



B | RILEY® *Securities*
Aerospace & Defense

Situational Awareness
First Quarter 2026

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A&D First Quarter 2026

Executive Summary

1Q 2026 M&A activity was above the quarterly 7-year average of 91 with 108 deals announced, reaching a 4-year high comparable to volume seen in 2021. 1Q 2026 had 4 announced \$1B+ transactions (p. 5-6).

After 20+ A&D deSPACs in 2021 and 2022, A&D SPAC activity slowed significantly with 2 deSPACs in 2023 and 0 deSPACs in 2024 and 2025, and 1 deSPAC in 1Q 2026. 3 qualifying transactions are awaiting deSPAC (p. 7).

Public company dry powder increased ~29.0% over 3Q 2025 to \$191.1 billion in 4Q 2025, driven primarily by the Large Int'l A&D companies (p. 9).

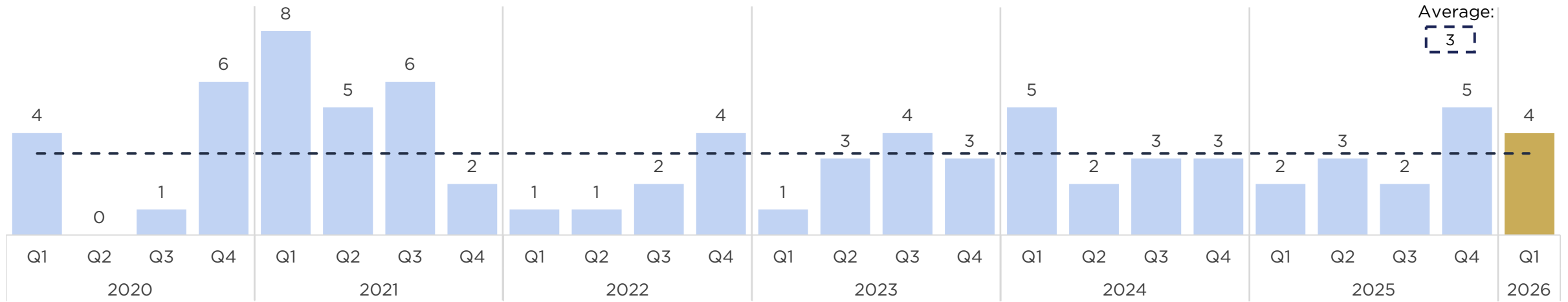
Private equity dry powder continues to increase, while sponsors own a record number of A&D companies (p. 10).

Investor appetite for defense technology remains strong, driving significant investments and premium valuations for private and public companies.

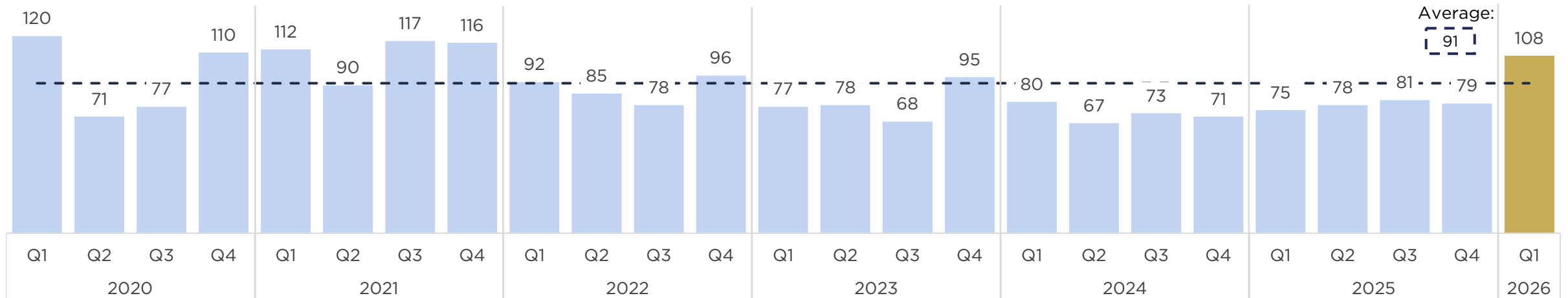
Investments continue in emerging technologies, including hypersonics, space, autonomy, unmanned systems and artificial intelligence, generating future M&A opportunities.

Global M&A Transactions

Announced A&D Transactions \$1+ Billion



Total Announced A&D Transactions



Source: S&P Capital IQ as of March 31, 2026, with deal classification date according to announcement date

Announced Transactions - \$1B+

Target	Buyer	TEV (\$B)	Announce Date
		\$1.3	Mar 3, 2026
		\$7.0	Feb 26, 2026
		\$2.1	Jan 29, 2026
		\$2.2	Jan 16, 2026
		\$1.8	Dec 22, 2025
		\$2.2	Nov 10, 2025
		\$11.5	Oct 27, 2025
		\$27.8	Sep 2, 2025
		\$11.0	Jul 30, 2025

Source: S&P Capital IQ as of March 31, 2026

A&D SPAC^{activity} - Qualifying Transactions (Awaiting deSPAC)



Pre-Money EV
\$320 million

FACT II
Acquisition Corp.


December 1, 2025




Pre-Money EV
\$400 million

BPGC Acquisition
Corp.

July 22, 2025



Pre-Money EV
\$200 million



March 29, 2024

Sources:

(1) <https://www.globenewswire.com/de/news-release/2025/12/01/3197486/0/en/Precision-Aerospace-Defense-Group-Inc-to-Combine-with-FACT-II-Acquisition-Corp-to-Become-Publicly-Listed-Company.html>

(2) <https://www.reuters.com/legal/transactional/space-startup-irocket-go-public-via-400-million-spac-deal-2025-07-23/>

(3) <https://www.globenewswire.com/news-release/2024/03/29/2854748/0/en/AERKOMM-and-Nasdaq-Listed-IX-Acquisition-Corp-Announce-Merger-Agreement-and-US-35-Million-Private-Placement.html>

