



Industry Update  
**Aerospace, Defense and Government**  
Q4 2020

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# Financial Performance

## Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 12/31/20	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2021 Est. Revenue	2021 Est. EBITDA
<b>Diversified Contractors</b>									
QUALCOMM Incorporated	QCOM	\$152.34	94.6%	\$169,072	\$37,479	\$26,689	\$9,129	\$31,866	\$12,706
General Dynamics Corporation	GD	\$148.82	78.3%	\$55,568	\$51,308	\$37,925	\$5,011	\$38,766	\$4,995
Motorola Solutions, Inc.	MSI	\$170.06	90.7%	\$35,208	\$10,876	\$7,414	\$1,765	\$8,006	\$2,298
Teledyne Technologies Incorporated	TDY	\$391.98	98.2%	\$14,338	\$4,837	\$3,111	\$618	\$3,265	\$675
Juniper Networks, Inc.	JNPR	\$22.51	85.0%	\$8,569	\$9,378	\$4,445	\$652	\$4,601	\$922
MasTec, Inc.	MTZ	\$68.18	95.9%	\$7,363	\$5,202	\$6,393	\$688	\$7,524	\$818
Kratos Defense & Security Solutions, Inc.	KTOS	\$27.43	96.1%	\$3,620	\$1,473	\$726	\$58	\$851	\$89
<b>Information Technology and Consulting Contractors</b>									
L3Harris Technologies, Inc.	LHX	\$189.02	81.8%	\$44,791	\$37,145	\$24,036	\$4,503	\$18,875	\$3,970
Fortinet, Inc.	FTNT	\$148.53	96.9%	\$23,402	\$4,045	\$2,594	\$560	\$3,055	\$881
Tyler Technologies, Inc.	TYL	\$436.52	93.6%	\$16,467	\$2,492	\$1,122	\$220	\$1,203	\$357
NetApp, Inc.	NTAP	\$66.24	97.9%	\$14,166	\$8,420	\$5,524	\$1,076	\$5,757	\$1,372
CACI International Inc	CACI	\$249.33	86.4%	\$7,782	\$5,851	\$5,889	\$645	\$6,317	\$667
Viasat, Inc.	VSAT	\$32.65	44.1%	\$5,530	\$5,249	\$2,252	\$363	\$2,513	\$547
Verint Systems Inc.	VRNT	\$67.18	99.4%	\$3,812	\$3,125	\$1,264	\$187	\$1,344	\$255
ManTech International Corporation	MANT	\$88.94	94.6%	\$3,597	\$2,194	\$2,484	\$225	\$2,660	\$239
NIC Inc.	EGOV	\$25.83	96.4%	\$1,667	\$443	\$406	\$81	\$440	\$113
VSE Corporation	VSEC	\$38.49	91.7%	\$713	\$771	\$707	\$83	\$684	\$82

## Financial Performance (cont.)

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 12/31/20	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2021 Est. Revenue	2021 Est. EBITDA
<b>Aerospace and Defense Contractors</b>									
The Boeing Company	BA	\$214.06	61.2%	\$160,809	\$152,136	\$58,158	-\$6,413	\$80,068	\$5,865
Northrop Grumman Corporation	NOC	\$304.72	79.1%	\$61,120	\$44,469	\$36,799	\$5,496	\$35,459	\$4,877
TransDigm Group Incorporated	TDG	\$618.85	91.9%	\$48,931	\$18,395	\$5,103	\$2,123	\$5,058	\$2,300
Ball Corporation	BLL	\$93.18	90.7%	\$35,675	\$18,252	\$11,781	\$1,933	\$12,985	\$2,188
Huntington Ingalls Industries, Inc.	HII	\$170.48	60.9%	\$8,359	\$8,445	\$9,016	\$1,019	\$9,123	\$763
FLIR Systems, Inc.	FLIR	\$43.83	73.7%	\$7,632	\$3,213	\$1,888	\$431	\$1,933	\$459
Hexcel Corporation	HXL	\$48.49	60.2%	\$4,793	\$2,918	\$1,502	\$155	\$1,376	\$194
Cubic Corporation	CUB	\$62.04	88.0%	\$2,837	\$2,324	\$1,476	\$165	\$1,563	\$191
Triumph Group, Inc.	TGI	\$12.56	48.0%	\$2,364	\$2,402	\$2,096	\$164	\$1,766	\$184
OSI Systems, Inc.	OSIS	\$93.22	90.8%	\$1,921	\$1,301	\$1,101	\$162	\$1,169	\$198
AAR Corp.	AIR	\$36.22	75.5%	\$1,492	\$1,669	\$1,774	\$56	\$1,766	\$120

