



Industry Update
Aerospace, Defense and Government
Q2 2023

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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 06/30/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
Diversified Contractors									
QUALCOMM Incorporated	QCOM	\$119.04	76.0%	\$134,059	\$49,002	\$38,584	\$13,225	\$35,355	\$12,839
General Dynamics Corporation	GD	\$215.15	83.8%	\$72,029	\$52,096	\$39,896	\$5,315	\$42,498	\$5,326
Motorola Solutions, Inc.	MSI	\$293.28	97.9%	\$53,431	\$12,353	\$9,391	\$2,634	\$9,901	\$2,984
Teledyne Technologies Incorporated	TDY	\$411.11	91.6%	\$21,940	\$14,429	\$5,521	\$1,330	\$5,731	\$1,375
MasTec, Inc.	MTZ	\$117.97	99.7%	\$10,888	\$9,288	\$10,981	\$803	\$12,862	\$1,065
Juniper Networks, Inc.	JNPR	\$31.33	90.7%	\$9,475	\$9,376	\$5,665	\$841	\$5,598	\$1,128
Kratos Defense & Security Solutions, Inc.	KTOS	\$14.34	88.4%	\$2,361	\$1,563	\$967	\$42	\$1,002	\$88
Information Technology and Consulting Contractors									
Fortinet, Inc.	FTNT	\$75.59	99.1%	\$44,604	\$7,486	\$4,988	\$1,280	\$5,405	\$1,537
L3Harris Technologies, Inc.	LHX	\$195.77	76.7%	\$44,527	\$35,362	\$17,988	\$2,760	\$19,159	\$3,437
Tyler Technologies, Inc.	TYL	\$416.47	97.8%	\$17,105	\$4,636	\$1,902	\$317	\$1,959	\$487
NetApp, Inc.	NTAP	\$76.40	96.6%	\$15,847	\$9,818	\$6,362	\$1,365	\$6,076	\$1,679
CACI International Inc	CACI	\$340.84	99.4%	\$9,738	\$6,601	\$6,703	\$709	\$6,872	\$748
Viasat, Inc.	VSAT	\$41.26	87.1%	\$9,598	\$17,898	\$2,761	\$350	\$3,623	\$1,053
Verint Systems Inc.	VRNT	\$35.06	68.7%	\$2,915	\$2,238	\$901	\$128	\$930	\$256
VSE Corporation	VSEC	\$54.69	92.5%	\$1,231	\$1,073	\$1,013	\$97	\$835	\$106

Source: Capital IQ

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 06/30/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
Aerospace and Defense Contractors									
The Boeing Company	BA	\$211.16	94.3%	\$181,314	\$134,774	\$73,608	\$1,075	\$79,079	\$3,292
Northrop Grumman Corporation	NOC	\$455.80	81.9%	\$78,702	\$45,609	\$37,881	\$7,243	\$38,769	\$5,345
TransDigm Group Incorporated	TDG	\$894.17	99.4%	\$64,399	\$20,008	\$5,897	\$2,777	\$6,824	\$3,478
Huntington Ingalls Industries, Inc.	HII	\$227.60	87.5%	\$11,868	\$10,859	\$10,899	\$1,073	\$10,979	\$1,039
Hexcel Corporation	HXL	\$76.02	99.4%	\$6,512	\$2,922	\$1,706	\$338	\$1,816	\$373
AAR Corp.	AIR	\$57.76	99.0%	\$2,316	\$1,833	\$1,991	\$170	\$2,108	\$206
OSI Systems, Inc.	OSIS	\$117.83	92.7%	\$2,286	\$1,483	\$1,203	\$169	\$1,318	\$245
Triumph Group, Inc.	TGI	\$12.37	73.3%	\$2,153	\$1,650	\$1,357	\$192	\$1,419	\$209

