



Aerospace & Defense

Q4 2024



GREENWICH
CAPITAL GROUP

Industry Trends

In addition to the three headlines below, trends during Q4 2024 included the following:

- Boeing is set to conduct a functional check flight on the third 777-9 test aircraft, marking a return to flight for the stalled certification program
- Honeywell is considering spinning off its high-margin aerospace business in a move backed by activist investor Elliott Investment Management, which has been pushing for its breakup
- The FLRAA program is now in the Engineering and Manufacturing Development phase, set to deliver six prototypes of Bell Textron's innovative V-280 Valor tiltrotor
- SpaceX launched its fifth test flight of its Starship rocket and successfully used the arms of its launch tower to catch the rocket's booster, a major milestone toward making it a fully reusable rocket system

1

Department of Government Efficiency (DOGE) and the Risk to Defense Stocks

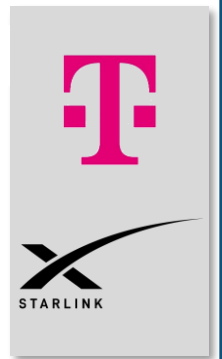
DOGE presents a rare bipartisan opportunity for Republicans and Democrats to address government overspending. Progressives have long pushed for a reduction in military spending and Musk has stated a goal of removing \$2 trillion from the federal budget. However, it is unclear if Trump would support reducing the Pentagon budget. If he did, Congress would have to support it, and that is also unlikely. Think tanks suggest potential cuts might focus on reducing global operations and bases or eliminating obsolete programs rather than munitions. Analysts believe major contractors like Northrop and Lockheed will remain unaffected in the near term.



2

T-Mobile to Start Beta Testing with Starlink Direct-to-Cell in Early 2025

T-Mobile customers can now join a free beta program offering early access to text messaging in areas without cell tower coverage. While the beta is limited to text messages, T-Mobile plans to expand to voice and data services by late 2025. This development follows FCC approval and SpaceX's recent launch of satellites equipped for the service. Although SpaceX operates over 6,000 Starlink satellites, only 330 are designed for this capability. The T-Mobile and SpaceX collaboration, announced in 2022, aims to provide connectivity in previously unreachable areas using a unique integration of Low-Earth Orbit satellites with terrestrial cellular spectrum.



3

Senate Passes \$895B 2025 Defense Spending Bill – Increase from 2024's \$884B

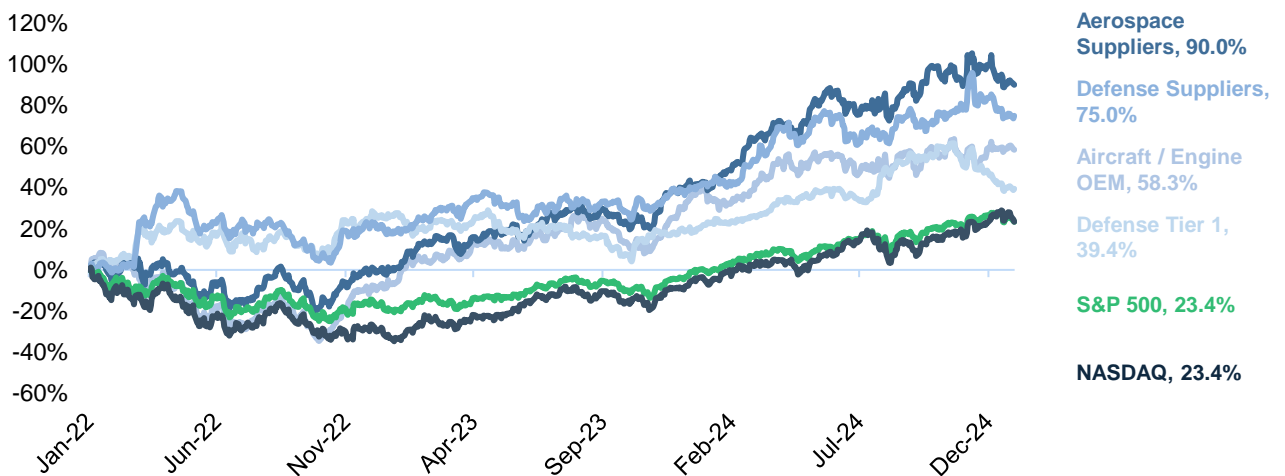
The Senate passed a \$895 billion defense bill that includes significant pay raises for service members, with 14.5% for junior enlisted and 4.5% for others, aiming to improve military families' quality of life. The bill also counters China's growing influence by allocating resources to support Taiwan and investing in advanced technologies like artificial intelligence and increased ammunition production. Despite these measures, Senate Republicans argued the 1% defense spending increase is insufficient amid global unrest and plan to push for more funding this year.