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## Valuation Metrics

## Return Profile, Trading Multiples

Company Name	Ticker	Return Profile						Trading Multiples	
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Diversified Contractors</b>									
QUALCOMM Incorporated	QCOM	13.7%	113.1%	8.9%	34.2%	-5.4%	1.4x	6.3x	18.5x
General Dynamics Corporation	GD	5.2%	21.7%	-3.6%	13.2%	-8.8%	1.0x	1.5x	11.1x
Motorola Solutions, Inc.	MSI	7.9%	N/A	-6.0%	23.8%	-16.8%	0.8x	4.7x	19.9x
Teledyne Technologies Incorporated	TDY	6.7%	13.8%	1.1%	19.9%	2.3%	1.1x	4.6x	23.2x
Juniper Networks, Inc.	JNPR	3.1%	5.6%	0.0%	14.7%	-8.5%	0.8x	1.9x	13.1x
MasTec, Inc.	MTZ	5.2%	17.5%	-13.5%	10.8%	-14.5%	1.3x	1.2x	10.7x
Kratos Defense & Security Solutions, Inc.	KTOS	1.5%	0.8%	4.2%	7.9%	-8.6%	1.0x	5.0x	62.7x
	<b>Mean</b>	<b>6.2%</b>	<b>28.7%</b>	<b>-1.3%</b>	<b>17.8%</b>	<b>-8.6%</b>	<b>1.1x</b>	<b>3.6x</b>	<b>22.8x</b>
	<b>Median</b>	<b>5.2%</b>	<b>15.6%</b>	<b>0.0%</b>	<b>14.7%</b>	<b>-8.6%</b>	<b>1.0x</b>	<b>4.6x</b>	<b>18.5x</b>
<b>Information Technology and Consulting Contractors</b>									
L3Harris Technologies, Inc.	LHX	0.0%	0.0%	0.0%	18.7%	0.0%	0.8x	1.9x	9.9x
Fortinet, Inc.	FTNT	7.7%	44.9%	20.3%	21.6%	38.1%	1.1x	9.0x	41.8x
Tyler Technologies, Inc.	TYL	4.7%	11.0%	7.9%	19.6%	13.1%	0.6x	14.7x	74.9x
NetApp, Inc.	NTAP	7.2%	151.7%	-4.1%	19.5%	-7.6%	1.3x	2.6x	13.2x
CACI International Inc	CACI	5.8%	13.9%	9.1%	10.9%	28.5%	1.1x	1.3x	12.1x
Viasat, Inc.	VSAT	0.6%	0.3%	-1.0%	16.1%	15.3%	1.1x	2.5x	15.2x
Verint Systems Inc.	VRNT	2.4%	1.8%	-2.4%	14.8%	6.7%	0.8x	3.0x	20.3x
ManTech International Corporation	MANT	4.6%	8.6%	17.4%	9.1%	24.3%	0.8x	1.4x	16.0x
NIC Inc.	EGOV	11.4%	23.4%	17.5%	20.0%	5.3%	0.3x	4.1x	20.5x
VSE Corporation	VSEC	4.5%	-0.3%	-4.3%	11.7%	-3.3%	1.5x	1.0x	8.6x
	<b>Mean</b>	<b>4.9%</b>	<b>25.5%</b>	<b>6.1%</b>	<b>16.2%</b>	<b>12.0%</b>	<b>0.9x</b>	<b>4.1x</b>	<b>23.3x</b>
	<b>Median</b>	<b>4.7%</b>	<b>9.8%</b>	<b>4.0%</b>	<b>17.4%</b>	<b>9.9%</b>	<b>0.9x</b>	<b>2.5x</b>	<b>15.6x</b>

