

# Aerospace, Defense, Government

INDUSTRY REPORT

Fall | 2023

CREATING  
M&A STRATEGIES  
FOR BUSINESS OWNERS

SINCE 1956

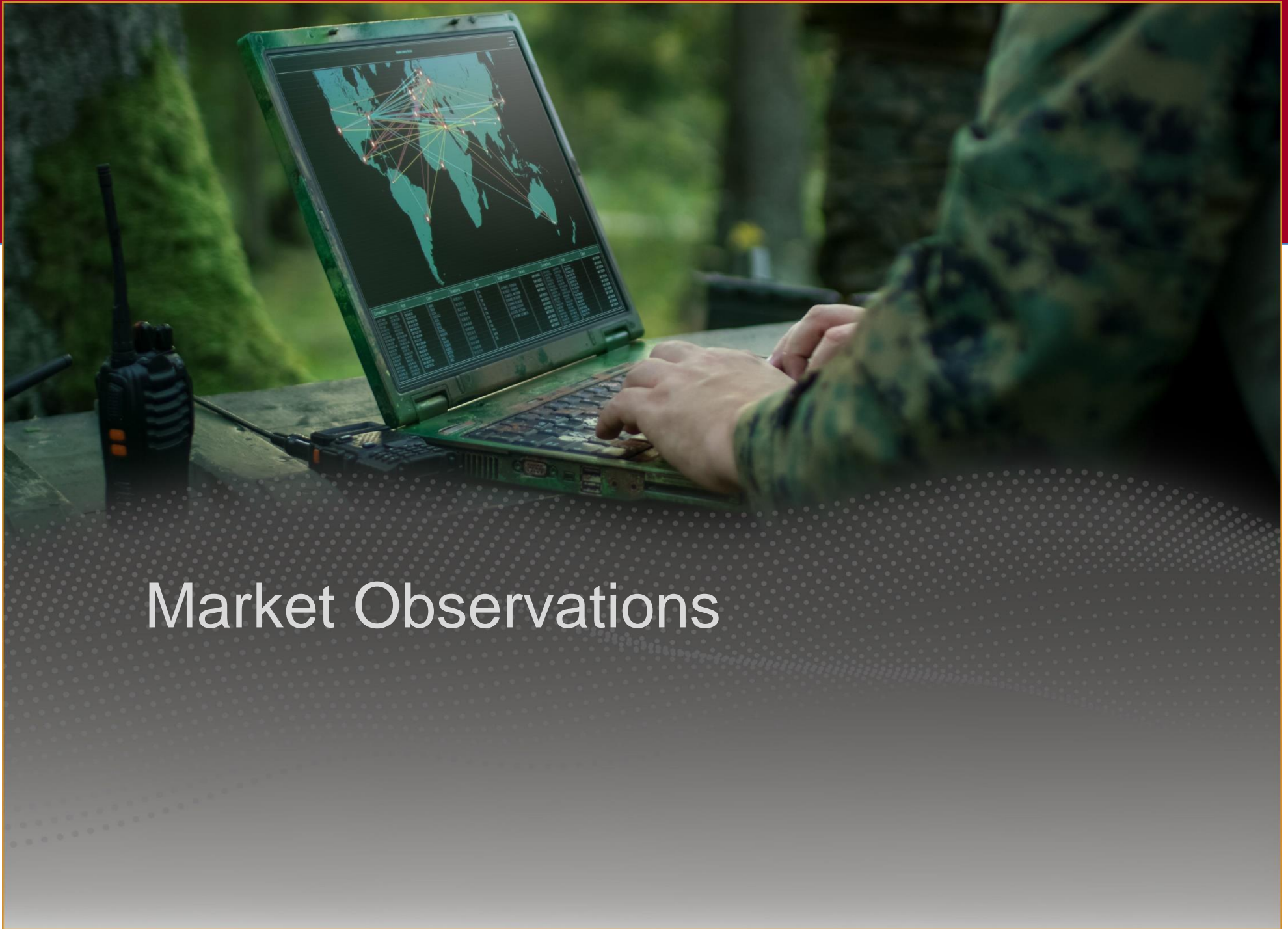




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# Market Observations

# Market Summary

## Aerospace and Defense Market

Global aerospace manufacturers anticipate a return to pre-2019 passenger traffic levels by late 2023 or early 2024, which could lead to increased production to tackle order backlogs and boost revenue later in 2023. Nevertheless, persistent supply chain issues and high inflation pose significant threats to the industry, as both Boeing and Airbus have cautioned about potential production delays. Despite challenges, the aerospace sector, particularly in major producing countries like the US, Eurozone, and the UK, foresees steady growth in 2023. This upturn will be propelled by heightened global passenger travel and augmented defense spending. Increasing geopolitical tensions have led many countries to increase their defense budgets, leading to higher investments in military aircraft. In September 2023, the substantial legislation, known as this year's National Defense Authorization Act (NDAA), granted authorization for an unprecedented \$886 billion in military expenditures. Amid rising geopolitical tensions, Malaysia is planning a 10% boost in its upcoming defense budget, earmarking funds for new combat aircraft and drones. Russia is set to increase defense spending by nearly 70% in 2024. The European Union is nearing agreement on revised fiscal rules to facilitate additional military expenditure following Russia's Ukraine incursion. Additionally, the United States is poised to exceed \$2 trillion in defense spending for 2023, with the U.S. military planning to award procurement contracts exceeding \$300 billion this year. In September 2023, Boeing and Airbus handed over 27 and 55 commercial jets, respectively. This is a change from last year when Boeing delivered 51 and Airbus delivered 53 aircrafts. Boeing's September deliveries were impacted by a new manufacturing problem with the 737 MAX, which was identified in late August. According to Statista, global commercial airlines are expected to register a net profit of \$4.7 billion in 2023. Due to the increasing potential of drone services to replace legacy services in the commercial sector, the drone services market is estimated to increase from \$17.0 billion in 2023 to \$57.8 billion in 2028 at a CAGR of 27.7% as per a report published by Markets and Markets.

## Public Company Valuations

The CFA Select ADG index decreased by 3.3% in the third quarter of 2023 and the 12-month return on the index was up by 47.8%. Our index for each subsector of the industry declined in the third quarter of 2023 except for Actuation and fluid control which increased by 1.5%. Aerostructures recorded the highest decline of 18.8% in the third quarter of 2023. Avionics & Navigation had the highest median EBITDA multiple of 23.2x while Aircraft Leasing had the highest median revenue multiple of 8.2x. Electronic Manufacturing Services had the lowest median EBITDA and revenue multiple of 7.6x and 0.7x respectively.

## Mergers and Acquisitions

The M&A activity in the ADG industry declined in the third quarter of 2023 owing to rising interest rates and delaying funding for programs. According to Global data, in value terms, M&A activity in Asia-Pacific decreased by 86% in Q3 2023 compared with the previous quarter's total of \$527.7m and fell by 21% as compared to Q3 2022. Related deal volume decreased by 17% in Q3 2023 versus the previous quarter and was 38% lower than in Q3 2022. However, the number of transactions in Q3 2023 declined marginally compared to Q2 2023. This indicates that the industry maintained a stable M&A environment, mainly due to increasing focus on aerospace technologies and propulsion systems. With an increasing prospect of stabilized domestic economy and the defense industry's renewed investment in innovative technologies and capabilities that drive modernization across U.S. government agencies is expected to drive the M&A activity in the industry for the rest of the period of 2023.

“

*The public aerospace and defense market decreased in the third quarter of 2023...*

# Industry Trends

## Growing Potential of Drones

Drone Industry Insights estimates the overall drone market (both commercial and recreational) to grow to \$54.6 billion by 2030. The largest segment with more than 80% represents services (versus hardware and software). CFA attended this year's Commercial UAV Conference in Las Vegas in September to catch up with industry players and events. We believe the market is still in its infancy, with a lot of growth still ahead of us. That also includes many players with specialized offerings; we expect ongoing consolidation both for service providers as well as for hardware manufacturers, especially as we believe supply chains will be further disentangled. And don't expect drones at your doorstep delivering packages just yet, but operation beyond visual line of sight (bvlos) and eventually autonomous operation is inevitable around the corner and will turbocharge the market. It will be interesting to see if other countries with looser regulations than the US will charge ahead and provide early test cases for novel applications.

## Increasing Adoption of 5G to Navigate Communication

5G technology for the military aims to enhance intelligence, surveillance, and reconnaissance (ISR) systems, improve networking, and streamline logistics for U.S. and allied forces. It is expected to bring advancements like augmented reality for troops, extensive battlefield sensor networks, and autonomous drones covering land, sea, and air. As the defense industry integrates 5G technology, key considerations include open architecture, technical challenges, adapting commercial tech for military use, and meeting size, weight, and power (SWaP) requirements. The push for 5G in



defense stems from its potential to significantly enhance data collection, enabling real-time decision-making and various military applications. Newer 5G systems operating at mmWave frequencies (24 GHz and above) offer increased resilience against jamming, revolutionizing battlefield communications. These systems enable battlefield sensor networks, augmented-reality displays, and virtual-reality solutions for remote operations. Erin Kocourek, VP for Advanced Technology at CAES, highlights the strategic use of expanded frequency bands in 5G and the potential of upcoming 6G technology. Due to its dependable communication and enhanced data processing capabilities, the global 5G in defense market is projected to increase from \$0.9 billion in 2023 to \$2.3 billion in 2028, with a compound annual growth rate (CAGR) of 19.9%, as reported by Markets and Markets.

## Growing Emphasis on Autonomous Aviation Technology

Despite facing technical challenges, privacy and security concerns, and the potential for job displacement, autonomous flight technology is seen as a means to enhance efficiency and productivity. The World Economic Forum emphasizes the technology's role in augmenting human capabilities rather than replacing them in aviation. As autonomous capabilities progress, routine tasks like system monitoring, following air traffic instructions, and spacing management is expected to be automated, reducing the risk of human error and fatigue for pilots. While pilots may not always be physically in the vehicle, they will still maintain control. The World Economic Forum's AVIATE initiative aims to bring together diverse stakeholders to promote the responsible adoption of autonomous aviation for a safer, more inclusive, and sustainable future in aviation. Technological advancements such as Remotely piloted aircraft systems (RPAS) and Unmanned Surface Vessels are also increasing their presence in the industry. The global autonomous aircraft market size is projected to grow from \$7.20 billion in 2023 to \$22.71 billion by 2030, at a CAGR of 17.8% owing to the increasing adoption of AI and IoT.



# Significant News

## Space startups funding shows signs of recovery in Q3 - VC firm Space Capital

*Reuters, October 16, 2023*

"Global investments in space startups rose for the first time in more than a year in the third quarter as investors bet on companies with government contracts that are considered more immune to a turbulent economy. The July-September period, which analysts usually see it as a weak quarter, saw a 17% rise in funding to \$3 billion for 103 companies, venture capital firm Space Capital said in the report. Investments had stayed flat in the second quarter following a months-long slump. The companies funded in the third quarter included Axiom Space which raised \$350 million, and Sierra Space which saw an inflow of \$290 million."

[Read More >](#)

## Flagging domestic travel casts shadow over US airline earnings

*Reuters, October 11, 2023*

"The surge in travel has led to substantial profits for major U.S. carriers this year. However, indications of weakening demand on domestic routes are raising concerns about a potential downturn. This has triggered a decline in airline stocks and led analysts to revise down their earnings forecasts. As carriers begin reporting their third-quarter results, attention will be on their strategies for sustaining profitability amidst a potential dip in consumer demand."

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## Space industry shakeups: Aerospace consolidates, Maxar breaks up

*Breaking Defense, September 21, 2023*

"Two major players in the space industry underwent organizational restructuring. The Aerospace Corporation, a federally funded research and development center, revealed plans to implement significant changes to its structure starting from October 1st. This involves merging the Space Systems Group and the Defense Systems Group to establish a unified entity aimed at better serving the FFRDC's Defense Department clientele. A Maxar representative assured that the company's commitment to its mission for the NRO (National Reconnaissance Office) remains unwavering despite the reorganization."

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# M&A Metrics

## ADG Industry

M&A activity in the ADG industry decreased in the third quarter of 2023. The number of transactions decreased from 19 in Q2 2023 to 18 in Q3 2023. The number of sub-\$50 million transactions decreased from 18 in Q2 2023 to 16 in Q3 2023. The number of transactions above \$100 million remained same at 1 transaction in Q2 2023 and Q3 2023. The total number of transactions year on year decreased by 41.9% from 31 in Q3 2022 to 18 in Q3 2023.



