



Industry Update  
**Aerospace, Defense and Government**  
Q4 2021

## 1

# 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 12/31/21	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2021 Est. Revenue	2021 Est. EBITDA
<b>Diversified Contractors</b>									
QUALCOMM Incorporated	QCOM	\$182.87	94.9%	\$200,736	\$41,240	\$33,566	\$11,371	\$40,613	\$16,785
General Dynamics Corporation	GD	\$208.47	99.2%	\$68,672	\$50,073	\$38,469	\$5,053	\$39,348	\$5,151
Motorola Solutions, Inc.	MSI	\$271.70	99.3%	\$43,675	\$11,422	\$8,124	\$2,293	\$8,755	\$2,621
Teledyne Technologies Incorporated	TDY	\$436.89	93.9%	\$23,287	\$14,448	\$4,048	\$974	\$5,499	\$1,333
Juniper Networks, Inc.	JNPR	\$35.71	99.4%	\$11,803	\$8,887	\$4,735	\$670	\$5,101	\$1,083
MasTec, Inc.	MTZ	\$92.28	75.4%	\$7,905	\$6,013	\$7,779	\$885	\$9,837	\$961
Kratos Defense & Security Solutions, Inc.	KTOS	\$19.40	56.9%	\$2,108	\$1,578	\$806	\$54	\$891	\$95
<b>Information Technology and Consulting Contractors</b>									
L3Harris Technologies, Inc.	LHX	\$213.24	86.7%	\$47,956	\$34,709	\$17,814	\$3,063	\$17,571	\$3,791
Fortinet, Inc.	FTNT	\$359.40	96.7%	\$46,566	\$5,971	\$3,127	\$676	\$3,976	\$1,113
Tyler Technologies, Inc.	TYL	\$537.95	96.5%	\$20,606	\$4,683	\$1,442	\$285	\$1,854	\$502
NetApp, Inc.	NTAP	\$91.99	97.1%	\$17,580	\$9,222	\$6,049	\$1,302	\$6,566	\$1,749
CACI International Inc	CACI	\$269.21	92.6%	\$8,149	\$6,751	\$6,093	\$643	\$6,614	\$707
Viasat, Inc.	VSAT	\$44.54	64.8%	\$5,557	\$5,993	\$2,538	\$471	\$3,050	\$667
Verint Systems Inc.	VRNT	\$52.51	67.6%	\$3,967	\$2,298	\$1,309	\$181	\$938	\$261
ManTech International Corporation	MANT	\$72.93	72.0%	\$2,896	\$2,284	\$2,558	\$259	\$2,647	\$245
VSE Corporation	VSEC	\$60.94	93.2%	\$977	\$913	\$691	\$48	\$870	\$101

Source: Capital IQ

## Financial Performance (cont.)

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			Total Assets	LTM Operating Data		Forward Estimates	
		Price at 12/31/21	% of 52 Week High	TEV		LTM Revenue	LTM EBITDA	2021 Est. Revenue	2021 Est. EBITDA
<b>Aerospace and Defense Contractors</b>									
The Boeing Company	BA	\$201.32	72.3%	\$159,936	\$138,552	\$62,286	-\$716	\$82,739	\$8,196
Northrop Grumman Corporation	NOC	\$387.07	94.9%	\$68,451	\$42,579	\$35,667	\$8,734	\$36,585	\$4,864
TransDigm Group Incorporated	TDG	\$636.28	92.5%	\$49,640	\$19,315	\$4,798	\$2,029	\$5,426	\$2,670
Ball Corporation	BLL	\$96.27	98.1%	\$38,624	\$19,714	\$13,811	\$2,133	\$15,358	\$2,456
Huntington Ingalls Industries, Inc.	HII	\$186.74	83.3%	\$10,463	\$10,400	\$9,604	\$1,106	\$10,941	\$1,006
Hexcel Corporation	HXL	\$51.80	79.7%	\$5,072	\$2,819	\$1,325	\$208	\$1,576	\$306
Triumph Group, Inc.	TGI	\$18.53	75.5%	\$2,593	\$1,801	\$1,647	\$238	\$1,577	\$204
OSI Systems, Inc.	OSIS	\$93.20	91.2%	\$1,781	\$1,443	\$1,172	\$160	\$1,219	\$218
AAR Corp.	AIR	\$39.03	85.8%	\$1,534	\$1,530	\$1,740	\$93	\$1,894	\$187

