



Industry Update
Aerospace, Defense and Government
Q1 2024

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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 03/31/24	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2024 Est. Revenue	2024 Est. EBITDA
Diversified Contractors									
QUALCOMM Incorporated	QCOM	\$169.30	95.3%	\$186,177	\$52,135	\$36,292	\$10,853	\$38,865	\$14,930
General Dynamics Corporation	GD	\$282.49	99.2%	\$87,031	\$55,246	\$43,122	\$4,790	\$46,810	\$5,986
Motorola Solutions, Inc.	MSI	\$354.98	99.9%	\$62,357	\$13,336	\$9,978	\$2,822	\$10,601	\$3,283
Teledyne Technologies Incorporated	TDY	\$429.32	95.7%	\$19,515	\$14,639	\$5,602	\$1,351	\$5,612	\$1,348
Juniper Networks, Inc.	MTZ	\$37.06	97.4%	\$12,082	\$9,519	\$5,565	\$763	\$12,537	\$954
MasTec, Inc.	JNPR	\$93.25	75.6%	\$9,624	\$9,374	\$11,996	\$755	\$5,407	\$1,115
Kratos Defense & Security Solutions, Inc.	KTOS	\$18.38	85.1%	\$2,943	\$1,633	\$1,037	\$66	\$1,139	\$105
Information Technology and Consulting Contractors									
L3Harris Technologies, Inc.	LHX	\$213.10	97.6%	\$52,937	\$41,687	\$19,419	\$3,478	\$21,165	\$3,845
Fortinet, Inc.	FTNT	\$68.31	84.1%	\$48,571	\$7,259	\$5,305	\$1,350	\$5,784	\$1,683
NetApp, Inc.	NTAP	\$104.97	93.3%	\$20,383	\$9,369	\$6,181	\$1,444	\$6,453	\$1,928
Tyler Technologies, Inc.	TYL	\$425.01	93.5%	\$18,162	\$4,609	\$1,992	\$347	\$2,119	\$566
CACI International Inc	CACI	\$378.83	99.0%	\$10,313	\$6,804	\$7,325	\$742	\$7,545	\$852
Viasat, Inc.	VSAT	\$18.09	38.2%	\$8,156	\$16,651	\$3,800	\$853	\$4,457	\$1,422
Verint Systems Inc.	VRNT	\$33.15	82.3%	\$2,584	\$2,226	\$910	\$126	\$932	\$275
VSE Corporation	VSEC	\$80.00	96.4%	\$1,696	\$1,350	\$860	\$115	\$1,051	\$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 03/31/24	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2024 Est. Revenue	2024 Est. EBITDA
Aerospace and Defense Contractors									
The Boeing Company	BA	\$192.99	72.1%	\$141,284	\$134,484	\$76,442	\$3,100	\$81,161	\$3,894