M&A Deal Summary Table | Count by Deal Size over Time

Transaction Value	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Not Disclosed	24	27	18	17	12
Under \$10 MM	3	2	2	0	2
\$10 - \$25 MM	1	0	1	1	1
\$25 - \$50 MM	0	2	2	0	1
\$50 - \$100 MM	3	1	1	0	1
\$100 - \$500 MM	0	0	1	0	1
\$500 MM+	0	3	1	1	0
Total Transactions	31	35	26	19	18

Source: Factset; target industry limited to aerospace and airlines in Q3 2023

# Industry Metrics

## Industry Financial Data and Ratios

NAICs 333996 - Fluid Power Pump and Motor Manufacturing

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	3.26	2.75	3.21
Gross Profit Margin	36.75%	32.27%	37.56%
Net Profit Margin	12.39%	11.52%	9.47%
Accounts Receivable Days	44.16	42.51	47.77
Accounts Payable Days	23.64	23.41	25.79
Debt-to-Equity Ratio	0.52	0.51	0.98
Return on Equity	40.24%	33.42%	42.38%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	38.35%	39.62%	24.87%
Profit Growth	15.24%	13.19%	43.21%

NAICs 532411 - Air, Rail, Water Transport, Equipment Rental & Leasing

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	2.66	3.32	4.82
Gross Profit Margin	81.63%	82.40%	83.09%
Net Profit Margin	11.72%	17.39%	13.39%
Accounts Receivable Days	47.95	39.68	38.22
Accounts Payable Days	24.54	16.77	12.21
Debt-to-Equity Ratio	2.88	4.01	3.8
Return on Equity	37.07%	36.40%	51.40%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	-9.64%	-7.59%	31.54%
Profit Growth	-7.07%	-15.75%	63.89%

Source: Profit Cents

NAICs 3364 - Aerospace Product and Parts Manufacturing

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	3.38	3.65	4.03
Gross Profit Margin	33.70%	34.47%	34.84%
Net Profit Margin	4.84%	7.43%	9.09%
Accounts Receivable Days	49.57	48.87	46.99
Accounts Payable Days	51.53	49.1	36.7
Debt-to-Equity Ratio	1.66	1.38	1.49
Return on Equity	28.58%	26.57%	29.14%
Sales per Employee	--	--	--
Profit per Employee	--	--	\$57,857
Sales Growth	21.05%	16.19%	11.60%
Profit Growth	-9.65%	0.34%	38.17%

NAICs 4881 - Support Activities for Air Transportation

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	3.1	2.79	4.27
Gross Profit Margin	49.70%	51.62%	58.71%
Net Profit Margin	3.56%	5.39%	11.06%
Accounts Receivable Days	38.88	47.96	40.52
Accounts Payable Days	37.2	90.33	52.83
Debt-to-Equity Ratio	2.78	2.19	1.68
Return on Equity	26.53%	29.75%	41.75%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	20.36%	20.30%	24.53%
Profit Growth	16.35%	11.49%	38.44%



# Industry Metrics

## Industry Financial Data and Ratios

NAICs 3345 - Navigational, Measuring, Electromedical, and Control Instruments Mnfg

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	3.8	3.63	3.4
Gross Profit Margin	48.19%	49.79%	48.25%
Net Profit Margin	4.83%	7.95%	11.06%
Accounts Receivable Days	62.15	57.16	58.9
Accounts Payable Days	48.61	44.39	40.89
Debt-to-Equity Ratio	1.66	1.87	1.46
Return on Equity	22.47%	32.86%	36.79%
Sales per Employee	--	--	\$251,236
Profit per Employee	--	(\$32,591)	\$11,904
Sales Growth	15.14%	12.31%	17.88%
Profit Growth	5.70%	-3.13%	33.40%

NAICs 3342 - Communications Equipment Manufacturing

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	2.3	3.06	4.56
Gross Profit Margin	32.13%	36.47%	43.19%
Net Profit Margin	4.51%	5.51%	-1.19%
Accounts Receivable Days	57.87	52.03	46.59
Accounts Payable Days	48.58	47.25	41.99
Debt-to-Equity Ratio	2.56	1.77	1.54
Return on Equity	18.98%	7.88%	23.09%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	6.30%	6.93%	13.00%
Profit Growth	3.50%	-11.36%	49.66%

Source: Profit Cents

NAICs 3335 - Metalworking Machinery Manufacturing

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	4.11	3.74	3.42
Gross Profit Margin	40.33%	39.99%	38.49%
Net Profit Margin	6.91%	7.96%	9.36%
Accounts Receivable Days	53.21	56.05	53.95
Accounts Payable Days	32.73	36.33	36.98
Debt-to-Equity Ratio	1.83	1.82	2.02
Return on Equity	28.97%	34.52%	41.44%
Sales per Employee	\$204,414	\$187,021	\$121,663
Profit per Employee	\$30,239	\$25,944	(\$567)
Sales Growth	14.07%	15.86%	16.21%
Profit Growth	-4.18%	-4.21%	37.25%

NAICs 3344 - Semiconductor & Other Electronic Component Manufacturing

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	3.26	3.51	3.99
Gross Profit Margin	34.03%	33.58%	33.01%
Net Profit Margin	5.86%	5.31%	7.11%
Accounts Receivable Days	50.08	51.45	50.9
Accounts Payable Days	45.33	45.23	41.84
Debt-to-Equity Ratio	1.76	1.63	1.35
Return on Equity	28.17%	20.27%	32.36%
Sales per Employee	\$238,945	\$246,139	\$150,056
Profit per Employee	(\$2,896)	(\$1,458)	\$29,947
Sales Growth	19.64%	18.22%	12.56%
Profit Growth	31.12%	37.84%	22.90%

# Industry Metrics

## Industry Financial Data and Ratios

NAICs 33661 - Ship and Boat Building

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	4.4	3.9	3.12
Gross Profit Margin	29.18%	31.56%	33.50%
Net Profit Margin	7.63%	8.81%	10.98%
Accounts Receivable Days	35.75	41.31	45.44
Accounts Payable Days	31.89	31.55	31.94
Debt-to-Equity Ratio	1.44	1.53	2.1
Return on Equity	56.10%	50.09%	64.97%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	25.92%	28.77%	22.02%
Profit Growth	33.66%	26.27%	48.04%

NAICs 541330 - Engineering Services

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	4.41	4.45	5.1
Gross Profit Margin	65.89%	66.29%	68.82%
Net Profit Margin	10.11%	10.69%	13.41%
Accounts Receivable Days	67.08	70.28	66.22
Accounts Payable Days	47.85	47.63	32.48
Debt-to-Equity Ratio	1.44	1.39	1.36
Return on Equity	43.09%	47.79%	58.90%
Sales per Employee	\$204,147	\$189,114	\$181,155
Profit per Employee	\$26,172	\$24,379	\$27,256
Sales Growth	17.57%	17.70%	13.92%
Profit Growth	5.62%	8.12%	23.33%

Source: Profit Cents

NAICs 5416 - Management, Scientific, & Technical Consulting Services

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	4.2	4.12	4.34
Gross Profit Margin	71.84%	72.66%	76.50%
Net Profit Margin	10.73%	12.88%	15.80%
Accounts Receivable Days	47.98	54.59	51.25
Accounts Payable Days	28.58	32.89	23.71
Debt-to-Equity Ratio	1.81	1.88	1.9
Return on Equity	53.77%	55.49%	66.46%
Sales per Employee	\$237,158	\$250,967	\$190,299
Profit per Employee	\$1,816	\$31,410	\$16,641
Sales Growth	21.83%	22.62%	19.34%
Profit Growth	9.64%	10.78%	35.24%

NAICs 5415 - Computer Systems Design and Related Services

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	3.49	3.72	3.94
Gross Profit Margin	60.84%	60.88%	62.18%
Net Profit Margin	5.62%	5.72%	9.45%
Accounts Receivable Days	54.43	51.75	46.99
Accounts Payable Days	31.75	30.14	27.58
Debt-to-Equity Ratio	2.4	2.17	1.96
Return on Equity	42.85%	45.98%	63.60%
Sales per Employee	\$236,659	\$238,544	\$171,549
Profit per Employee	\$32,838	\$24,512	\$30,346
Sales Growth	19.08%	19.35%	18.69%
Profit Growth	3.92%	4.55%	29.68%



# Transaction Highlights



# Notable Transactions



In September 2023, **AeroVironment Inc.** acquired **Tomahawk Robotics Inc** for \$120 million in cash and stock. Under the terms of the transaction, **AeroVironment Inc.** would pay a total consideration as \$22.8 million in cash (19%) and \$97.2 million in stock (81%) to **Tomahawk Robotics Inc.** Tomahawk Robotics develops AI-enabled robotic control systems. AeroVironment CEO and Chairman Wahid Nawabi expects highly automated and eventually autonomous systems to be ubiquitous on the battlefield - enabled and empowered by Tomahawk Robotics.



In August 2023, just when we thought that SPACS were dead: **Pono Capital** Three announced a definitive merger agreement with **Robinson Aircraft Ltd.**, a British Columbia company doing business as Horizon Aircraft, at a combined pro forma equity value of approximately \$216 million. If approved, the eVTOL aircraft developer would list on the Nasdaq. The deal is expected to close within the first quarter of 2024. The transaction values Horizon Aircraft at \$96 million, assuming no redemptions.



In August 2023, **Trive Capital**- a Dallas Texas-based private equity firm, has been expanding its November 2022 acquisition of platform company- Forward Slope by its recent acquisition of **Hypergiant Industries**, an Austin Texas-based leader in AI-enabled, cloud-based command-and-control technologies and deployed solutions for space, defense and critical infrastructure. Other complementary acquisitions by Trive/ Forward Slope include Soar Technologies- acquired in August 2023. SoarTech is a leading provider of advanced AI solutions for complex DOD mission requirements, specializing in warfighter simulation training. These acquisitions extend the platform's core competencies and customer base in a strategic way to deliver more comprehensive solutions to marquee defense and national security customers.



In July 2023, **Thales S.A.**, a French multinational aerospace and defense company made two acquisitions in the US in the third quarter of 2023: They acquired **Cobham Aerospace Communications (AeroComms)**, a supplier of advanced, ultra-reliable innovative safety cockpit communication systems, for \$4.2 billion, and **Imperva**, a data and application cybersecurity company, for \$3.6 billion. Of note, these were not the only acquisitions by European aerospace companies in the US: BAE Systems acquired Ball Aerospace, an aerospace manufacturer and supplier of spacecraft, components, and other systems for military, civil, and commercial space applications, for \$5.5 billion, and Safran, another French multinational aerospace and defense company, has acquired Collins Aerospace's actuation and flight control business for \$1.8 billion.



# Select M&A Transactions

Transaction Value disclosed

Announcement Date	Target	Acquirer	Transaction Value (MM)	Enterprise Value (MM)	Revenue - Target (LTM) (MM)	EV/ EBITDA
16-Aug-23	Phillips Machine & Welding Co., Inc.	Concurrent Technologies Plc	3.56	3.56	NA	NM
28-Aug-23	Image Sensing Systems, Inc. /Radar Division/	Sensys Networks, Inc.	4.8	4.8	NA	NM
9-Jul-23	Allen Reinforced Plastics Pvt Ltd.	JK Defence & Aerospace Ltd.	10.88	14.24	NA	NM
25-Jul-23	XTI Aircraft Co.	Inpixon	12.38	12.38	NA	NM
25-Sep-23	Aviatron (M) Sdn Bhd.	SAM Engineering & Equipment (M) Bhd.	43.4	43.4	NA	NM
15-Aug-23	Horizon Aircraft, Inc.	Pono Capital Three, Inc.	71.29	71.29	NA	NM
22-Aug-23	Tomahawk Robotics, Inc.	AeroVironment, Inc.	120	120	NA	NM
18-Sep-23	Clarus Corp. /2 Subsidiaries/	Kanders GMP Holdings LLC	160	160	NA	NM
12-Jul-23	Cobham Aerospace SAS	Thales SA	1,100.00	1,100.00	NA	NM
21-Jul-23	Collins Aerospace /Flight Control Unit/	Safran SA	1,800.00	1,800.00	NA	NM
24-Jul-23	Imperva, Inc.	Thales SA	3,600.00	3,600.00	NA	NM
17-Aug-23	Ball Corp. /Aerospace Business/	BAE Systems Plc	5,555.00	5,555.00	1,977.00	NM