Source: Capital IQ

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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	15.9%	112.8%	42.6%	33.9%	49.2%	1.3x	6.0x	17.7x
General Dynamics Corporation	GD	5.1%	19.6%	1.4%	13.1%	-0.7%	1.0x	1.8x	13.6x
Motorola Solutions, Inc.	MSI	10.7%	N/A	8.1%	28.2%	6.9%	0.8x	5.4x	19.0x
Teledyne Technologies Incorporated	TDY	5.0%	8.0%	30.1%	24.1%	63.7%	1.1x	5.8x	23.9x
Juniper Networks, Inc.	JNPR	3.0%	5.7%	6.5%	14.1%	2.7%	0.9x	2.5x	17.6x
MasTec, Inc.	MTZ	5.4%	17.7%	21.7%	11.4%	28.5%	1.2x	1.0x	8.9x
Kratos Defense & Security Solutions, Inc.	KTOS	1.2%	8.9%	11.0%	6.7%	-5.7%	0.7x	2.6x	38.7x
	Mean	6.6%	28.8%	17.4%	18.8%	20.6%	1.0x	3.6x	19.9x
	Median	5.1%	13.3%	11.0%	14.1%	6.9%	1.0x	2.6x	17.7x
<b>Information Technology and Consulting Contractors</b>									
L3Harris Technologies, Inc.	LHX	3.7%	9.2%	-2.1%	17.2%	-14.6%	0.9x	2.7x	15.7x
Fortinet, Inc.	FTNT	7.9%	60.0%	26.9%	21.6%	31.7%	1.2x	14.9x	68.9x
Tyler Technologies, Inc.	TYL	3.6%	7.8%	28.5%	19.8%	29.8%	0.7x	14.3x	72.3x
NetApp, Inc.	NTAP	8.1%	166.9%	9.5%	21.5%	20.7%	1.2x	2.9x	13.5x
CACI International Inc	CACI	5.1%	15.2%	3.5%	10.6%	0.2%	1.0x	1.3x	12.7x
Viasat, Inc.	VSAT	0.9%	1.8%	12.0%	18.6%	36.4%	1.1x	2.2x	11.8x
Verint Systems Inc.	VRNT	3.0%	3.2%	38.6%	13.8%	48.9%	0.8x	3.0x	21.9x
ManTech International Corporation	MANT	5.2%	8.7%	3.0%	10.1%	15.2%	0.8x	1.1x	11.2x
VSE Corporation	VSEC	1.7%	2.0%	-2.3%	7.0%	-41.7%	1.5x	1.4x	20.3x
	Mean	4.3%	30.5%	13.1%	15.6%	14.1%	1.0x	4.9x	27.6x
	Median	3.7%	8.7%	9.5%	17.2%	20.7%	1.0x	2.7x	15.7x

