



Industry Update  
**Aerospace, Defense and Government**  
Q2 2024

## 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 06/30/24	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2024 Est. Revenue	2024 Est. EBITDA
<b>Diversified Contractors</b>									
QUALCOMM Incorporated	QCOM	\$199.18	86.4%	\$184,753	\$52,741	\$37,349	\$11,565	\$39,274	\$14,993
General Dynamics Corporation	GD	\$290.14	95.8%	\$90,135	\$55,442	\$44,946	\$5,131	\$48,164	\$5,998
Motorola Solutions, Inc.	MSI	\$386.05	98.6%	\$74,019	\$13,345	\$10,421	\$3,069	\$10,796	\$3,390
Teledyne Technologies Incorporated	TDY	\$387.98	86.6%	\$21,496	\$14,221	\$5,552	\$1,342	\$5,621	\$1,360
Juniper Networks, Inc.	MTZ	\$36.46	95.8%	\$13,385	\$9,428	\$5,101	\$548	\$12,417	\$975
MasTec, Inc.	JNPR	\$106.99	86.8%	\$11,021	\$8,679	\$12,185	\$836	\$5,002	\$877
Kratos Defense & Security Solutions, Inc.	KTOS	\$20.01	87.9%	\$2,974	\$1,914	\$1,126	\$81	\$1,148	\$108
<b>Information Technology and Consulting Contractors</b>									
L3Harris Technologies, Inc.	LHX	\$224.58	98.4%	\$56,084	\$41,657	\$20,765	\$3,686	\$21,242	\$3,933
Fortinet, Inc.	FTNT	\$60.27	74.2%	\$51,043	\$8,053	\$5,537	\$1,559	\$5,854	\$1,867
Tyler Technologies, Inc.	TYL	\$502.78	99.3%	\$24,932	\$4,819	\$2,029	\$356	\$2,139	\$582
NetApp, Inc.	NTAP	\$128.80	98.4%	\$24,603	\$9,887	\$6,268	\$1,489	\$6,486	\$2,012
CACI International Inc	CACI	\$430.13	97.9%	\$12,098	\$6,796	\$7,660	\$792	\$7,815	\$847
Viasat, Inc.	VSAT	\$12.70	28.7%	\$8,788	\$16,088	\$4,630	\$588	\$4,533	\$1,534
Verint Systems Inc.	VRNT	\$32.20	79.9%	\$2,644	\$2,190	\$915	\$136	\$936	\$271
VSE Corporation	VSEC	\$88.28	96.2%	\$2,028	\$1,494	\$974	\$124	\$1,064	\$131

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 06/30/24	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2024 Est. Revenue	2024 Est. EBITDA
<b>Aerospace and Defense Contractors</b>									
The Boeing Company	BA	\$182.01	68.0%	\$148,782	\$142,720	\$73,557	\$1,322	\$76,937	\$2,175
TransDigm Group Incorporated	TDG	\$1,277.61	93.3%	\$88,454	\$21,828	\$7,606	\$3,774	\$8,180	\$4,299
Northrop Grumman Corporation	NOC	\$435.95	87.7%	\$86,858	\$47,670	\$40,764	\$4,304	\$41,340	\$5,711
Huntington Ingalls Industries, Inc.	HII	\$246.33	82.2%	\$13,044	\$11,310	\$11,775	\$1,160	\$11,735	\$1,088
Hexcel Corporation	HXL	\$62.45	79.0%	\$5,795	\$2,828	\$1,850	\$342	\$1,934	\$389
AAR Corp.	AIR	\$72.70	98.3%	\$3,112	\$2,770	\$2,319	\$203	\$2,530	\$285
OSI Systems, Inc.	OSIS	\$137.52	94.7%	\$2,799	\$1,831	\$1,470	\$221	\$1,571	\$280
Triumph Group, Inc.	TGI	\$15.41	89.2%	\$1,850	\$1,493	\$1,209	\$148	\$1,221	\$168