Source: FactSet

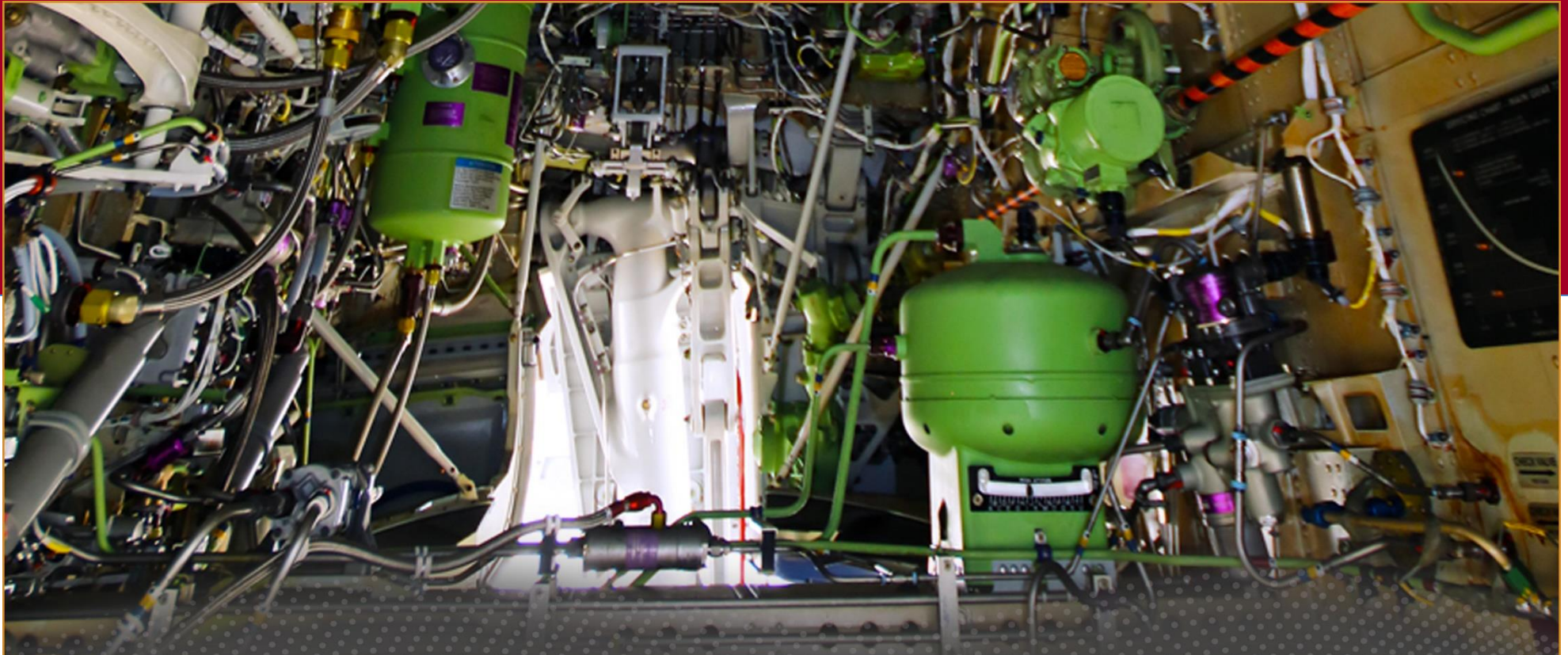
# Select M&A Transactions

Transaction Value undisclosed

Announcement Date	Target	Acquirer
28-Sep-23	GOAM Industrie	Aciturri Aeronáutica SL
15-Sep-23	EO Vista LLC	General Atomics, Inc.
8-Sep-23	Performance Plastics, Inc.	Rock West Composites, Inc.
7-Sep-23	Blue Force Technologies, Inc.	Anduril Industries, Inc.
31-Aug-23	Fluid Power, Inc.	O2 Aero Acquisitions LLC
1-Aug-23	Mollart Engineering Ltd.	TJM Capital Partners LLC; InCompass LLC
24-Jul-23	Delta P Design, Inc.	True Velocity Ammunition LLC
14-Jul-23	Sky-Hero SA	Axon Enterprise, Inc.
10-Jul-23	J.B. Roche (MFG) Ltd.	Amplex AB
3-Jul-23	TEAM Italia Srl	Rolls-Royce Holdings Plc
20-Jul-23	Talyn Air, Inc.	Ampaire, Inc.
17-Jul-23	ATG Group SARL	Tikehau Capital Advisors SAS; Nexteam Group SAS
11-Aug-23	Bae Systems Australia Ltd. /Photonics Business/	Norseld Pty Ltd.
9-Jul-23	HELA Systems Pvt Ltd.	Israel Aerospace Industries Ltd.
1-Aug-23	Accrofab Ltd.	Endless LLP
31-Aug-23	Blue Bear Systems Research Ltd.	Saab Technologies UK Ltd.
17-Jul-23	Trident Systems LLC (Virginia)	ATL Advisor LP; LightRidge Solutions
11-Jul-23	Etimad Holding LLC	EDGE Group PJSC
3-Jul-23	Savannah River Nuclear Solutions LLC	Fluor Corp.; Huntington Ingalls Industries, Inc.; Savannah River Nuclear Solutions Llc/Private Group/
12-Jul-23	Sapura Resources Bhd. /2 Subsidiaries/	Royal Jet LLC
3-Jul-23	JAL ABC, Inc.	JALUX, Inc.
7-Sep-23	CrowdAI, Inc.	Saab AB
5-Sep-23	Ultra Electronics Forensic Technology, Inc.	TA Associates Management LP; Leadsonline LLC
10-Jul-23	SCADAfence Ltd.	Honeywell International, Inc.
19-Jul-23	Ruag International Holding Ag/Aerostructures Germany & Hungary	Mubea Aviation GmbH
21-Aug-23	Hypergiant Industries	Trive Capital / Forward Slope

Source: FactSet



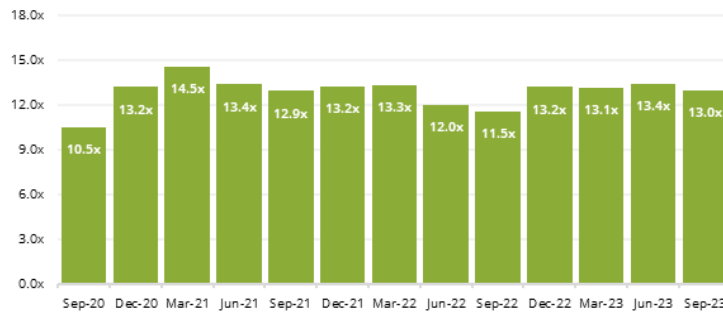


# Public Companies

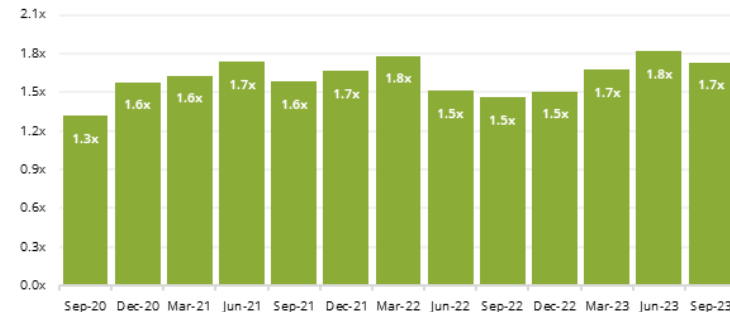
# Industry Performance

## CFAW Select ADG Index

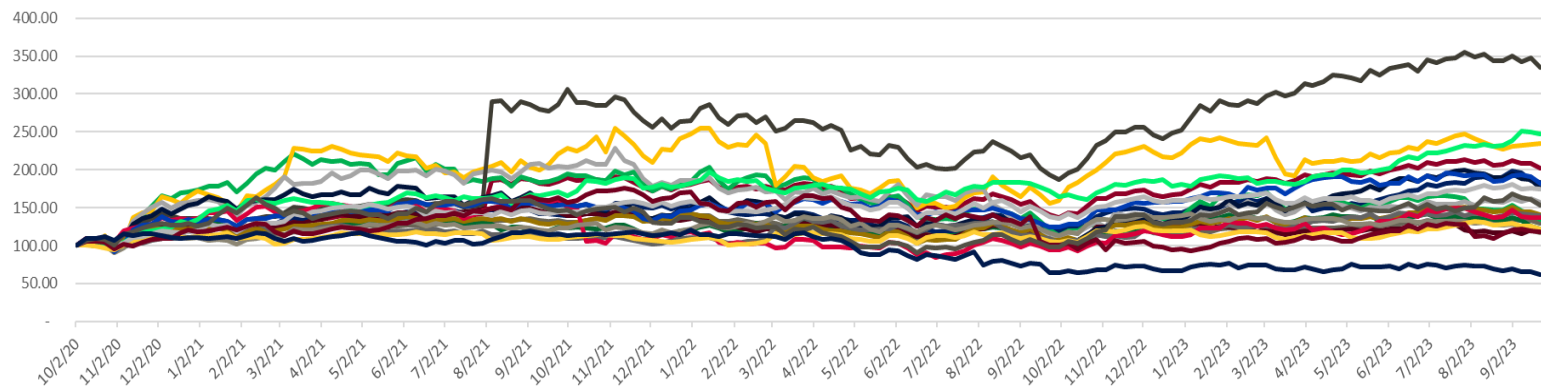
CFAW Select ADG Index | Median EBITDA Multiples



CFAW Select ADG Index | Median Revenue Multiples



- Select CFAW Select ADG Index
- CFAW Selected Actuation & Fluid Control Index
- CFAW Selected Airport Operations & Services Index
- CFAW Selected Machine, Casting & Fabrication Index
- CFAW Selected Electronic Manufacturing Services Index
- CFAW Selected Prime Defense - Asia Index
- CFAW Selected IT & Cybersecurity Index
- S&P 500
- CFAW Selected Aerostructures Index
- CFAW Selected Avionics & Navigation Index
- CFAW Selected Components & Subsystems Index
- CFAW Selected Prime Defense - United States Index
- CFAW Selected Contract Services Index
- CFAW Selected Public Safety & Security Index
- CFAW Selected MRO, Aftermarket & Distribution Index
- CFAW Selected Aircraft Leasing Index
- CFAW Selected Commercial Aircraft OEM, Engines & Propulsion Index
- CFAW Selected C5ISR & Electronic Warfare Index
- CFAW Selected Prime Defense - Europe Index
- CFAW Selected Engineering & Construction Index
- CFAW Selected Space & Satellite Index

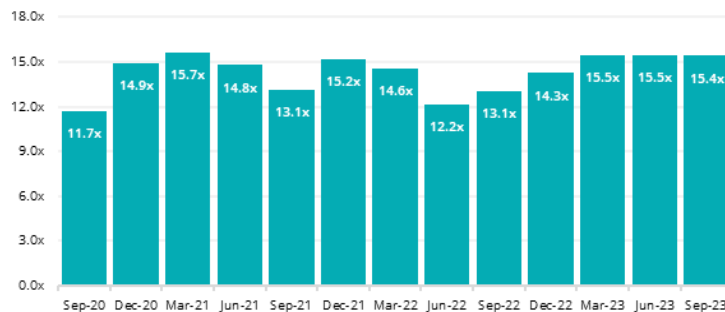


Source: FactSet

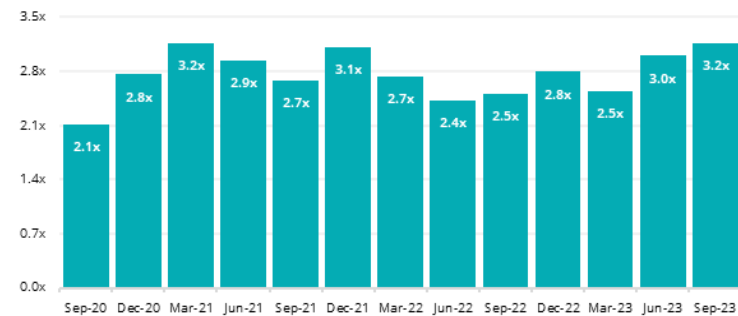
# Public Comparables

## Actuation & Fluid Control

Actuation & Fluid Control | Median EBITDA Multiples



Actuation & Fluid Control | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
AMETEK, Inc.	\$147.76	231	\$34,090	\$35,852	\$6,421	\$1,935	5.6x	18.5x
CIRCOR International, Inc.	\$55.75	20	\$1,137	\$1,623	\$822	\$128	2.0x	12.7x
Crane Company	\$88.84	57	\$5,040	\$5,098	\$1,323	\$102	3.9x	49.9x
Curtiss-Wright Corporation	\$195.63	38	\$7,494	\$8,634	\$2,723	\$566	3.2x	15.2x
Eaton Corp. Plc	\$213.28	399	\$85,099	\$93,587	\$22,047	\$4,570	4.2x	20.5x
ITT, Inc.	\$97.91	82	\$8,038	\$8,081	\$3,160	\$622	2.6x	13.0x
Moog Inc. Class A	\$112.96	29	\$3,244	\$4,639	\$3,216	\$372	1.4x	12.5x
Parker-Hannifin Corporation	\$389.52	128	\$50,027	\$62,352	\$19,065	\$4,039	3.3x	15.4x
Woodward, Inc.	\$124.26	60	\$7,507	\$8,170	\$2,778	\$398	2.9x	20.5x
<b>Mean</b>				\$25,337	\$6,839	\$1,415	<b>3.2x</b>	<b>19.8x</b>
<b>Median</b>				\$8,170	\$3,160	\$566	<b>3.2x</b>	<b>15.4x</b>

