



Industry Update
Aerospace, Defense and Government
Q4 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 12/31/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
Diversified Contractors									
QUALCOMM Incorporated	QCOM	\$144.63	98.5%	\$177,264	\$51,040	\$35,820	\$10,459	\$38,855	\$14,699
General Dynamics Corporation	GD	\$259.67	99.9%	\$79,957	\$54,810	\$42,272	\$5,108	\$46,526	\$5,990
Motorola Solutions, Inc.	MSI	\$313.09	94.9%	\$60,143	\$12,436	\$9,836	\$2,813	\$10,510	\$3,243
Teledyne Technologies Incorporated	TDY	\$446.29	99.5%	\$22,650	\$14,528	\$5,636	\$1,365	\$5,889	\$1,467
Juniper Networks, Inc.	MTZ	\$29.48	85.4%	\$12,327	\$9,405	\$5,649	\$824	\$12,609	\$956
MasTec, Inc.	JNPR	\$75.72	61.4%	\$8,468	\$9,530	\$11,724	\$812	\$5,482	\$1,140
Kratos Defense & Security Solutions, Inc.	KTOS	\$20.29	94.7%	\$2,574	\$1,591	\$1,013	\$57	\$1,108	\$104
Information Technology and Consulting Contractors									
L3Harris Technologies, Inc.	LHX	\$210.62	96.0%	\$51,353	\$41,687	\$19,419	\$3,017	\$21,385	\$4,042
Fortinet, Inc.	FTNT	\$58.53	72.0%	\$48,224	\$7,479	\$5,173	\$1,319	\$5,934	\$1,698
Tyler Technologies, Inc.	TYL	\$418.12	98.0%	\$18,727	\$4,637	\$1,923	\$320	\$2,128	\$552
NetApp, Inc.	NTAP	\$88.16	96.1%	\$18,422	\$9,073	\$6,101	\$1,325	\$6,406	\$1,885
CACI International Inc	CACI	\$323.86	90.1%	\$9,416	\$6,658	\$7,131	\$716	\$7,446	\$835
Viasat, Inc.	VSAT	\$27.95	59.0%	\$8,695	\$17,072	\$3,323	-\$242	\$4,410	\$1,447
Verint Systems Inc.	VRNT	\$27.03	66.4%	\$2,557	\$2,135	\$882	\$137	\$949	\$273
VSE Corporation	VSEC	\$64.61	97.2%	\$1,414	\$1,343	\$1,077	\$108	\$1,040	\$140

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 12/31/23	% 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	\$260.66	97.4%	\$161,045	\$134,281	\$75,756	\$2,873	\$89,836	\$7,206
Northrop Grumman Corporation	NOC	\$468.14	85.5%	\$78,129	\$46,544	\$39,290	\$3,983	\$41,098	\$5,669
TransDigm Group Incorporated	TDG	\$1,011.60	99.3%	\$75,966	\$19,970	\$6,585	\$3,212	\$7,803	\$4,054
Huntington Ingalls Industries, Inc.	HII	\$259.64	99.9%	\$12,677	\$10,621	\$11,089	\$1,080	\$11,423	\$1,120
Hexcel Corporation	HXL	\$73.75	93.3%	\$5,991	\$2,919	\$1,789	\$339	\$2,003	\$418
Triumph Group, Inc.	TGI	\$16.58	96.0%	\$2,692	\$1,673	\$1,403	\$193	\$1,390	\$255
OSI Systems, Inc.	OSIS	\$129.05	92.2%	\$2,613	\$1,726	\$1,367	\$199	\$1,564	\$278
AAR Corp.	AIR	\$62.40	84.4%	\$2,299	\$1,966	\$2,170	\$189	\$2,343	\$236