Source: Capital IQ

## 2

## 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	12.1%	38.9%	-3.2%	31.0%	-2.7%	1.3x	5.0x	16.0x
General Dynamics Corporation	GD	4.9%	17.1%	10.0%	11.4%	1.0%	0.6x	2.0x	17.4x
Motorola Solutions, Inc.	MSI	13.3%	251.5%	7.9%	29.5%	13.0%	0.9x	7.1x	24.2x
Teledyne Technologies Incorporated	TDY	4.5%	9.8%	-0.7%	24.2%	-0.9%	1.0x	3.9x	16.1x
Juniper Networks, Inc.	JNPR	2.5%	5.3%	-10.0%	10.7%	-34.9%	0.9x	2.6x	24.4x
MasTec, Inc.	MTZ	1.7%	1.0%	11.0%	6.9%	6.4%	1.7x	0.9x	13.3x
Kratos Defense & Security Solutions, Inc.	KTOS	1.6%	1.5%	16.5%	7.2%	93.1%	1.0x	2.6x	36.8x
	<b>Mean</b>	<b>5.8%</b>	<b>46.5%</b>	<b>4.5%</b>	<b>17.3%</b>	<b>10.7%</b>	<b>1.1x</b>	<b>3.4x</b>	<b>18.6x</b>
	<b>Median</b>	<b>4.5%</b>	<b>9.8%</b>	<b>7.9%</b>	<b>11.4%</b>	<b>1.0%</b>	<b>1.0x</b>	<b>2.6x</b>	<b>16.8x</b>
<b>Information Technology and Consulting Contractors</b>									
Fortinet, Inc.	LHX	11.6%	430.9%	11.0%	28.1%	21.8%	1.0x	9.1x	32.3x
L3Harris Technologies, Inc.	FTNT	3.9%	6.2%	15.4%	17.8%	12.1%	0.7x	2.7x	15.3x
Tyler Technologies, Inc.	TYL	3.4%	7.0%	6.7%	17.5%	13.5%	0.8x	12.4x	70.5x
NetApp, Inc.	NTAP	8.0%	85.6%	-1.5%	23.8%	9.1%	1.3x	3.8x	16.1x
CACI International Inc	CACI	6.1%	12.5%	14.3%	10.3%	11.7%	0.9x	1.6x	15.2x
Viasat, Inc.	VSAT	-2.4%	-17.9%	67.7%	12.4%	63.5%	1.4x	1.9x	15.6x
Verint Systems Inc.	VRNT	2.5%	4.1%	1.6%	14.8%	8.4%	1.2x	3.0x	20.0x
VSE Corporation	VSEC	4.8%	5.5%	32.9%	12.7%	33.0%	1.6x	2.1x	16.2x
	<b>Mean</b>	<b>4.7%</b>	<b>66.7%</b>	<b>18.5%</b>	<b>17.2%</b>	<b>21.6%</b>	<b>1.1x</b>	<b>4.6x</b>	<b>18.7x</b>
	<b>Median</b>	<b>4.4%</b>	<b>6.6%</b>	<b>12.7%</b>	<b>16.2%</b>	<b>12.8%</b>	<b>1.1x</b>	<b>2.8x</b>	<b>16.1x</b>