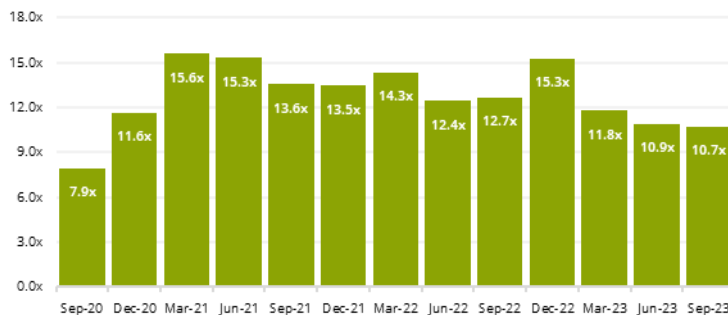
Source: FactSet



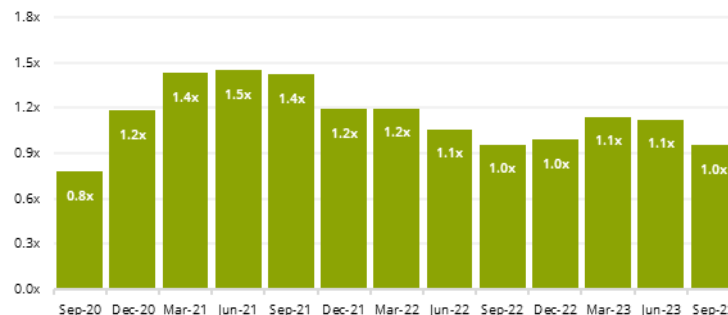
# Public Comparables

## Aerostructures

Aerostructures | Median EBITDA Multiples



Aerostructures | Median Revenue Multiples



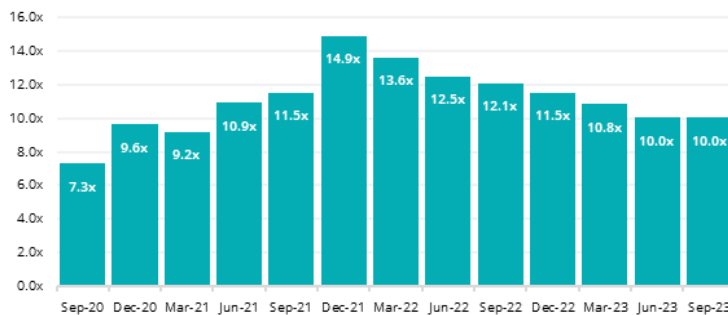
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
CPI Aerostructures, Inc.	\$3.34	13	\$42	\$66	\$87	\$10	0.8x	7.0x
Ducommun Incorporated	\$43.51	15	\$634	\$927	\$743	\$86	1.2x	10.7x
FACC AG	\$6.45	46	\$295	\$541	\$723	\$27	0.7x	19.8x
Hexcel Corporation	\$65.14	84	\$5,502	\$6,177	\$1,659	\$290	3.7x	21.3x
Kaman Corporation Class A	\$19.65	28	\$555	\$1,109	\$759	\$47	1.5x	23.7x
Magellan Aerospace Corporation	\$5.70	57	\$327	\$376	\$619	\$39	0.6x	9.6x
Senior plc	\$1.99	419	\$834	\$1,065	\$1,117	\$107	1.0x	10.0x
Spirit AeroSystems Holdings, Inc. Class A	\$16.14	105	\$1,699	\$5,139	\$5,393	(\$16)	1.0x	NM
Triumph Group, Inc.	\$7.66	77	\$588	\$2,119	\$1,357	\$183	1.6x	11.6x
thyssenkrupp AG	\$7.60	623	\$4,731	\$1,816	\$43,203	\$1,644	0.0x	1.1x
<b>Mean</b>				\$1,934	\$5,566	\$242	<b>1.2x</b>	<b>12.8x</b>
<b>Median</b>				\$1,087	\$938	\$67	<b>1.0x</b>	<b>10.7x</b>

Source: FactSet

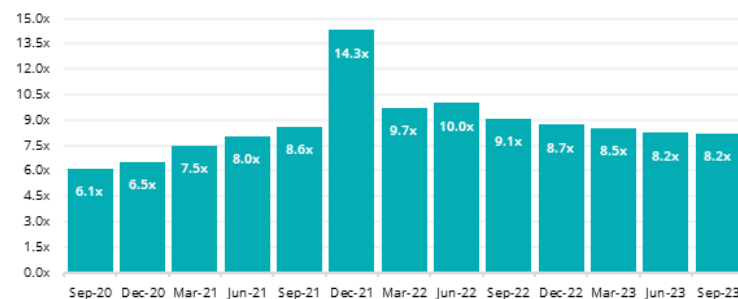
# Public Comparables

## Aircraft Leasing

Aircraft Leasing | Median EBITDA Multiples



Aircraft Leasing | Median Revenue Multiples



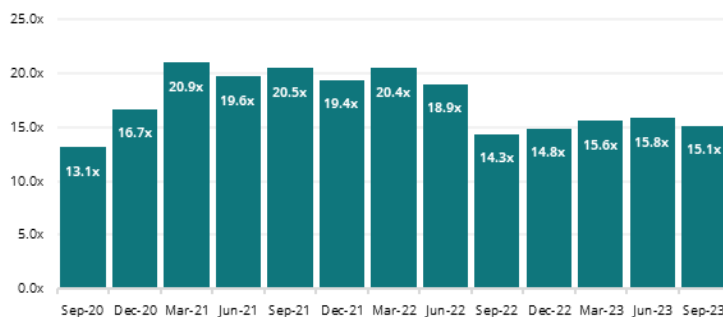
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
AerCap Holdings NV	\$62.67	249	\$15,611	\$59,721	\$7,272	\$5,947	8.2x	10.0x
Mega Matrix Corp.	\$0.88	32	\$28	\$20	\$1	(\$5)	13.2x	NM
Willis Lease Finance Corporation	\$42.30	6	\$269	\$2,091	\$359	\$209	5.8x	10.0x
<b>Mean</b>				\$20,611	\$2,544	\$2,050	<b>9.1x</b>	<b>10.0x</b>
<b>Median</b>				\$2,091	\$359	\$209	<b>8.2x</b>	<b>10.0x</b>

Source: FactSet

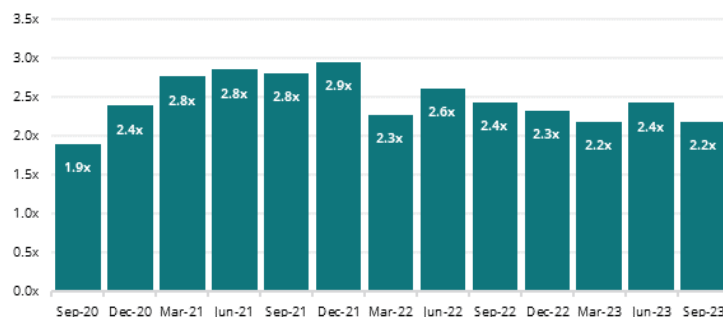
# Public Comparables

## Airport Operations & Services

Airport Operations & Services | Median EBITDA Multiples



Airport Operations & Services | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
CAE Inc.	\$23.35	318	\$7,428	\$9,917	\$3,231	\$665	3.1x	14.9x
John Bean Technologies Corporation	\$105.14	32	\$3,347	\$4,255	\$1,975	\$278	2.2x	15.3x
PASSUR Aerospace, Inc.	\$0.01	8	\$0	\$13	\$6	(\$2)	2.2x	NM
<b>Mean</b>				\$4,728	\$1,737	\$314	<b>2.5x</b>	<b>15.1x</b>
<b>Median</b>				\$4,255	\$1,975	\$278	<b>2.2x</b>	<b>15.1x</b>

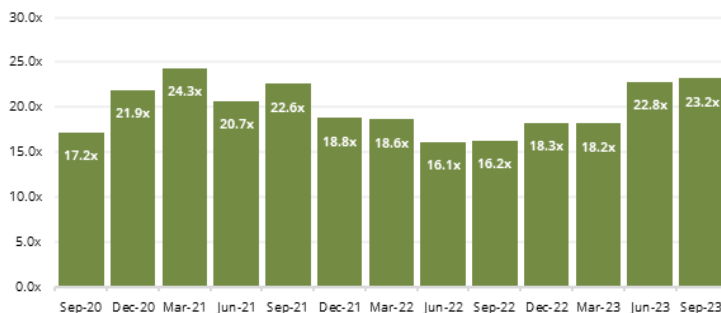
Source: FactSet



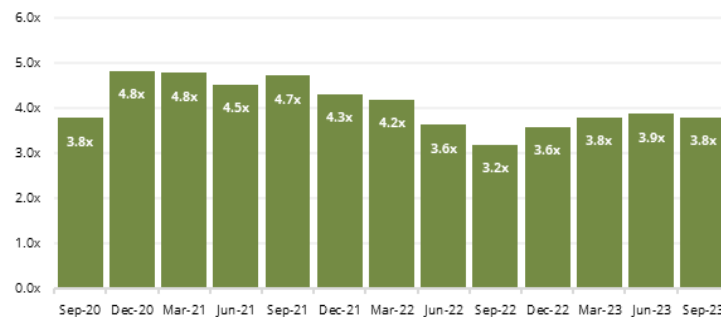
# Public Comparables

## Avionics & Navigation

Avionics & Navigation | Median EBITDA Multiples



Avionics & Navigation | Median Revenue Multiples



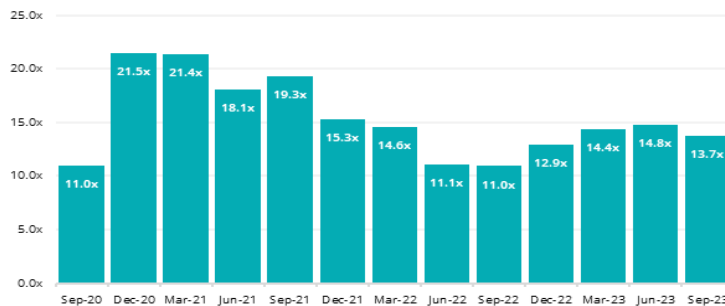
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Astronics Corporation	\$15.86	27	\$421	\$720	\$621	\$19	1.2x	38.7x
Elbit Systems Ltd	\$197.98	44	\$8,792	\$10,178	\$5,717	\$446	1.8x	22.8x
Garmin Ltd.	\$105.20	191	\$20,141	\$18,572	\$4,915	\$1,156	3.8x	16.1x
Honeywell International Inc.	\$184.74	664	\$122,660	\$136,857	\$36,134	\$8,779	3.8x	15.6x
Innovative Solutions and Support, Inc.	\$7.60	17	\$133	\$150	\$29	\$6	5.2x	23.6x
Teledyne Technologies Incorporated	\$408.58	47	\$19,234	\$22,227	\$5,609	\$1,326	4.0x	16.8x
Tel-Instrument Electronics Corp	\$2.04	3	\$7	\$7	\$9	\$0	0.8x	154.3x
Trimble Inc.	\$53.86	248	\$13,375	\$16,438	\$3,650	\$698	4.5x	23.6x
<b>Mean</b>				\$25,644	\$7,086	\$1,554	<b>3.1x</b>	<b>38.9x</b>
<b>Median</b>				\$13,308	\$4,283	\$572	<b>3.8x</b>	<b>23.2x</b>

Source: FactSet

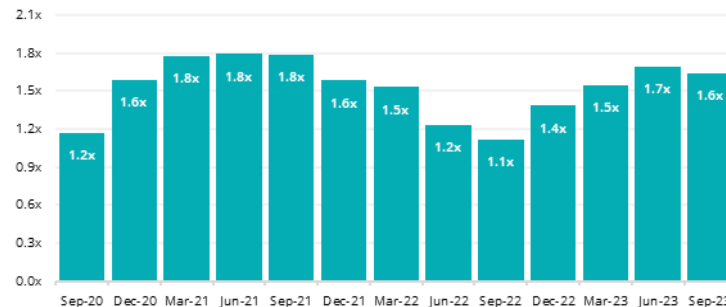
# Public Comparables

## Commercial Aircraft OEM, Engines & Propulsion

Commercial Aircraft OEM, Engines & Propulsion | Median EBITDA Multiples



Commercial Aircraft OEM, Engines & Propulsion | Median Revenue Multiples



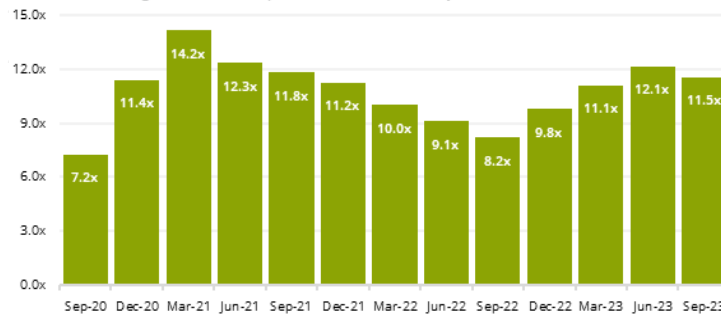
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Airbus SE	\$134.44	790	\$106,261	\$102,297	\$64,424	\$7,440	1.6x	13.7x
Boeing Company	\$191.68	603	\$115,622	\$154,152	\$73,607	(\$1,509)	2.1x	NM
Dassault Aviation SA	\$187.63	81	\$15,161	\$6,708	\$6,393	\$707	1.0x	9.5x
Embraer S.A.	\$3.44	740	\$2,548	\$4,205	\$4,924	\$374	0.9x	11.3x
Textron Inc.	\$78.14	198	\$15,477	\$17,641	\$13,162	\$1,315	1.3x	13.4x
General Electric Company	\$110.55	1,088	\$120,320	\$121,725	\$72,071	\$6,365	1.7x	19.1x
Honeywell International Inc.	\$184.74	664	\$122,660	\$136,857	\$36,134	\$8,779	3.8x	15.6x
Rolls-Royce Holdings plc	\$2.70	8,417	\$22,693	\$26,232	\$18,575	\$3,614	1.4x	7.3x
Safran SA	\$157.37	427	\$67,239	\$66,830	\$22,979	\$3,930	2.9x	17.0x
RTX Corp.	\$71.97	1,456	\$104,753	\$137,892	\$70,573	\$9,768	2.0x	14.1x
<b>Mean</b>				\$77,454	\$38,284	\$4,078	<b>1.9x</b>	<b>13.4x</b>
<b>Median</b>				\$84,564	\$29,556	\$3,772	<b>1.6x</b>	<b>13.7x</b>