SPAC *tivity* – Select deSPAC Performance

Company	Ticker	Date deSPAC	Stock Price	Shares Out.	Market Cap	Cash	Debt	EV	52-Week Low	52-Week High	Relative to IPO
AST SpaceMobile, Inc.	ASTS	12/16/2020	\$82.87	382.0	\$31,657.6	\$2,335.7	\$2,239.5	\$24,705.5	\$18.22	\$129.89	728.7%
Rocket Lab Corporation	RKLB	8/25/2021	\$64.22	569.4	\$36,567.4	\$828.7	\$265.1	\$35,733.6	\$14.71	\$99.58	542.2%
Planet Labs PBC	PL	12/7/2021	\$27.95	346.1	\$9,674.9	\$229.4	\$462.5	\$9,497.3	\$2.79	\$37.05	179.5%
Intuitive Machines, Inc.	LUNR	9/16/2022	\$18.56	216.8	\$4,023.8	\$582.6	\$372.2	\$3,706.2	\$6.14	\$23.32	85.6%
Redwire Corporation	RDW	9/2/2021	\$8.50	190.9	\$1,623.0	\$94.5	\$123.8	\$1,729.4	\$4.87	\$22.25	(15.0%)
Joby Aviation, Inc.	JOBY	8/10/2021	\$8.26	979.3	\$8,089.3	\$240.8	\$44.3	\$6,725.7	\$4.96	\$20.95	(17.4%)
AerSale Corporation	ASLE	12/23/2020	\$6.22	47.2	\$293.8	\$4.4	\$144.8	\$429.2	\$5.56	\$9.12	(37.8%)
Satellogic Inc.	SATL	1/25/2022	\$5.44	143.1	\$778.2	\$94.4	\$63.4	\$747.2	\$1.26	\$6.84	(45.6%)
Archer Aviation Inc.	ACHR	9/17/2021	\$5.17	744.5	\$3,849.3	\$1,021.5	\$121.9	\$2,006.5	\$4.80	\$14.62	(48.3%)
BigBear.ai Holdings, Inc.	BBAI	12/8/2021	\$3.52	476.1	\$1,675.7	\$87.1	\$114.8	\$1,502.9	\$2.36	\$9.39	(64.8%)
BlackSky Technology Inc.	BKSY	9/9/2021	\$25.16 ⁽¹⁾	37.0	\$930.8	\$42.4	\$209.5	\$1,015.8	\$6.15	\$33.20	(68.6%)
Eve Holding, Inc.	EVEX	5/6/2021	\$2.48	348.3	\$863.8	\$103.2	\$180.1	\$659.8	\$2.34	\$7.70	(75.2%)
flyExclusive, Inc.	FLYX	12/28/2023	\$2.26	94.8	\$214.3	\$29.3	\$243.2	\$557.7	\$1.90	\$8.88	(77.4%)
Bridger Aerospace	BAER	1/25/2023	\$1.98	55.9	\$110.7	\$31.4	\$244.9	\$729.9	\$1.02	\$3.44	(80.2%)
Spire Global, Inc.	SPIR	8/17/2021	\$12.58 ⁽²⁾	33.5	\$421.5	\$24.8	\$13.4	\$353.1	\$6.60	\$14.99	(84.3%)
New Horizon Aircraft Ltd.	HOVR	1/5/2024	\$1.41	44.3	\$62.4	\$17.4	\$0.0	\$49.5	\$0.35	\$4.18	(85.9%)
Arqit Quantum Inc.	ARQQ	9/7/2021	\$13.25 ⁽³⁾	15.7	\$207.4	\$37.0	\$0.7	\$171.1	\$11.00	\$62.00	(94.7%)
Momentum Inc.	MNTS	8/13/2021	\$3.68 ⁽⁴⁾	1.7	\$6.3	\$12.8	\$11.3	\$4.8	\$3.38	\$43.55	(97.4%)
Vertical Aerospace Ltd.	EVTL	12/17/2021	\$2.21 ⁽⁵⁾	102.3	\$226.1	\$93.0	\$4.3	\$137.5	\$1.90	\$7.60	(97.8%)
Virgin Galactic Holdings, Inc.	SPCE	10/25/2019	\$2.43 ⁽⁶⁾	73.1	\$177.7	\$144.7	\$324.2	\$238.4	\$2.13	\$6.64	(98.8%)

Source: S&P Capital IQ as of March 31, 2026

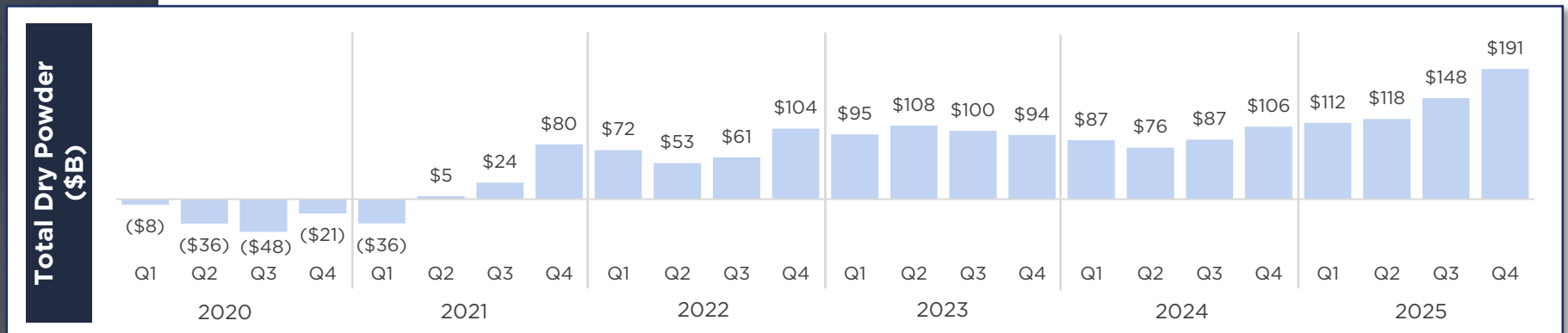
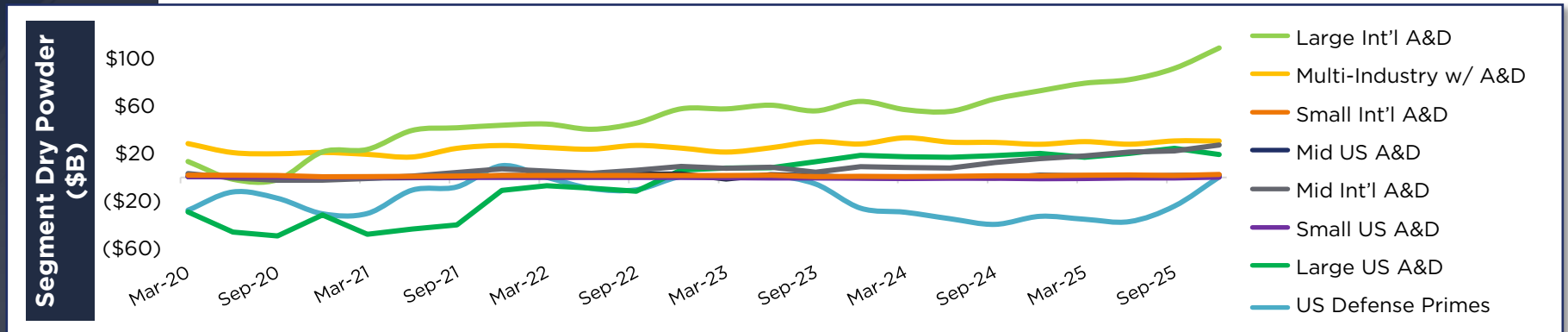
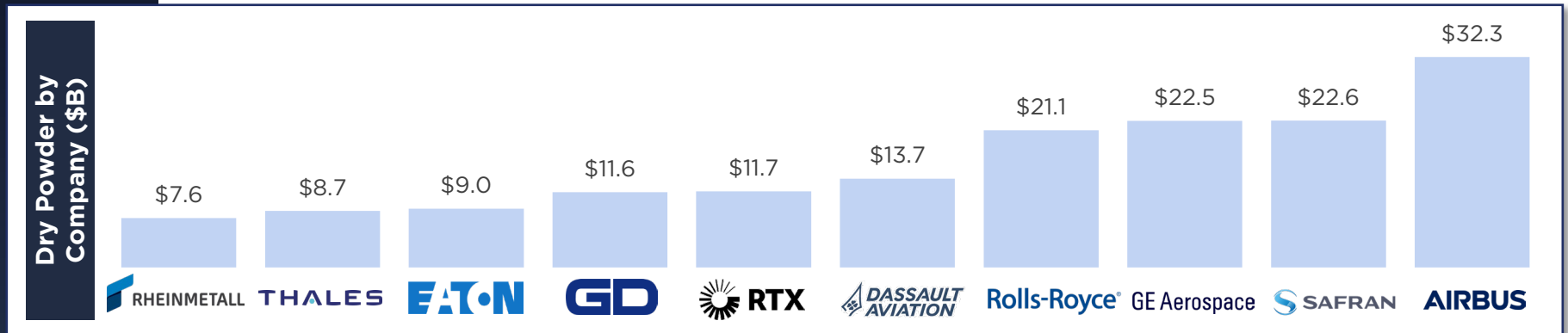
(1) Reflects 1-to-8 reverse stock split; (2) 1-to-8 reverse stock split; (3) 1-to-25 reverse stock split; (4) 1-to-10 reverse stock split; (5) 1-to-14 reverse stock split; (6) 1-to-20 reverse stock split

Public Company Dry Powder Analysis

A&D public company dry powder (calculated as 3x EBITDA, less total debt plus unrestricted cash and short-term investments)⁽¹⁾ was ~\$191.1 billion in 4Q 2025.