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	10.8%	37.1%	-19.0%	29.2%	-36.9%	1.3x	4.9x	16.9x
General Dynamics Corporation	GD	5.0%	16.6%	7.3%	12.1%	-6.9%	0.7x	1.9x	15.7x
Motorola Solutions, Inc.	MSI	12.6%	N/A	12.7%	28.6%	20.6%	0.9x	6.1x	21.4x
Teledyne Technologies Incorporated	TDY	4.5%	10.2%	3.2%	24.2%	3.8%	1.0x	4.0x	16.6x
Juniper Networks, Inc.	JNPR	4.2%	8.5%	9.6%	14.6%	15.2%	0.9x	2.2x	15.0x
MasTec, Inc.	MTZ	1.5%	-1.7%	36.7%	6.9%	22.7%	1.6x	0.7x	10.4x
Kratos Defense & Security Solutions, Inc.	KTOS	1.0%	-0.9%	17.7%	5.6%	42.9%	0.8x	2.5x	45.5x
	Mean	5.7%	11.6%	9.7%	17.3%	8.8%	1.0x	3.2x	16.0x
	Median	4.5%	9.3%	9.6%	14.6%	15.2%	0.9x	2.5x	16.1x
Information Technology and Consulting Contractors									
Fortinet, Inc.	LHX	11.8%	N/A	26.2%	25.5%	42.7%	1.1x	9.3x	36.6x
L3Harris Technologies, Inc.	FTNT	3.1%	6.4%	13.8%	15.5%	5.2%	0.7x	2.6x	17.0x
Tyler Technologies, Inc.	TYL	2.9%	5.9%	5.0%	16.7%	-6.2%	0.8x	9.7x	58.5x
NetApp, Inc.	NTAP	7.3%	70.2%	-6.8%	21.7%	-4.1%	1.3x	3.0x	13.9x
CACI International Inc	CACI	5.4%	11.7%	10.0%	10.0%	10.3%	0.9x	1.3x	13.1x
Viasat, Inc.	VSAT	-5.0%	-24.1%	34.5%	-7.3%	N/A	1.4x	2.6x	N/A
Verint Systems Inc.	VRNT	2.4%	1.9%	-2.1%	15.6%	22.4%	1.2x	2.9x	18.6x
VSE Corporation	VSEC	4.6%	7.5%	52.3%	10.1%	47.7%	1.6x	1.3x	13.1x
	Mean	4.1%	11.3%	16.6%	13.5%	16.9%	1.1x	4.1x	18.7x
	Median	3.8%	6.4%	11.9%	15.6%	10.3%	1.1x	2.8x	15.5x

Source: Capital IQ

Valuation Metrics (cont.)