## Valuation Metrics (cont.)

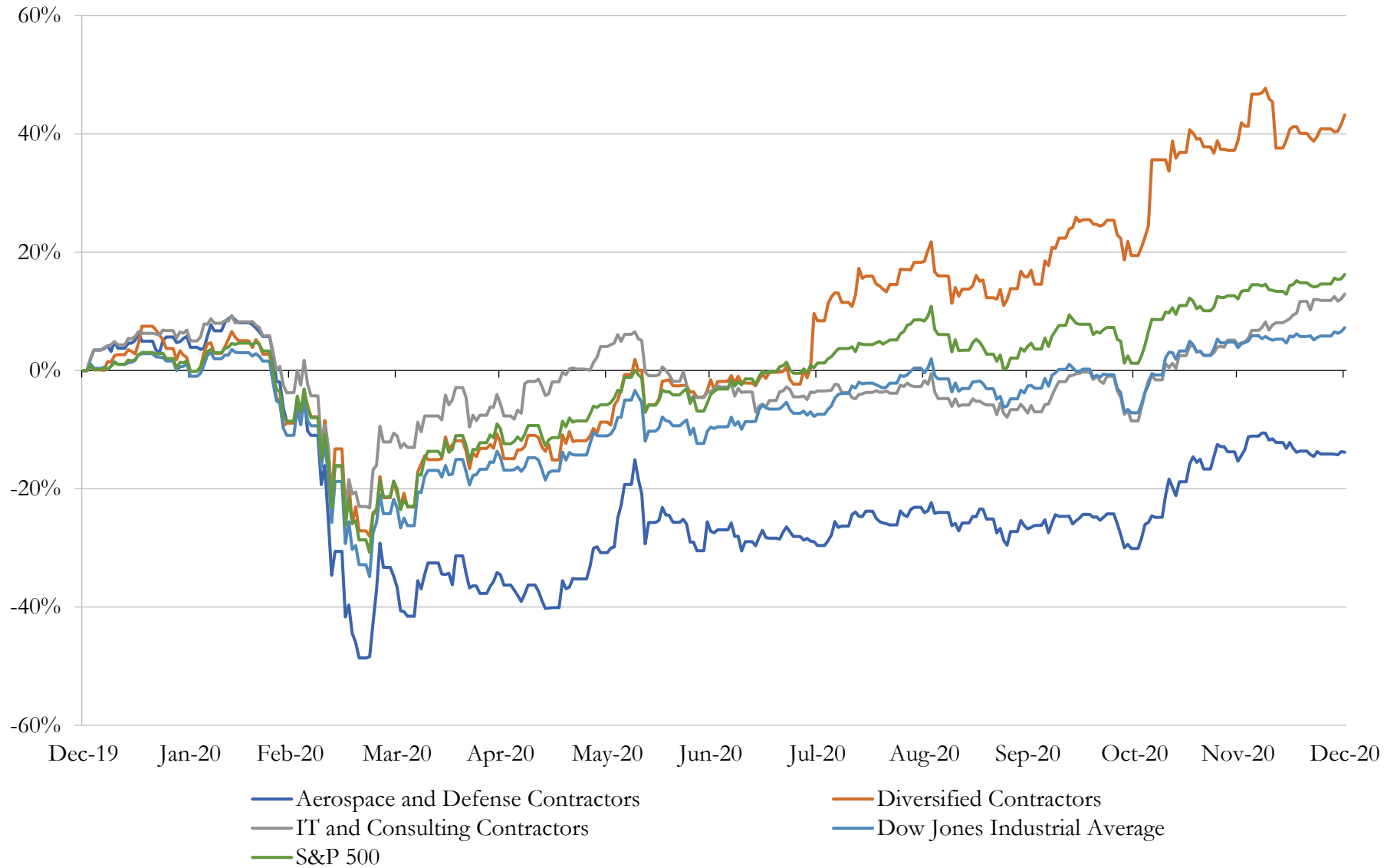
### Return Profile, Trading Metrics

Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Aerospace and Defense Contractors</b>									
The Boeing Company	BA	-3.8%	N/A	-24.0%	-11.0%	N/A	1.6x	2.8x	N/A
Northrop Grumman Corporation	NOC	6.2%	32.9%	8.7%	14.9%	29.8%	0.8x	1.7x	11.1x
TransDigm Group Incorporated	TDG	6.6%	N/A	-2.3%	41.6%	-8.7%	1.7x	9.6x	23.0x
Ball Corporation	BLL	4.4%	18.3%	2.7%	16.4%	4.3%	0.4x	3.0x	18.5x
Huntington Ingalls Industries, Inc.	HII	6.2%	33.2%	3.8%	11.3%	4.4%	1.0x	0.9x	8.2x
FLIR Systems, Inc.	FLIR	6.5%	7.6%	2.3%	22.8%	3.7%	1.6x	4.0x	17.7x
Hexcel Corporation	HXL	0.3%	2.1%	-36.2%	10.3%	-72.7%	1.5x	3.2x	30.9x
Cubic Corporation	CUB	2.3%	0.3%	-1.4%	11.2%	16.7%	0.8x	1.9x	17.2x
Triumph Group, Inc.	TGI	2.8%	N/A	-31.9%	7.8%	-48.9%	3.2x	1.1x	14.4x
OSI Systems, Inc.	OSIS	5.3%	11.0%	-8.9%	14.7%	8.6%	0.7x	1.7x	11.9x
AAR Corp.	AIR	0.6%	-1.3%	-19.2%	3.2%	-63.8%	1.8x	0.8x	26.7x
	<b>Mean</b>	<b>3.4%</b>	<b>13.0%</b>	<b>-9.7%</b>	<b>13.0%</b>	<b>-12.7%</b>	<b>1.4x</b>	<b>2.8x</b>	<b>18.0x</b>
	<b>Median</b>	<b>4.4%</b>	<b>9.3%</b>	<b>-2.3%</b>	<b>11.3%</b>	<b>4.0%</b>	<b>1.5x</b>	<b>1.9x</b>	<b>17.5x</b>

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## LTM Equity Performance

### Major Indexes



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## Recent M&amp;A Activity

Last Twelve (12) Months as of December 31, 2020

(USD in millions)

