



# INDUSTRY UPDATE

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AEROSPACE & DEFENSE  
Q2 2024

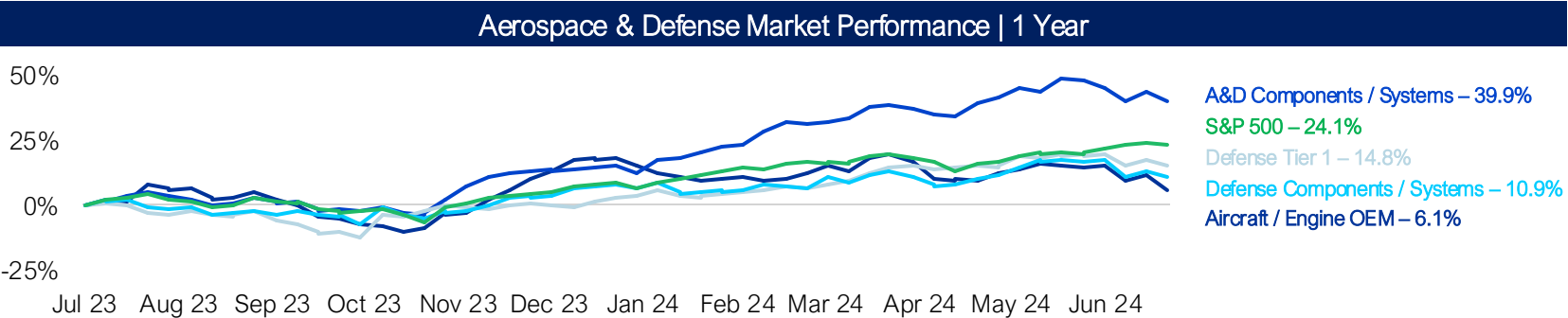
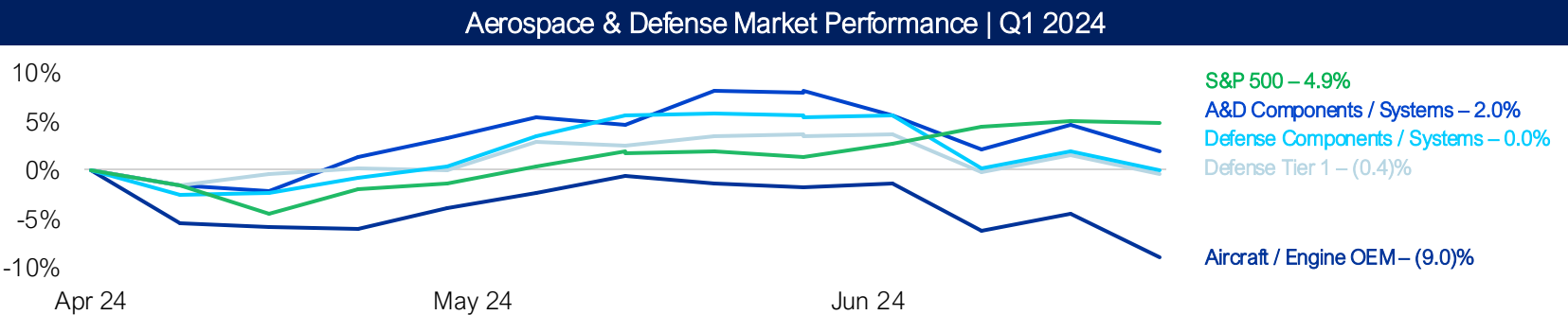


GREENWICH  
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# GCG INDUSTRY UPDATE | Aerospace & Defense