Source: Capital IQ

## Valuation Metrics (cont.)

### Return Profile, Trading Metrics

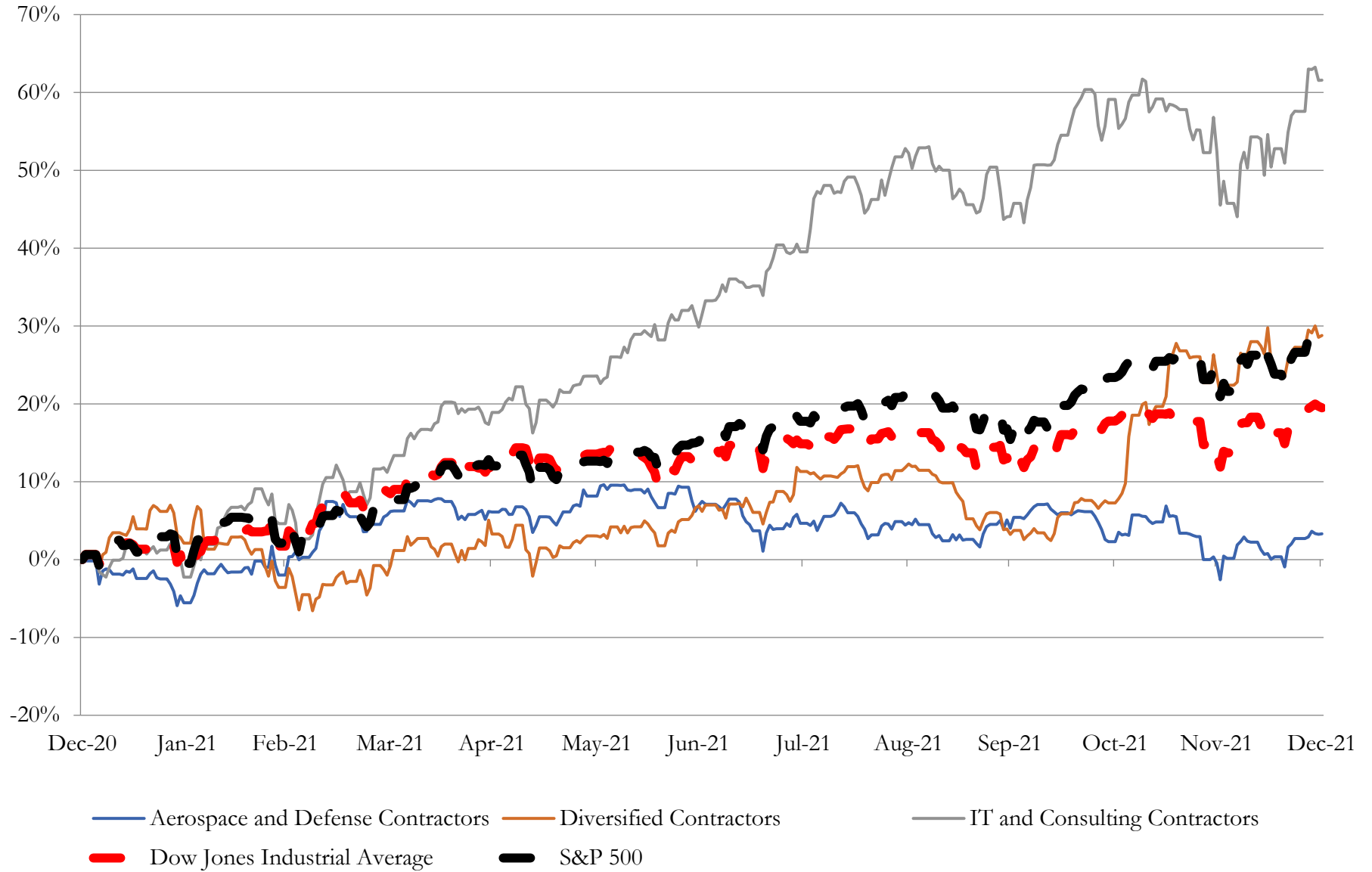
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Aerospace and Defense Contractors</b>									
The Boeing Company	BA	-1.2%	N/A	7.1%	-1.1%	N/A	1.5x	2.6x	N/A
Northrop Grumman Corporation	NOC	10.8%	59.6%	-3.1%	24.5%	58.9%	0.8x	1.9x	7.8x
TransDigm Group Incorporated	TDG	5.9%	N/A	-6.0%	42.3%	-4.4%	1.6x	10.3x	24.5x
Ball Corporation	BLL	4.7%	25.0%	17.2%	15.4%	10.3%	0.5x	2.8x	18.1x
Huntington Ingalls Industries, Inc.	HII	5.5%	33.1%	6.5%	11.5%	8.5%	1.0x	1.1x	9.5x
Hexcel Corporation	HXL	1.5%	1.1%	-11.8%	15.7%	-2.3%	1.3x	3.8x	24.4x
Triumph Group, Inc.	TGI	5.2%	N/A	-30.6%	14.4%	0.5%	3.0x	1.6x	10.9x
OSI Systems, Inc.	OSIS	5.4%	13.8%	6.5%	13.7%	-2.7%	0.7x	1.5x	11.1x
AAR Corp.	AIR	2.2%	8.2%	-1.9%	5.3%	19.4%	1.7x	0.9x	16.6x
	Mean	4.4%	23.5%	-1.8%	15.7%	11.0%	1.3x	2.9x	15.4x
	Median	5.2%	19.4%	-1.9%	14.4%	4.5%	1.3x	1.9x	13.8x

