



Industry Update
Aerospace, Defense and Government
Q3 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 09/30/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
Diversified Contractors									
QUALCOMM Incorporated	QCOM	\$111.06	79.4%	\$131,197	\$49,002	\$38,584	\$13,225	\$35,427	\$12,970
General Dynamics Corporation	GD	\$220.97	86.0%	\$75,035	\$52,556	\$40,859	\$5,081	\$42,517	\$5,333
Motorola Solutions, Inc.	MSI	\$272.24	90.9%	\$53,972	\$12,252	\$9,654	\$2,745	\$9,923	\$3,019
Teledyne Technologies Incorporated	TDY	\$408.58	91.1%	\$22,151	\$14,156	\$5,590	\$1,354	\$5,731	\$1,386
Juniper Networks, Inc.	MTZ	\$27.79	80.5%	\$8,874	\$9,376	\$5,665	\$841	\$12,784	\$1,057
MasTec, Inc.	JNPR	\$71.97	58.4%	\$8,720	\$9,288	\$10,981	\$803	\$5,595	\$1,125
Kratos Defense & Security Solutions, Inc.	KTOS	\$15.02	86.8%	\$2,433	\$1,563	\$967	\$42	\$1,002	\$88
Information Technology and Consulting Contractors									
Fortinet, Inc.	FTNT	\$58.68	72.2%	\$43,300	\$7,486	\$4,988	\$1,280	\$5,405	\$1,533
L3Harris Technologies, Inc.	LHX	\$174.12	68.3%	\$42,132	\$35,362	\$17,988	\$2,760	\$19,338	\$3,502
Tyler Technologies, Inc.	TYL	\$386.14	90.5%	\$17,074	\$4,636	\$1,902	\$317	\$1,959	\$487
NetApp, Inc.	NTAP	\$75.88	94.2%	\$15,512	\$9,270	\$6,202	\$1,303	\$6,095	\$1,759
CACI International Inc	CACI	\$313.93	87.4%	\$9,580	\$6,601	\$6,703	\$709	\$6,872	\$744
Viasat, Inc.	VSAT	\$18.46	39.0%	\$7,792	\$17,898	\$2,761	\$350	\$3,592	\$1,061
Verint Systems Inc.	VRNT	\$22.99	56.5%	\$2,015	\$2,181	\$888	\$135	\$907	\$249
VSE Corporation	VSEC	\$50.44	85.3%	\$1,248	\$1,073	\$1,013	\$97	\$838	\$108

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 09/30/23	% 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	\$191.68	78.8%	\$153,923	\$134,774	\$73,608	\$1,075	\$78,037	\$2,770
Northrop Grumman Corporation	NOC	\$440.19	79.1%	\$85,943	\$45,609	\$37,881	\$7,243	\$38,776	\$5,341
TransDigm Group Incorporated	TDG	\$843.13	89.7%	\$64,029	\$19,555	\$6,243	\$2,998	\$6,806	\$3,483
Huntington Ingalls Industries, Inc.	HII	\$204.58	78.7%	\$11,514	\$10,859	\$10,899	\$1,073	\$10,989	\$1,036
Hexcel Corporation	HXL	\$65.14	82.4%	\$6,384	\$2,922	\$1,706	\$338	\$1,818	\$374
AAR Corp.	AIR	\$59.53	93.2%	\$2,332	\$1,954	\$2,094	\$166	\$2,183	\$211
OSI Systems, Inc.	OSIS	\$118.04	84.4%	\$2,316	\$1,556	\$1,278	\$169	\$1,364	\$242
Triumph Group, Inc.	TGI	\$7.66	57.5%	\$2,091	\$1,650	\$1,357	\$195	\$1,419	\$208