## Recent Market News / Developments

- The Senate Armed Services Committee approved \$911.8 billion in the FY2025 National Defense Authorization Act, surpassing last year's debt ceiling spending limits. The bill allocates \$878.4 billion for the Defense Department and \$33.4 billion for Department of Energy defense activities, exceeding the \$895 billion cap set by the Fiscal Responsibility Act by approximately \$25 billion.
- Boeing and NASA successfully launched the CST-100 Starliner spacecraft carrying NASA astronauts, boosting NASA's hopes for a 2<sup>nd</sup> option to the International Space Station
- Airbus announced reduction production targets from 800 aircraft in 2024 to 770, citing supply chain constraints
- Embraer announced that it is evaluating plans for a new narrow-body aircraft to compete with the 737 and A320 families



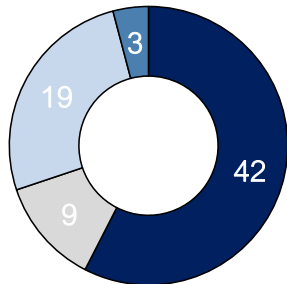
Source: S&P Capital IQ  
 Note: Benchmark index for comparison is S&P 500. All values based on publicly available data as of 6/30/2024



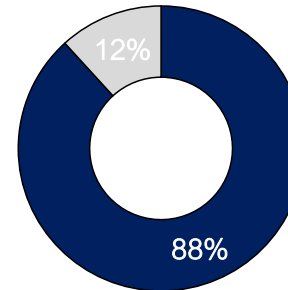
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## M&A Activity

Q2 2024  
Transaction Volume:  
**73**



- Aerospace
- Defense IT/Services
- Defense
- Space



- Strategic Buyer
- Financial Buyer

### Select Transactions:

Announced	Target / Seller	Buyer	Transaction Value (\$mm)	Target Description
06/14/2024	Phoenix Technology Works, LLC	M4 Engineering Inc.	-	Manufactures engineering and composite parts and tools for the aerospace industry
05/28/2024	National Manufacturing Co., Inc.	PrecisionX Group (CORE Industrial Partners, LLC)	-	Produces precision deep drawn and shallow drawn metal components and enclosures for the aerospace, battery, defense and other markets worldwide
05/28/2024	M1 Support Services, L.P.	Cerberus Capital Management, L.P.	-	Provides aviation support, logistics, information technology (IT), training, supply chain management, acquisition and facilities, and equipment maintenance services to the A&D industry
05/20/2024	Meg Technologies, Inc.	AFC Industries, Inc. (Bertram Capital Management, LLC)	-	Distributes aerospace fasteners. The company was incorporated in 1981 and is based in Huntington Beach, California
05/07/2024	Quintron Systems, Inc.	Special Aerospace Services, LLC (Godspeed Capital Management LP)	-	Designs, develops and deploys integrated communications and security systems to support missile launch and range operations, satellite control and battlefield simulation applications
05/01/2024	Research In Flight, LLC	Altair HyperWorks, Inc. (Altair Engineering Inc. (NasdaqGS:ALTR))	-	Develops and provides vorticity-based fluid simulation analysis platform tools for aerospace engineering applications. The company was founded in 2012 and is based in Auburn, Alabama
04/30/2024	Willbrook Solutions, Inc.	Special Aerospace Services, LLC (Godspeed Capital Management LP)	-	Offers program management support, systems engineering, logistics support services, system modeling and simulation, data analysis, and MBSE and digital engineering services to the A&D industry
04/25/2024	Cablenet Wiring Products, Inc.	Interconnect Solutions Company, LLC (Tide Rock Holdings LLC)	-	Contract manufacturer, supplying the Aerospace, Aircraft, Military, Medical and OEM industries. Specializes in turnkey applications for GSE (ground support equipment), including Test Tooling Design, Manufacturing and Prototyping
04/22/2024	Electronic Warfare Associates, Inc.	Sigma Defense Systems LLC (Sagewind Capital LLC)	-	Provides various products and services across a range of technology and engineering fields including monitoring systems, electronic warfare trainers, boundary scan controllers and more
04/09/2024	Segers Aero Corporation	H.I.G. Capital, LLC	-	Provides aircraft maintenance services. It offers aircraft engine and propeller overhaul services
04/08/2024	Microtel LLC	Tyto Athene, LLC (Arlington Management Employees, LLC; PennantPark Investment Advisers, LLC)	-	Develops software and systems to help detect water on the moon, life on Mars, the habitat of Saturn's moon Titan, the atmosphere of Venus, phytoplankton movements in the oceans and forest canopy measurements