Source: Capital IQ

# 3

## LTM Equity Performance

Major Indexes



Source: Capital IQ

## 4

## Recent M&amp;A Activity

*Last Twelve (12) Months as of December 31, 2021*

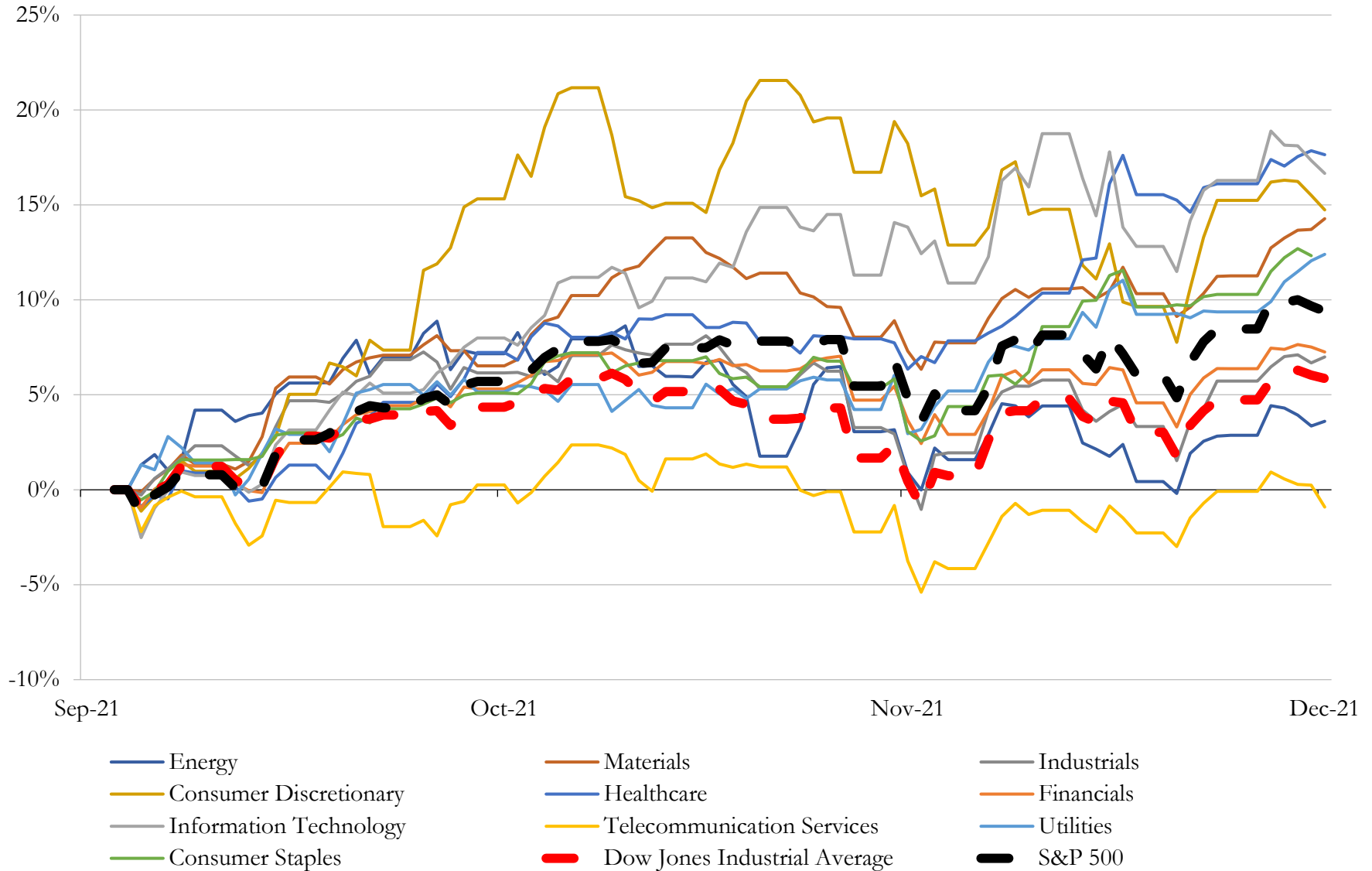
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
May-21	Cubic Corporation	Veritas Capital Fund Management, L.L.C; Evergreen Coast Capital Corp.	\$3,477
Feb-21	Federal IT and Mission Support Services Business of Northrop Grumman	Peraton Corporation	\$3,400
Aug-21	Alion Science and Technology Corp.	Huntington Ingalls Industries, Inc.	\$2,057
Apr-21	Abaco Systems Inc.	AMETEK, Inc.	\$1,350
Jul-21	L-3 Link Simulation & Training / AMI Instruments / L3 Doss Aviation, Inc.	CAE USA, Inc.	\$1,050
Feb-21	Arcturus UAV, Inc.	AeroVironment, Inc.	\$423
Jul-21	Combat Propulsion Systems and related businesses of L3Harris	Renk Aktiengesellschaft	\$400
Apr-21	Sparton Corporation	Elbit Systems of America, LLC	\$380
Dec-21	Gryphon Technologies LC	ManTech International Corporation	\$350
Apr-21	Whitney, Bradley & Brown, Inc.	Serco Group plc	\$288