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	3.4x	9.9x
General Dynamics Corporation	GD	5.1%	18.3%	6.3%	12.4%	-3.8%	0.8x	1.8x	14.8x
Motorola Solutions, Inc.	MSI	12.2%	N/A	14.1%	28.4%	22.8%	0.9x	5.6x	19.7x
Teledyne Technologies Incorporated	TDY	4.6%	9.4%	4.2%	24.2%	-4.0%	1.0x	4.0x	16.4x
Juniper Networks, Inc.	JNPR	4.4%	9.6%	15.0%	14.8%	23.8%	0.9x	1.6x	10.5x
MasTec, Inc.	MTZ	1.7%	-0.4%	29.6%	7.3%	16.2%	1.5x	0.8x	10.9x
Kratos Defense & Security Solutions, Inc.	KTOS	0.4%	-2.0%	16.1%	4.3%	-17.5%	0.7x	2.5x	58.1x
	Mean	6.2%	13.6%	11.0%	18.0%	3.1%	1.0x	2.8x	20.0x
	Median	4.6%	9.5%	14.1%	14.8%	-3.8%	0.9x	2.5x	14.8x
Information Technology and Consulting Contractors									
Fortinet, Inc.	LHX	11.5%	N/A	30.7%	25.7%	55.7%	1.1x	8.7x	33.8x
L3Harris Technologies, Inc.	FTNT	3.2%	4.3%	7.0%	15.3%	-7.8%	0.7x	2.3x	15.3x
Tyler Technologies, Inc.	TYL	2.8%	6.3%	4.6%	16.7%	-5.3%	0.8x	9.0x	53.9x
NetApp, Inc.	NTAP	7.2%	158.0%	-3.9%	21.0%	-5.4%	1.2x	2.5x	11.9x
CACI International Inc	CACI	5.4%	12.3%	8.1%	10.6%	12.4%	1.0x	1.4x	13.5x
Viasat, Inc.	VSAT	-0.7%	-5.8%	14.0%	12.7%	17.5%	1.3x	2.8x	22.2x
Verint Systems Inc.	VRNT	2.3%	1.2%	-1.3%	15.2%	19.1%	1.0x	2.3x	14.9x
VSE Corporation	VSEC	4.5%	7.8%	36.8%	9.6%	34.4%	1.5x	1.2x	12.8x
	Mean	4.5%	26.3%	12.0%	15.9%	15.1%	1.1x	3.8x	22.3x
	Median	3.8%	6.3%	7.5%	15.3%	14.9%	1.1x	2.4x	15.1x

Source: Capital IQ

Valuation Metrics (cont.)