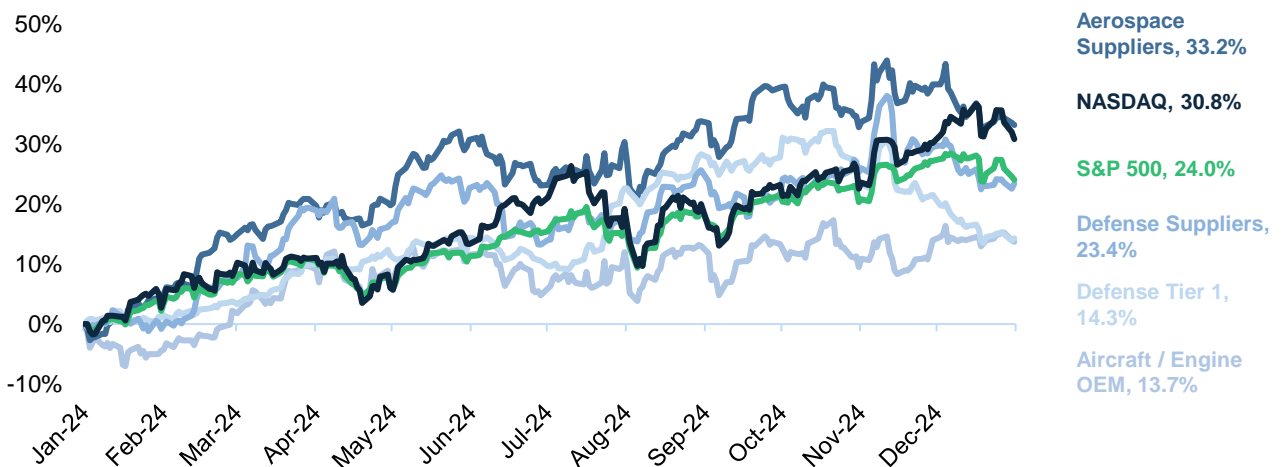
Public Market Performance

Not all sectors within the A&D industry experienced continued growth quarter-over-quarter in Q4. Aerospace Suppliers and Defense Tier 1 ended Q4 slightly below Q3 despite momentary growth around October/November. Defense Tier 1 may have declined due to fears driven by DOGE Pentagon cuts, despite the recently passed FY2025 defense budget that is 1% higher than FY2024. The Aerospace Suppliers segment saw the best performance over the last 12 months (LTM) with Howmet Aerospace leading the returns at 102%, driven by repeated earnings outperformance and a strong backlog. Other honorable mentions in CY2024 include Embraer (+95.5%), Héroux-Devtek (+92.8%), Hanwha Aerospace (+139.2%), and Rheinmetall (+102.7%). Aerospace Suppliers was the only sector to outperform the NASDAQ and S&P 500 in CY2024 (+33.2%) but all A&D sectors have outperformed the S&P 500 and NASDAQ indices over the 3-year period ending December 31, 2024. The mean CY2024 return of our A&D Industry Index was 22.8%. This performance highlights the resilience and opportunity in the sector, positioning it well for sustained future growth.

A&D Industry vs. S&P 500 & Nasdaq Composite Index Chart – 3 Years



A&D Industry vs. S&P 500 & Nasdaq Composite Index Chart – LTM (CY2024)



Source: Pitchbook

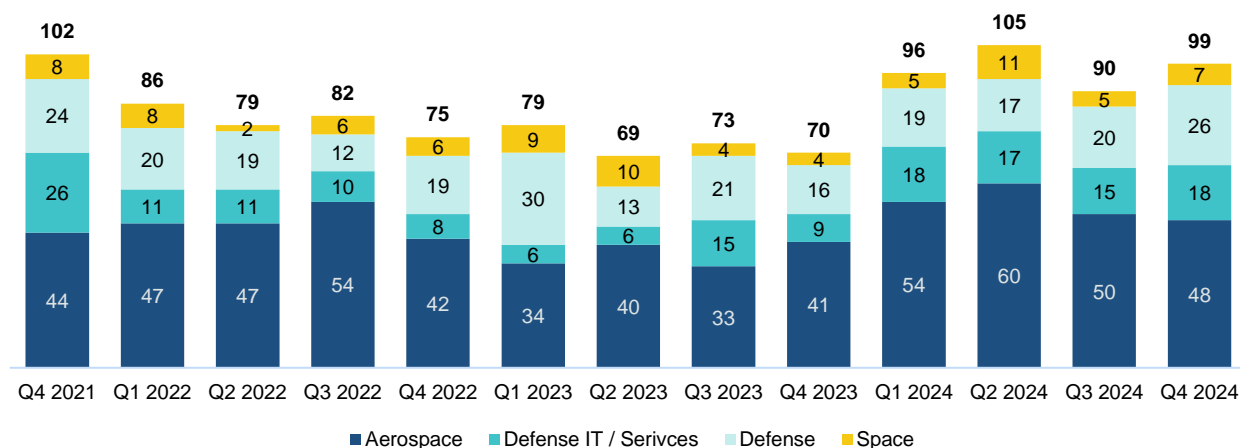
Note: All values based on publicly available data as of 12/31/2024

A&D Industry M&A Activity

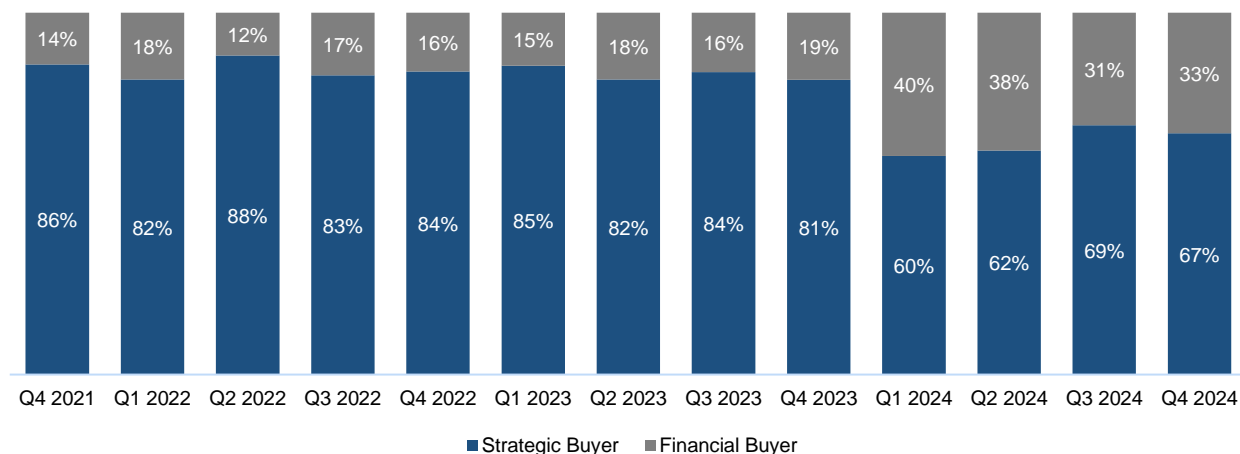
The A&D industry demonstrated resilience in Q4 2024, maintaining similar deal volumes to the previous three quarters. 2024's recent rise in deal volume is likely driven by substantial amounts of dry powder available from financial sponsors to acquire premium assets, coupled with a favorable lending environment for strategic players and anticipated Fed rate cuts. The A&D industry, furthermore, continues to be an attractive target for investors due to larger geopolitical and macroeconomic trends such as conflicts in Europe and the Middle East, surging demand for commercial air travel, military modernization efforts and the use of M&A as a means to foster growth or acquire new technologies.