Source: Capital IQ and GCG research

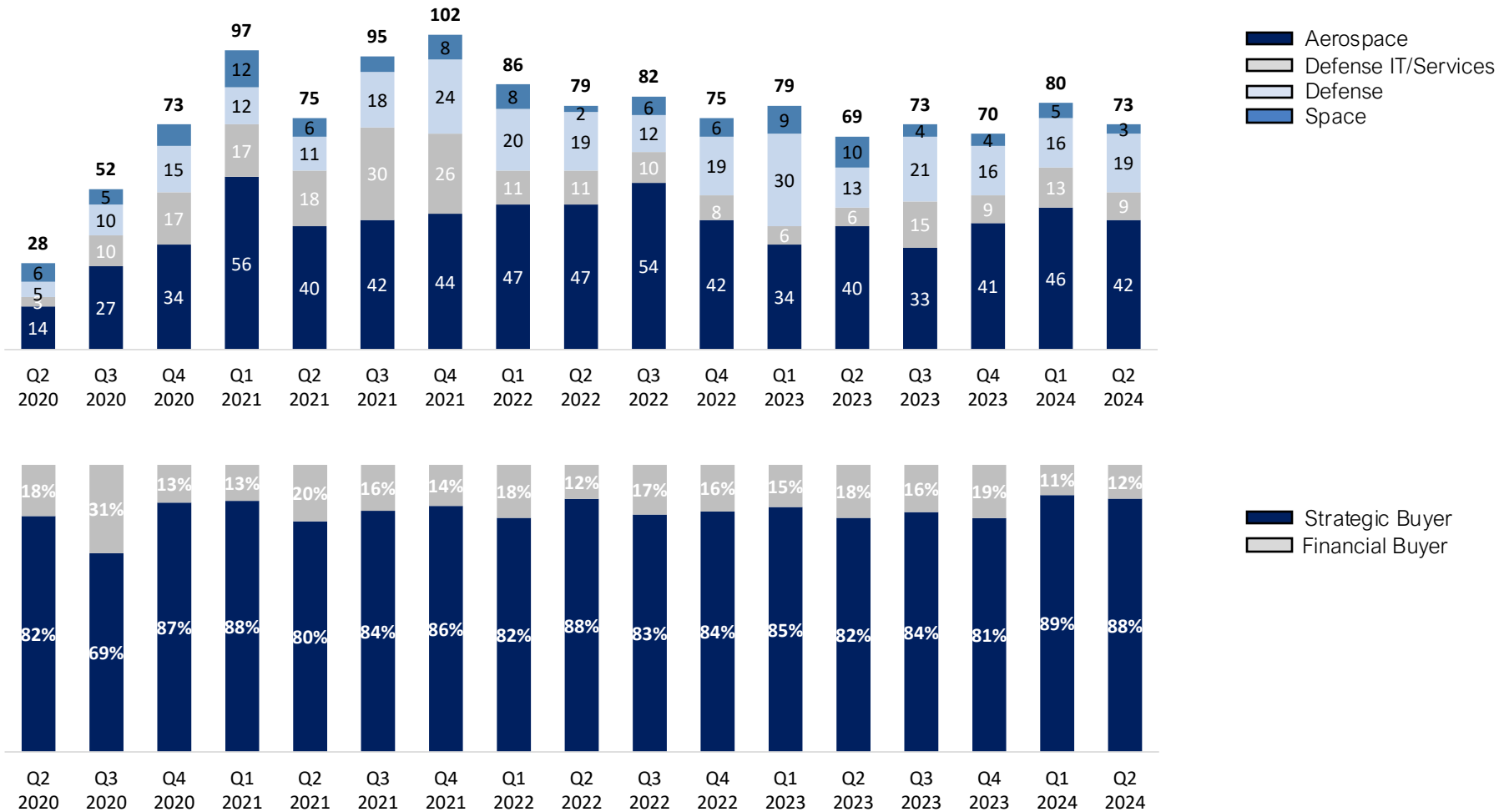
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## M&A Trends