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
Diversified Contractors									
QUALCOMM Incorporated	QCOM	14.8%	47.0%	-8.4%	34.3%	-15.9%	1.2x	3.5x	10.1x
General Dynamics Corporation	GD	5.4%	18.3%	3.7%	13.3%	0.9%	0.8x	1.8x	13.6x
Motorola Solutions, Inc.	MSI	11.5%	N/A	13.3%	28.0%	17.7%	0.9x	5.7x	20.3x
Teledyne Technologies Incorporated	TDY	4.4%	9.3%	7.6%	24.1%	-1.9%	1.1x	4.0x	16.5x
MasTec, Inc.	JNPR	1.7%	-0.4%	29.6%	7.3%	16.2%	1.4x	1.0x	13.6x
Juniper Networks, Inc.	MTZ	4.4%	9.6%	15.0%	14.8%	23.8%	0.9x	1.7x	11.3x
Kratos Defense & Security Solutions, Inc.	KTOS	0.4%	-2.0%	16.1%	4.3%	-17.5%	0.8x	2.4x	56.3x
	Mean	6.1%	13.6%	11.0%	18.0%	3.3%	1.0x	2.9x	20.2x
	Median	4.4%	9.4%	13.3%	14.8%	0.9%	0.9x	2.4x	13.6x
Information Technology and Consulting Contractors									
Fortinet, Inc.	LHX	11.5%	N/A	30.7%	25.7%	55.7%	1.2x	8.9x	34.9x
L3Harris Technologies, Inc.	FTNT	3.2%	4.3%	7.0%	15.3%	-7.8%	0.7x	2.5x	16.1x
Tyler Technologies, Inc.	TYL	2.8%	6.3%	4.6%	16.7%	-5.3%	0.8x	9.0x	54.0x
NetApp, Inc.	NTAP	7.3%	127.6%	0.7%	21.5%	0.1%	1.2x	2.5x	11.6x
CACI International Inc	CACI	5.4%	12.3%	8.1%	10.6%	12.4%	1.0x	1.5x	13.7x
Viasat, Inc.	VSAT	-0.7%	-5.8%	14.0%	12.7%	17.5%	1.2x	3.5x	27.4x
Verint Systems Inc.	VRNT	2.3%	1.5%	1.1%	14.3%	8.9%	0.9x	3.2x	22.7x
VSE Corporation	VSEC	4.5%	7.8%	36.8%	9.6%	34.4%	1.5x	1.2x	12.7x
	Mean	4.5%	22.0%	12.9%	15.8%	14.5%	1.1x	4.0x	24.1x
	Median	3.8%	6.3%	7.5%	14.8%	10.6%	1.1x	2.9x	19.4x

Source: Capital IQ

Valuation Metrics (cont.)