Return Profile, Trading Metrics

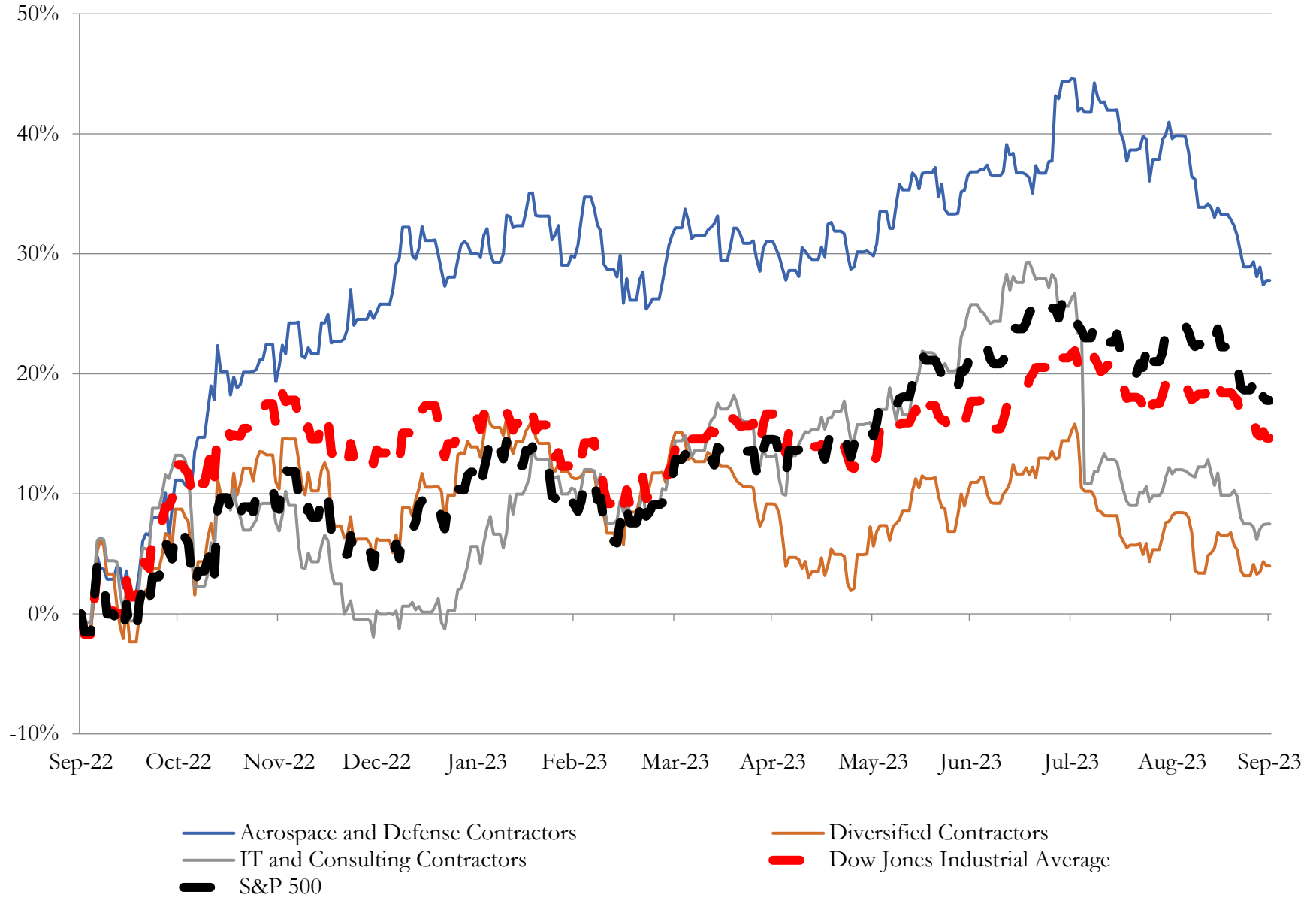
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Aerospace and Defense Contractors									
The Boeing Company	BA	-0.4%	N/A	21.2%	1.5%	242.4%	1.5x	2.1x	143.2x
Northrop Grumman Corporation	NOC	8.4%	31.9%	8.4%	19.1%	-17.3%	0.4x	2.3x	11.9x
TransDigm Group Incorporated	TDG	8.9%	N/A	20.1%	48.0%	26.5%	1.4x	10.3x	21.4x
Huntington Ingalls Industries, Inc.	HII	4.2%	15.8%	6.3%	9.8%	-0.6%	0.6x	1.1x	10.7x
Hexcel Corporation	HXL	4.7%	9.5%	15.5%	19.8%	24.0%	1.2x	3.7x	18.9x
AAR Corp.	TGI	4.8%	6.2%	15.6%	7.9%	4.3%	1.6x	1.1x	14.1x
OSI Systems, Inc.	OSIS	5.5%	13.5%	8.0%	13.3%	0.9%	0.9x	1.8x	13.7x
Triumph Group, Inc.	AIR	6.1%	N/A	-3.9%	14.3%	8.7%	2.6x	1.5x	10.8x
	Mean	5.3%	15.4%	11.4%	16.7%	36.1%	1.3x	3.0x	30.6x
	Median	5.1%	13.5%	11.9%	13.8%	6.5%	1.3x	2.0x	13.9x