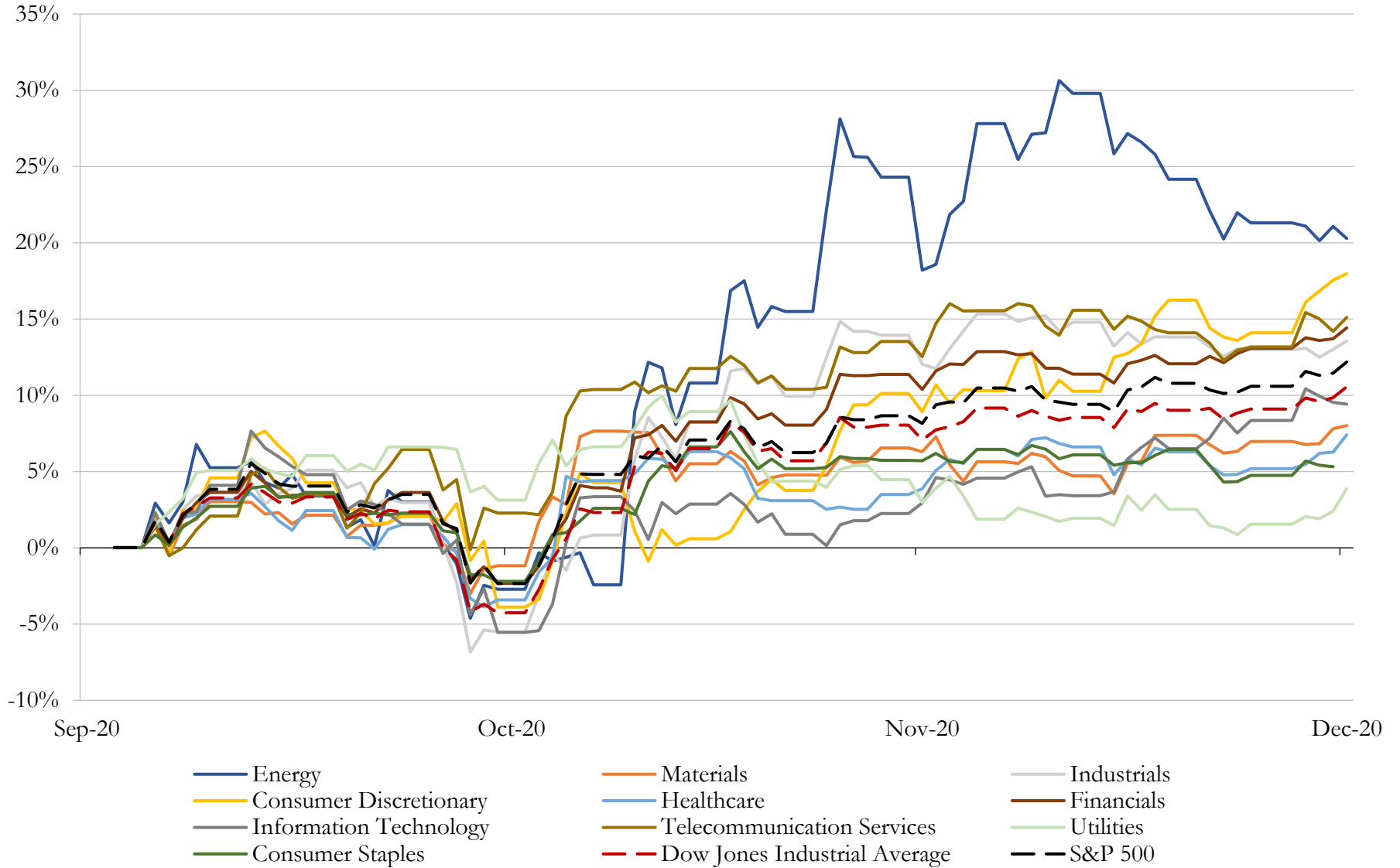
Close Date	Target	Acquirer	Implied TEV
Jan-20	Wesco Aircraft Holdings, Inc.	Pattonair Limited	\$1,904
Jan-20	Dynetics, Inc.	Leidos, Inc.	\$1,650
Feb-20	Consolidated Aerospace Manufacturing, LLC	Stanley Black & Decker, Inc.	\$1,500
Mar-20	Unisys Federal	Science Applications International Corporation	\$1,200
Oct-20	Short Brothers plc/Bombardier Aerospace North Africa SAS/Assets Of	Spirit AeroSystems, Inc.; Spirit Aerosystems Global Holdings Limited	\$865
Aug-20	Ascent Vision Technologies, LLC	CACI International Inc	\$350
Dec-20	Physical Optics Corporation, Inc.	Mercury Systems, Inc.	\$310
Nov-20	Braxton Science & Technology Group, LLC	Parsons Government Services, Inc.	\$300
May-20	Airborne Tactical Radios Business of Raytheon Company	BAE Systems plc	\$275
Nov-20	CENTRA Technology, Inc.	Pacific Architects and Engineers, LLC	\$208
Jun-20	Meggitt Training Systems, Inc. (nka:InVeris Training Solutions, Inc.)	Pine Island Capital Partners LLC	\$146
Nov-20	Team Wendy, LLC	Avon Protection Systems, Inc.	\$129
Jan-20	Advanced Ballistic Protection Business of 3M	Avon Rubber p.l.c.	\$116