Source: FactSet

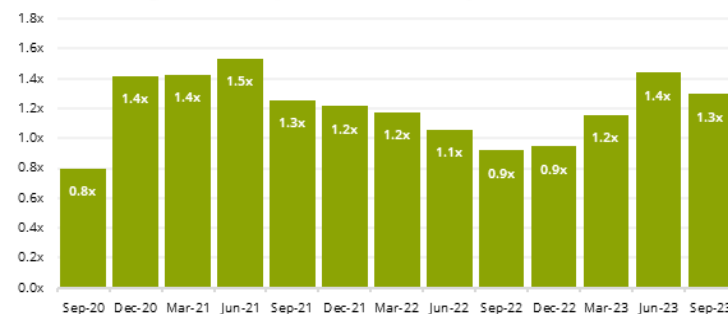
# Public Comparables

## Machine, Casting & Fabrication

Machine, Casting & Fabrication | Median EBITDA Multiples



Machine, Casting & Fabrication | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
ATI Inc.	\$41.15	129	\$5,291	\$6,913	\$4,127	\$594	1.7x	11.6x
Barnes Group Inc.	\$33.97	51	\$1,720	\$2,217	\$1,303	\$226	1.7x	9.8x
LISI SA	\$23.56	47	\$1,096	\$1,664	\$1,623	\$193	1.0x	8.6x
Kaiser Aluminum Corporation	\$75.26	16	\$1,205	\$2,284	\$3,147	\$154	0.7x	14.9x
Melrose Industries PLC	\$5.73	1,350	\$7,731	\$8,686	\$6,707	\$759	1.3x	11.4x
SIFCO Industries, Inc.	\$3.67	6	\$22	\$60	\$81	(\$3)	0.7x	NM
Standex International Corporation	\$145.69	12	\$1,724	\$1,735	\$741	\$140	2.3x	12.4x
<b>Mean</b>				\$3,366	\$2,532	\$295	<b>1.4x</b>	<b>11.5x</b>
<b>Median</b>				\$2,217	\$1,623	\$193	<b>1.3x</b>	<b>11.5x</b>

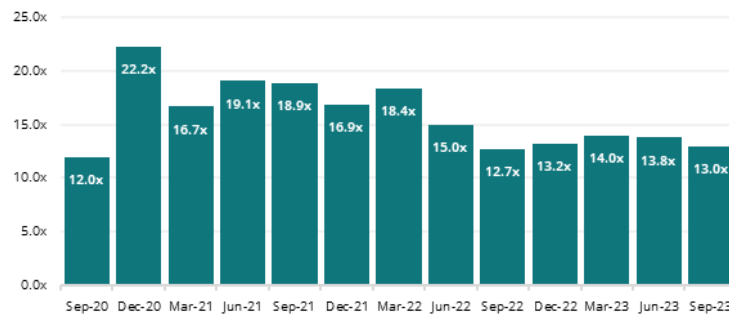
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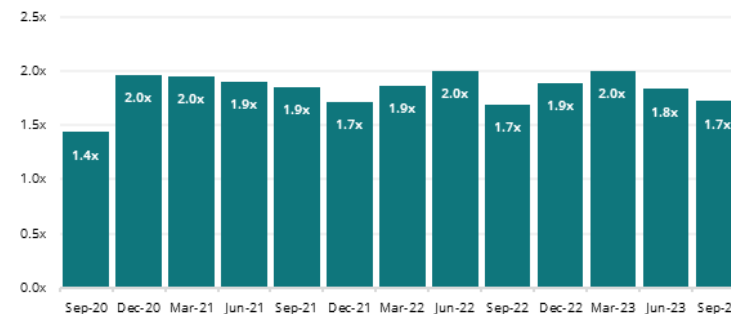
# Public Comparables

## MRO, Aftermarket & Distribution

MRO, Aftermarket & Distribution | Median EBITDA Multiples



MRO, Aftermarket & Distribution | Median Revenue Multiples



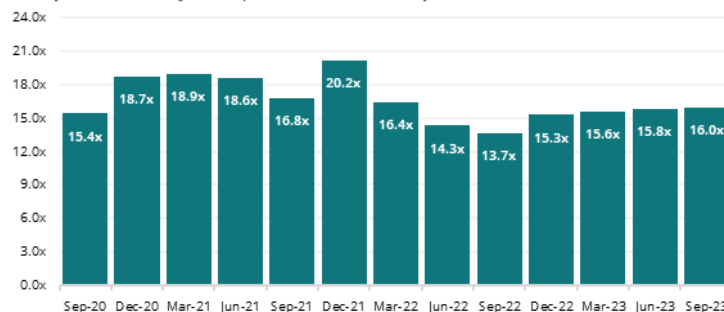
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
AAR CORP.	\$59.53	35	\$2,101	\$2,367	\$2,094	\$160	1.1x	14.8x
HEICO Corporation	\$161.93	55	\$8,860	\$23,286	\$2,641	\$691	8.8x	33.7x
MTU Aero Engines AG	\$180.00	54	\$9,688	\$10,757	\$6,247	\$1,052	1.7x	10.2x
Singapore Technologies Engineering Ltd	\$2.86	3122	\$8,945	\$13,404	\$7,056	\$1,061	1.9x	12.6x
VSE Corporation	\$50.44	16	\$794	\$1,183	\$871	\$91	1.4x	13.0x
<b>Mean</b>				\$10,199	\$3,782	\$611	<b>3.0x</b>	<b>16.9x</b>
<b>Median</b>				\$10,757	\$2,641	\$691	<b>1.7x</b>	<b>13.0x</b>

Source: FactSet

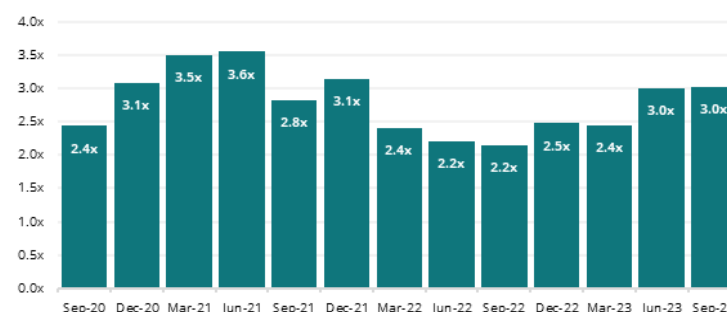
# Public Comparables

## Components & Subsystems

Components & Subsystems | Median EBITDA Multiples



Components & Subsystems | Median Revenue Multiples



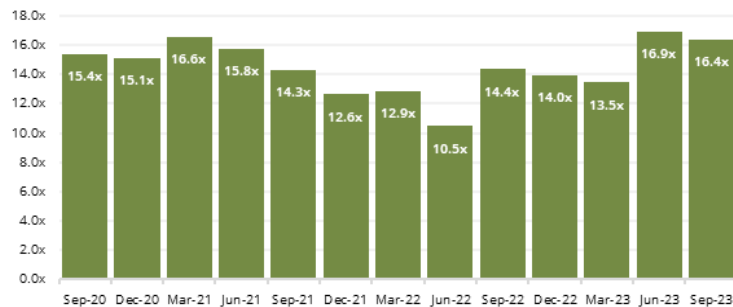
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
AMETEK, Inc.	\$147.76	231	\$34,090	\$35,852	\$6,421	\$1,935	5.6x	18.5x
Amphenol Corporation Class A	\$83.99	596	\$50,096	\$52,991	\$12,562	\$2,991	4.2x	17.7x
CIRCOR International, Inc.	\$55.75	20	\$1,137	\$1,623	\$822	\$128	2.0x	12.7x
Crane Company	\$88.84	57	\$5,040	\$5,098	\$1,323	\$102	3.9x	49.9x
Donaldson Company, Inc.	\$59.64	121	\$7,192	\$7,752	\$3,431	\$594	2.3x	13.0x
ESCO Technologies Inc.	\$104.44	26	\$2,693	\$2,847	\$940	\$178	3.0x	16.0x
Hexcel Corporation	\$65.14	84	\$5,502	\$6,177	\$1,659	\$290	3.7x	21.3x
PPG Industries, Inc.	\$129.80	236	\$30,570	\$37,181	\$17,905	\$2,645	2.1x	14.1x
RBC Bearings Incorporated	\$234.13	29	\$6,803	\$8,139	\$1,502	\$448	5.4x	18.2x
SKF AB Class B	\$16.70	426	\$7,112	\$9,088	\$9,939	\$1,513	0.9x	6.0x
Timken Company	\$73.49	71	\$5,221	\$7,144	\$4,754	\$902	1.5x	7.9x
TransDigm Group Incorporated	\$843.13	55	\$46,527	\$63,492	\$6,259	\$3,001	10.1x	21.2x
TriMas Corporation	\$24.76	41	\$1,026	\$1,450	\$870	\$116	1.7x	12.5x
<b>Mean</b>				\$18,372	\$5,260	\$1,142	<b>3.6x</b>	<b>17.6x</b>
<b>Median</b>				\$7,752	\$3,431	\$594	<b>3.0x</b>	<b>16.0x</b>

Source: FactSet

# Public Comparables

## C5ISR & Electronic Warfare

C5ISR & Electronic Warfare | Median EBITDA Multiples



C5ISR & Electronic Warfare | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
AeroVironment, Inc.	\$111.53	26	\$2,932	\$2,983	\$584	\$153	5.1x	19.5x
Chemring Group PLC	\$3.39	283	\$960	\$992	\$519	\$83	1.9x	11.9x
Elbit Systems Ltd	\$197.98	44	\$8,792	\$10,178	\$5,717	\$446	1.8x	22.8x
<b>Mean</b>				\$4,718	\$2,274	\$227	<b>2.9x</b>	<b>18.1x</b>
<b>Median</b>				\$2,983	\$584	\$153	<b>1.9x</b>	<b>19.5x</b>

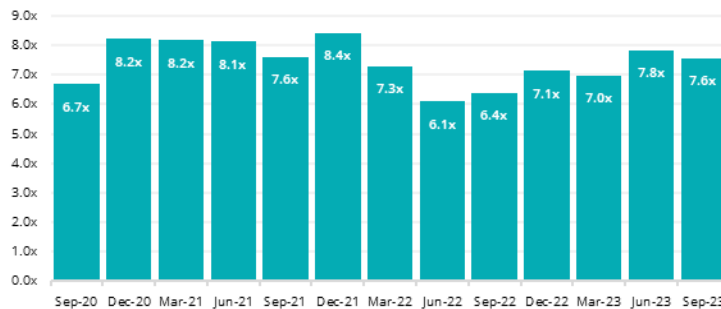
Source: FactSet



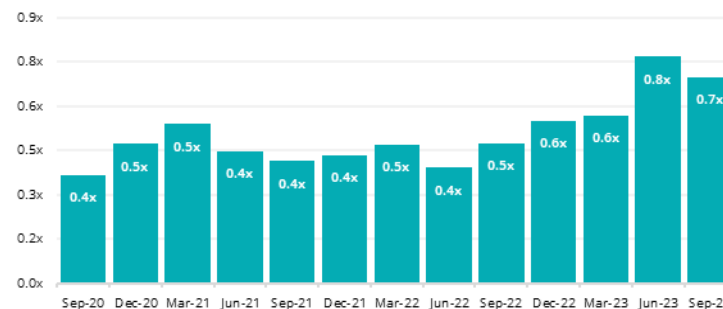
# Public Comparables

## Electronic Manufacturing Services

Electronic Manufacturing Services | Median EBITDA Multiples



Electronic Manufacturing Services | Median Revenue Multiples



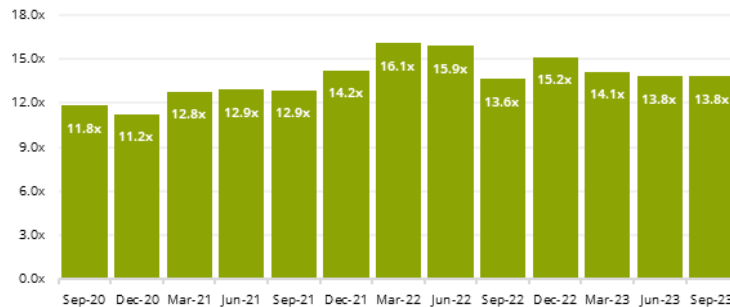
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bel Fuse Inc. Class B	\$47.72	11	\$508	\$613	\$688	\$106	0.9x	5.8x
Benchmark Electronics, Inc.	\$24.26	36	\$865	\$1,146	\$2,950	\$152	0.4x	7.5x
Celestica Inc.	\$24.52	113	\$2,759	\$3,356	\$7,770	\$472	0.4x	7.1x
CTS Corporation	\$41.74	31	\$1,309	\$1,264	\$585	\$119	2.2x	10.7x
Flex Ltd.	\$26.98	447	\$12,050	\$13,879	\$30,335	\$1,827	0.5x	7.6x
Jabil Inc.	\$126.89	131	\$16,608	\$18,321	\$35,274	\$2,568	0.5x	7.1x
Microchip Technology Incorporated	\$78.05	544	\$42,485	\$48,277	\$8,764	\$4,294	5.5x	11.2x
Methode Electronics, Inc.	\$22.85	36	\$823	\$1,044	\$1,187	\$136	0.9x	7.7x
TTM Technologies, Inc.	\$12.88	104	\$1,338	\$1,836	\$2,379	\$300	0.8x	6.1x
<b>Mean</b>				\$9,971	\$9,992	\$1,108	<b>1.3x</b>	<b>7.9x</b>
<b>Median</b>				\$1,836	\$2,950	\$300	<b>0.8x</b>	<b>7.5x</b>