Source: Capital IQ

## Valuation Metrics (cont.)

### Return Profile, Trading Metrics

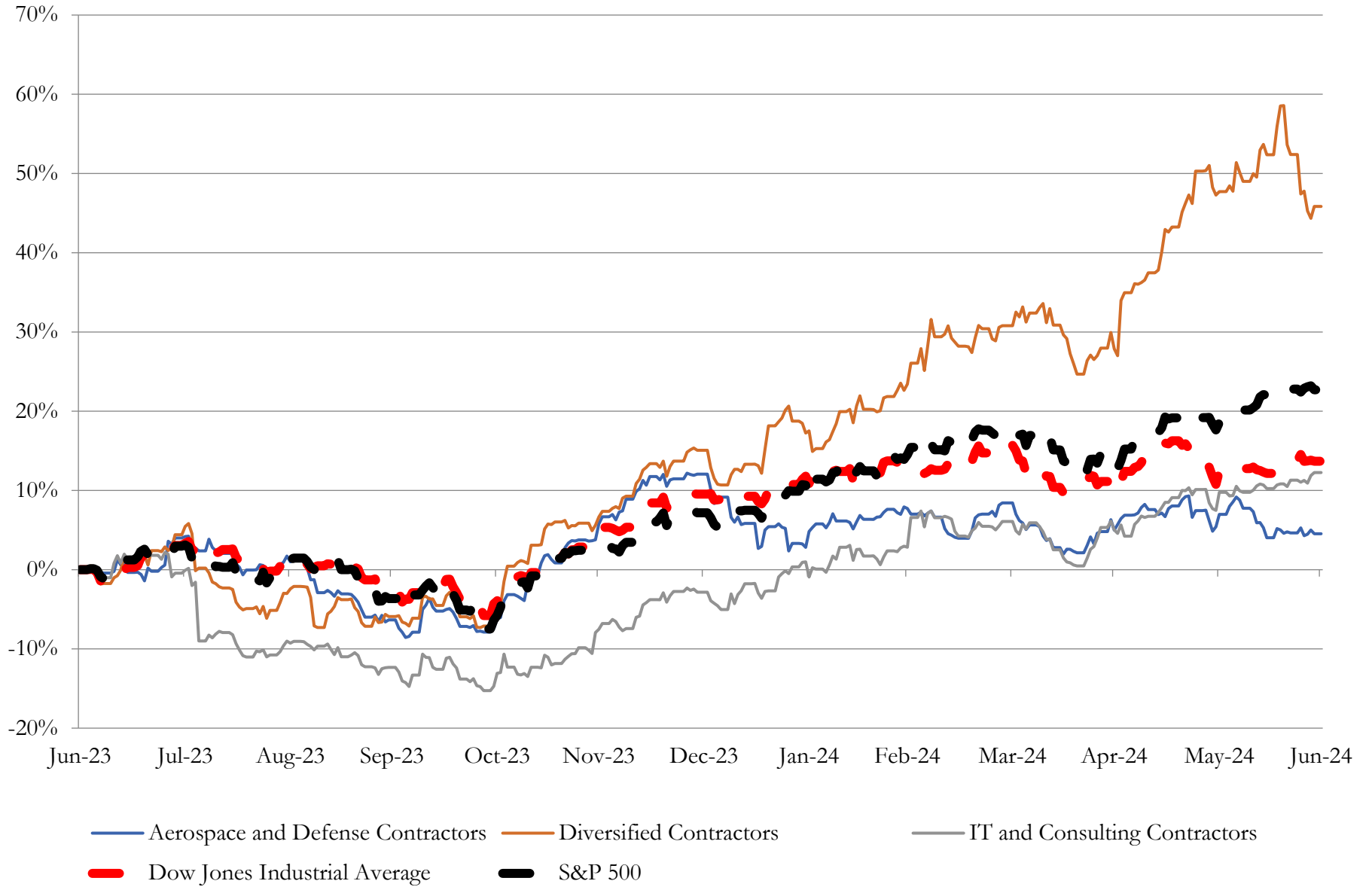
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Aerospace and Defense Contractors</b>									
The Boeing Company	BA	-0.2%	N/A	-0.1%	1.8%	19.9%	1.6x	2.0x	113.0x
Northrop Grumman Corporation	NOC	4.0%	15.3%	7.6%	10.6%	-40.6%	0.3x	2.1x	20.1x
TransDigm Group Incorporated	TDG	10.5%	N/A	21.8%	49.6%	26.1%	1.4x	11.5x	23.2x
Huntington Ingalls Industries, Inc.	HII	4.7%	19.1%	8.0%	9.9%	8.1%	0.5x	1.1x	11.1x
Hexcel Corporation	HXL	4.7%	6.6%	8.4%	18.5%	1.6%	1.3x	3.1x	16.9x
AAR Corp.	TGI	4.4%	4.0%	16.5%	8.8%	22.9%	1.5x	1.3x	15.3x
OSI Systems, Inc.	OSIS	6.8%	17.0%	22.1%	15.0%	35.2%	1.1x	1.9x	12.7x
Triumph Group, Inc.	AIR	4.7%	N/A	-10.9%	12.2%	-24.2%	2.5x	1.5x	12.6x
	<b>Mean</b>	<b>4.9%</b>	<b>12.4%</b>	<b>9.2%</b>	<b>15.8%</b>	<b>6.1%</b>	<b>1.3x</b>	<b>3.1x</b>	<b>16.0x</b>
	<b>Median</b>	<b>4.7%</b>	<b>15.3%</b>	<b>8.2%</b>	<b>11.4%</b>	<b>14.0%</b>	<b>1.3x</b>	<b>2.0x</b>	<b>15.3x</b>