The relative share of deals by sector remains relatively constant in line with each sector's general share of the overall M&A landscape (see pg. 5). Strategic buyers remain the most active in the industry, accounting for 67% of the total transaction volume in the quarter. This includes PE-backed companies and is indicative of a strong ongoing trend of industry consolidation of supply chains.

A&D Deal Activity by Segment



A&D Deal Activity by Buyer Type



Source: Pitchbook

Note: All values based on publicly available data as of 12/31/2024

Comparable Transactions

Q4 2024 M&A Activity – Select Transactions

<p>12/23/2024</p>  <p>acquires</p> 	<p>12/03/2024</p>  <p>acquires</p> 	<p>12/02/2024</p>  <p>acquires</p> 
<p>Kranze (“KTS”) is a leader in advanced digital interoperability and tactical networking solutions which integrate and distribute real-time information across multiple communications domains and platforms to enhance situational awareness, coordination, and tactical execution during operations. KTS fits within SPX’s tactical datalinks and radio frequency countermeasure offerings.</p>	<p>Acquisition strengthens VSE Aviation’s position in the commercial aviation aftermarket, particularly in aircraft engine maintenance. The acquisition expands VSE’s aftermarket product and capability offerings, global reach, and reinforces its OEM-focused strategy. Kellstrom’s portfolio of engine-focused products and MRO services are complementary to VSE’s business approach.</p>	<p>Centerbridge is acquiring Precinmac from an investor group comprising Pine Island Capital Partners, Bain Capital’s Private Credit Group and Compass Partners Capital, who have been the Company’s investment partners since April 2020. Precinmac is a supplier of complex precision components for mission-critical applications in aerospace, defense, and other high-requirements end markets.</p>

Announced Date	Target	Buyers	TEV / (\$M)	TEV / Revenue	TEV / EBITDA
31-Dec-24	Micropac Industries	Teledyne Technologies	\$ 55.8	1.5x	8.7x
23-Dec-24	Big Bolt (Tenex Capital)	Lindstrom (Nautic)			
23-Dec-24	Kranze Technology Solutions	SPX Technologies	\$ 350.0		
17-Dec-24	Robot Morning (AE, Belcan)	Arlington Capital Partners			
05-Dec-24	Wyvern Technologies	Extant Aerospace			
04-Dec-24	AirBorn	Molex			
04-Dec-24	AvAir	Corrum Capital Management			
04-Dec-24	Satcom Direct	Gogo Business Aviation	\$ 375.0	0.8x	
03-Dec-24	Kellstrom Aerospace (AE)	VSE	\$ 200.0	1.1x	
02-Dec-24	Kyrus Tech	SIXGEN (Washington Harbour)			
02-Dec-24	Precinmac (Pine Island)	Centerbridge Partners			
25-Nov-24	Spacecraft Components	Mobix Labs	\$ 24.0		
18-Nov-24	Fiber Materials (Spirit Aero)	Tex Tech (Arlington Capital Partners)	\$ 165.0		
12-Nov-24	Testek Solutions (Odyssey)	Branford Castle Partners			
08-Nov-24	Airgroup America	Aero Accessories (ATL Partners)			
04-Nov-24	Axillon Aerospace	SK Capital Partners			
04-Nov-24	Onboard Systems	Arcline			
01-Nov-24	Aero Instruments & Avionics	Aero Accessories (ATL Partners)			
28-Oct-24	Concordia Technologies	Special Aero Serv. (Godspeed Capital)			
23-Oct-24	Hoffman Engineering (Aero & Gen Ins.)	Branford Castle			
21-Oct-24	Mid Continent Controls	HEICO			
07-Oct-24	Dmt Global	Pursuit Aero (Greenbriar Equity)			
01-Oct-24	Innovative Composite Engineering	Applied Aero Structures (Greenbriar)			