Return Profile, Trading Metrics

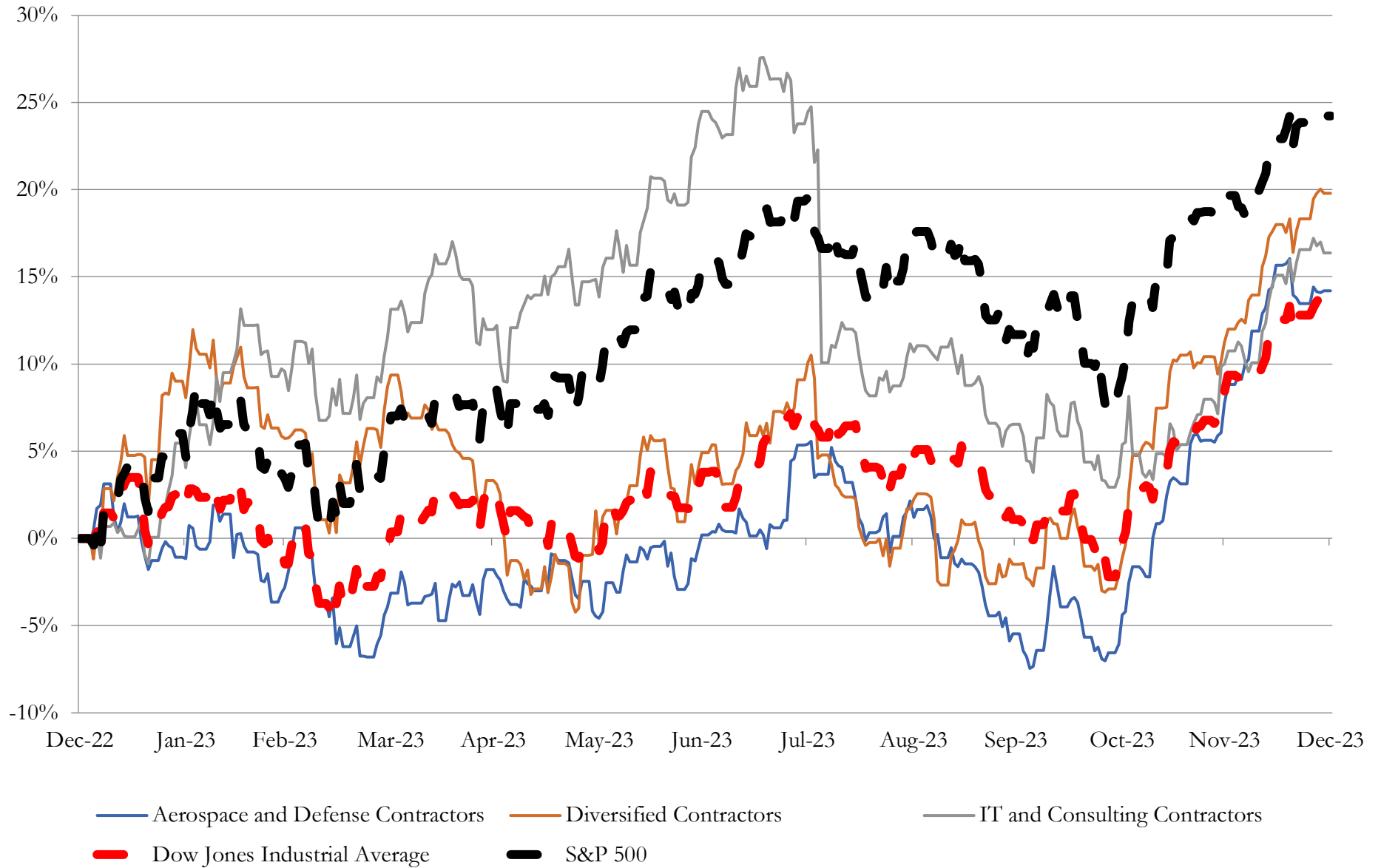
Company Name	Ticker	Return Profile						Trading Multiples	
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Aerospace and Defense Contractors									
The Boeing Company	BA	0.5%	N/A	23.3%	3.8%	N/A	1.6x	2.1x	56.1x
Northrop Grumman Corporation	NOC	3.7%	13.7%	7.3%	10.1%	-48.1%	0.4x	2.0x	19.6x
TransDigm Group Incorporated	TDG	9.7%	N/A	21.3%	48.8%	30.5%	1.4x	11.5x	23.7x
Huntington Ingalls Industries, Inc.	HII	4.3%	15.6%	5.2%	9.7%	-4.5%	0.6x	1.1x	11.7x
Hexcel Corporation	HXL	4.7%	6.5%	13.4%	19.0%	17.2%	1.3x	3.3x	17.7x
AAR Corp.	TGI	5.4%	6.2%	17.6%	8.7%	16.7%	1.6x	1.1x	12.2x
OSI Systems, Inc.	OSIS	6.3%	16.0%	14.8%	14.5%	25.6%	1.0x	1.9x	13.2x
Triumph Group, Inc.	AIR	6.2%	N/A	3.0%	13.7%	10.1%	2.8x	1.9x	14.0x
	Mean	5.1%	11.6%	13.2%	16.0%	6.8%	1.3x	3.1x	16.0x
	Median	5.1%	13.7%	14.1%	11.9%	16.7%	1.3x	2.0x	14.0x