The top 10 companies ranked by dry powder collectively have ~\$160.8 billion (\$18.3 billion more than prior quarter).

Large International A&D had \$109.0 billion in Q4 compared to \$91.2 in 3Q 2025.













Source: S&P Capital IQ as of March 31, 2026

(1) Dry powder calculations based on latest reported financials one quarter in arrears from the date of this report

Private Equity and A&D Portfolio Companies

Private Equity 2025 in Review

Select Completed Private Equity Acquisitions TTM

 <p>has acquired</p>  <p>Undisclosed February 2026</p>	 <p>Has acquired the Passenger Innovations division of</p>  <p>Undisclosed February 2026</p>	 <p>has acquired</p>  <p>Undisclosed January 2026</p>	 <p>Has acquired the Digital Aviation Assets of</p>  <p>\$10,550,000,000 November 2025</p>	<p>Berkshire Partners and</p>  <p>have acquired</p>  <p>\$3,038,000,000 February 2025</p>
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KEY HIGHLIGHTS⁽³⁾

\$2.6T

Private Equity Dry Powder

\$300B

Buyout Capital Raised

44%

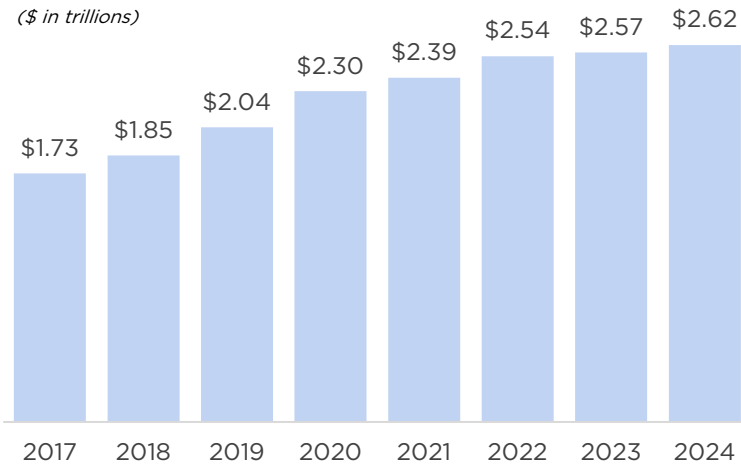
Buyout Deals Valued <\$100M

11.9x

Median EV/EBITDA Multiple

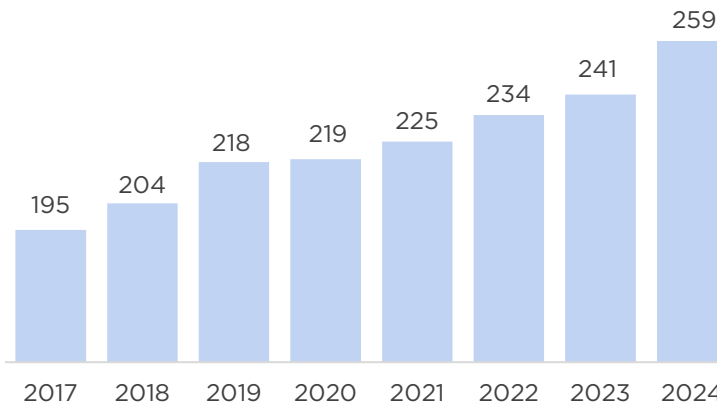
Global Private Equity Dry Powder⁽¹⁾

(\$ in trillions)



Private Equity A&D Investments⁽²⁾

Private equity owns a record number of A&D companies



Source: (1) Pitchbook and S&P Global Market Intelligence; (2) Pitchbook; (3) Bain & Company and McKinsey

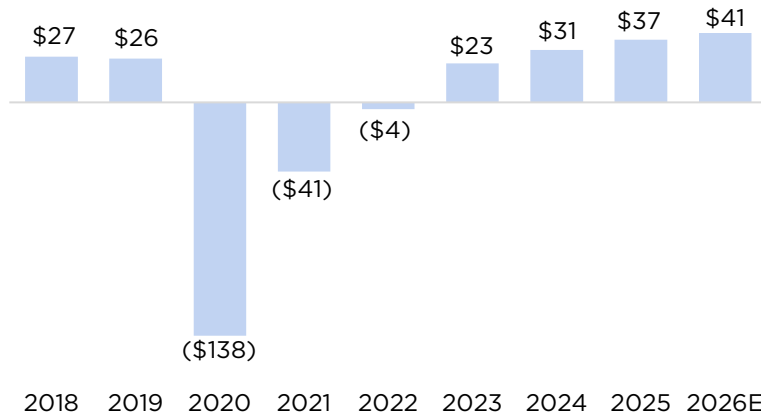
Commercial Airline Environment

Commercial Aircraft Orders and Deliveries⁽¹⁾

	Deliveries	Orders (Units)		
		Net	Gross	Backlog
AIRBUS				
FEBRUARY 2026 YTD	54	77	77	8,770
FEBRUARY 2025 YTD	64	68	69	8,652
YoY	(15.6%)	13.2%	11.6%	1.4%
BOEING				
FEBRUARY 2026 YTD	98	124	128	6,734
FEBRUARY 2025 YTD	89	41	49	5,550
YoY	10.1%	202.4%	161.2%	21.3%

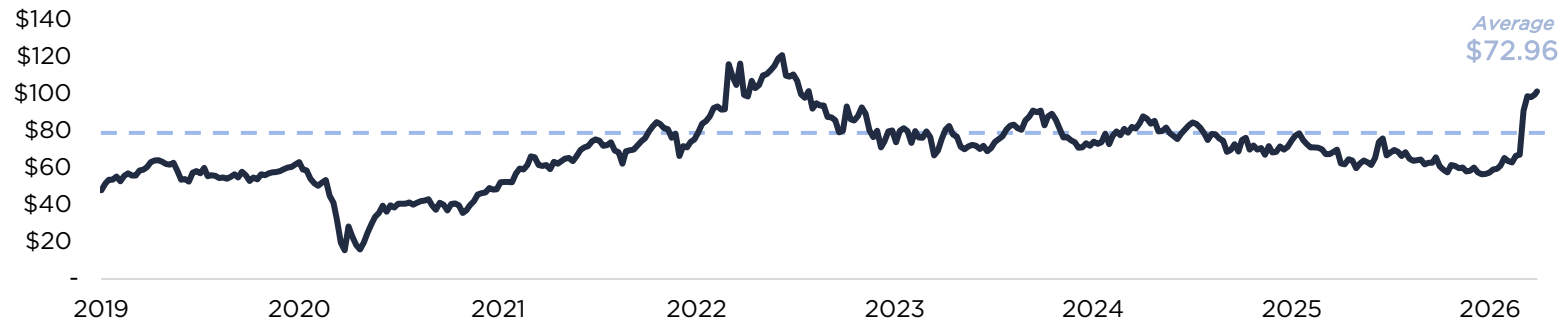
Commercial aircraft deliveries continue to increase, despite lingering supply chain challenges.