Source: Pitchbook

Note: All values based on publicly available data as of 12/31/2024

Representative Market Landscape

Aircraft / Engine OEM



Airlines / Private Aviation Services



Aerospace Suppliers



Defense Tier 1



Defense Suppliers



Space / Satellite

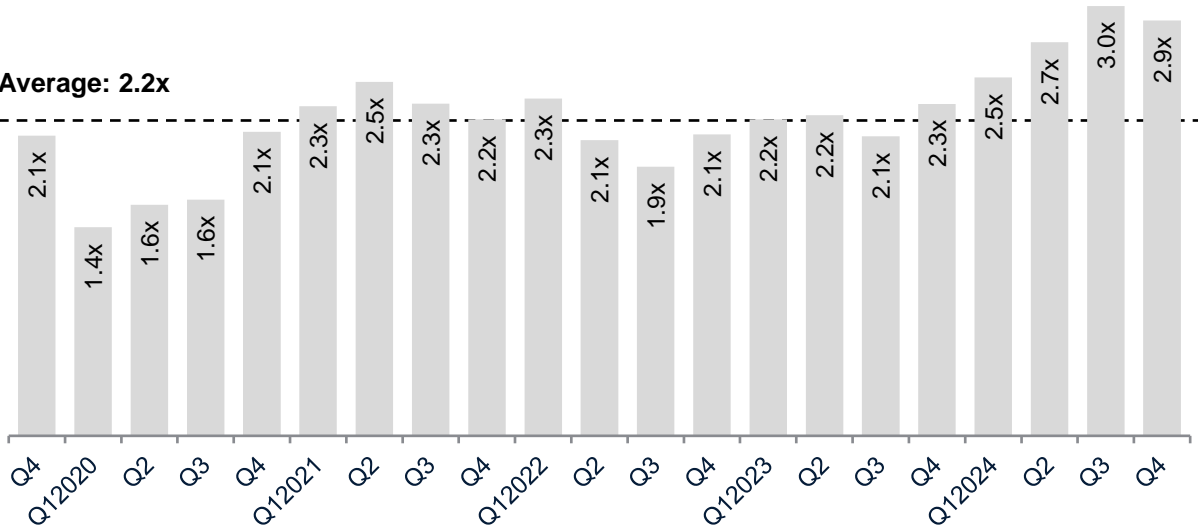


Public Comparable Companies

Based on a representative set of publicly traded companies across the A&D industry, companies traded at an average multiple of 15.6x EBITDA and 2.2x Revenue over the 21 quarters ended Q4 2024. The A&D industry recorded a 3% decrease in average EBITDA and Revenue multiple from the previous quarter. The average EBITDA and Revenue multiple in 2024 was 17.8x and 2.8x, respectively. This was a 23% and 26% increase from 2023, respectively. GCG expects valuations to remain strong, especially for quality assets.

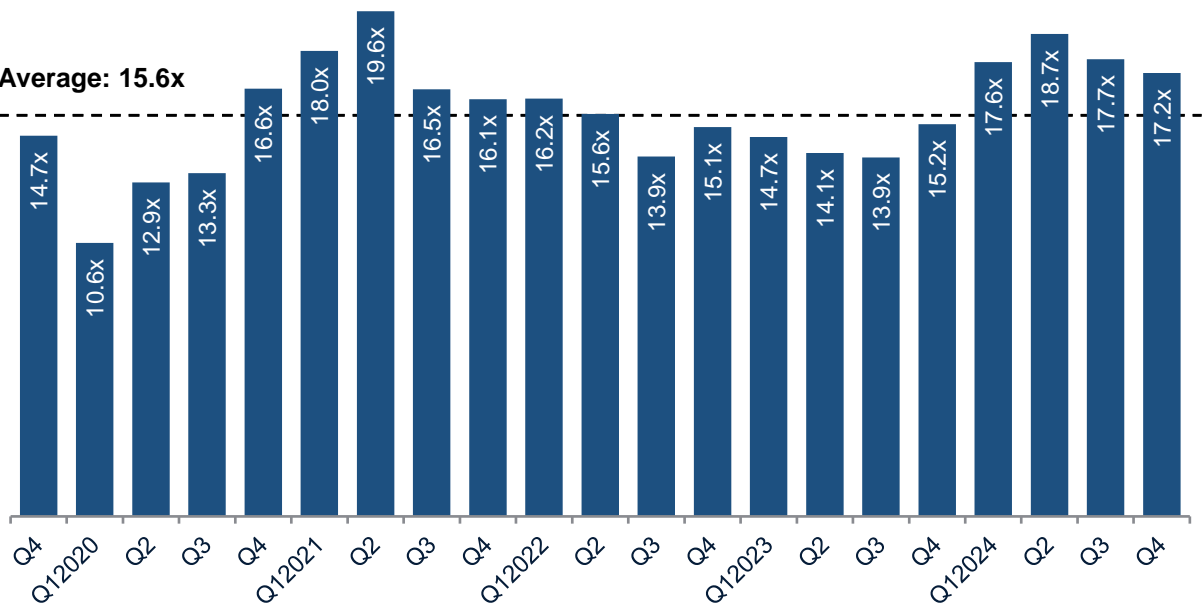
EV/Revenue

Average: 2.2x



EV/EBITDA

Average: 15.6x



Source: Pitchbook

Note: All values based on publicly available data as of 12/31/2024. Excludes multiples above 50.0x