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 December 31, 2023

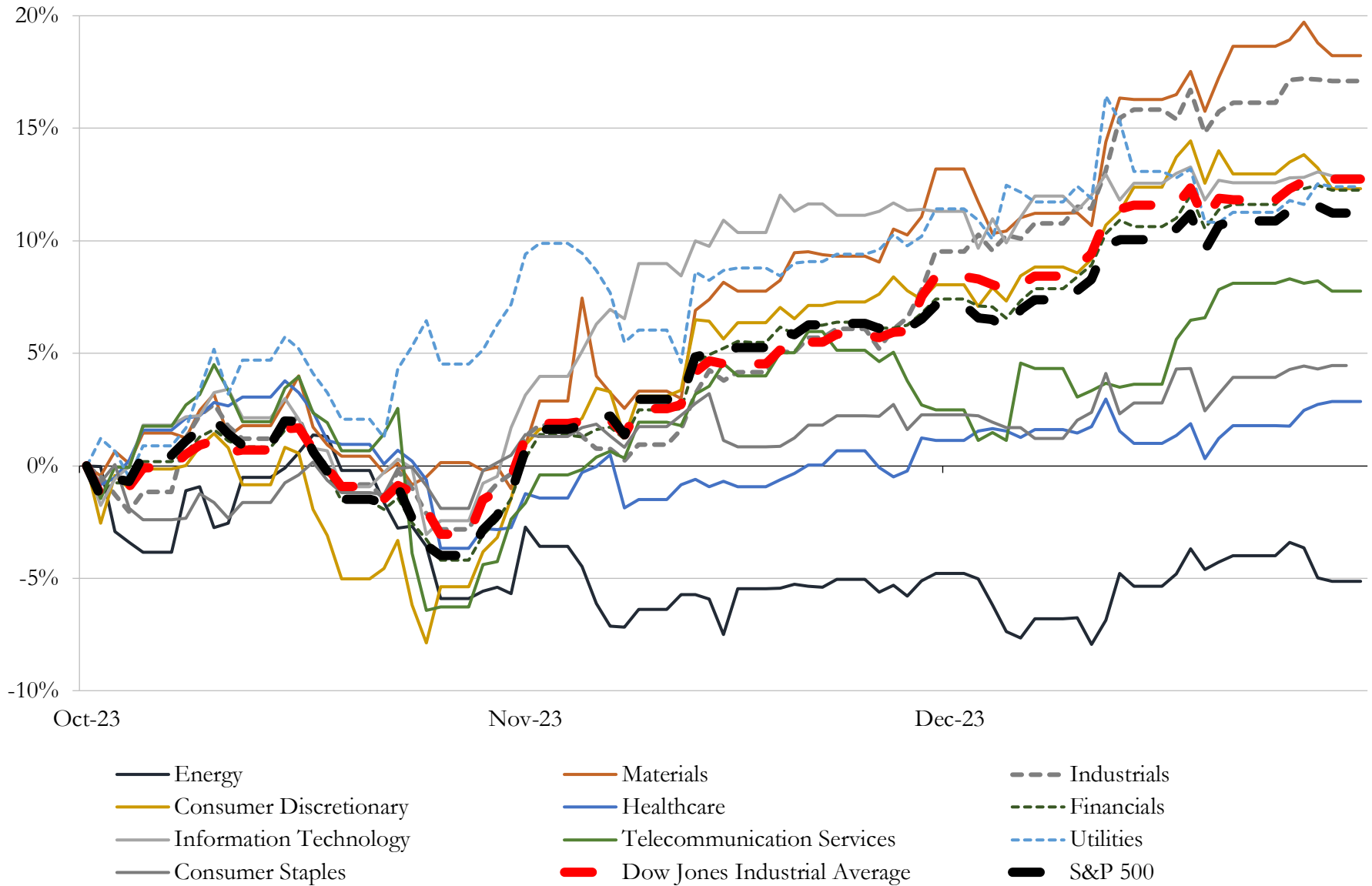
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
May-23	Maxar Technologies Inc.	Advent International Corporation (nka:Advent International, L.P.); British	\$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	\$942
May-23	Calspan Corporation	TransDigm Group Incorporated	\$729
Oct-23	Jet East Corporate Aviation, LLC	West Star Aviation, LLC	\$132
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
Jun-23	Assets related to Certain Inertial, Communication and Navigation Product	Innovative Solutions and Support, Inc.	\$32
Oct-23	Sierra Technical Services, Inc.	Kratos Defense & Security Solutions, Inc.	\$27
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
Aug-23	Summit Aviation, Inc./Northside Property Group, LLC	TransMedics Group, Inc.	\$15
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
Sep-23	Datron World Communications, Inc.	Cyberlux Corporation	\$7
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
Dec-23	EMI Solutions, Inc.	Mobix Labs, Inc.	NA
Dec-23	KTI A.O.G.	Flightcheck Commercial Aviation Services, LLC	NA
Dec-23	M3 Aviation Group LLC	Avtrac (UK) Limited	NA
Dec-23	Quick Turn Engine Center, LLC	FTAI Aviation Ltd.	NA
Nov-23	Ipsolon Research, Inc.	BlueHalo LLC	NA