Airline Industry Net Profits⁽²⁾



Airlines were projected to generate **\$41 billion in net profits for 2026** before the recent oil spike.

Crude Oil Price⁽³⁾



In 1Q26, crude oil reached a **high of \$112.85** per barrel on **March 30** and a **low of \$59.96** per barrel on **January 7**, closing the quarter at the highest level since July 2022

Source: (1) Flightplan and Company Filings ; (2) IATA; (3) S&P Capital IQ; (4) IATA

Passenger & Air Cargo Traffic

As of February 2026 (% YoY)⁽⁴⁾

PASSENGER TRAFFIC



AIR CARGO TRAFFIC



US Defense Environment

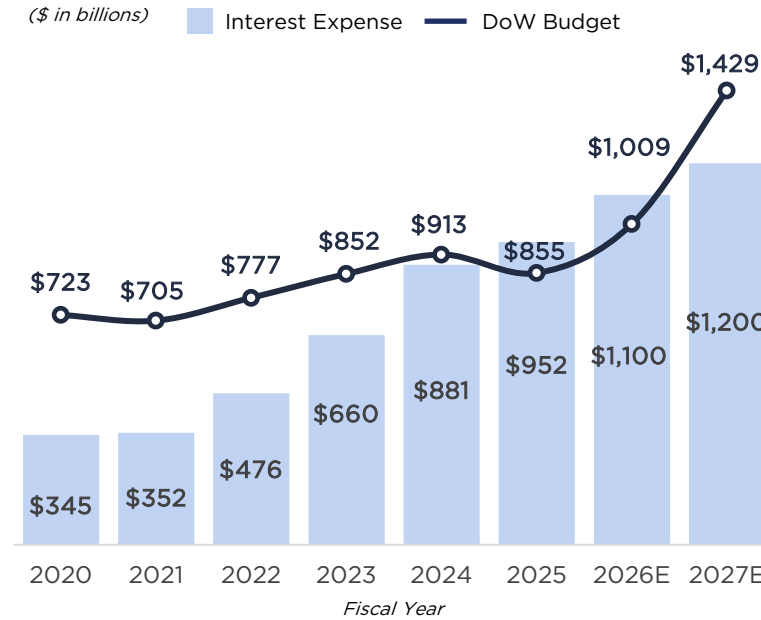
The FY26 Defense Appropriations Act was signed by the President on February 3, 2026. Congress then provided an additional ~\$9 billion in base discretionary funding for the Pentagon, totaling ~\$857 billion.

~\$152 billion in reconciliation funds are also available in FY26, driving total defense spending above \$1 trillion for the first time.

The FY27 Presidential Budget Request (PBR) was released on April 3, 2026 with ~\$1.4 trillion in total DoW funding: ~\$1.1 trillion through appropriations and ~ \$333 billion via a second reconciliation bill.

[Note: Headline \$1.5 trillion total defense spending includes Department of Energy nuclear programs and other national defense items.]