TransDigm Group Incorporated	TDG	\$1,231.60	99.4%	\$86,780	\$20,685	\$6,977	\$3,416	\$7,943	\$4,144
Northrop Grumman Corporation	NOC	\$478.66	96.3%	\$82,903	\$47,818	\$40,122	\$4,144	\$41,083	\$5,599
Huntington Ingalls Industries, Inc.	HII	\$291.47	97.3%	\$13,220	\$11,215	\$11,454	\$1,119	\$11,637	\$1,086
Hexcel Corporation	HXL	\$72.85	92.1%	\$5,879	\$2,821	\$1,804	\$332	\$1,974	\$407
OSI Systems, Inc.	OSIS	\$142.82	99.2%	\$2,743	\$1,831	\$1,470	\$218	\$1,564	\$278
AAR Corp.	AIR	\$59.87	81.0%	\$2,646	\$2,022	\$2,216	\$193	\$2,566	\$283
Triumph Group, Inc.	TGI	\$15.04	87.1%	\$2,503	\$1,677	\$1,407	\$179	\$1,269	\$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
Diversified Contractors									
QUALCOMM Incorporated	QCOM	11.0%	37.6%	-15.5%	29.9%	-28.8%	1.3x	5.1x	17.2x
General Dynamics Corporation	GD	4.6%	16.7%	8.1%	11.1%	-9.9%	0.7x	2.0x	18.2x
Motorola Solutions, Inc.	MSI	11.8%	394.0%	9.5%	28.3%	14.1%	0.9x	6.2x	22.1x
Teledyne Technologies Incorporated	TDY	4.5%	10.0%	1.5%	24.1%	1.6%	1.0x	3.5x	14.4x
Juniper Networks, Inc.	JNPR	3.8%	6.9%	5.0%	13.7%	0.8%	1.0x	2.2x	15.8x
MasTec, Inc.	MTZ	1.0%	-1.7%	22.7%	6.3%	5.8%	1.6x	0.8x	12.7x
Kratos Defense & Security Solutions, Inc.	KTOS	1.3%	0.2%	15.5%	6.3%	85.3%	0.8x	2.8x	44.9x
	Mean	5.4%	66.3%	6.7%	17.1%	9.8%	1.0x	3.2x	16.7x
	Median	4.5%	10.0%	8.1%	13.7%	1.6%	1.0x	2.8x	16.5x
Information Technology and Consulting Contractors									
Fortinet, Inc.	LHX	11.5%	N/A	20.1%	25.4%	26.2%	1.1x	9.2x	36.0x
L3Harris Technologies, Inc.	FTNT	3.8%	6.4%	13.8%	17.9%	0.5%	0.6x	2.7x	15.2x
Tyler Technologies, Inc.	TYL	3.3%	6.6%	6.8%	17.4%	9.7%	0.8x	9.1x	52.3x
NetApp, Inc.	NTAP	8.0%	89.7%	-4.3%	23.4%	8.6%	1.3x	3.3x	14.1x
CACI International Inc	CACI	5.6%	12.2%	10.3%	10.1%	9.2%	0.9x	1.4x	13.9x
Viasat, Inc.	VSAT	-0.3%	-26.3%	52.2%	22.4%	144.9%	1.3x	2.1x	9.6x
Verint Systems Inc.	VRNT	2.0%	3.1%	0.9%	13.9%	2.7%	1.2x	2.8x	20.5x
VSE Corporation	VSEC	4.9%	8.1%	28.5%	13.4%	47.2%	1.7x	2.0x	14.7x
	Mean	4.8%	14.3%	16.0%	18.0%	31.1%	1.1x	4.1x	17.7x
	Median	4.4%	6.6%	12.0%	17.7%	9.4%	1.1x	2.8x	14.7x