Mar-20	TeraThink Corporation	CGI Federal Inc.	\$101
Feb-20	Custom MMIC Design Services, Inc.	Qorvo, Inc.	\$96
Feb-20	RSA Engineered Products, LLC	TriMas Corporation	\$84
Oct-20	Certain Assets Related Ammunition and Accessories Businesses of	Vista Outdoor Inc.	\$81
Dec-20	Genesys Aerosystems Group, Inc.	Moog Inc.	\$78
May-20	Certain Assets of DHPC Technologies Inc.	Perspecta Inc.	\$53
Jun-20	Spaceflight Systems, Inc.	Mitsui & Co., Ltd.; Yamasa Co., Ltd.	\$48
Aug-20	G650/700 Assets of Triumph Group, Inc.	Gulfstream Aerospace Corporation	\$52
Jul-20	L-3 Communications EOTech, Inc.	American Holoptics LLC	\$42
Nov-20	Marlin firearms business of Remington Outdoor Company, Inc.	Sturm, Ruger & Company, Inc.	\$28
Feb-20	Prime Turbines, LLC	PTB Group Limited	\$21
Dec-20	SpaceQuest Ltd.	AAC Clyde Space AB (publ)	\$10
Jun-20	Substantially all the Assets of CT Aerospace, LLC	Legacy Turbines, LLC	\$7
Dec-20	CTS Engines, LLC	J.F. Lehman and Company, LLC	NA
Dec-20	AeroSpares, Inc.	Jet Parts Engineering, LLC	NA
Dec-20	H.&S. Swansons' Tool Company (nka:H&S SWANSON FAMILY	ARCH Global Precision LLC	NA
Dec-20	Base2 LLC/Fortego, LLC	BlueHalo	NA