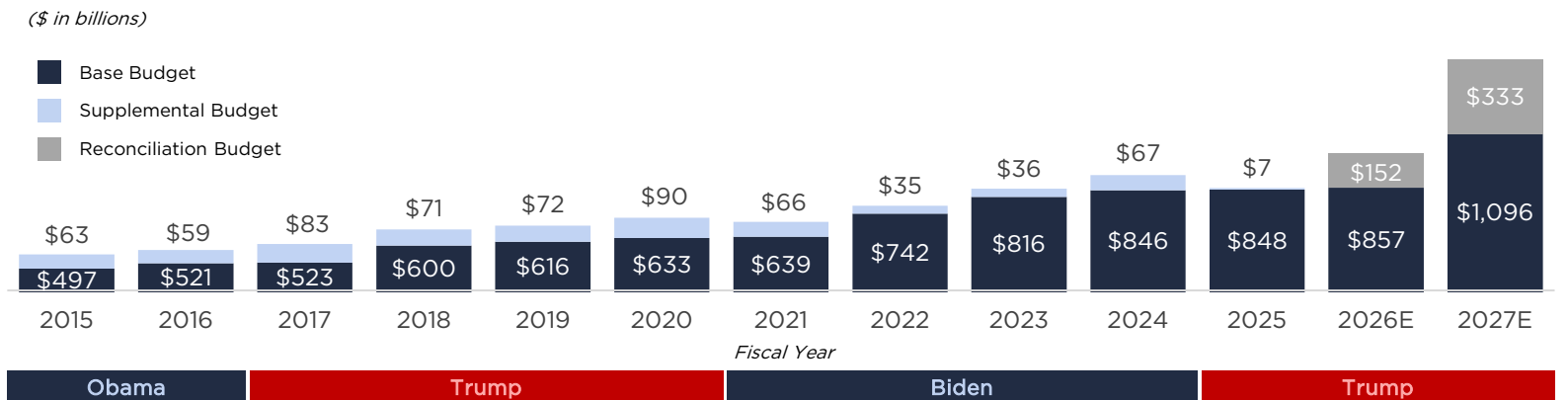
Public Debt Interest vs. DoW Budget⁽¹⁾



DoW Outlays as % of GDP⁽¹⁾

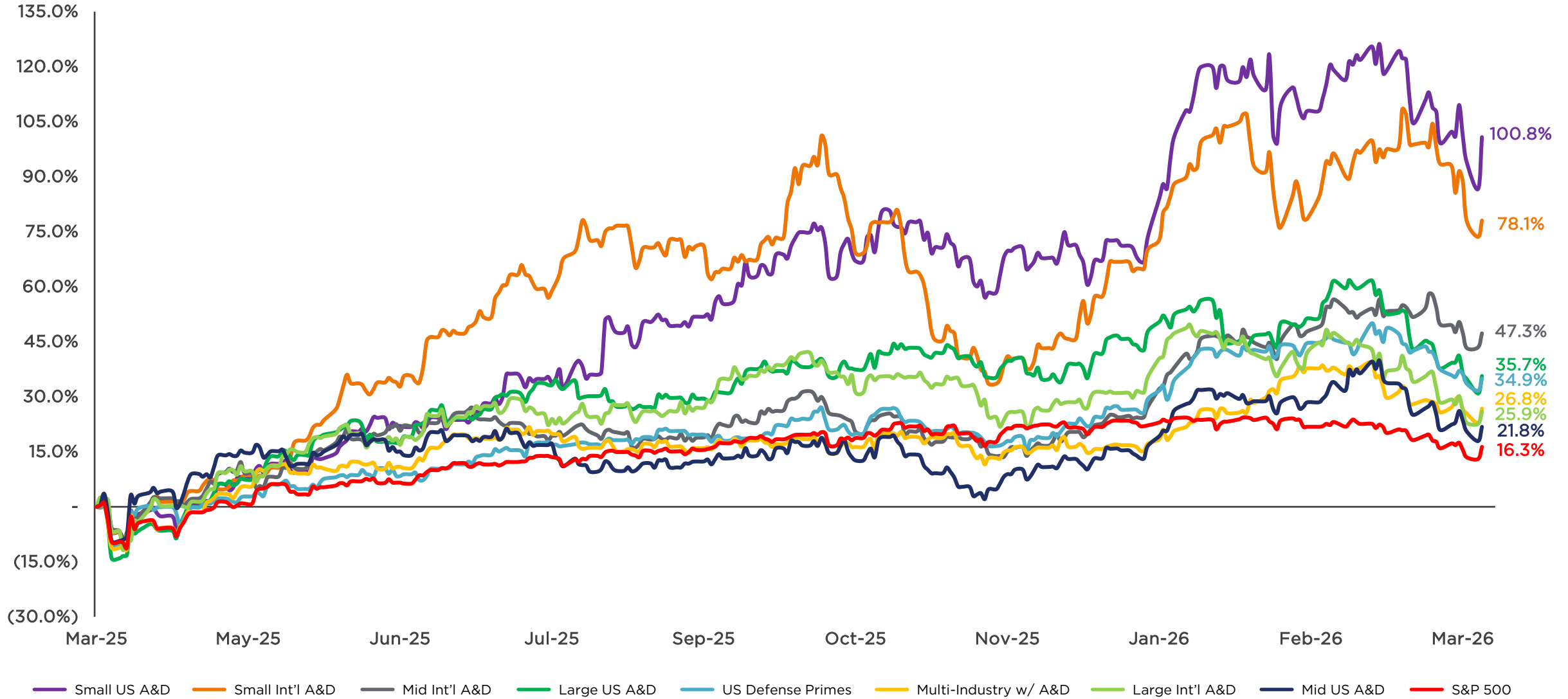


Department of War (DoW) Funding⁽²⁾



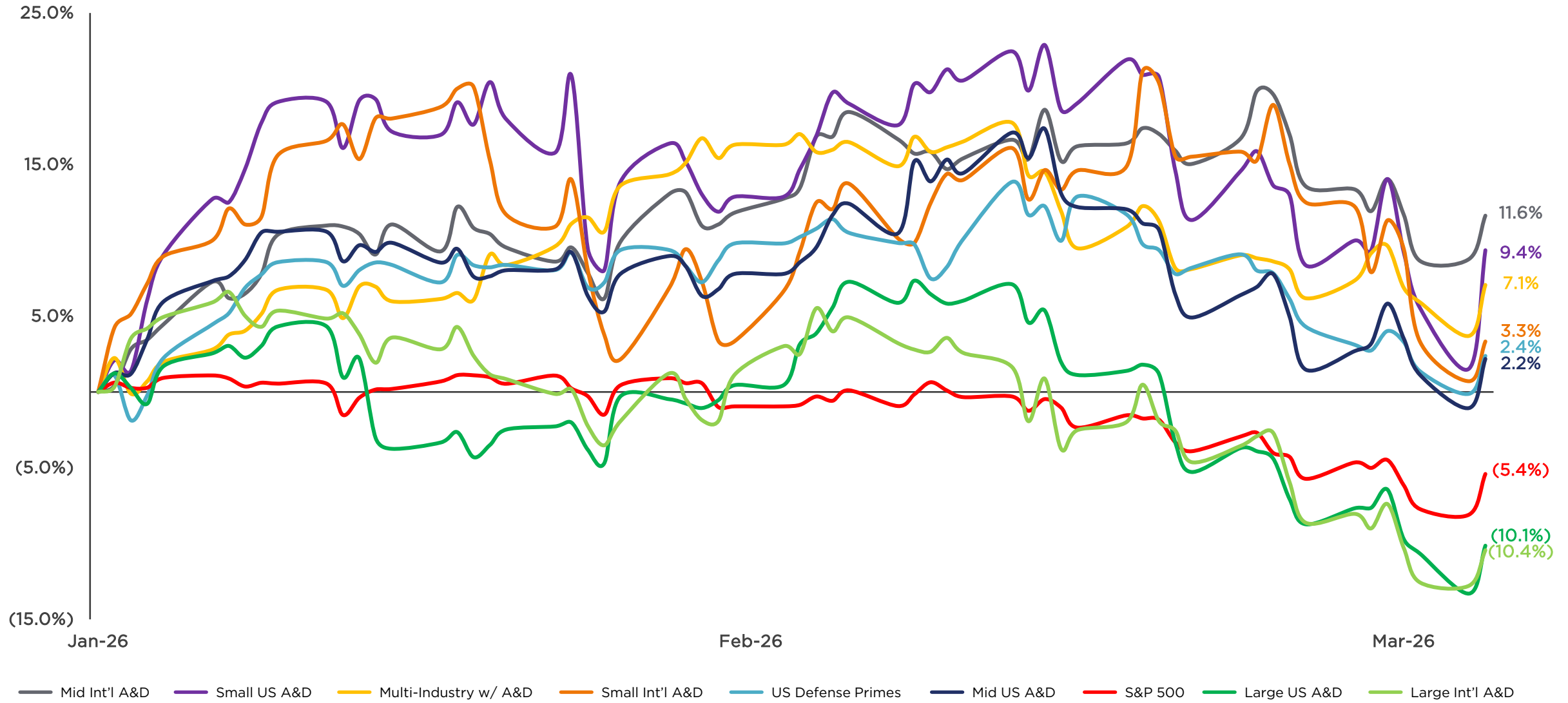
Source: S&P Capital IQ as of March 31, 2026
 (1) Congressional Budget Office; (2) Oliver Wyman

A&D Stock Index Performance - 1-Year



Source: CapIQ as of 3/31/2026

A&D Stock Index Performance - 1Q 2026



Source: CapIQ as of 3/31/2026

A&D Public Companies

Valuation Multiples

(millions except per share data; USD)