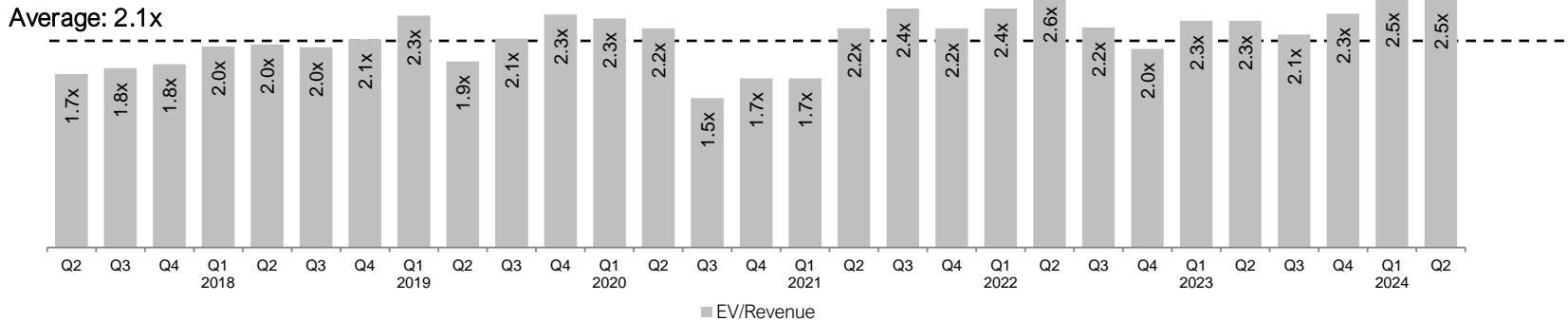
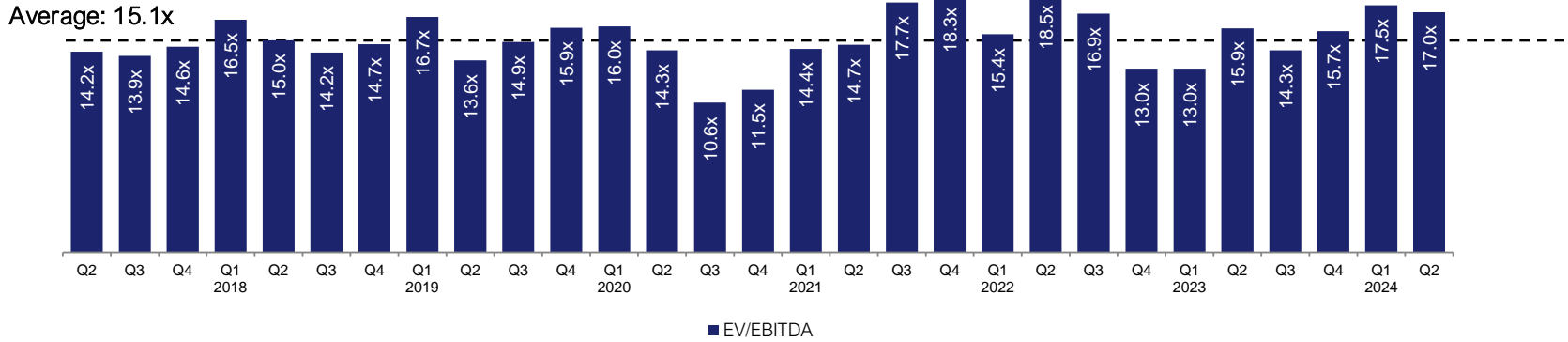