May-21	Colt Defense LLC	CZG - Česká zbrojovka Group SE	\$256
Nov-21	Avalex Technologies Corporation	Mercury Systems, Inc.	\$155
Jul-21	Apollo Fusion, Inc.	Astra Space, Inc.	\$135
Dec-21	Photonics business of Intevac, Inc	L-3 Communications EOtech, Inc.	\$100
Dec-21	Planetary Systems Corporation	Rocket Lab USA, Inc.	\$80
Apr-21	Senior Operations LLC	PCX Aerostructures, LLC	\$73
Oct-21	Advanced Solutions, Inc.	Rocket Lab USA, Inc.	\$46
Dec-21	Crew Training International, Inc.	Exchange Income Corporation	\$45
Jul-21	GlobalParts Group, Inc.	VSE Corporation	\$40
May-21	Blackbox Biometrics, Inc.	AirBoss Defense Group	\$27
Jul-21	ATM voice communications and arrival management product business of	Frequentis AG	\$20
Mar-21	HAECO Special Services, LLC	VSE Corporation	\$15
Jan-21	Jet East Corporate Aviation, LLC	Gama Aviation Plc	\$12
Mar-21	Enginetics Corporation	Enjet Aero, LLC	\$12
Oct-21	Identified Technologies Corporation	A4 Aerospace, Inc.	\$4
May-21	Assets of Mission Less Lethal, LLC	Byrna Technologies Inc.	\$4
Jan-21	Mikros Systems Corporation	McKean Defense Group, LLC	\$3