Company	Ticker	Price 3/31/2026	Shares Out.	Equity Value	Net Debt	Ent. Value	Enterprise Value /										CAGR Revenue (25A - 28E)	Operating Results		Total Debt Leverage
							Revenue					Adj. EBITDA						GM % 2026E	EBITDA % 2026E	
							LTM	2025A	2026E	2027E	2028E	LTM	2025A	2026E	2027E	2028E				
US Defense Primes (Big 6)																				
RTX Corporation	NYSE:RTX	\$192.90	1,357	261,730	32,521	296,144	3.3x	3.4x	3.2x	3.0x	2.8x	20.1x	20.3x	18.8x	17.3x	16.2x	6.8%	22.2%	16.9%	2.5x
The Boeing Company	NYSE:BA	\$199.03	786	156,407	27,707	184,123	2.1x	2.1x	1.9x	1.6x	1.5x	NA	NA	38.4x	20.2x	14.5x	11.6%	14.4%	4.9%	11.7x
Lockheed Martin Corporation	NYSE:LMT	\$604.39	230	139,289	18,650	157,939	2.1x	2.1x	2.0x	1.9x	1.8x	19.1x	17.1x	14.0x	13.4x	12.9x	5.2%	13.7%	14.3%	2.0x
Northrop Grumman Corporation	NYSE:NOC	\$682.24	142	96,825	13,481	110,306	2.6x	2.6x	2.5x	2.4x	2.2x	16.2x	18.7x	17.8x	16.7x	15.8x	5.4%	20.4%	14.1%	2.9x
General Dynamics Corporation	NYSE:GD	\$343.22	274	93,954	7,456	101,410	1.9x	2.0x	1.9x	1.8x	1.7x	16.0x	16.2x	15.3x	14.2x	13.3x	4.7%	15.8%	12.1%	1.5x
L3Harris Technologies, Inc.	NYSE:LHX	\$345.15	188	64,748	10,832	75,580	3.5x	3.4x	3.2x	3.0x	2.8x	18.7x	19.2x	17.7x	16.5x	14.9x	7.2%	28.4%	18.2%	2.8x
US Defense Primes (Big 6) Median							2.4x	2.4x	2.3x	2.1x	2.0x	18.7x	18.7x	17.8x	16.6x	14.7x	6.1%	18.1%	14.2%	2.7x
US Defense Primes (Big 6) Mean							2.6x	2.6x	2.4x	2.3x	2.1x	18.0x	18.3x	20.3x	16.4x	14.6x	6.8%	19.1%	13.4%	3.9x
Multi-Industry with Large A&D																				
Honeywell International Inc.	NasdaqGS:HON	\$226.03	638	144,223	22,633	167,982	4.5x	4.5x	4.2x	4.0x	3.8x	19.8x	18.6x	16.7x	15.4x	14.4x	5.5%	39.1%	25.4%	3.5x
Eaton Corporation plc	NYSE:ETN	\$357.67	389	139,038	9,881	148,963	5.4x	5.4x	4.8x	4.3x	4.0x	23.6x	22.9x	19.9x	16.8x	15.0x	10.7%	38.5%	24.3%	1.4x
Parker-Hannifin Corporation	NYSE:PH	\$895.24	128	114,867	9,443	124,319	6.1x	6.3x	5.8x	5.5x	5.2x	23.2x	24.4x	21.5x	19.8x	18.3x	6.5%	37.8%	27.1%	1.7x
AMETEK, Inc.	NYSE:AME	\$214.36	230	49,275	2,114	51,388	6.9x	7.0x	6.4x	6.1x	5.7x	21.8x	22.0x	20.1x	18.6x	17.2x	7.0%	36.7%	32.0%	1.0x
Teledyne Technologies Incorporated	NYSE:TDY	\$605.01	47	28,305	2,290	30,595	5.0x	5.0x	4.8x	4.6x	4.3x	20.4x	20.7x	18.9x	17.7x	16.5x	5.1%	43.4%	25.3%	1.6x
Curtiss-Wright Corporation	NYSE:CW	\$681.12	37	25,138	797	25,935	7.4x	7.5x	6.9x	6.4x	5.9x	32.6x	33.7x	31.0x	28.1x	25.2x	8.3%	37.0%	22.3%	1.4x
Textron Inc.	NYSE:TXT	\$87.56	176	15,400	2,342	17,742	1.2x	1.2x	1.1x	1.1x	1.1x	10.8x	10.0x	9.7x	9.0x	8.3x	4.5%	18.9%	11.8%	2.3x
Crane Company	NYSE:CR	\$171.00	58	9,984	710	10,696	4.6x	4.7x	3.7x	3.5x	3.3x	23.3x	21.8x	17.5x	15.9x	14.3x	11.8%	42.6%	21.3%	1.99x
Multi-Industry with Large A&D Median							5.2x	5.2x	4.8x	4.4x	4.2x	22.5x	21.9x	19.4x	17.3x	15.8x	6.7%	38.2%	24.8%	1.7x
Multi-Industry with Large A&D Mean							5.1x	5.2x	4.7x	4.4x	4.2x	21.9x	21.8x	19.4x	17.7x	16.2x	7.4%	36.8%	23.7%	1.9x
Large US A&D																				
General Electric Company	NYSE:GE	\$283.77	1,050	297,883	9,565	307,669	6.7x	7.4x	6.4x	5.8x	5.3x	28.7x	30.7x	26.6x	23.5x	20.9x	11.6%	34.6%	24.0%	1.9x
Howmet Aerospace Inc.	NYSE:HWM	\$230.46	401	92,421	2,471	94,892	11.5x	11.6x	10.2x	9.1x	8.3x	39.7x	39.8x	33.4x	29.0x	25.8x	11.6%	35.1%	30.6%	1.1x
TransDigm Group Incorporated	NYSE:TDG	\$1,158.96	56	65,451	27,516	92,974	10.2x	10.6x	9.3x	8.6x	8.0x	20.0x	19.6x	17.7x	16.1x	15.0x	9.8%	59.1%	52.5%	5.7x
HEICO Corporation	NYSE:HEI	\$274.20	141	38,648	2,247	41,438	8.9x	9.3x	8.2x	7.5x	7.0x	32.8x	34.4x	30.1x	27.4x	25.2x	9.8%	39.8%	27.2%	1.8x
Woodward, Inc.	NasdaqGS:WWD	\$357.92	61	21,853	484	22,337	5.9x	6.4x	5.4x	4.9x	4.5x	33.0x	34.0x	26.2x	22.9x	20.4x	12.0%	29.8%	20.6%	1.1x
Huntington Ingalls Industries, Inc.	NYSE:HII	\$379.90	39	14,908	2,207	17,115	1.4x	1.4x	1.3x	1.2x	1.2x	15.1x	17.4x	16.3x	14.1x	12.7x	6.5%	16.6%	8.1%	2.8x
Kratos Defense & Security Solutions, Inc.	NasdaqGS:KTOS	\$70.51	187	13,168	(415)	12,753	9.5x	9.6x	7.7x	6.2x	5.2x	NM	NM	NM	NM	44.4x	22.3%	24.4%	NA	NM
AeroVironment, Inc.	NasdaqGS:AVAV	\$183.05	50	9,223	239	9,462	5.9x	12.0x	5.0x	4.3x	3.7x	NM	NM	34.6x	26.4x	21.0x	47.8%	26.5%	14.4%	3.0x
Large US A&D Median							7.8x	9.5x	7.0x	6.0x	5.3x	30.8x	32.3x	26.6x	23.5x	20.9x	11.6%	32.2%	24.0%	1.9x
Large US A&D Mean							7.5x	8.5x	6.7x	6.0x	5.4x	28.2x	29.3x	26.4x	22.8x	23.2x	16.4%	33.2%	25.3%	2.5x

A&D Public Companies

Valuation Multiples

(millions except per share data; USD)