Return Profile, Trading Metrics

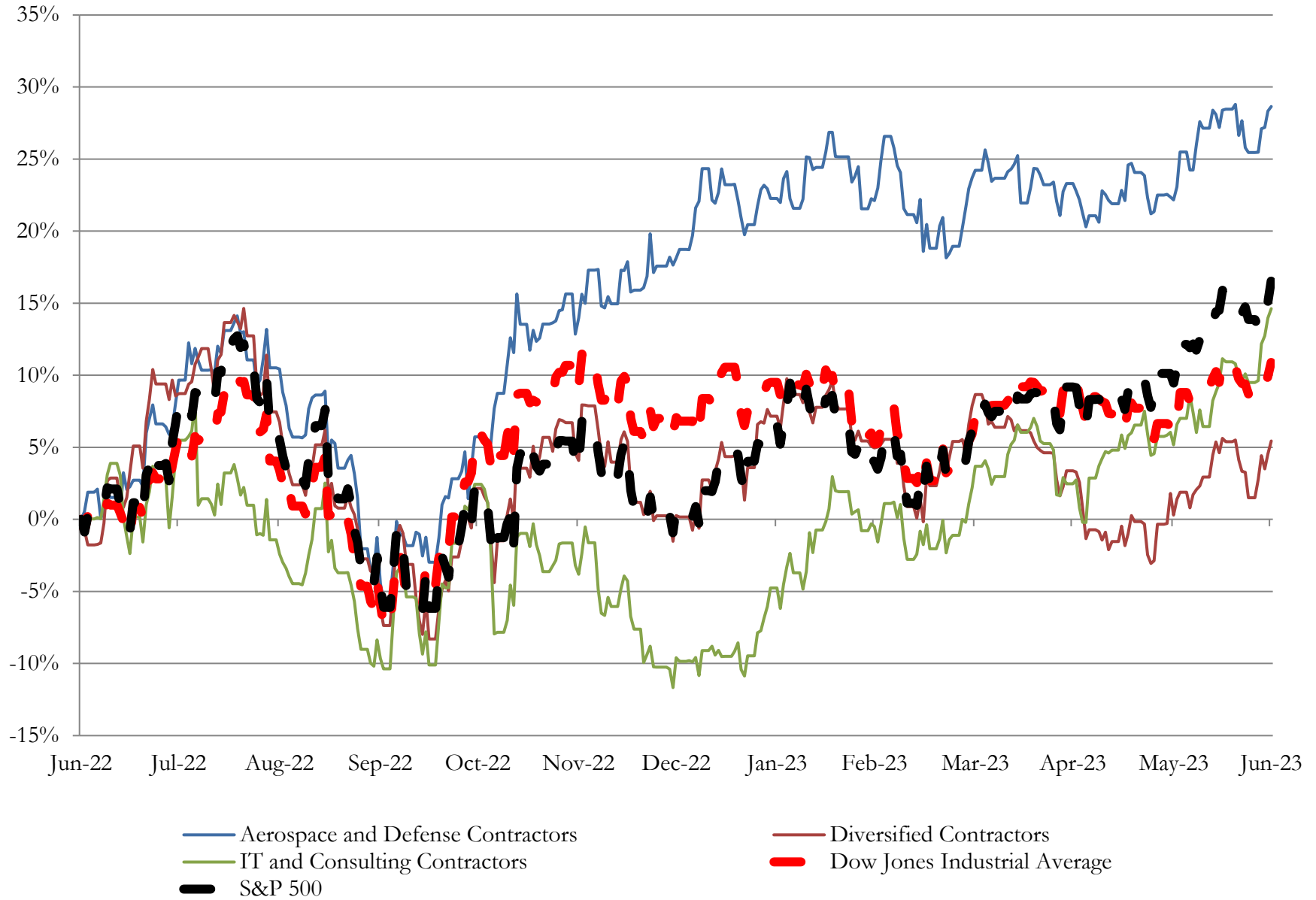
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Aerospace and Defense Contractors									
The Boeing Company	BA	-0.4%	N/A	21.2%	1.5%	242.4%	1.4x	2.5x	168.7x
Northrop Grumman Corporation	NOC	8.4%	31.9%	8.4%	19.1%	-17.3%	0.5x	2.1x	10.9x
TransDigm Group Incorporated	TDG	8.1%	N/A	17.5%	47.1%	23.6%	1.4x	10.9x	23.2x
Huntington Ingalls Industries, Inc.	HII	4.2%	15.8%	6.3%	9.8%	-0.6%	0.7x	1.1x	11.1x
Hexcel Corporation	HXL	4.7%	9.5%	15.5%	19.8%	24.0%	1.2x	3.8x	19.3x
AAR Corp.	TGI	5.2%	8.4%	9.4%	8.5%	17.5%	1.6x	1.2x	13.6x
OSI Systems, Inc.	OSIS	5.6%	12.9%	2.1%	14.1%	3.0%	0.9x	1.9x	13.5x
Triumph Group, Inc.	AIR	6.1%	N/A	-3.9%	14.1%	10.5%	2.6x	1.6x	11.2x
	Mean	5.2%	15.7%	9.5%	16.8%	37.9%	1.3x	3.1x	33.9x
	Median	5.4%	12.9%	8.9%	14.1%	14.0%	1.3x	2.0x	13.6x