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

Last Three (3) Months as of December 31, 2020

### Change in Market Cap by S&P Capital IQ Sector

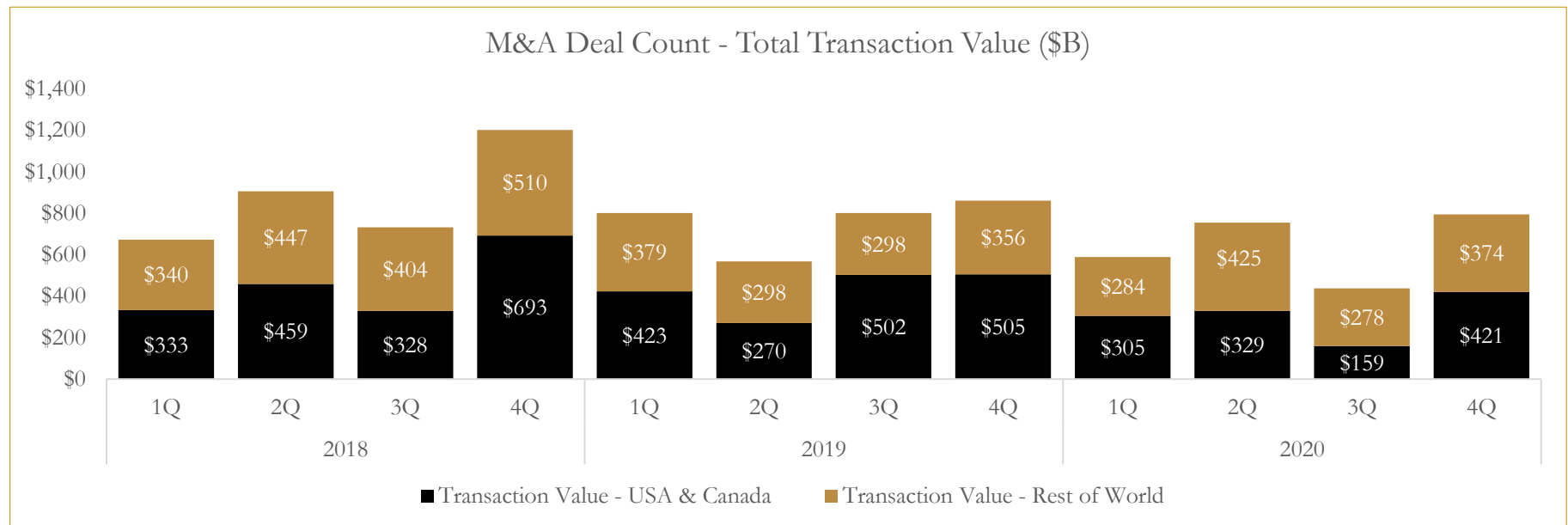
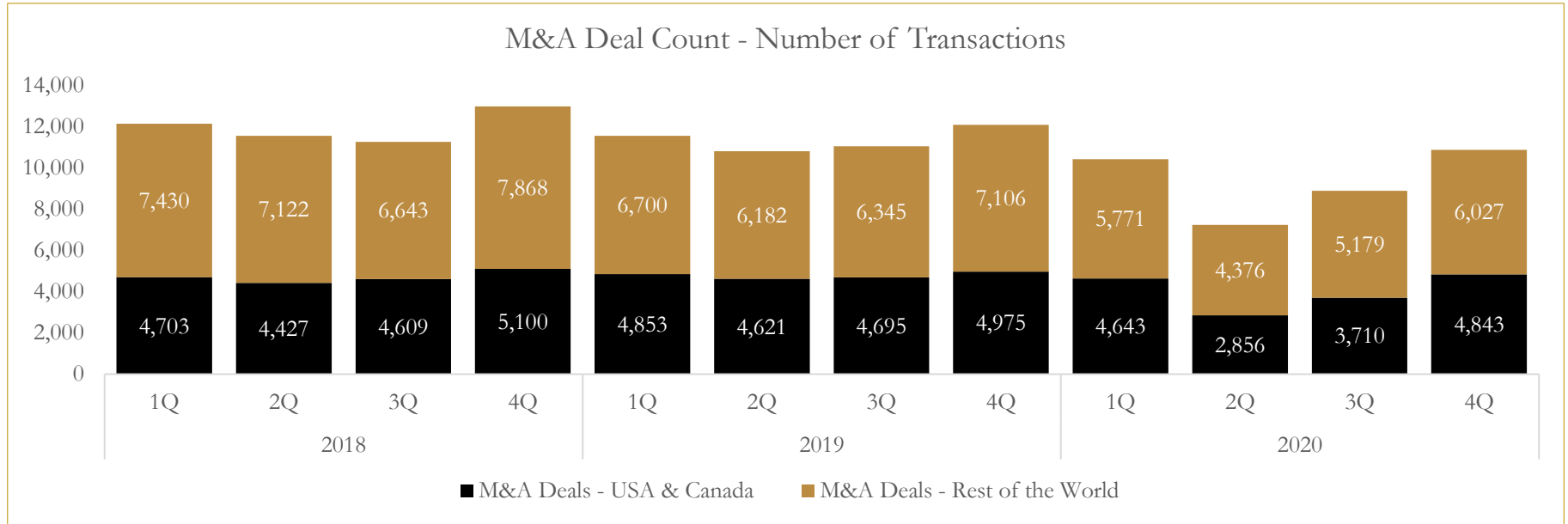




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## M&A Deal Flow Statistics

Last Three (3) Years as of December 31, 2020



## About Houlihan Capital

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

### Valuation & Financial Advisory

We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

### Investment Banking

Through our Investment Banking Group, we offer sell-side/buy-side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

### Litigation Support

Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

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