Source: Capital IQ

# 3

## LTM Equity Performance

### Major Indexes



Source: Capital IQ

## 4

## Recent M&amp;A Activity

Last Twelve (12) Months as of June 30, 2024

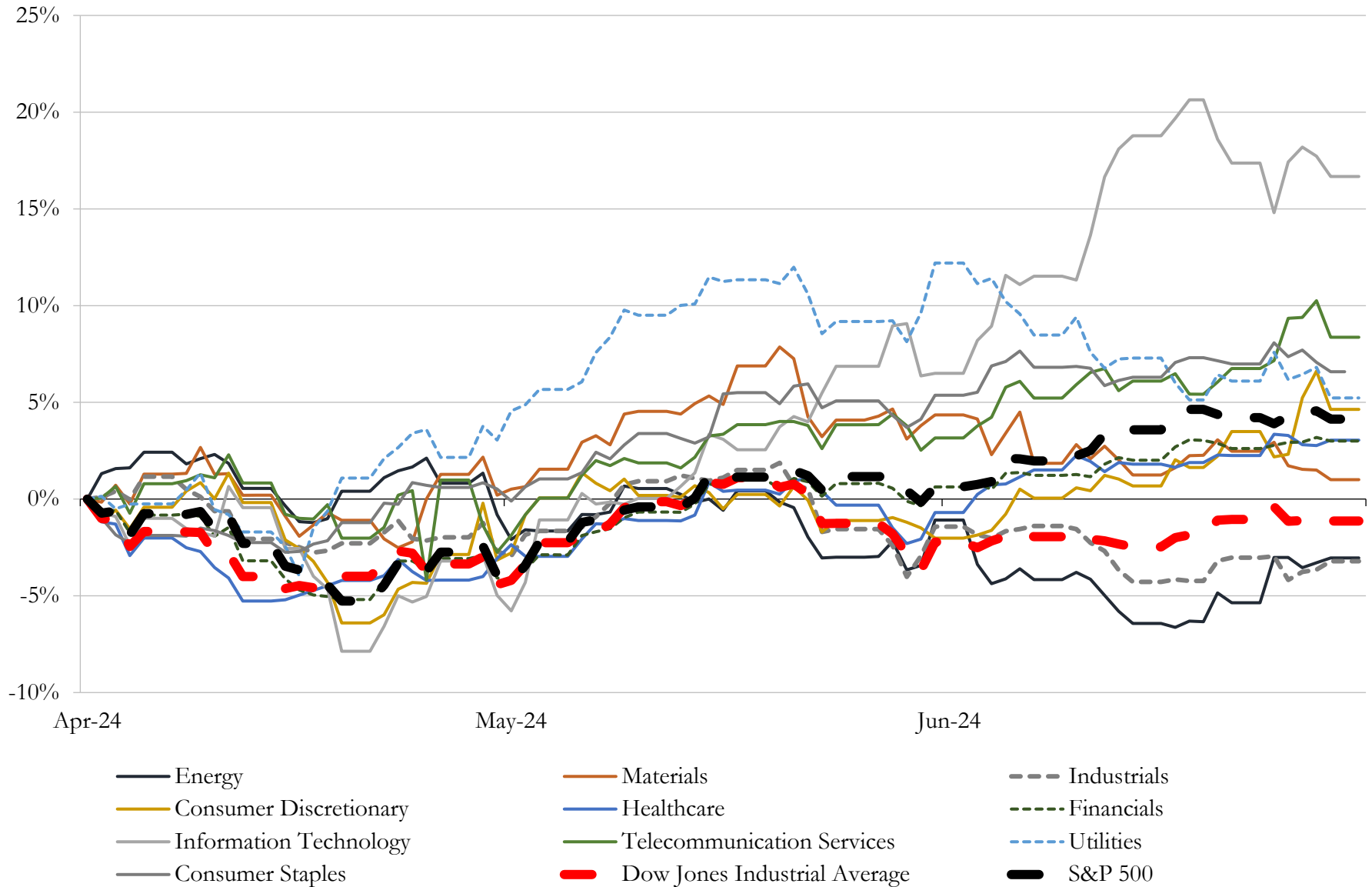
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Jul-23	Aerojet Rocketdyne Holdings, Inc.	L3Harris Technologies, Inc.	\$4,784
Aug-23	Wencor Group, LLC	HEICO Corporation	\$2,050
Apr-24	Kaman Corporation	Arline Investment Management LP	\$1,884
Jun-24	Electron Device Business of Communications & Power Industries, Inc.	TransDigm Group Incorporated	\$1,385
Mar-24	Cybersecurity, Intelligence and Services Business of Raytheon Company	N/A	\$1,300
Aug-23	JBT AeroTech Corporation	Oshkosh Corporation	\$794
Jun-24	Non-Core Assets of L3Harris Technologies, Inc.	Fisica, Inc.	\$200
Feb-24	Sierra Bullets, L.L.C./Barnes Bullets - Mona, LLC	JDH Capital	\$175
Jan-24	Vian Enterprises, Inc.	Crane Company	\$146
Oct-23	Jet East Corporate Aviation, LLC	West Star Aviation, LLC	\$132
Apr-24	Turbine Controls, Inc.	VSE Corporation	\$120
Mar-24	Alpha Safety Intermediate, LLC	Safariland, LLC	\$107