Source: FactSet

# Public Comparables

## Prime Defense - United States

Prime Defense - United States | Median EBITDA Multiples



Prime Defense - United States | Median Revenue Multiples



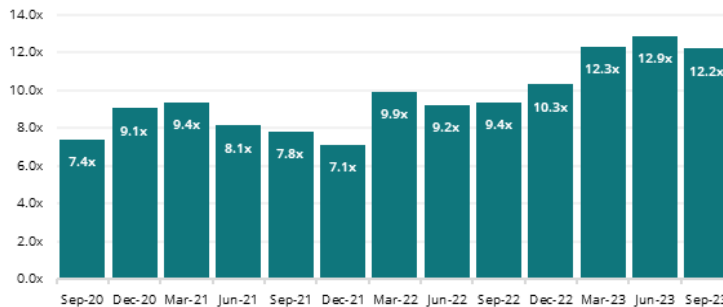
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Boeing Company	\$191.68	603	\$115,622	\$154,152	\$73,607	(\$1,509)	2.1x	NM
General Dynamics Corporation	\$220.97	273	\$60,334	\$70,665	\$40,859	\$5,117	1.7x	13.8x
Huntington Ingalls Industries, Inc.	\$204.58	40	\$8,156	\$10,947	\$10,899	\$860	1.0x	12.7x
L3Harris Technologies Inc	\$174.12	189	\$32,932	\$42,193	\$17,988	\$3,029	2.3x	13.9x
Lockheed Martin Corporation	\$408.96	252	\$102,989	\$116,861	\$67,393	\$10,372	1.7x	11.3x
Northrop Grumman Corp.	\$440.19	151	\$66,601	\$79,882	\$37,881	\$4,994	2.1x	16.0x
Oshkosh Corp	\$95.43	65	\$6,232	\$6,473	\$8,952	\$754	0.7x	8.6x
RTX Corp.	\$71.97	1456	\$104,753	\$137,892	\$70,573	\$9,768	2.0x	14.1x
<b>Mean</b>				\$77,383	\$41,019	\$4,173	<b>1.7x</b>	<b>12.9x</b>
<b>Median</b>				\$75,274	\$39,370	\$4,012	<b>1.8x</b>	<b>13.8x</b>

Source: FactSet

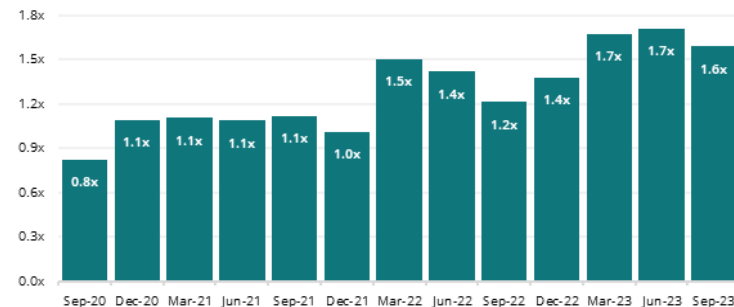
# Public Comparables

## Prime Defense - Europe

Prime Defense - Europe | Median EBITDA Multiples



Prime Defense - Europe | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Airbus SE	\$134.44	790	\$106,261	\$102,297	\$64,424	\$7,440	1.6x	13.7x
Austal Limited	\$1.16	362	\$420	\$479	\$1,066	\$22	0.4x	21.4x
BAE Systems plc	\$12.18	3042	\$37,045	\$41,308	\$27,082	\$3,593	1.5x	11.5x
Leonardo SpA	\$14.46	578	\$8,362	\$13,011	\$15,716	\$1,471	0.8x	8.8x
Kongsberg Gruppen ASA	\$43.36	176	\$7,628	\$7,606	\$3,503	\$539	2.2x	14.1x
Rheinmetall AG	\$258.23	44	\$11,248	\$12,326	\$6,898	\$1,008	1.8x	12.2x
thyssenkrupp AG	\$7.65	623	\$4,763	\$1,816	\$41,083	\$1,542	0.0x	1.2x
Smiths Group Plc	\$19.81	348	\$6,885	\$7,345	\$3,514	\$381	2.1x	19.3x
Thales SA	\$140.92	210	\$29,623	\$30,466	\$18,850	\$2,760	1.6x	11.0x
<b>Mean</b>				\$24,073	\$20,237	\$2,084	<b>1.3x</b>	<b>12.6x</b>
<b>Median</b>				\$12,326	\$15,716	\$1,471	<b>1.6x</b>	<b>12.2x</b>

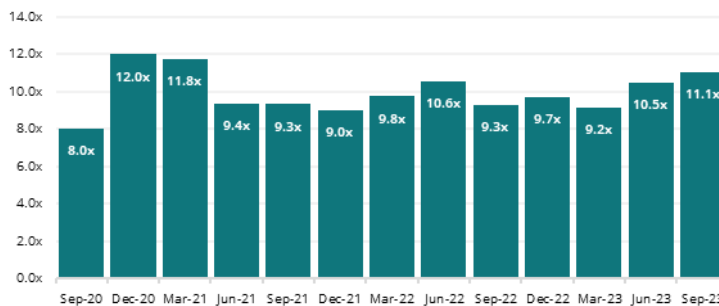
Source: FactSet



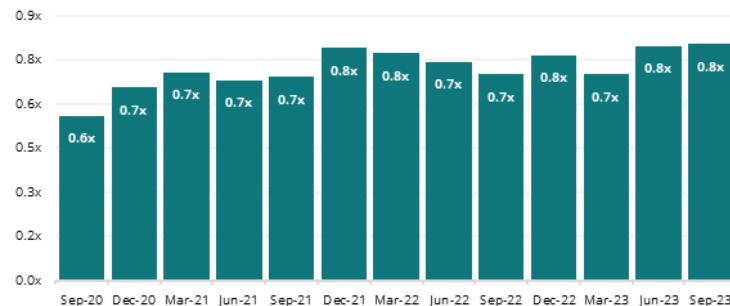
# Public Comparables

## Prime Defense - Asia

Prime Defense - Asia | Median EBITDA Multiples



Prime Defense - Asia | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Hanwha Corp	\$17.75	75	\$1,330	\$34,648	\$45,717	\$3,147	0.8x	11.0x
Hyundai Wia Corporation	\$47.21	27	\$1,284	\$1,897	\$6,582	\$399	0.3x	4.8x
Hyundai Rotem Co.	\$20.56	109	\$2,244	\$1,939	\$2,548	\$174	0.8x	11.1x
SNT MOTIV CO., LTD	\$32.31	15	\$472	\$114	\$895	\$117	0.1x	1.0x
Bharat Forge Ltd	\$13.15	466	\$6,124	\$6,765	\$1,632	\$229	4.1x	29.5x
Larsen & Toubro Ltd.	\$36.39	1406	\$51,153	\$60,498	\$23,910	\$3,414	2.5x	17.7x
Tata Motors Limited	\$7.59	3322	\$25,219	\$39,972	\$46,805	\$6,087	0.9x	6.6x
Mitsubishi Heavy Industries, Ltd.	\$55.93	337	\$18,868	\$26,605	\$31,402	\$2,380	0.8x	11.2x
Kawasaki Heavy Industries Ltd.	\$24.26	168	\$4,074	\$9,294	\$12,957	\$1,173	0.7x	7.9x
Singapore Technologies Engineering Ltd	\$2.86	3122	\$8,945	\$13,404	\$7,056	\$1,061	1.9x	12.6x
<b>Mean</b>				\$19,513	\$17,950	\$1,818	<b>1.3x</b>	<b>11.3x</b>
<b>Median</b>				\$11,349	\$10,006	\$1,117	<b>0.8x</b>	<b>11.1x</b>

Source: FactSet

# Public Comparables

## Contract Services

Contract Services | Median EBITDA Multiples



Contract Services | Median Revenue Multiples



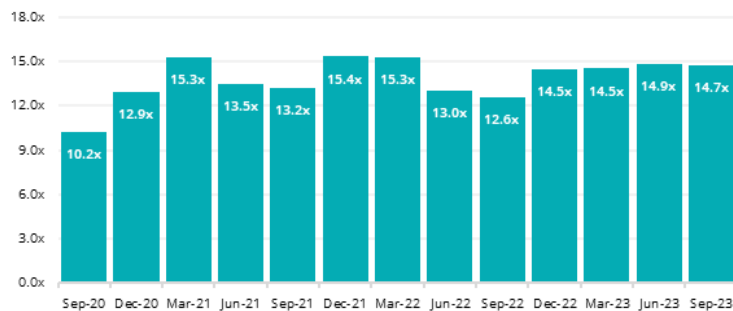
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Booz Allen Hamilton Holding Corporation Class A	\$109.27	131	\$14,319	\$17,229	\$9,664	\$740	1.8x	23.3x
Babcock International Group PLC	\$5.05	506	\$2,551	\$3,265	\$5,339	\$401	0.6x	8.2x
CACI International Inc Class A	\$313.93	23	\$7,113	\$9,069	\$6,703	\$778	1.4x	11.6x
ICF International, Inc.	\$120.81	19	\$2,273	\$3,084	\$1,927	\$216	1.6x	14.3x
Leidos Holdings, Inc.	\$92.16	137	\$12,658	\$17,708	\$14,842	\$1,505	1.2x	11.8x
MAXIMUS, Inc.	\$74.68	61	\$4,539	\$5,932	\$4,822	\$446	1.2x	13.3x
Parsons Corporation	\$54.35	105	\$5,701	\$6,530	\$4,767	\$368	1.4x	17.7x
Serco Group plc	\$1.82	1104	\$2,008	\$2,940	\$6,004	\$654	0.5x	4.5x
V2X Inc	\$51.66	31	\$1,611	\$2,782	\$3,858	\$212	0.7x	13.1x
<b>Mean</b>				\$7,615	\$6,436	\$591	<b>1.2x</b>	<b>13.1x</b>
<b>Median</b>				\$5,932	\$5,339	\$446	<b>1.2x</b>	<b>13.1x</b>

Source: FactSet

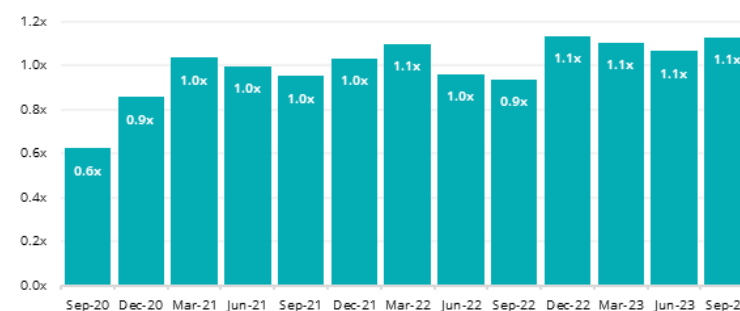
# Public Comparables

## Engineering & Construction

Engineering & Construction | Median EBITDA Multiples



Engineering & Construction | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
AECOM	\$83.04	139	\$11,520	\$13,367	\$13,962	\$927	1.0x	14.4x
Balfour Beatty plc	\$3.93	553	\$2,172	\$1,757	\$9,428	\$358	0.2x	4.9x
Fluor Corporation	\$36.70	143	\$5,262	\$4,109	\$15,014	\$120	0.3x	34.2x
Jacobs Solutions Inc.	\$136.50	126	\$17,188	\$20,713	\$15,941	\$1,489	1.3x	13.9x
KBR, Inc.	\$58.94	135	\$7,952	\$9,397	\$6,690	\$617	1.4x	15.2x
Stantec Inc	\$64.87	111	\$7,198	\$8,718	\$4,620	\$579	1.9x	15.1x
John Wood Group PLC	\$1.90	692	\$1,311	\$2,279	\$5,868	\$317	0.4x	7.2x
Parsons Corporation	\$54.35	105	\$5,701	\$6,530	\$4,767	\$368	1.4x	17.7x
<b>Mean</b>				\$8,359	\$9,536	\$597	<b>1.0x</b>	<b>15.3x</b>
<b>Median</b>				\$7,624	\$8,059	\$474	<b>1.1x</b>	<b>14.7x</b>