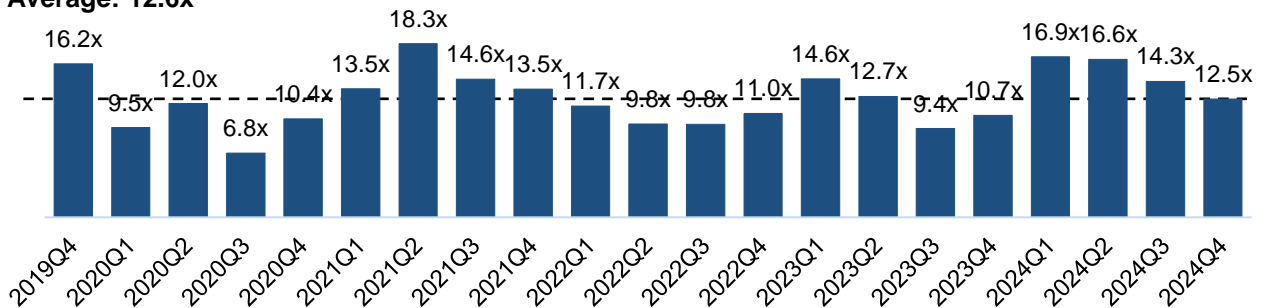
Public Comparable Companies

Aircraft / Engine OEM

Company Name	Enterprise Value (\$mm)	Share Stock Price	Price Change		LTM Margins		TEV / LTM:	
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Aircraft / Engine OEM								
General Electric Company	\$184,710.82	\$ 166.79	(10.5%)	63.9%	26.7%	13.0%	3.9x	20.5x
Boeing Co.	\$179,597.15	\$ 177.00	14.8%	(32.1%)	3.1%	(5.1%)	2.5x	N/A
Airbus SE	\$124,448.07	\$ 161.06	12.3%	4.1%	15.0%	10.4%	1.7x	16.4x
Rolls-Royce Holdings Plc	\$ 61,779.01	\$ 7.13	1.6%	87.0%	22.8%	19.3%	2.8x	14.1x
MTU Aero Engines AG	\$ 17,845.20	\$ 335.80	5.4%	55.4%	2.9%	3.9%	2.9x	N/A
Textron Inc.	\$ 16,424.78	\$ 76.49	(12.5%)	(4.9%)	16.1%	10.8%	1.2x	10.8x
Bombardier, Inc.	\$ 11,693.46	\$ 68.11	(9.9%)	69.4%	20.0%	15.5%	1.4x	8.7x
Embraer S.A	\$ 8,244.28	\$ 9.07	4.9%	95.5%	17.5%	12.6%	1.4x	10.8x
Dassault Aviation SA	\$ 6,824.34	\$ 205.20	(1.7%)	3.5%	40.5%	21.3%	1.2x	5.9x
Mean	\$ 67,951.90	\$ 134.07	0.5%	38.0%	18.3%	11.3%	2.1x	12.5x
Median	\$ 17,845.20	\$ 161.06	1.6%	55.4%	17.5%	12.6%	1.7x	10.8x

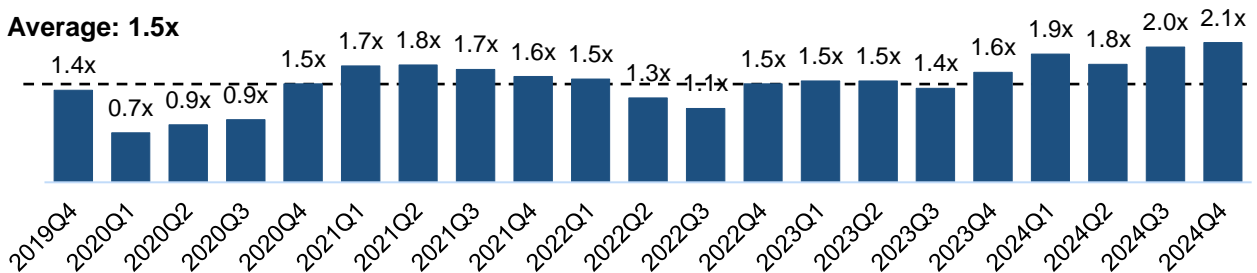
Public Comps (TEV / EBITDA)

Average: 12.6x



Public Comps (TEV / Revenue)

Average: 1.5x



Source: Pitchbook

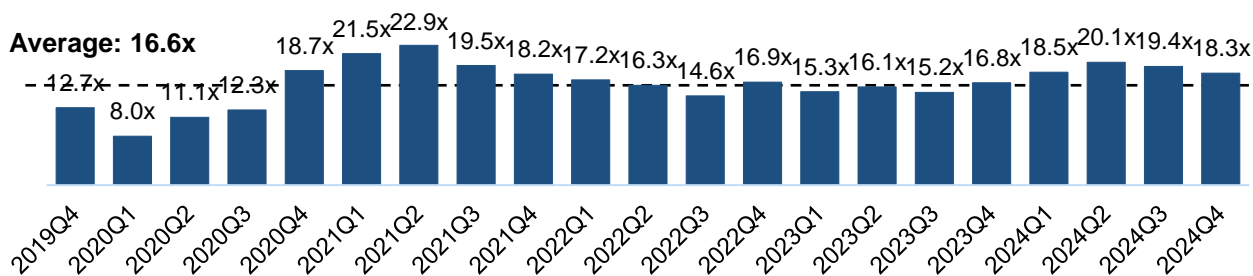
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Public Comparable Companies