Source: Capital IQ

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LTM Equity Performance

Major Indexes



Source: Capital IQ

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Recent M&A Activity

Last Twelve (12) Months as of June 30, 2023

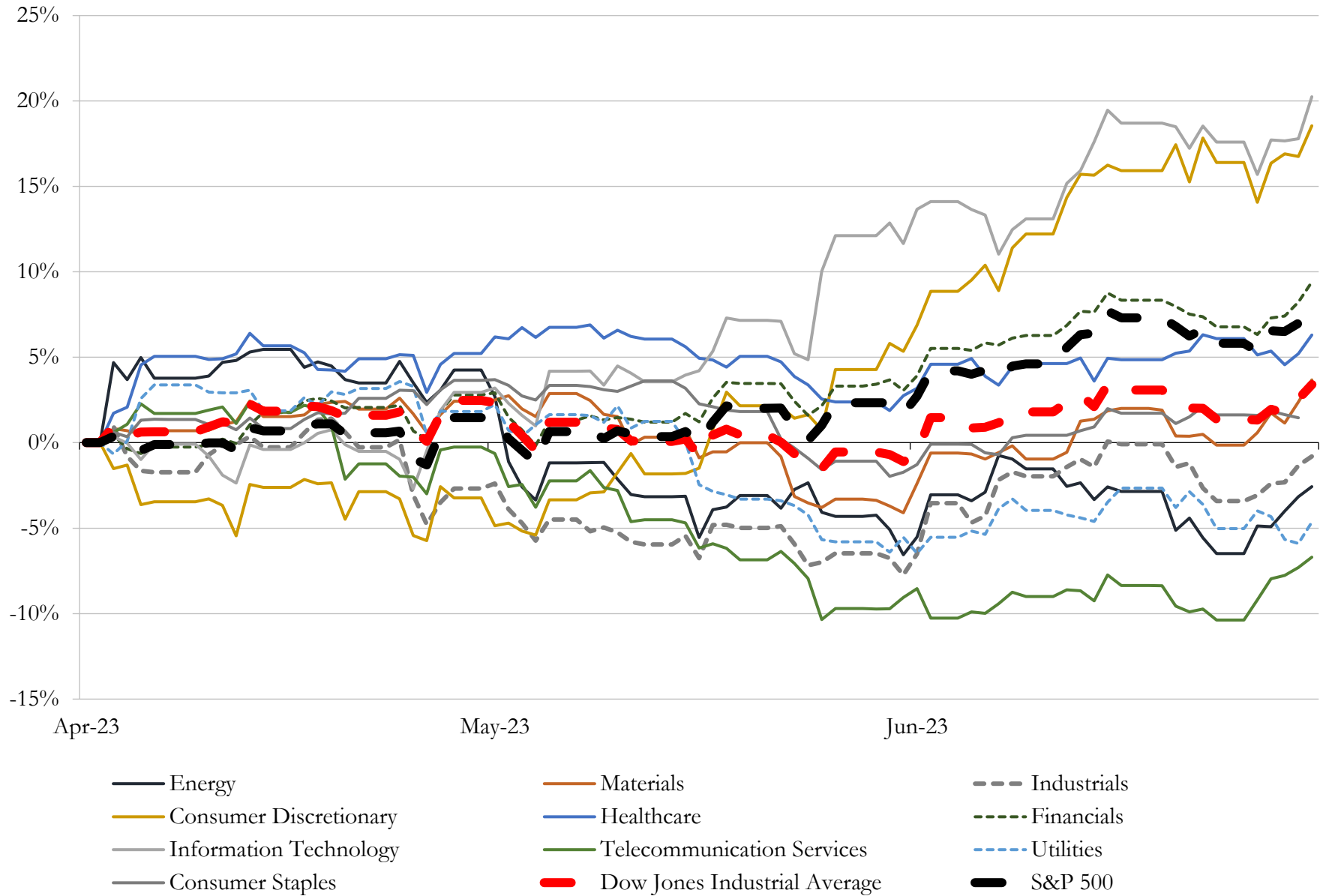
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
May-23	Maxar Technologies Inc.	Advent International Corporation; British Columbia Investment Management	\$6,542
May-23	Calspan Corporation	TransDigm Group Incorporated	\$725
Nov-22	E3 Federal Solutions, LLC	QinetiQ North America, Inc.	\$590
Aug-22	DRS Global Enterprise Solutions, Inc.	SES Government Solutions, Inc.	\$450
Sep-22	All assets and related liabilities of Aircraft Wheel and Brake Division of	Kaman Corporation	\$441
Oct-22	EverWatch Corporation	Booz Allen Hamilton Holding Corporation	\$440
Aug-22	Sensor Systems, Inc.	Electronic Technologies Group, Inc.	\$165
Jun-23	Desser Holding Company LLC	VSE Aviation, Inc	\$124
Apr-23	BLR Aerospace, LLC	Ducommun LaBarge Technologies, Inc.	\$115
Apr-23	Visual Information Solutions Business of L3Harris Technologies, Inc.	NV5 Global, Inc.	\$70
Mar-23	Linearizer Communications Group	MACOM Technology Solutions Holdings, Inc.	\$49