Dec-23	Quick Turn Engine Center LLC	FTAI Aviation Ltd.	\$61
Apr-24	Wsc, Inc.	Curtiss-Wright Corporation	\$34
Oct-23	Sierra Technical Services, Inc.	Kratos Defense & Security Solutions, Inc.	\$27
Nov-23	P3 Technologies, LLC	Graham Corporation	\$13
May-24	Allegient Defense, Inc.	BCS, LLC (nka:BCS Allegient)	\$13
Sep-23	Datron World Communications, Inc.	Cyberlux Corporation	\$7
Dec-23	SLPE business	N/A	\$5
Sep-23	Phillips Machine & Welding Co., Inc.	Concurrent Technologies Inc.	\$4
Oct-23	Immaterial Business of Leidos Holdings, Inc.	N/A	\$2
Jun-24	Air Components, Inc.	Air Control Concepts	NA
Jun-24	Assets of Sharp Tooling Solutions, LLC.	Sharp Tooling Solutions, LLC	NA
Jun-24	Llamas Plastics, Inc.	Lee Aerospace Inc.	NA
Jun-24	Phoenix Technology Works, LLC	M4 Engineering Inc.	NA
Jun-24	Aerodyne Corporation	Atlantic Jet Partners LLC	NA
Jun-24	Aero Business of Workhorse Group Inc.	ATW Partners LLC	NA
Jun-24	Sunvair, Inc.	Greenbriar Equity Group, L.P.	NA
Jun-24	Autonomy Division of Xwing Inc.	Joby Aviation, Inc.	NA
May-24	Calspan hypersonic and defense test systems business units of TransDigm	Cerberus Capital Management, L.P.	NA