Source: FactSet

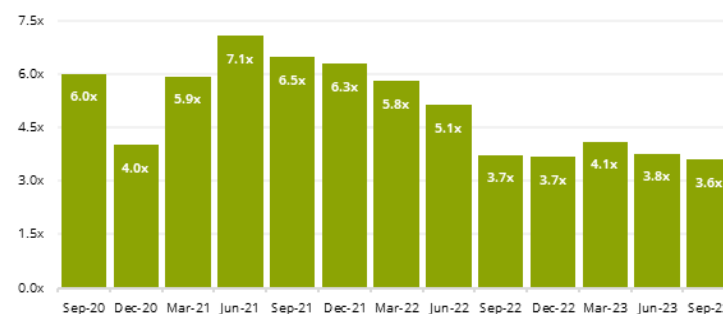
# Public Comparables

## IT & Cybersecurity

IT & Cybersecurity | Median EBITDA Multiples



IT & Cybersecurity | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
BlackBerry Limited	\$4.71	584	\$2,749	\$2,752	\$832	(\$68)	3.3x	NM
CrowdStrike Holdings, Inc. Class A	\$167.38	226	\$37,837	\$37,624	\$2,642	(\$34)	14.2x	NM
DXC Technology Co.	\$20.83	205	\$4,274	\$8,509	\$14,169	\$1,902	0.6x	4.5x
Fortinet, Inc.	\$58.68	785	\$46,084	\$43,761	\$4,988	\$1,280	8.8x	34.2x
CGI Inc. Class A	\$98.49	209	\$20,577	\$24,812	\$10,570	\$1,937	2.3x	12.8x
Palo Alto Networks, Inc.	\$234.44	309	\$72,347	\$72,221	\$6,893	\$719	10.5x	100.4x
Splunk Inc.	\$146.25	169	\$24,646	\$26,269	\$3,843	\$65	6.8x	403.0x
Gen Digital Inc.	\$17.68	639	\$11,305	\$20,293	\$3,577	\$1,939	5.7x	10.5x
Trend Micro Incorporated	\$37.98	141	\$5,349	\$3,349	\$1,732	\$416	1.9x	8.0x
SolarWinds Corp.	\$9.44	165	\$1,555	\$2,648	\$737	\$251	3.6x	10.5x
Unisys Corporation	\$3.45	68	\$236	\$378	\$2,011	\$307	0.2x	1.2x
Zscaler, Inc.	\$155.59	147	\$22,898	\$22,008	\$1,617	(\$116)	13.6x	NM
<b>Mean</b>				\$22,052	\$4,468	\$716	<b>6.0x</b>	<b>65.0x</b>
<b>Median</b>				\$21,151	\$3,110	\$362	<b>4.6x</b>	<b>10.5x</b>

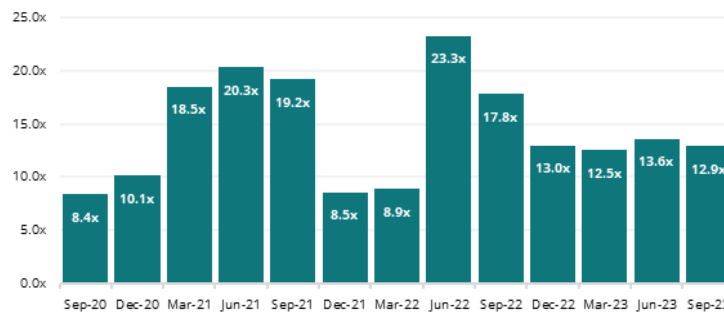
Source: FactSet



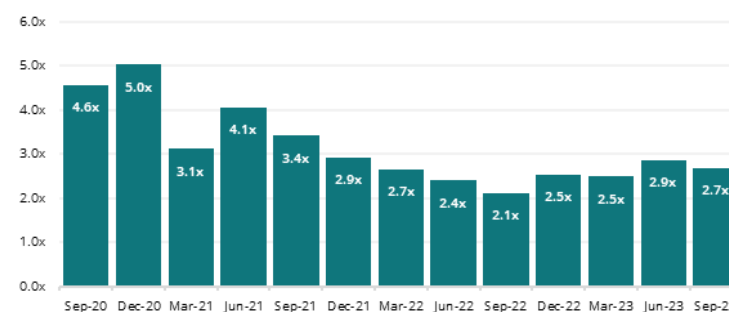
# Public Comparables

## Public Safety & Security

Public Safety & Security | Median EBITDA Multiples



Public Safety & Security | Median Revenue Multiples



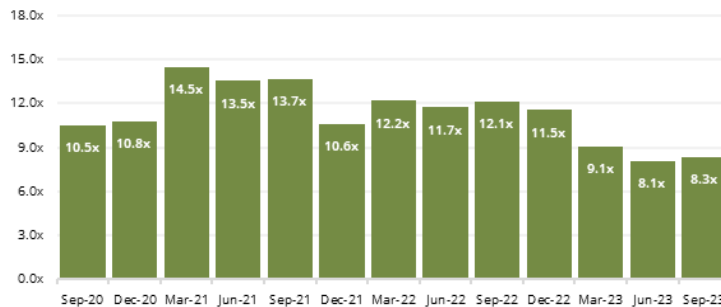
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Axon Enterprise Inc	\$198.99	75	\$14,876	\$14,450	\$1,366	\$145	10.6x	100.0x
Brink's Company	\$72.64	46	\$3,372	\$5,909	\$4,729	\$726	1.2x	8.1x
Digital Ally, Inc.	\$2.08	3	\$6	\$6	\$33	(\$25)	0.2x	NM
MSA Safety, Inc.	\$157.65	39	\$6,196	\$6,898	\$1,671	\$390	4.1x	17.7x
Prosegur Compania de Seguridad SA	\$1.62	545	\$881	\$2,544	\$4,567	\$513	0.6x	5.0x
Wrap Technologies, Inc.	\$1.50	43	\$65	\$47	\$7	(\$16)	6.5x	NM
<b>Mean</b>				\$4,976	\$2,062	\$289	<b>3.9x</b>	<b>32.7x</b>
<b>Median</b>				\$4,227	\$1,518	\$267	<b>2.7x</b>	<b>12.9x</b>

Source: FactSet

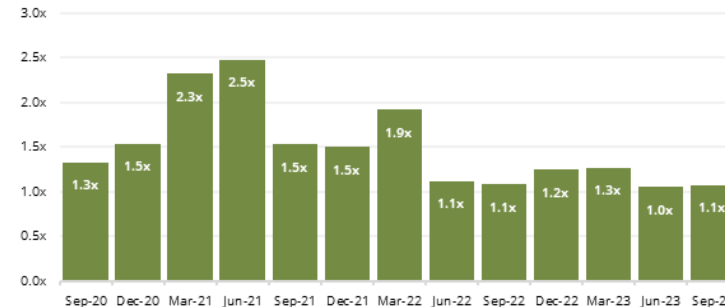
# Public Comparables

## Space & Satellite

Space & Satellite | Median EBITDA Multiples



Space & Satellite | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Astrotech Corporation	\$10.10	2	\$17	(\$25)	\$1	(\$11)	NM	2.3x
Ball Corporation	\$49.78	315	\$15,684	\$25,000	\$14,402	\$1,743	1.7x	14.3x
Comtech Telecommunications Corp.	\$8.75	28	\$244	\$543	\$528	\$34	1.0x	16.2x
Gilat Satellite Networks Ltd.	\$6.43	57	\$364	\$279	\$260	\$31	1.1x	8.9x
KVH Industries, Inc.	\$5.10	20	\$100	\$30	\$124	\$17	0.2x	1.8x
Planet Labs PBC Class A	\$2.60	265	\$688	\$401	\$209	(\$131)	1.9x	NM
EchoStar Corporation Class A	\$16.75	36	\$606	\$1,231	\$1,890	\$604	0.7x	2.0x
Telesat Corp.	\$14.30	13	\$192	\$2,947	\$562	\$381	5.2x	7.7x
ViaSat, Inc.	\$18.46	124	\$2,290	\$7,964	\$2,658	\$380	3.0x	20.9x
<b>Mean</b>				\$4,264	\$2,293	\$339	<b>1.9x</b>	<b>9.3x</b>
<b>Median</b>				\$543	\$528	\$34	<b>1.4x</b>	<b>8.3x</b>

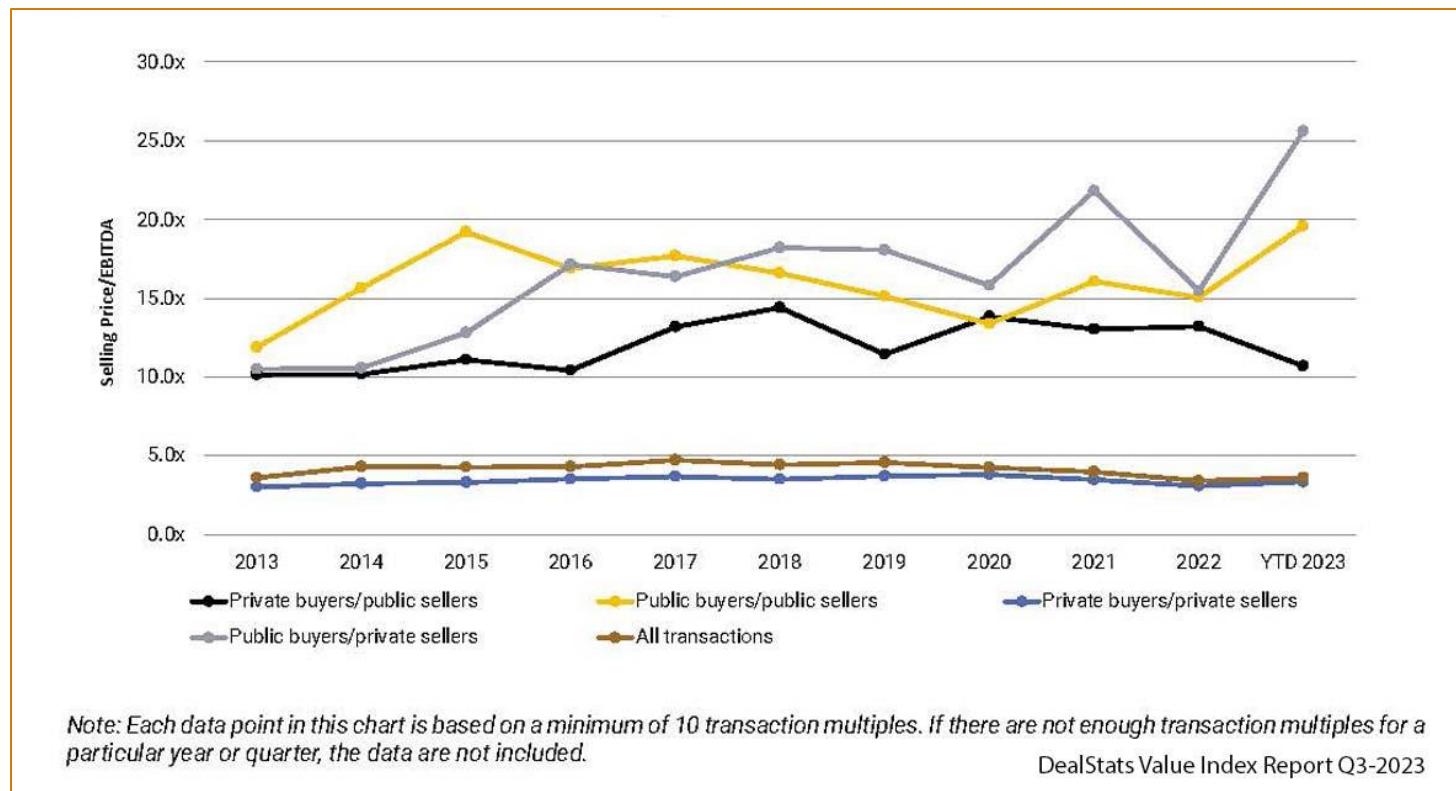
Source: FactSet

# Public Vs. Private Comparables

## Valuation Premiums Can Be Considerable

Regardless of industry, publicly traded companies often trade at premium valuations to privately held companies. This is reflected in M&A transactions and can lead to unrealistic value expectations for some business owners. The chart below illustrates this variance and shows that the variance has been both long term and growing.