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 September 30, 2023

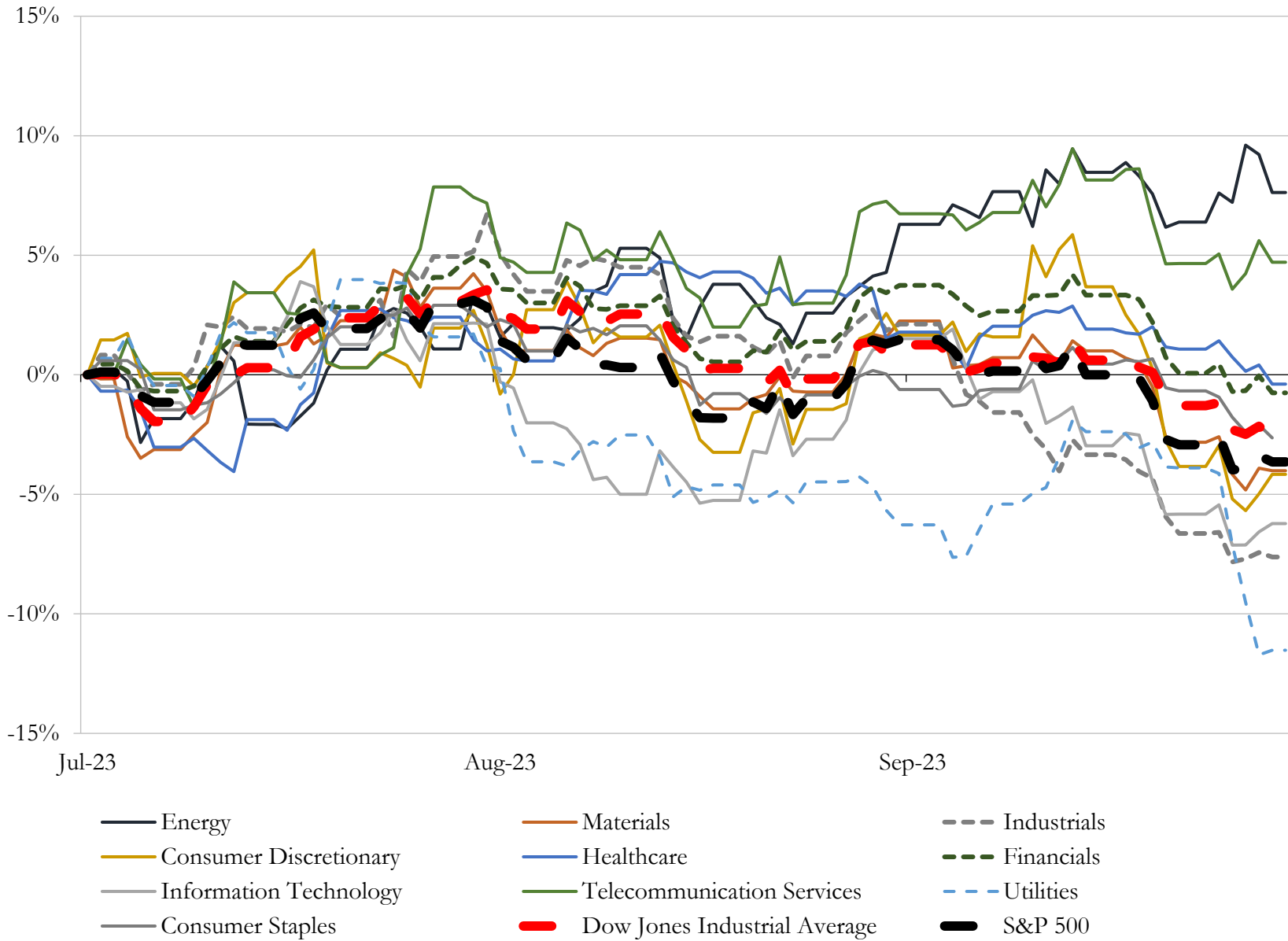
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
May-23	Maxar Technologies Inc.	Advent International Corporation; British Columbia Investment Management	\$6,542
Jul-23	Aerojet Rocketdyne Holdings, Inc.	L3Harris Technologies, Inc.	\$4,784
Aug-23	Wencor Group, LLC	HEICO Corporation	\$2,050
Aug-23	JBT AeroTech Corporation	Oshkosh Corporation	\$818
May-23	Calspan Corporation	TransDigm Group Incorporated	\$725
Nov-22	E3 Federal Solutions, LLC	QinetiQ North America, Inc.	\$590
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.	\$76
Mar-23	Linearizer Communications Group	MACOM Technology Solutions Holdings, Inc.	\$49
Nov-22	Timken Aerospace Drive Systems, LLC	PCX Aerostructures, LLC	\$33
Jun-23	Assets related to Certain Inertial, Communication and Navigation Product	Innovative Solutions and Support, Inc.	\$32
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.	\$6
Jun-23	Remaining Assets of Virgin Orbit	Firefly Aerospace Inc.	\$4
Jul-23	Air Rescue Systems Corp	Vita Inclinata Technologies, Inc.	\$4
Sep-23	Phillips Machine & Welding Co., Inc.	Concurrent Technologies Inc.	\$4
Jan-23	Worldwide Aircraft Services, Inc.	Air T, Inc.	\$3
Jun-23	Mojave Desert facility	Launcher Inc.	\$3
Aug-23	Substantially all of the assets of Exo-Space, Inc.	Sidus Space, Inc.	NA
Jun-23	Certain Equipment of Air Power Dynamics, LLC	CAD Enterprises, Inc.	NA
Sep-23	VTG LLC	A&M Capital Advisors, LP	NA
Sep-23	Tone Commander Systems	Patton Electronics Company, Inc.	NA
Sep-23	EO Vista, LLC	General Atomics Electromagnetic Systems Inc.	NA
Sep-23	Xceliron Corp.	CERATIZIT S.A.	NA
Sep-23	Assets of Performance Plastics, Inc.	Rock West Composites, Inc.	NA