Company	Ticker	Price 3/31/2026	Shares Out.	Equity Value	Net Debt	Ent. Value	Enterprise Value /										CAGR Revenue (25A - 28E)	Operating Results		Total Debt Leverage
							Revenue					Adj. EBITDA						GM % 2026E	EBITDA % 2026E	
							LTM	2025A	2026E	2027E	2028E	LTM	2025A	2026E	2027E	2028E				
Large Int'l A&D																				
Airbus SE	ENXTPA:AIR	\$185.43	787	145,973	(4,351)	141,715	1.6x	1.6x	1.5x	1.4x	1.2x	15.2x	12.3x	11.4x	9.8x	8.4x	10.2%	16.3%	13.4%	1.3x
Safran SA	ENXTPA:SAF	\$322.15	415	133,708	(1,787)	132,651	3.6x	3.6x	3.2x	2.9x	2.7x	19.1x	17.1x	14.9x	13.3x	12.2x	9.7%	45.1%	21.6%	0.7x
Rolls-Royce Holdings plc	LSE:RR.	\$14.95	8,289	123,909	(2,540)	121,406	4.3x	4.6x	4.1x	3.8x	3.4x	19.6x	21.7x	18.9x	17.0x	15.2x	10.7%	27.4%	21.7%	0.9x
BAE Systems plc	LSE:BA.	\$29.05	3,023	87,818	7,658	95,682	2.5x	2.3x	2.2x	2.0x	1.9x	19.8x	16.7x	15.6x	14.3x	13.3x	7.4%	41.0%	14.0%	2.0x
Rheinmetall AG	XTRA:RHM	\$1,665.51	47	78,221	(481)	78,448	6.7x	6.6x	4.8x	3.6x	2.7x	33.1x	28.4x	21.1x	15.0x	11.0x	34.7%	45.0%	22.8%	0.4x
Thales S.A.	ENXTPA:HO	\$290.67	205	59,727	1,924	61,673	2.4x	2.4x	2.2x	2.1x	1.9x	17.4x	14.8x	14.3x	12.8x	11.7x	7.7%	29.9%	15.7%	1.7x
Leonardo S.p.a.	BIT:LDO	\$66.92	577	38,609	1,469	41,464	1.8x	1.8x	1.7x	1.6x	1.4x	14.9x	14.4x	13.1x	11.6x	10.4x	9.2%	12.9%	13.0%	1.7x
Saab AB (publ)	OM:SAAB B	\$64.88	538	34,888	(85)	34,840	4.1x	4.1x	3.5x	2.9x	2.5x	35.4x	30.6x	24.3x	19.7x	16.8x	18.9%	23.4%	14.3%	1.1x
Large Int'l A&D Median							3.1x	3.0x	2.7x	2.5x	2.2x	19.4x	16.9x	15.3x	13.8x	12.0x	10.0%	28.7%	15.0%	1.2x
Large Int'l A&D Mean							3.4x	3.4x	2.9x	2.5x	2.2x	21.8x	19.5x	16.7x	14.2x	12.4x	13.6%	30.1%	17.1%	1.2x
Mid US A&D																				
Leonardo DRS, Inc.	NasdaqGS:DRS	\$44.52	267	11,876	(177)	11,699	3.2x	3.3x	3.0x	2.8x	2.7x	26.4x	26.5x	22.5x	20.1x	18.6x	6.7%	23.8%	13.3%	0.9x
Moog Inc.	NYSE:MOG.A	\$292.64	32	9,384	1,196	10,581	2.6x	2.8x	2.5x	2.3x	2.2x	19.7x	20.0x	16.9x	15.4x	NA	8.8%	27.7%	14.6%	2.0x
StandardAero, Inc.	NYSE:SARO	\$25.83	333	8,600	2,166	10,766	1.8x	1.8x	1.7x	1.5x	1.4x	14.5x	13.3x	12.0x	10.6x	9.6x	7.9%	16.4%	14.0%	2.7x
Hexcel Corporation	NYSE:HXL	\$80.93	76	6,178	948	7,126	3.8x	3.8x	3.4x	3.1x	2.9x	21.8x	22.0x	18.0x	15.1x	13.3x	9.8%	24.7%	19.1%	2.6x
Loar Holdings Inc.	NYSE:LOAR	\$57.29	95	5,420	640	6,060	12.2x	12.3x	9.4x	8.5x	7.8x	34.8x	32.3x	23.6x	21.0x	19.0x	16.5%	53.6%	39.7%	2.8x
Mid US A&D Median							3.2x	3.3x	3.0x	2.8x	2.7x	21.8x	22.0x	18.0x	15.4x	16.0x	8.8%	24.7%	14.6%	2.6x
Mid US A&D Mean							4.7x	4.8x	4.0x	3.7x	3.4x	23.4x	22.8x	18.6x	16.4x	15.1x	9.9%	29.2%	20.1%	2.2x
Mid Int'l A&D																				
Elbit Systems Ltd.	TASE:ESLT	\$835.21	48	40,376	149	40,525	5.1x	5.1x	4.5x	4.2x	3.8x	47.2x	46.6x	37.0x	32.1x	28.0x	10.4%	25.5%	12.3%	0.9x
Kongsberg Gruppen ASA	OB:KOG	\$42.38	880	37,276	(1,464)	35,874	11.5x	6.2x	5.0x	4.0x	3.2x	NM	37.2x	27.7x	22.2x	17.7x	24.6%	55.5%	18.1%	0.4x
Dassault Aviation société anonyme	ENXTPA:AM	\$368.04	78	28,537	(10,844)	17,701	2.0x	2.1x	1.8x	1.6x	1.3x	18.9x	19.1x	15.0x	12.8x	10.3x	16.6%	31.5%	11.8%	0.2x
Singapore Technologies Engineering Ltd	SGX:S63	\$8.39	3,122	26,187	3,309	29,766	3.1x	3.1x	2.8x	2.6x	2.4x	24.9x	21.8x	20.0x	18.2x	16.8x	9.7%	20.2%	14.1%	2.5x
MTU Aero Engines AG	XTRA:MTX	\$357.43	54	19,225	82	19,379	1.9x	1.9x	1.8x	1.6x	1.5x	11.3x	9.6x	9.2x	8.5x	7.7x	9.5%	18.5%	19.1%	1.4x
Bombardier Inc.	TSX:BBD.B	\$176.25	99	17,480	3,417	21,244	2.2x	2.3x	2.1x	2.0x	1.9x	16.7x	13.7x	12.7x	11.9x	11.3x	5.3%	21.3%	16.5%	3.3x
Embraer S.A.	BOVESPA:EMBJ3	\$14.75	705	10,400	149	10,916	1.4x	1.5x	1.3x	1.2x	1.1x	14.4x	12.7x	10.4x	8.9x	7.9x	11.7%	18.4%	12.4%	2.6x
Hensoldt AG	XTRA:HAG	\$87.17	116	10,068	823	10,904	3.8x	3.7x	3.4x	3.0x	2.5x	29.4x	20.3x	18.7x	15.5x	12.6x	14.4%	24.7%	18.4%	3.3x
CAE Inc.	TSX:CAE	\$25.95	323	8,369	2,029	10,458	2.9x	3.2x	3.0x	3.0x	2.8x	14.6x	13.2x	12.3x	12.2x	11.1x	4.3%	28.0%	24.2%	2.8x
Mid Int'l A&D Median							2.9x	3.1x	2.8x	2.6x	2.4x	17.8x	19.1x	15.0x	12.8x	11.3x	10.4%	24.7%	16.5%	2.5x
Mid Int'l A&D Mean							3.8x	3.2x	2.9x	2.6x	2.3x	22.2x	21.6x	18.1x	15.8x	13.7x	11.8%	27.1%	16.3%	1.9x

A&D Public Companies

Valuation Multiples

(millions except per share data; USD)