Source: Capital IQ

Valuation Metrics (cont.)

Return Profile, Trading Metrics

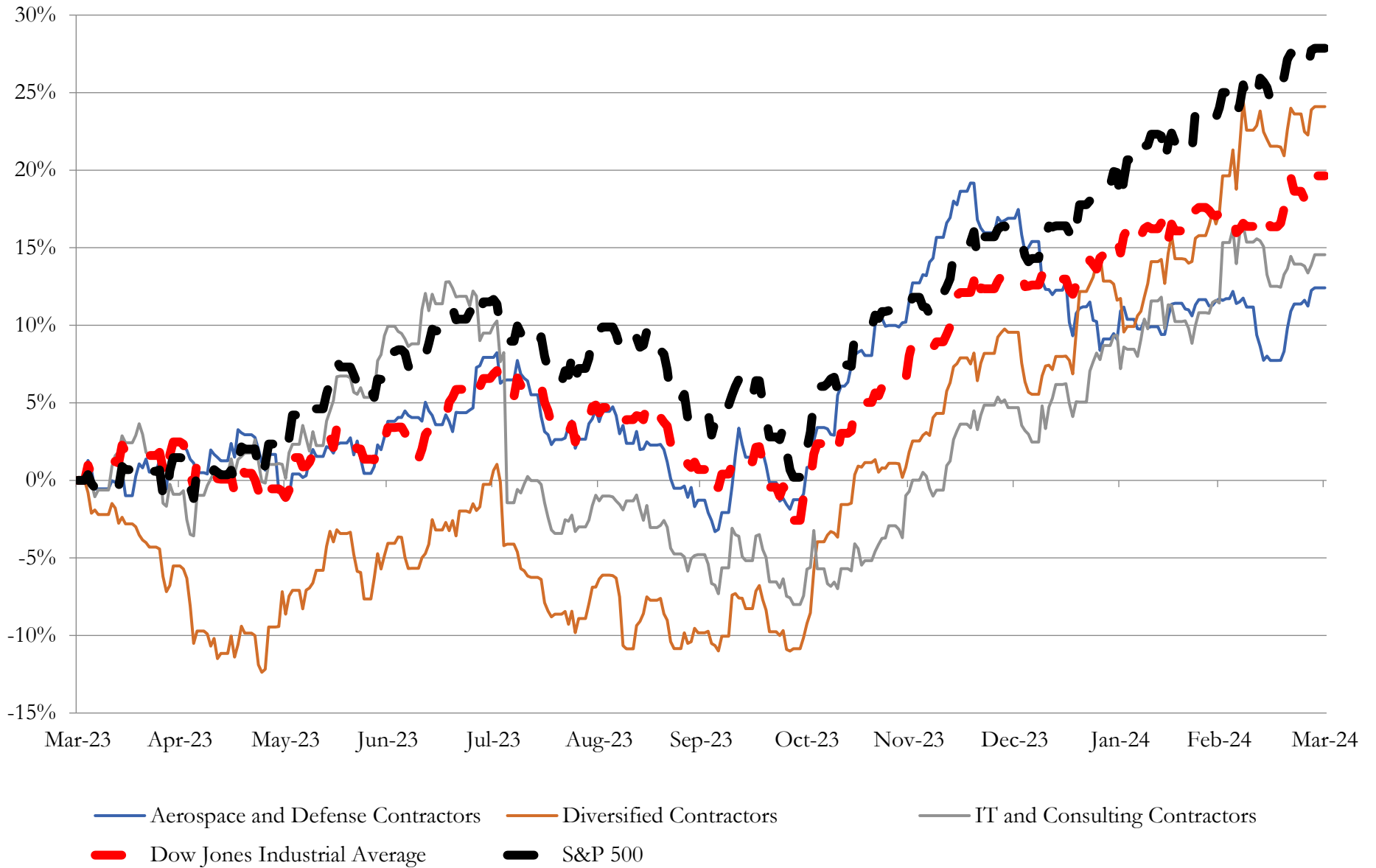
Company Name	Ticker	Return Profile						Trading Multiples	
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Aerospace and Defense Contractors									
The Boeing Company	BA	0.6%	N/A	8.4%	4.1%	51.6%	1.5x	1.8x	45.6x
Northrop Grumman Corporation	NOC	3.8%	14.7%	8.1%	10.3%	-44.6%	0.3x	2.1x	20.0x
TransDigm Group Incorporated	TDG	10.0%	N/A	23.9%	49.0%	31.8%	1.4x	12.4x	25.4x
Huntington Ingalls Industries, Inc.	HII	4.4%	18.0%	7.3%	9.8%	-2.8%	0.6x	1.2x	11.8x
Hexcel Corporation	HXL	4.5%	6.1%	9.7%	18.4%	3.6%	1.2x	3.3x	17.7x
AAR Corp.	TGI	5.4%	5.4%	15.8%	8.7%	18.5%	1.7x	1.2x	13.7x
OSI Systems, Inc.	OSIS	6.7%	17.0%	22.1%	14.8%	33.3%	1.0x	1.9x	12.6x
Triumph Group, Inc.	AIR	5.5%	N/A	18.1%	12.7%	29.3%	2.5x	1.8x	14.0x
	Mean	5.1%	12.2%	14.2%	16.0%	15.1%	1.3x	3.2x	16.5x
	Median	4.9%	14.7%	12.7%	11.5%	23.9%	1.3x	1.9x	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 March 31, 2024