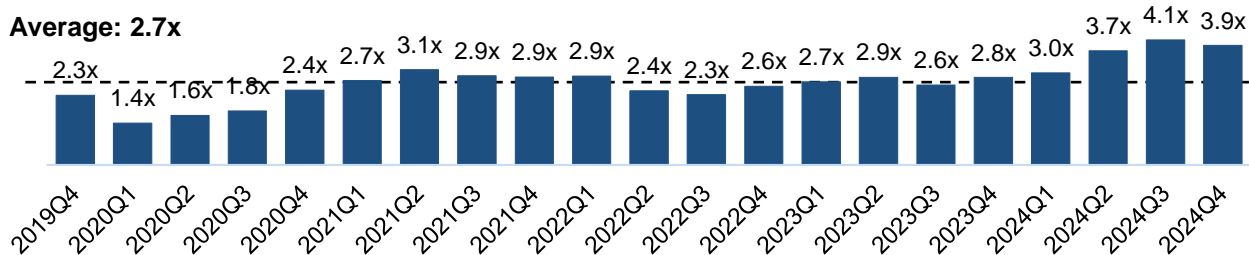
Aerospace Suppliers

Company Name	Enterprise Value (\$mm)	Share Stock Price	Price Change		LTM Margins		TEV / LTM:	
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Aerospace Suppliers								
Safran SA	\$ 91,629.64	\$ 220.71	(5.8%)	25.1%	47.4%	13.9%	3.3x	23.8x
TransDigm Group, Inc.	\$ 89,904.72	\$1,267.28	(11.7%)	25.3%	58.8%	48.0%	11.3x	23.6x
Howmet Aerospace Inc.	\$ 47,406.73	\$ 109.37	8.4%	102.1%	30.4%	23.7%	6.5x	27.5x
HEICO Corporation	\$ 31,191.47	\$ 186.08	(8.8%)	30.6%	38.9%	26.0%	8.1x	31.1x
Curtiss-Wright Corp.	\$ 14,206.99	\$ 354.87	5.3%	59.3%	37.0%	22.1%	4.6x	20.9x
StandardAero Aviation Holdings	\$ 11,841.13	\$ 24.76	N/A	N/A	14.2%	11.4%	2.4x	20.9x
Woodward, Inc.	\$ 10,498.63	\$ 166.42	(1.7%)	22.3%	26.4%	18.4%	3.2x	17.2x
Spirit AeroSystems, Inc.	\$ 8,913.07	\$ 34.08	3.5%	7.2%	(9.6%)	(11.5%)	1.4x	N/A
Loar Holdings Inc.	\$ 7,471.18	\$ 73.91	2.9%	N/A	48.8%	32.4%	19.7x	N/A
Moog Inc.	\$ 7,454.97	\$ 196.84	(2.2%)	36.0%	27.6%	11.7%	2.1x	17.6x
Hexcel Corporation	\$ 5,785.83	\$ 62.70	3.0%	(15.0%)	24.1%	14.7%	3.1x	20.8x
AAR Corp.	\$ 3,211.02	\$ 61.28	(6.5%)	(1.8%)	18.8%	7.9%	1.3x	16.8x
VSE Corporation	\$ 2,412.65	\$ 95.10	14.2%	47.2%	10.1%	10.4%	2.4x	22.8x
Triumph Group, Inc.	\$ 2,304.21	\$ 18.66	45.9%	12.5%	28.6%	10.2%	1.9x	18.6x
Lisi Aerospace SAS	\$ 1,626.02	\$ 22.89	(22.0%)	(12.3%)	47.3%	12.1%	0.9x	7.5x
Ducommun, Inc.	\$ 1,192.20	\$ 63.66	(3.0%)	22.3%	24.6%	10.8%	1.5x	14.1x
Senior plc	\$ 1,121.23	\$ 2.00	(0.4%)	(11.4%)	N/A	N/A	N/A	N/A
Héroux-Devtek Inc.	\$ 848.10	\$ 22.14	(6.4%)	92.8%	20.1%	16.2%	1.7x	10.2x
Astronics Corp	\$ 763.66	\$ 15.96	(18.4%)	(8.4%)	20.2%	5.3%	1.0x	18.3x
Magellan Aerospace Limited	\$ 447.60	\$ 7.02	1.2%	18.3%	10.7%	8.7%	0.7x	7.5x
Mean	\$ 17,011.55	\$ 150.29	(0.1%)	25.1%	27.6%	15.4%	4.0x	18.8x
Median	\$ 6,620.40	\$ 63.18	(1.7%)	22.3%	26.4%	12.1%	2.4x	18.6x

Public Comps (TEV / EBITDA)



Public Comps (TEV / Revenue)



Source: Pitchbook

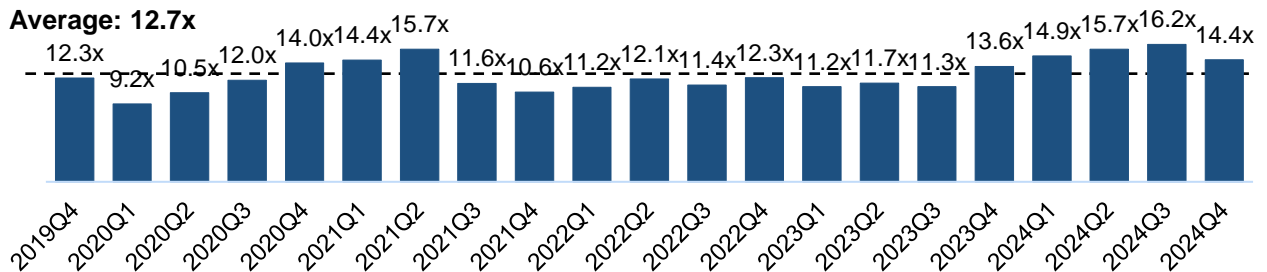
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Public Comparable Companies