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

Last Three (3) Months as of December 31, 2021



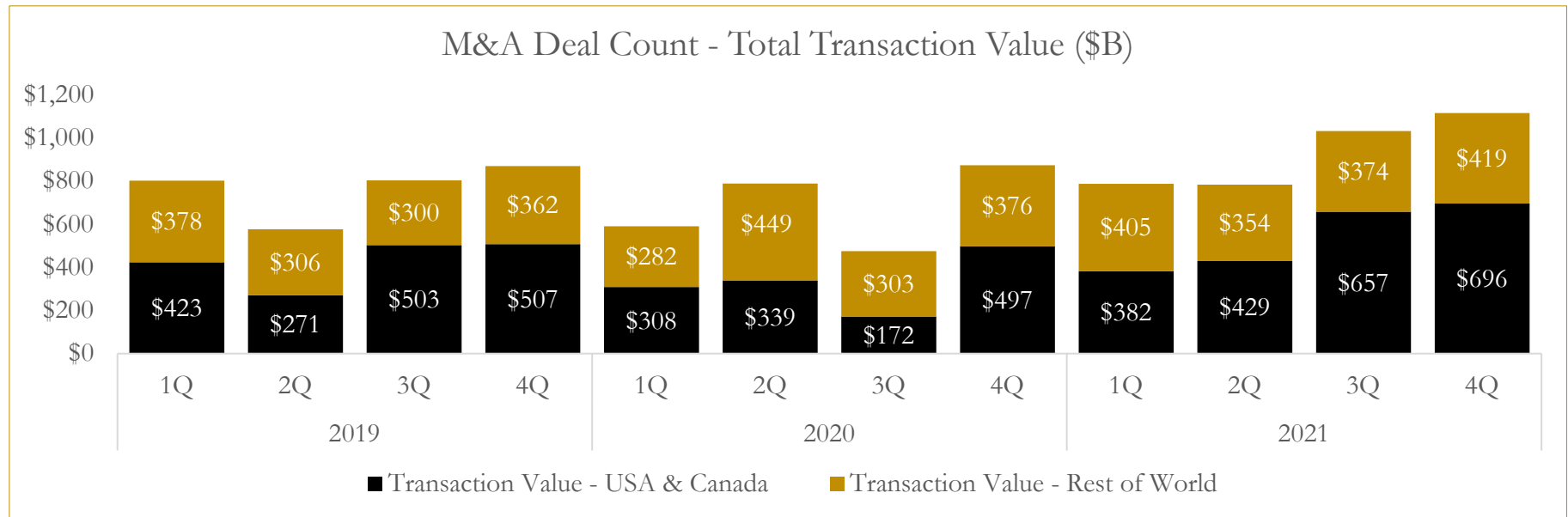
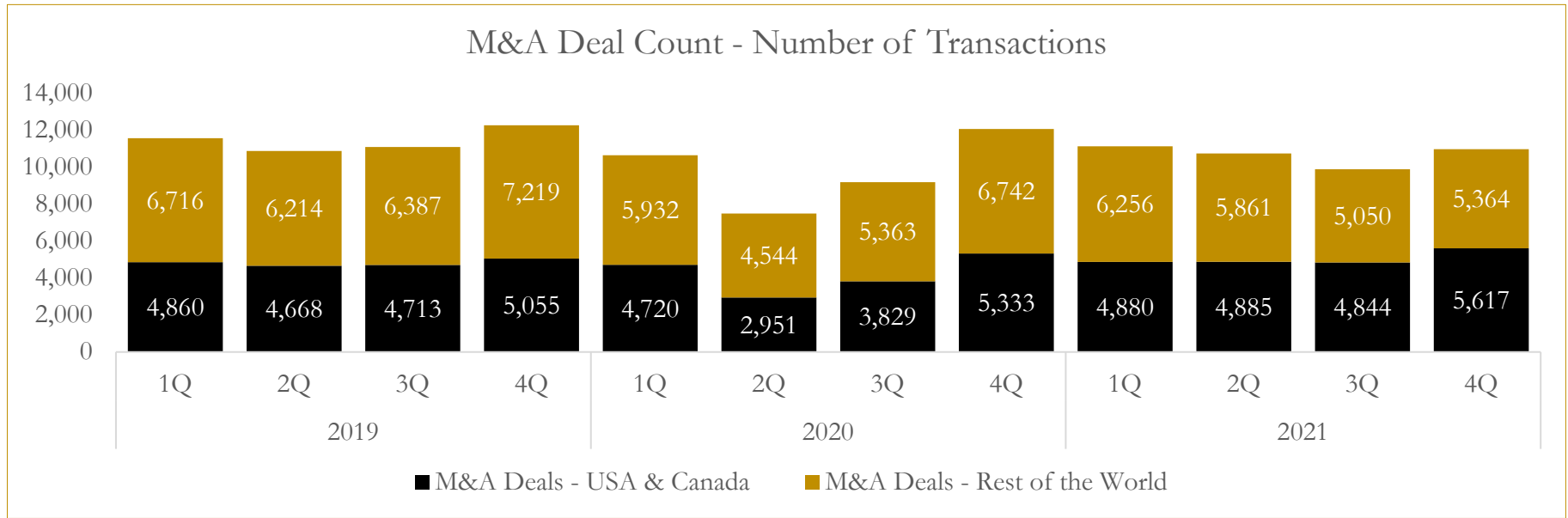
Source: Capital IQ



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## M&A Deal Flow Statistics

Last Three (3) Years as of December 31, 2021



Source: Capital IQ

## 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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