Transactions between private buyer and private seller tend to be small by comparison and thus do not benefit from a “size” premium that is associated with transactions in general. While this chart does not breakout private equity transactions, our analysis indicates those transactions usually fall between public and private and move closer to public as size increases.







# CFA Overview



# About CFA

## Who We Are / What We Do

Corporate Finance Associates (CFA) is an independent international investment banking firm serving middle-market businesses. For over 60 years Corporate Finance Associates has been advocating on behalf of business owners who are restructuring a company, either through divestiture, merger, acquisition or recapitalization. Combining the knowledge and leverage of a larger bank with the customer focused detail of a boutique firm, from inception to completion, our senior principals provide hands-on expertise to clients buying, selling or recapitalizing a business.

This Aerospace, Defense and Government Industry Practice Group was established to draw on the experience of CFA advisors, many of whom as former business owners and CEOs, have first-hand knowledge and have completed many transactions in this industry. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.



### Sell-Side Advisory

Whether as a divestiture strategy or a recapitalization strategy selling all or part of a business requires equal parts creative thinking, critical analysis, expert advice, sound planning and flawless execution. Having the right team of investment banking professionals working for you is critical to ensure success.



### Capital Markets

Our commitment to remaining independent from any investment or lending affiliates ensures that we deliver unbiased guidance. It also promotes maximum competition among lending sources, helping to fully leverage value for our clients. Our role is to help you raise the type of capital that best fits your needs.



### Buy-Side Advisory

Growth through acquisition is a complex process. It involves strategy, planning, critical analysis, coordination and negotiation. When you want to take advantage of the fast growth offered by a consolidation or roll-up, CFA's broad reach, sources of financing and efficient closings can help you achieve your business growth goals.



### Financial Advisory

Now that you have made the decision to raise capital for your business, choosing the right investment banker is critical. Whether you are buying out a partner, financing an acquisition or seeking growth capital, CFA is the right choice to help you achieve your financing goals.



### Exit Planning

Every business will ultimately undergo a transfer via sale or merger, a charitable donation, a transfer to a child or relative or even bankruptcy, liquidation or death. Every ownership transfer carries with it a unique set of consequences and the best consequences usually begin with a clearly defined exit plan.



### Business Valuation

"What is my business worth" is a question we often hear from business owners contemplating a business sale, merger or recapitalization. Answering this question depends on many factors, including the business valuation methods that are employed in the calculation.

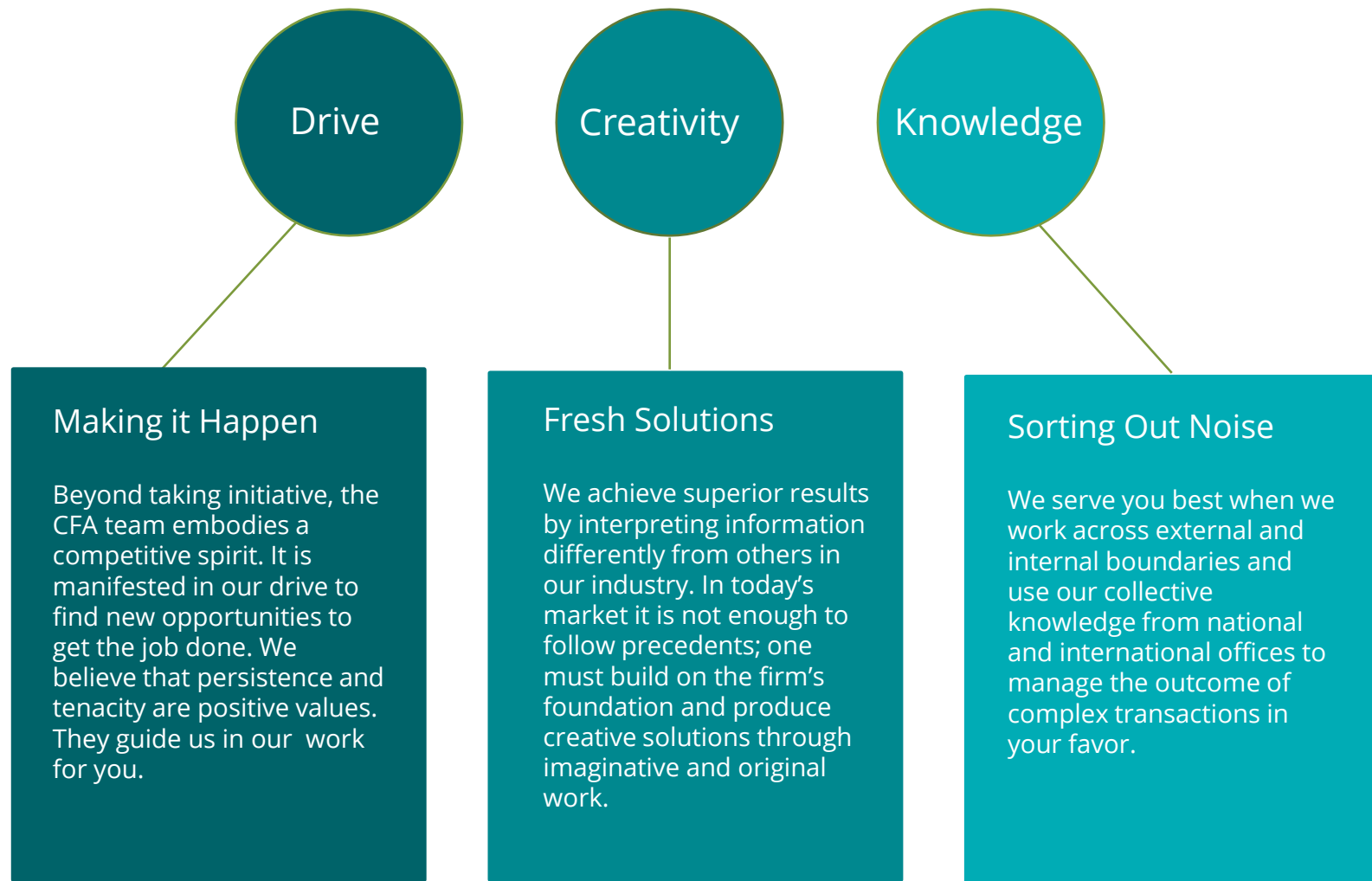
# Local Service, Global Reach

## Where We Are

With offices across the USA and in Austria, Belgium, Brazil, Germany, Hong Kong, India, Ireland, Italy, Mexico, Netherlands, Poland, Spain, Switzerland and the United Kingdom providing middle-market companies with a wide range of M&A, financial advisory services and access to capital resources.

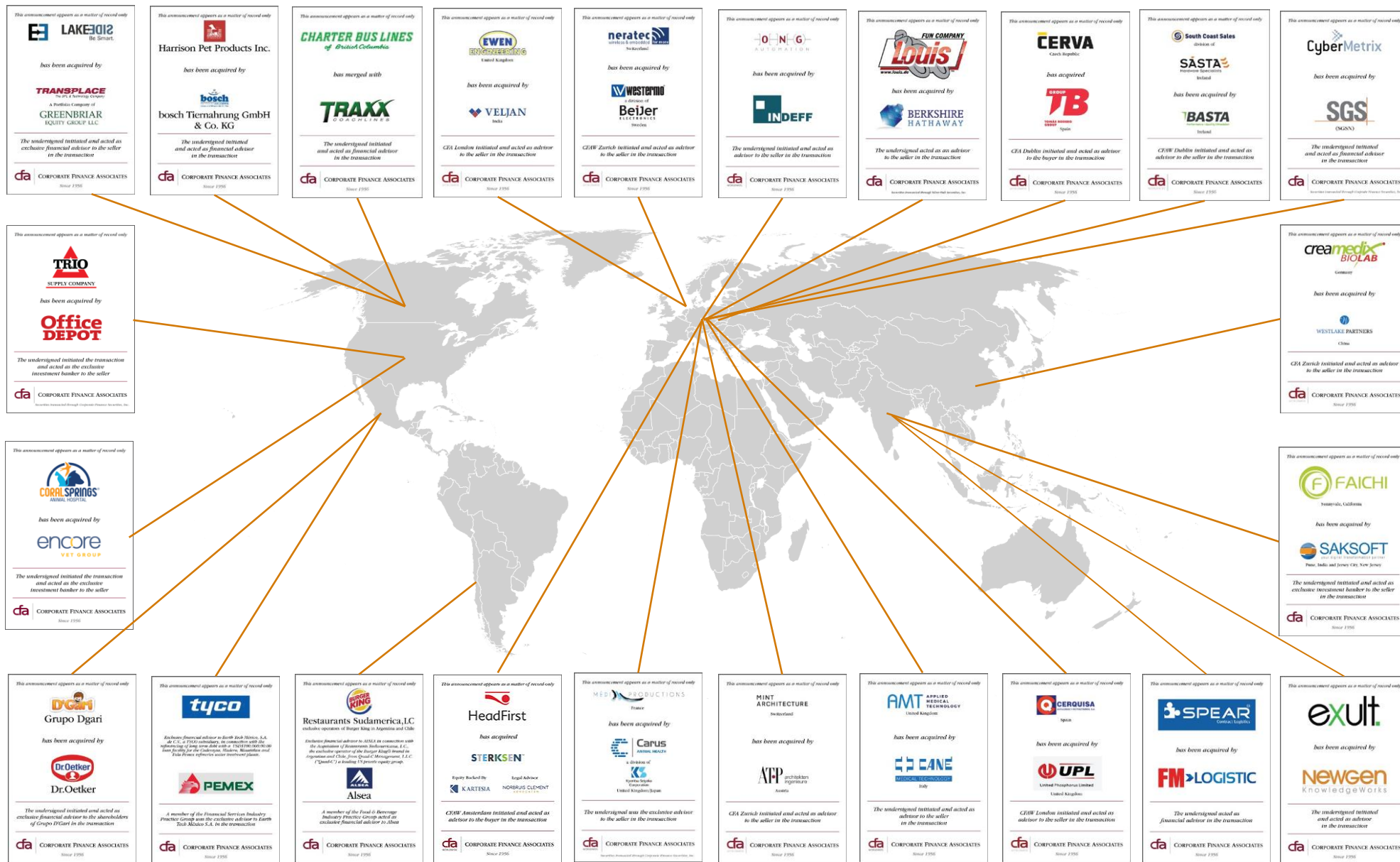


# Delivering Results



Founded in 1956 • 70 Managing Directors • 37 Offices Worldwide • Billions in M&A Transactions

# Worldwide Transactions





# Industry Practice Groups

## Aerospace, Defense, Government



The Aerospace, Defense, Government practice group is comprised of accomplished dealmakers with extensive experience in advising both public and private companies in the industry. These dealmakers offer expert service in acquisitions, divestitures, financing, and strategic planning to a wide range of companies operating in multiple subsectors including:

- Commercial & Military Aerospace
- Defense & Weapon Systems
- Cyber & Homeland Security
- Government Contract Services
- MRO, FBO, Charter & Management
- Airport Services

Whether you want to acquire, merge, sell, or finance, let CFA's industry knowledge, international resources and proven dealmaking skills work for you. We research, identify, qualify, advocate, negotiate and help steer you through the mine fields of due diligence to maximize your value and secure your objective.

Aerospace/Defense/Government  
Agriculture  
Animal Health  
Business Services  
Commercial Real Estate  
Consumer Retail  
Energy  
Engineering/Construction  
Financial Services & FinTech  
Food/Beverage  
Healthcare/Life Sciences  
Industrials  
Metal Fabrication  
Print/Packaging  
Semiconductors  
Technology/Media/Telecom  
Transportation/Logistics/Supply Chain  
Wholesale Distribution

# Recent Industry Transactions

*This announcement appears as a matter of record only*



*has been acquired by*



(NASDAQ: TTEK)

*The undersigned acted as financial advisor in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has merged with*



*The undersigned initiated and acted as advisor to Safe Fuel Systems in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has been recapitalized by*



*The undersigned initiated and acted as financial advisor to Pacific Aviation in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*

**ParkAvion Property Management HWD, LLC**

*has obtained financing from*



*The undersigned initiated and acted as financial advisor in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



*has been acquired by*



*a portfolio company of*

**ODYSSEY INVESTMENT PARTNERS, LLC**

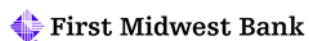
*The undersigned was engaged as the investment banker for the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



*has been financed by*



*The undersigned initiated and acted as financial advisor in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



*has been acquired by*



*The undersigned initiated and acted as financial advisor in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*The undersigned initiated and acted as an advisor to the buyer in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*



*A member of CFA's Aviation, Aerospace & Defense Industry Practice Group acted as financial advisor in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



*has been recapitalized by*



*The undersigned initiated and acted as financial advisor to Solair Group in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Securities transacted through Corporate Finance Securities, Inc.