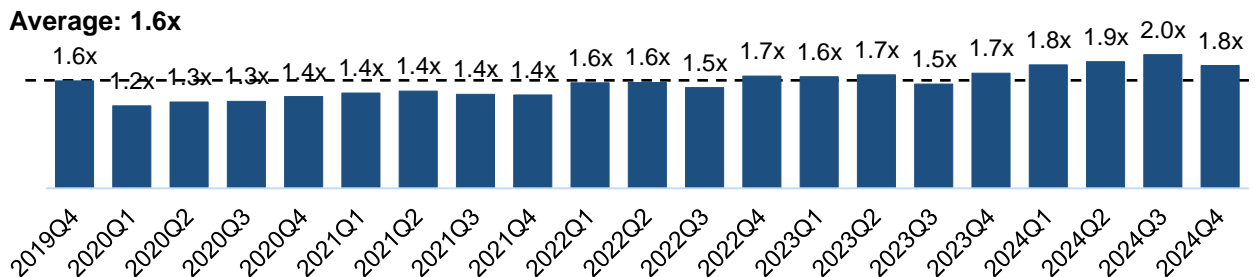
Defense Tier 1

Company Name	Enterprise Value (\$mm)	Share Stock Price	Price Change		LTM Margins		TEV / LTM:	
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Defense Tier 1								
RTX Corporation	\$192,836.22	\$ 115.72	(7.0%)	37.5%	19.2%	15.3%	2.4x	16.0x
Lockheed Martin Corporation	\$131,354.92	\$ 485.94	(19.8%)	7.2%	12.0%	14.6%	1.8x	12.6x
Northrop Grumman Corporation	\$ 81,557.37	\$ 469.29	(13.7%)	0.2%	16.9%	11.4%	2.0x	17.5x
General Dynamics Corporation	\$ 81,517.48	\$ 263.49	(13.7%)	1.5%	15.6%	12.1%	1.8x	14.6x
BAE Systems Plc	\$ 53,427.24	\$ 14.41	(15.4%)	1.9%	N/A	14.1%	1.7x	12.3x
Singapore Tech Engineering	\$ 15,092.84	\$ 3.43	(5.1%)	16.4%	19.0%	14.2%	1.9x	13.3x
Hanwha Aerospace Co., Ltd.	\$ 14,395.43	\$ 221.39	(2.3%)	139.2%	25.3%	12.1%	2.0x	15.9x
Saab AB	\$ 11,463.04	\$ 21.23	(3.4%)	39.7%	21.8%	12.2%	2.0x	16.8x
Huntington Ingalls Industries, Inc.	\$ 10,204.27	\$ 188.97	(28.6%)	(27.2%)	13.8%	10.8%	0.9x	8.1x
Leonardo DRS, Inc.	\$ 8,804.67	\$ 32.31	8.8%	61.2%	22.4%	11.5%	2.8x	24.2x
Babcock International Group	\$ 3,700.22	\$ 6.28	(0.1%)	24.9%	N/A	8.7%	0.6x	7.3x
Mean	\$ 54,941.25	\$ 165.68	(9.1%)	27.5%	18%	12.5%	1.8x	14.4x
Median	\$ 15,092.84	\$ 115.72	(7.0%)	16.4%	19.0%	12.1%	1.9x	14.6x

Public Comps (TEV / EBITDA)



Public Comps (TEV / Revenue)



Source: Pitchbook

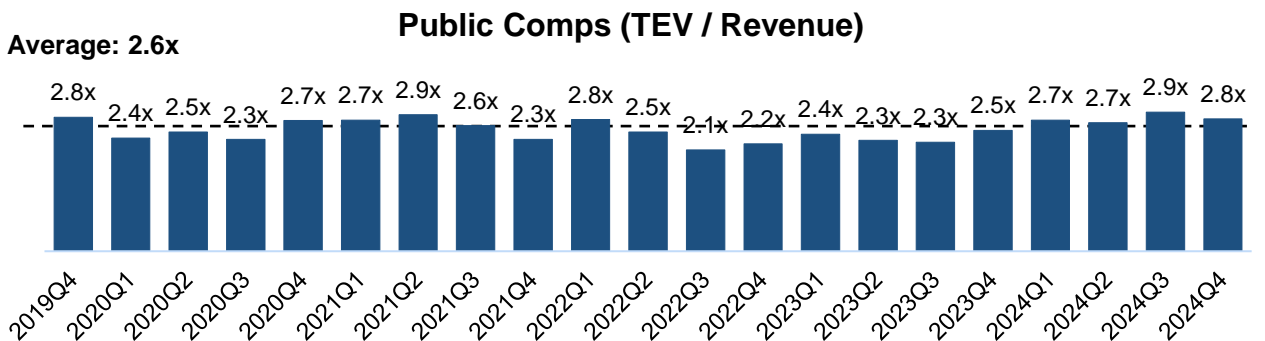
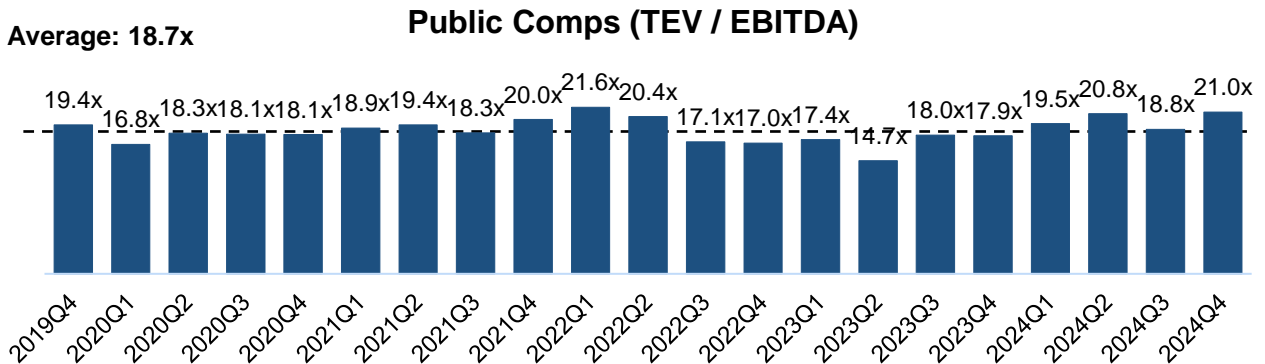
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Public Comparable Companies