Source: S&P Capital IQ & GCG Research  
 Note: All values based on publicly available data as of 6/30/2024



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## Public Company Trading Multiples



Source: S&P Capital IQ  
 Note: All values based on publicly available data as of 6/30/2024



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## Public Comparable Companies

Company Name	Enterprise Value (\$mils)	Revenue (\$mils)	Price Change		LTM Margins		TEV / LTM:	
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA
<b>Aircraft/Engine OEM</b>								
The Boeing Company	\$155,016	\$76,442	(1.5%)	(11.6%)	11.5%	3.5%	2.0x	49.5x
Airbus SE	\$108,809	\$71,759	(23.0%)	(2.3%)	15.5%	9.4%	1.5x	15.0x
Rolls-Royce Holdings plc	\$51,055	\$20,999	6.8%	198.1%	22.1%	14.1%	2.5x	14.7x
Textron Inc.	\$18,800	\$13,794	(10.4%)	26.2%	16.6%	12.2%	1.4x	10.7x
MTU Aero Engines AG	\$14,388	\$5,900	0.4%	(2.1%)	2.5%	(1.2%)	2.5x	NM
Bombardier Inc.	\$11,388	\$7,874	50.7%	29.4%	20.5%	11.8%	1.5x	12.0x
Dassault Aviation société anonyme	\$6,883	\$5,487	(16.2%)	(8.3%)	39.6%	9.6%	1.3x	8.2x
Embraer S.A.	\$6,173	\$5,350	2.7%	71.0%	17.7%	8.0%	1.3x	15.7x
Mean	\$36,257	\$25,951	1.2%	37.6%	18.3%	8.4%	1.7x	18.0x
Median	\$16,594	\$10,834	(0.5%)	12.1%	17.1%	9.5%	1.5x	14.7x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2024



# GCG INDUSTRY UPDATE | Aerospace & Defense

## 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
<b>A&amp;D Components/Systems</b>								
Safran SA	\$90,079	\$26,142	(3.9%)	38.4%	47.4%	18.7%	3.6x	18.2x
TransDigm Group Incorporated	\$88,212	\$7,304	3.2%	40.1%	59.1%	49.3%	12.1x	24.3x
HEICO Corporation	\$29,369	\$3,511	17.2%	17.2%	38.8%	25.4%	8.4x	31.9x
Woodward, Inc.	\$10,945	\$3,200	12.0%	44.2%	26.5%	17.7%	3.4x	17.8x
Spirit AeroSystems Holdings, Inc.	\$7,776	\$6,319	(4.1%)	16.4%	(3.6%)	(5.0%)	1.2x	NM
Hexcel Corporation	\$5,817	\$1,804	(13.0%)	(17.8%)	23.5%	18.4%	3.2x	16.4x
AAR Corp.	\$2,734	\$2,216	19.6%	22.0%	19.1%	8.7%	1.2x	12.5x
Triumph Group, Inc.	\$1,903	\$1,192	6.1%	25.7%	27.1%	12.2%	1.6x	12.3x
Ducommun Incorporated	\$1,093	\$767	14.9%	30.7%	22.7%	10.5%	1.4x	11.9x
Senior plc	\$1,090	\$1,227	(8.1%)	(8.5%)	18.1%	8.1%	0.9x	9.6x
Astronics Corporation	\$864	\$718	7.0%	(0.9%)	17.8%	2.8%	1.2x	29.6x
Héroux-Devtek Inc.	\$761	\$465	33.6%	56.4%	17.6%	13.2%	1.7x	11.8x
Latécoère S.A.	\$549	\$617	(38.8%)	(99.5%)	34.7%	(7.0%)	0.9x	NM
Magellan Aerospace Corporation	\$386	\$658	(0.5%)	(6.0%)	10.3%	8.3%	0.6x	6.8x
Mean	\$17,256	\$4,010	3.2%	11.3%	25.6%	12.9%	3.0x	16.9x
Median	\$2,318	\$1,515	4.7%	19.6%	23.1%	11.3%	1.5x	14.4x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2024