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

Last Three (3) Months as of June 30, 2024



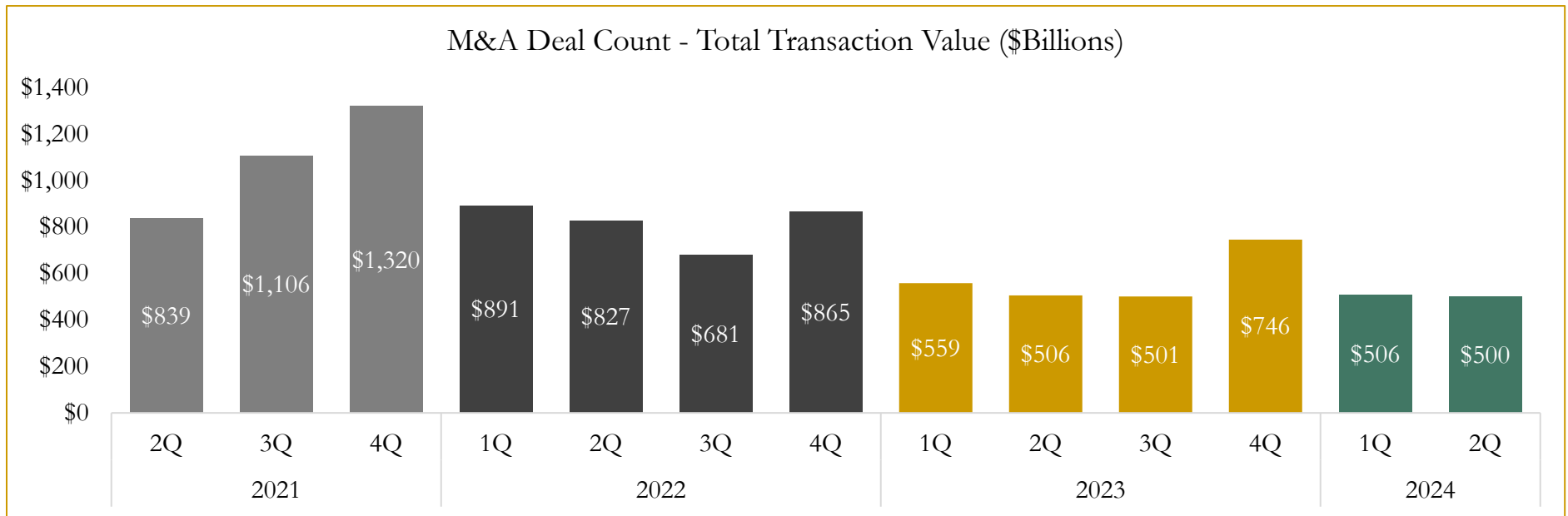
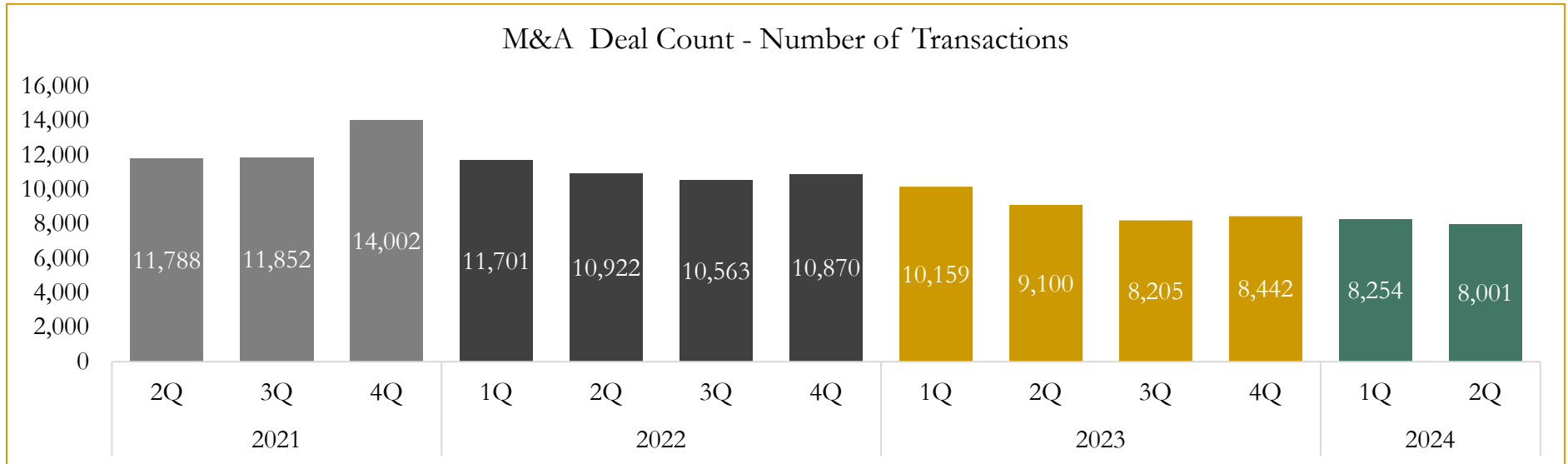
Source: Capital IQ



# 6

## M&A Deal Flow Statistics

Last Three (3) Years as of June 30, 2024



Source: Capital IQ

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and 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

- **Portfolio Valuation (ASC 820)**
- **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:**

**[info@houlihancapital.com](mailto:info@houlihancapital.com)**