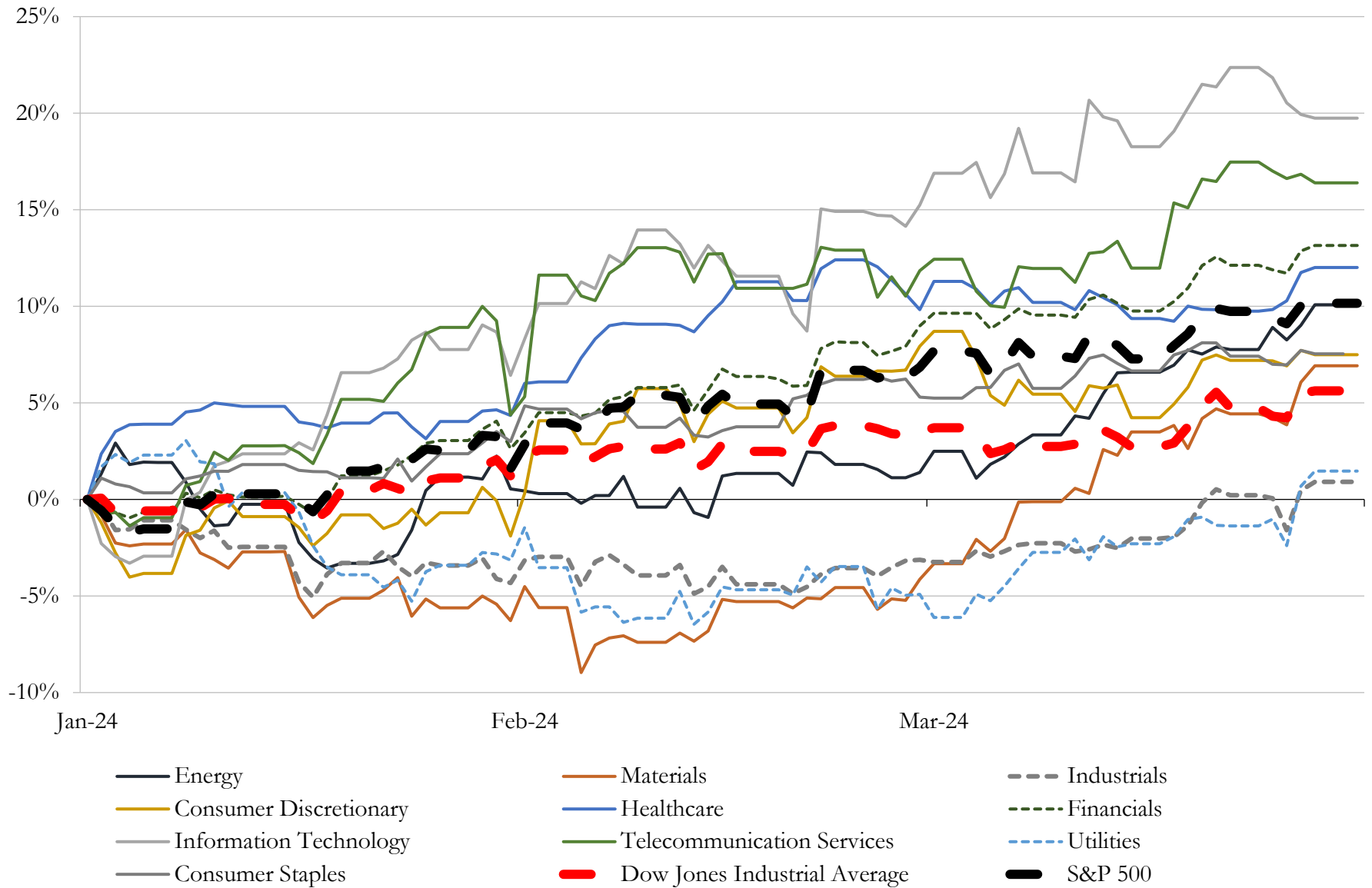
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
May-23	Maxar Technologies Inc.	Advent International Corporation (nka:Advent); British Columbia Investment	\$6,542
Jul-23	Aerojet Rocketdyne Holdings, Inc.	L3Harris Technologies, Inc.	\$4,784
Aug-23	Wencor Group, LLC	HEICO Corporation	\$2,050
Mar-24	Cybersecurity, Intelligence and Services Business of Raytheon Company	N/A	\$1,300
Aug-23	JBT AeroTech Corporation	Oshkosh Corporation	\$794
May-23	Calspan Corporation	TransDigm Group Incorporated	\$729
Feb-24	Sierra Bullets, L.L.C./Barnes Bullets - Mona, LLC	JDH Capital	\$175
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
Jan-24	Vian Enterprises, Inc.	Crane Company	\$111
Mar-24	Alpha Safety Intermediate, LLC	Safariland, LLC	\$107
Apr-23	Visual Information Solutions Business of L3Harris Technologies, Inc.	NV5 Global, Inc.	\$76
Dec-23	Quick Turn Engine Center, LLC	FTAI Aviation Ltd.	\$61
Jun-23	Assets related to Certain Inertial, Communication and Navigation Product	Innovative Solutions and Support, Inc.	\$32
Jul-23	Seginus Aerospace LLC/AOG Aviation Spares/DAC Engineered Products	Loar Group, Inc.	\$30
Oct-23	Sierra Technical Services, Inc.	Kratos Defense & Security Solutions, Inc.	\$27
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
Nov-23	P3 Technologies, LLC	Graham Corporation	\$13
Jun-23	BBA Logistics	Grupo Traxión, S.A.B. de C.V.	\$10
Sep-23	Datron World Communications, Inc.	Cyberlux Corporation	\$7
Dec-23	SLPE business	N/A	\$5
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
Jun-23	Mojave Desert facility	Launcher Inc.	\$3
Mar-24	Aqua Blasting Corporation	Metal Finishing Technologies, LLC	NA
Mar-24	Near Space Corporation	Aerostar International, Inc.	NA
Mar-24	PMA Products, Inc.	Mcfarlane Aviation, LLC	NA

