\$4,139	\$706	18.5%	63.0%	40.8%	18.4%	5.9x	29.6x
Kratos Defense & Security Solutions, Inc.	\$3,017	\$1,037	(9.5%)	36.2%	25.9%	6.3%	2.9x	37.3x
Mercury Systems, Inc.	\$2,268	\$895	(20.4%)	(43.1%)	26.8%	1.0%	2.5x	NM
Chemring Group PLC	\$1,260	\$573	2.1%	32.5%	100.0%	19.0%	2.1x	11.0x
Espey Mfg. & Electronics Corp.	\$46	\$37	35.8%	25.5%	25.3%	15.5%	1.2x	8.0x
Mean	\$15,242	\$6,072	3.6%	17.0%	37.7%	13.8%	2.8x	18.3x
Median	\$3,578	\$1,037	(1.0%)	23.4%	26.3%	15.5%	2.5x	15.3x
Aerospace & Defense Mean	\$34,363	\$15,399	9.8%	23.7%	26.2%	12.0%	2.5x	17.0x
Aerospace & Defense Median	\$9,246	\$5,636	10.7%	23.4%	21.8%	10.8%	2.0x	14.2x

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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Peter Frankfort

Managing Director

Aerospace & Defense Leader

pfrankfort@greenwichgp.com

O: (216) 245-6698

M: (313) 919-5592