Jun-23	Assets related to Certain Inertial, Communication and Navigation Product	Innovative Solutions and Support, Inc.	\$36
Feb-23	Aviation & Missile Solutions, LLC	N/A	\$18
Jun-23	Certain assets of Virgin Orbit Holdings, Inc.	Stratolaunch LLC	\$17
Jun-23	Certain Long Beach California Aerospace Production and Manufacturing	Rocket Lab USA, Inc.	\$16
Mar-23	Substantially All of the Assets of Enstrom Helicopter Corp.	MidTex Aviation, LLC	\$11
Jun-23	BBA Logistics	Grupo Traxión, S.A.B. de C.V.	\$10
Mar-23	Global Technology And Management Resources, Inc.	Castellum, Inc.	\$7
Sep-22	All assets of Masten Space Systems, Inc.	Astrobotic Technology, Inc.	\$4
Jun-23	Remaining Assets of Virgin Orbit	Firefly Aerospace Inc.	\$4
Jan-23	Worldwide Aircraft Services, Inc.	Air T, Inc.	\$3
Jun-23	Mojave Desert facility	Launcher Inc.	\$3
Jun-23	certain equipment of Air Power Dynamics, LLC	CAD Enterprises, Inc.	NA
Jun-23	Pinnacle Solutions, Inc.	Akima, LLC	NA
Jun-23	Vulcan Machine, LLC	Prince Industries, Inc.; HC Private Investments	NA
Jun-23	3B Aviation, Inc.	FlyUSA, LLC	NA
Jun-23	Adranos, Inc.	Anduril Industries, Inc.	NA
Jun-23	F-1 Firearms LLC	Watchtower, Inc.	NA
Jun-23	Spaceflight, Inc.	Firefly Aerospace Inc.	NA
Jun-23	Yingling Aircraft, Inc.	AE Industrial Partners, LP	NA