Company	Ticker	Price 3/31/2026	Shares Out.	Equity Value	Net Debt	Ent. Value	Enterprise Value /										CAGR Revenue (25A - 28E)	Operating Results		Total Debt Leverage
							Revenue					Adj. EBITDA						GM % 2026E	EBITDA % 2026E	
							LTM	2025A	2026E	2027E	2028E	LTM	2025A	2026E	2027E	2028E				
Small US A&D																				
VSE Corporation	NasdaqGS:VSEC	\$184.40	28	5,173	274	5,447	4.9x	4.9x	3.3x	2.5x	2.3x	33.0x	30.6x	18.4x	13.5x	12.1x	29.0%	14.3%	17.9%	1.2x
Mercury Systems, Inc.	NasdaqGS:MRCY	\$72.91	60	4,402	344	4,746	5.0x	5.4x	5.0x	4.5x	4.1x	NM	45.8x	33.9x	24.7x	20.0x	9.0%	29.0%	14.7%	4.8x
AAR Corp.	NYSE:AIR	\$109.46	40	4,354	901	5,255	1.7x	1.9x	1.6x	1.4x	1.4x	15.4x	16.6x	13.2x	11.6x	10.4x	12.4%	18.9%	12.2%	2.5x
Amprion Technologies, Inc.	NYSE:AMPX	\$16.86	154	2,602	(51)	2,552	34.9x	36.1x	20.2x	12.7x	6.8x	NM	NM	NM	NM	36.3x	74.1%	25.2%	NA	NM
Astronics Corporation	NasdaqGS:ATRO	\$66.73	38	2,552	360	2,912	3.4x	3.4x	3.0x	2.8x	2.7x	26.0x	22.7x	16.5x	13.9x	NA	7.7%	30.6%	18.1%	2.1x
Ducommun Incorporated	NYSE:DCO	\$122.00	15	1,837	299	2,137	2.6x	2.6x	2.4x	2.2x	2.1x	19.3x	16.1x	14.2x	12.4x	11.2x	7.4%	27.8%	17.2%	2.3x
Small US A&D Median							4.1x	4.2x	3.1x	2.7x	2.5x	22.6x	22.7x	16.5x	13.5x	12.1x	10.7%	26.5%	17.2%	2.3x
Small US A&D Mean							8.8x	9.1x	5.9x	4.4x	3.2x	23.4x	26.4x	19.2x	15.2x	18.0x	23.3%	24.3%	16.0%	2.6x
Small Int'l A&D																				
MDA Space Ltd.	TSX:MDA	\$25.25	141	3,560	189	3,749	3.1x	3.2x	2.9x	2.6x	2.4x	23.0x	16.3x	15.0x	13.4x	12.2x	10.1%	24.6%	19.3%	1.2x
QinetiQ Group plc	LSE:QQ.	\$5.99	523	3,136	250	3,386	1.3x	1.4x	1.3x	1.2x	1.2x	10.6x	9.7x	7.9x	7.4x	7.1x	4.6%	NA	16.6%	1.3x
Lisi S.A.	ENXTPA:FII	\$60.42	46	2,762	274	3,044	1.4x	1.4x	1.3x	1.2x	1.2x	10.2x	9.2x	8.6x	7.6x	7.1x	6.1%	62.1%	15.5%	1.7x
DroneShield Limited	ASX:DRO	\$2.61	940	2,459	(130)	2,328	16.1x	16.1x	9.8x	8.0x	6.4x	NM	NM	49.9x	28.2x	21.7x	35.7%	65.5%	19.7%	0.2x
Kraken Robotics Inc.	TSXV:PNG	\$5.73	319	1,826	(64)	1,762	24.1x	23.4x	7.6x	4.3x	3.5x	NM	NM	32.6x	17.5x	14.0x	88.1%	51.9%	23.4%	0.5x
Senior plc	LSE:SNR	\$3.78	410	1,548	158	1,706	1.7x	1.7x	1.7x	1.6x	1.6x	16.7x	13.4x	14.2x	12.2x	11.0x	3.3%	31.0%	12.1%	2.2x
Austal Limited	ASX:ASB	\$3.27	420	1,376	(66)	1,310	0.9x	1.1x	0.9x	0.7x	0.7x	11.7x	11.6x	10.7x	7.9x	6.5x	18.9%	12.9%	8.0%	1.5x
Electro Optic Systems Holdings Limited	ASX:EOS	\$5.50	200	1,099	(60)	1,035	12.1x	12.5x	6.5x	4.3x	3.2x	NM	NM	NM	NM	31.3x	58.1%	51.5%	NA	NM
Small Int'l A&D Median							2.4x	2.5x	2.3x	2.1x	2.0x	11.7x	11.6x	14.2x	12.2x	11.6x	14.5%	51.5%	16.6%	1.3x
Small Int'l A&D Mean							7.6x	7.6x	4.0x	3.0x	2.5x	14.5x	12.0x	19.8x	13.5x	13.9x	28.1%	42.8%	16.4%	1.2x
Overall Median							3.5x	3.5x	3.2x	3.0x	2.7x	19.8x	19.6x	17.7x	15.4x	14.4x	9.8%	27.8%	17.2%	1.8x
Overall Mean							5.4x	5.5x	4.2x	3.6x	3.2x	21.8x	21.5x	19.8x	16.5x	15.8x	14.8%	30.7%	18.7%	2.1x

Select B. Riley Aerospace and Defense Transactions

<p>February 2026 \$1,380,000,000</p>  <p>Common Stock Follow-On Co-Manager</p>	<p>February 2026 \$1,075,000,000</p>  <p>Convertible Notes Co-Manager</p>	<p>February 2026 \$862,000,000</p>  <p>Common Stock Follow-On Bookrunner</p>	<p>February 2026 \$460,000,000</p>  <p>Tangible Equity Units Bookrunner</p>	<p>December 2025</p>  <p>Has been acquired by</p>  <p>Exclusive Financial Advisor</p>	<p>November 2025 \$500,000,000</p>  <p>Convertible Notes Co-Manager</p>	<p>October 2025 \$1,000,000,000</p>  <p>Convertible Notes Co-Manager</p>	<p>October 2025 \$460,000,000</p>  <p>Common Stock Follow-On Bookrunner</p>	<p>October 2025 \$800,000,000</p>  <p>ATM Program Lead Agent</p>
<p>August 2025 \$345,000,000</p>  <p>Convertible Notes Co-Manager</p>	<p>July 2025 \$575,000,000</p>  <p>Convertible Notes Co-Manager</p>	<p>June 2025 \$575,000,000</p>  <p>Common Stock Follow-On Co-Manager</p>	<p>June 2025 \$260,044,000</p>  <p>Common Stock Follow-On Co-Manager</p>	<p>May 2025 \$500,000,000</p>  <p>ATM Program Lead Agent</p>	<p>January 2025 \$460,000,000</p>  <p>Convertible Notes Co-Manager</p>	<p>December 2024</p>  <p>Has been acquired by</p>  <p>Exclusive Financial Advisor</p>	<p>December 2024 \$115,000,000</p>  <p>Common Stock Follow-On Bookrunner</p>	<p>October 2024 \$172,500,000</p>  <p>Common Stock Follow-On Co-Manager</p>
<p>September 2024 \$400,000,000</p>  <p>ATM Program Lead Agent</p>	<p>July 2024 \$350,000,000</p>  <p>Convertible Notes Co-Manager</p>	<p>May 2024 \$172,500,000</p>  <p>Common Stock Follow-On Co-Manager</p>	<p>April 2024</p>  <p>Has been acquired by</p>  <p>Exclusive Financial Advisor</p>	<p>March 2024 \$100,000,000</p>  <p>ATM Program Lead Agent</p>	<p>February 2024 \$345,000,000</p>  <p>Common Stock Follow-On Bookrunner</p>	<p>January 2024 \$115,000,000</p>  <p>Common Stock Follow-On Bookrunner</p>	<p>October 2024 \$100,000,000</p>  <p>ATM Program Lead Agent</p>	<p>July 2023 \$138,043,000</p>  <p>Common Stock Follow-On Co-Manager</p>
<p>May 2023 \$92,000,000</p>  <p>Common Stock Follow-On Bookrunner</p>	<p>February 2023</p>  <p>Has merged with</p>  <p>Capital Markets Advisor</p>	<p>November 2022 \$75,000,000</p>  <p>Common Stock Follow-On Sole Bookrunner</p>	<p>September 2022 \$85,000,000</p>  <p>Common Stock Follow-On Sole Bookrunner</p>	<p>September 2022 \$400,000,000</p>  <p>ATM Program Sole Agent</p>	<p>August 2022</p>  <p>Has been acquired by</p>  <p>Exclusive Financial Advisor</p>	<p>May 2022</p>  <p>Has been acquired by</p>  <p>Exclusive Financial Advisor</p>	<p>March 2022</p>  <p>Has merged with</p>  <p>Capital Markets Advisor</p>	<p>August 2021</p>  <p>Has merged with</p>  <p>Capital Markets Advisor</p>

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