Source: Capital IQ

5 Change in Market Capitalization by Sector

Last Three (3) Months as of March 31, 2024

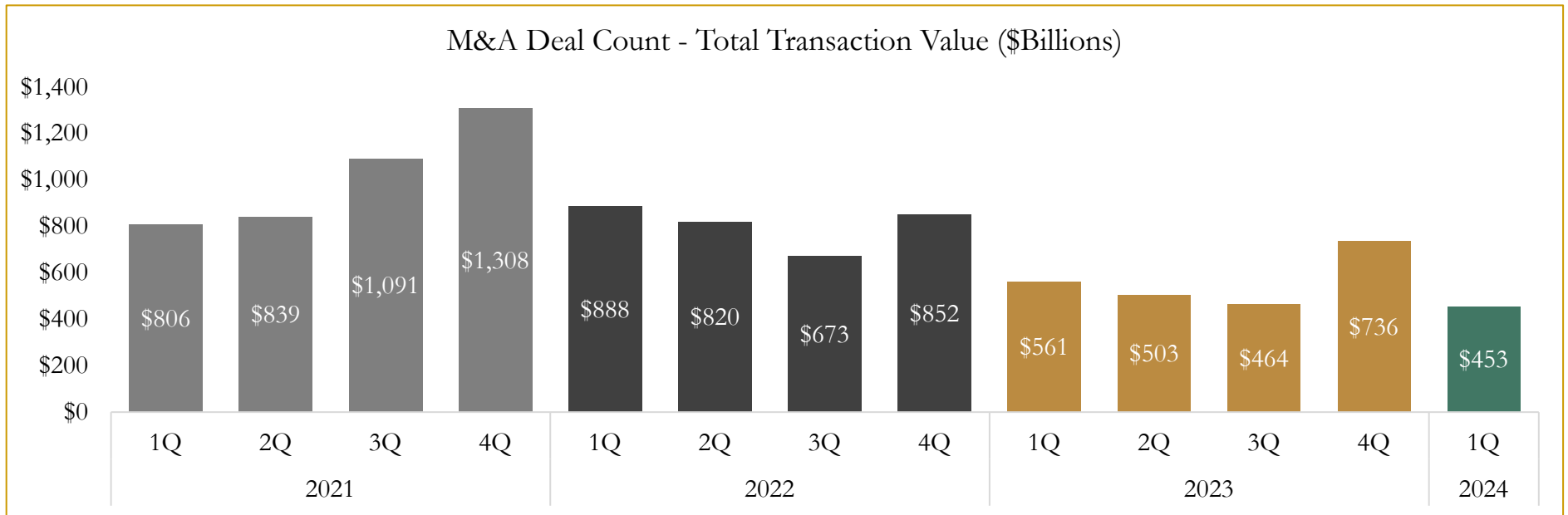
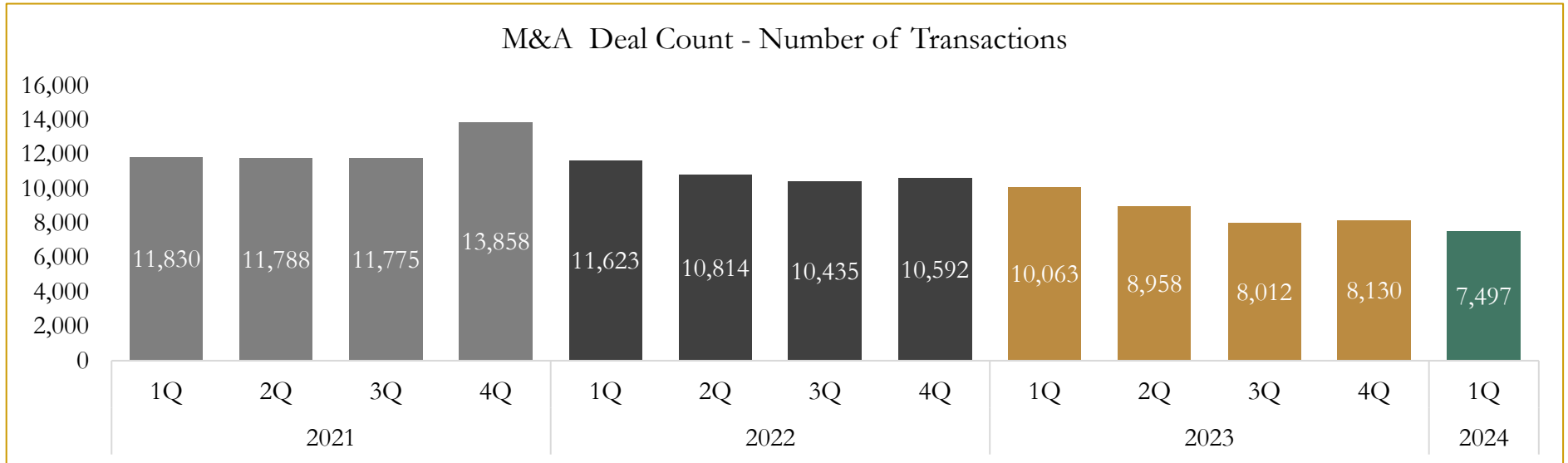


Source: Capital IQ

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M&A Deal Flow Statistics

Last Three (3) Years as of March 31, 2024



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
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For questions or inquiries regarding our services, please contact:

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