Source: Capital IQ

5 Change in Market Capitalization by Sector

Last Three (3) Months as of June 30, 2023

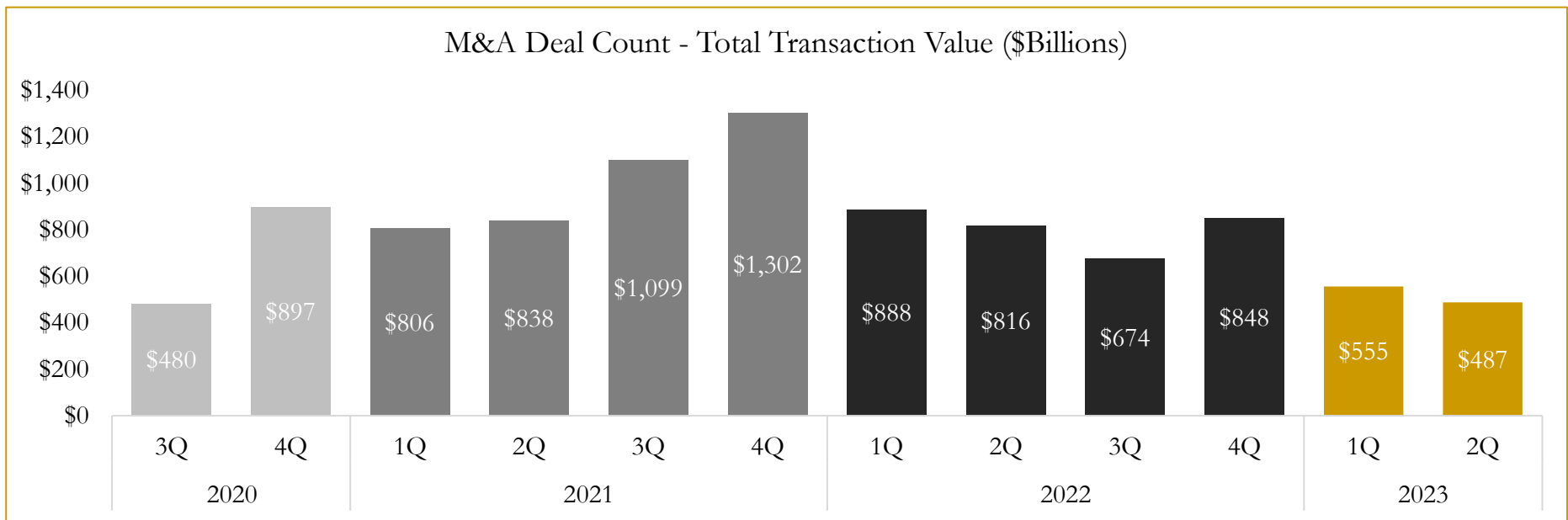
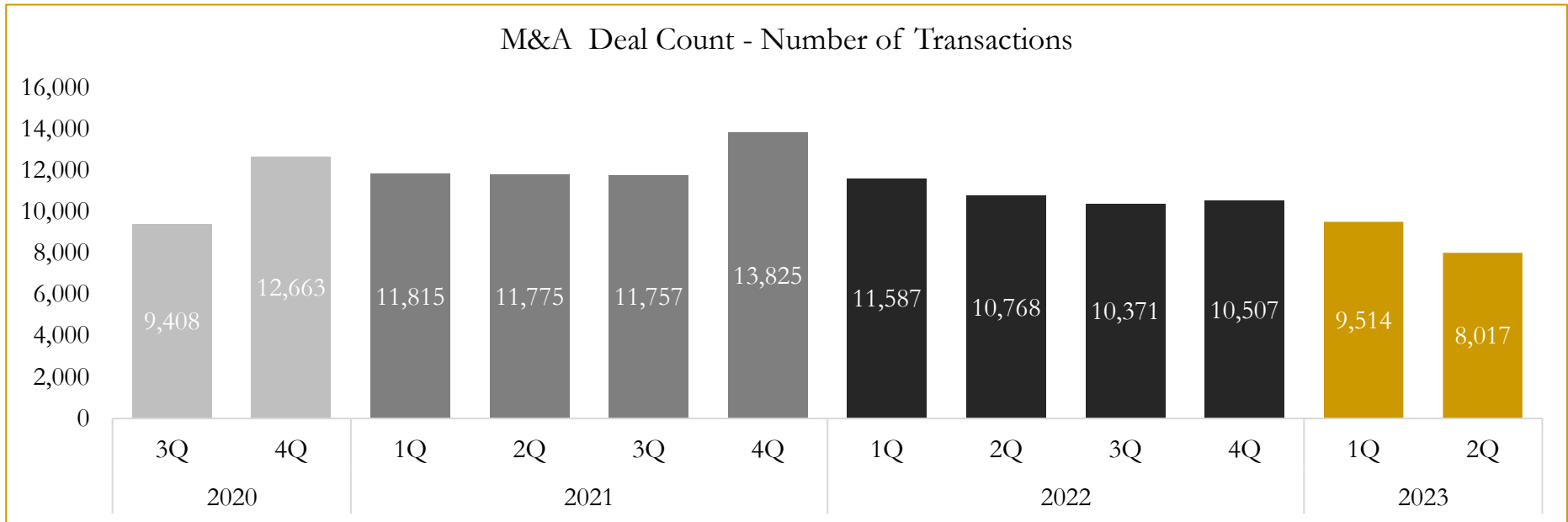


Source: Capital IQ

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M&A Deal Flow Statistics

Last Three (3) Years as of June 30, 2023



Source: Capital IQ

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- **Cryptoasset /Blockchain Valuations**
 - Locked Token Valuations
- **Enterprise Valuations**
- **Fairness & Solvency Opinions**
 - SPAC Fairness
- **Estate & Gift Valuations**
- **Purchase Price Allocation (ASC 805)**
- **Goodwill Impairment Testing (ASC 350)**
- **Stock-based Compensation (ASC 718, IRC 409A)**

Investment Banking

- **Mergers & Acquisitions**
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 - Sale of Minority Ownership Positions
 - Leveraged Buyouts
 - Majority Recapitalizations
 - Corporate Divestitures
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 - Investor Presentation
 - Valuation Analysis
 - Strategic Advisory

For questions or inquiries regarding our services, please contact:

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