Defense Suppliers

Company Name	Enterprise Value (\$mm)	Share Stock Price	Price Change		LTM Margins		TEV / LTM:	
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Defense Suppliers								
L3Harris Technologies, Inc.	\$ 52,318.46	\$ 210.28	(14.3%)	(0.2%)	26.4%	15.1%	2.5x	16.4x
Thales SA	\$ 34,595.63	\$ 144.28	(11.4%)	(2.7%)	26.0%	12.1%	1.7x	13.7x
Rheinmetall AG	\$ 29,820.37	\$ 643.86	13.1%	102.7%	52.5%	17.2%	3.1x	18.0x
Teledyne Technologies Inc	\$ 23,872.04	\$ 464.13	5.6%	4.0%	43.2%	23.9%	4.3x	17.9x
Leidos Holdings Inc	\$ 23,230.37	\$ 144.06	(12.7%)	33.1%	16.6%	12.7%	1.4x	11.3x
Elbit Systems Ltd.	\$ 13,145.13	\$ 261.91	29.2%	21.7%	23.9%	8.0%	2.0x	25.2x
HENSOLDT AG	\$ 5,310.30	\$ 36.10	6.2%	33.7%	22.2%	14.3%	2.3x	16.4x
AeroVironment, Inc.	\$ 4,321.69	\$ 153.89	(27.1%)	22.1%	39.1%	11.6%	5.7x	49.1x
Kratos Defense & Security	\$ 3,904.63	\$ 26.38	6.3%	30.0%	25.7%	7.9%	3.5x	44.0x
Mercury Systems, Inc.	\$ 2,997.74	\$ 42.00	10.8%	14.8%	23.0%	(4.9%)	3.5x	N/A
Chemring Group PLC	\$ 1,181.11	\$ 4.12	(16.0%)	(7.6%)	N/A	16.2%	1.8x	11.2x
Espey Mfg & Electronics Corp	\$ 60.67	\$ 30.15	4.5%	61.2%	27.6%	18.5%	1.5x	8.1x
Mean	\$ 16,229.85	\$ 180.10	(0.5%)	26.1%	30%	12.7%	2.8x	21.0x
Median	\$ 9,227.71	\$ 100.00	5.0%	21.9%	26.0%	13.5%	2.4x	16.4x

A&D Mean	\$ 33,671.35	\$ 157.62	(2.0%)	28.2%	24.6%	13.4%	2.9x	17.3x
A&D Median	\$ 11,578.25	\$ 85.80	(2.2%)	22.2%	22.9%	12.2%	2.0x	16.4x



Source: Pitchbook

Note: All values based on publicly available data as of 12/31/2024. Excludes multiples above 50.0x

About Greenwich Capital Group

Greenwich Capital Group is a middle-market focused investment bank offering a range of strategic and financial advisory services to privately held businesses, private equity investors and publicly traded companies. Our senior professionals have held leadership positions at large, global platforms, bringing a wealth of experience and industry insight to each of our clients.

- National Investment Banking Platform, with Five Offices throughout the United States
- Global Expertise with a Focus on the Middle-Market
- Senior-Level Investment Bankers Specializing in:

- Private Company Transactions
- Family-Owned Businesses
- Corporate Divestitures
- ESOP Transactions
- Capital Advisory Mandates



Mergers & Acquisitions

- Private Company Sale Transactions
- Corporate Divestitures
- Acquisitions
- Leveraged Recapitalizations
- Joint Ventures
- Distressed M&A

ESOP and Financial Advisory

- ESOP Feasibility Study
- ESOP Advisory
- Complex Financial Modeling
- Business Valuation
- Strategic Options Analysis
- Corporate Development Advisory
- Board Advisory Services

Capital Raising

- Senior Debt
- Junior Debt
- Unitranche Debt
- Minority Equity

Independent & Focused Advice

Senior Level Attention

Industry Experience

Entrepreneurial & Collaborative

World-Class Advisory Services to the Middle Market

Aerospace & Defense Expertise

Select Transactions



has been acquired by



has been acquired by



a portfolio company of



has been acquired by



a portfolio company of

THE JORDAN COMPANY



Peter Frankfort

Managing Director
Aerospace & Defense Leader
pfrankfort@greenwichgp.com
D: (216) 245-6698



has been acquired by



a portfolio company of



has been acquired by



a portfolio company of



has acquired



Evan Fisher
Associate


Aerospace & Defense Team
efisher@greenwichgp.com
D: (248) 390-0268




a portfolio company of



has acquired



has acquired the
Composite Structures
business of



has been acquired by



now part of



Aerospace & Defense Expertise

GCG offers a unique breadth and depth of expertise formed by senior professionals who have worked with dozens of clients across nearly all aspects of the aerospace, defense and government services industries for nearly 25 years.

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. GCG's M&A advisory experience includes the following A&D industry subsectors: Aerostructures, aircraft interior systems and seating, avionics, business jet and regional jet components, cable assemblies / electrical connectors, composites / thermoplastics, defense electronics, defense vehicle armor, electronic manufacturing services, engine components, government contractors, ground support equipment, helicopters – manufacturing and operators, hydraulic and pneumatic valves and fittings, in-flight entertainment, landing gear, maintenance, repair, and overhaul (MRO) services, missile systems, part 135 charter / part 91k fractional / aircraft management / FBO operations, Parts Manufacturer Approval (PMA) components, precision machining and specialty metal forming, satellite equipment, hardware and software, space launch vehicles, supply chain management services, training and simulation.

For additional perspective or to discuss M&A related opportunities in the Aerospace & 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 Pitchbook database. For more information on this or anything else related to our research, please email info@greenwichgp.com.

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