Source: Capital IQ

5 Change in Market Capitalization by Sector

Last Three (3) Months as of December 31, 2023

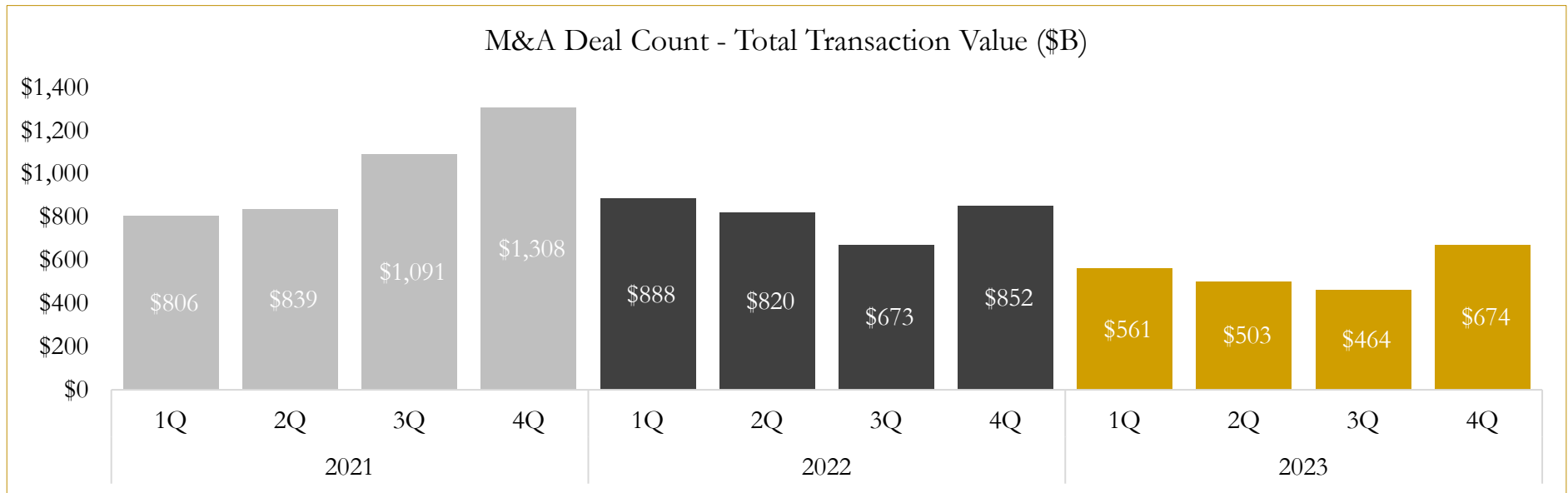
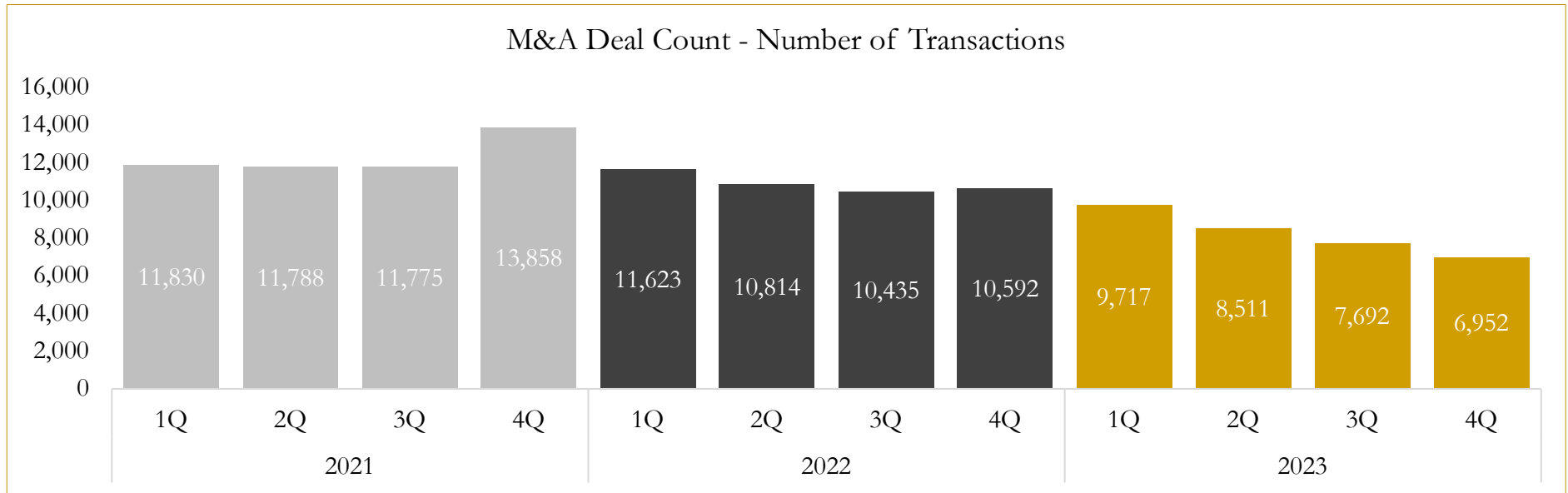


Source: Capital IQ

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M&A Deal Flow Statistics

Last Three (3) Years as of December 31, 2023



Source: Capital IQ

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- **Complex & Illiquid Securities (Level 3)**
- **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:

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