# GCG INDUSTRY UPDATE | Aerospace & Defense

## 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
<b>Defense Tier 1</b>								
RTX Corporation	\$172,436	\$71,011	1.8%	1.6%	17.0%	13.2%	2.4x	17.6x
Lockheed Martin Corporation	\$128,545	\$69,640	3.0%	1.3%	12.2%	14.6%	1.8x	12.3x
General Dynamics Corporation	\$88,881	\$43,122	(1.3%)	33.8%	15.8%	11.1%	2.1x	17.1x
Northrop Grumman Corporation	\$79,126	\$40,122	(7.7%)	(4.6%)	16.7%	10.3%	2.0x	17.1x
BAE Systems plc	\$51,807	\$29,396	(5.1%)	36.5%	65.4%	12.2%	1.8x	12.6x
Leonardo S.p.a.	\$17,994	\$17,177	(6.4%)	106.2%	38.0%	10.4%	1.1x	8.8x
Saab AB (publ)	\$12,727	\$5,079	9.7%	78.6%	21.8%	10.8%	2.5x	22.3x
Huntington Ingalls Industries, Inc.	\$12,377	\$11,585	(14.2%)	8.4%	14.4%	9.8%	1.1x	9.8x
Mean	\$70,487	\$35,891	(2.5%)	32.7%	25.2%	11.5%	1.8x	14.7x
Median	\$65,466	\$34,759	(3.2%)	21.1%	16.9%	10.9%	1.9x	14.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2024





# GCG INDUSTRY UPDATE | Aerospace & Defense

## 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
<b>Defense Components/Systems</b>								
L3Harris Technologies, Inc.	\$55,396	\$20,159	6.4%	13.4%	26.3%	18.1%	2.7x	15.2x
Thales S.A.	\$38,502	\$20,370	(4.0%)	8.8%	25.9%	12.9%	1.9x	13.1x
Teledyne Technologies Incorporated	\$20,498	\$5,602	(9.9%)	(6.9%)	43.3%	24.1%	3.7x	14.7x
Elbit Systems Ltd.	\$9,260	\$6,135	(15.5%)	(14.8%)	24.7%	9.0%	1.5x	14.2x
AeroVironment, Inc.	\$4,893	\$717	17.6%	71.8%	39.6%	15.3%	6.8x	40.4x
Kratos Defense & Security Solutions, Inc.	\$2,936	\$1,083	7.5%	37.7%	25.9%	6.7%	2.7x	33.3x
Mercury Systems, Inc.	\$2,240	\$840	(2.6%)	(18.0%)	22.6%	(4.1%)	2.7x	NM
Chemring Group PLC	\$1,376	\$613	3.2%	30.7%	100.0%	18.4%	2.2x	11.9x
Espey Mfg. & Electronics Corp.	\$33	\$35	(15.4%)	28.4%	26.7%	16.5%	0.9x	5.6x
Mean	\$15,015	\$6,173	(1.4%)	16.8%	37.2%	13.0%	2.8x	18.5x
Median	\$3,915	\$1,083	(2.6%)	13.4%	26.3%	15.3%	2.7x	14.4x
Aerospace & Defense Mean	\$33,670	\$15,550	0.6%	22.3%	26.7%	11.7%	2.4x	17.0x
Aerospace & Defense Median	\$8,567	\$5,602	(0.5%)	17.2%	22.6%	11.1%	1.8x	14.7x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2024



# GCG INDUSTRY UPDATE | Aerospace & Defense

## 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](http://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](mailto:info@greenwichgp.com).

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