Source: Capital IQ

5 Change in Market Capitalization by Sector

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

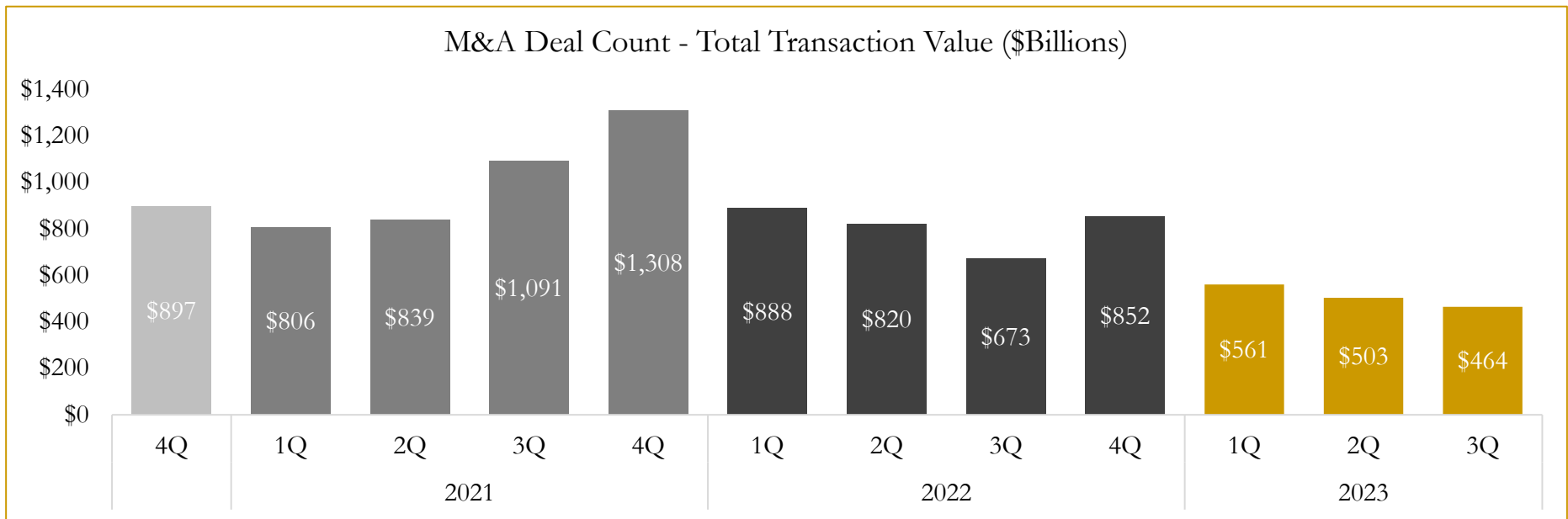
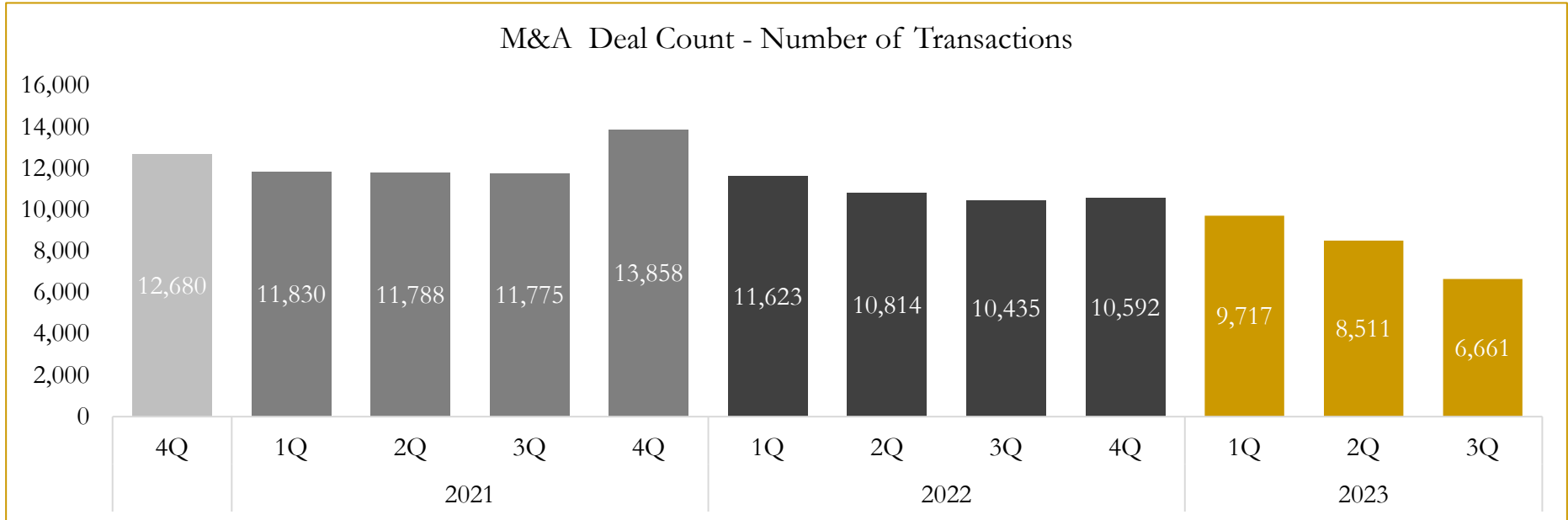


Source: Capital IQ

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M&A Deal Flow Statistics

Last Three (3) Years as of September 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**
 - Sell-Side Advisory
 - Sale of Minority Ownership Positions
 - Leveraged Buyouts
 - Majority Recapitalizations
 - Corporate Divestitures
- **Corporate Financial Services**
 - Financial Modeling
 - Investor Presentation
 - Valuation Analysis
 - Strategic Advisory

For questions or inquiries regarding our services, please contact:

info@houlihancapital.com