STIFEL

Market Insights Report

Aerospace, Defense & Government Services

Q2 2024

www.stifelib.com

Stifel Investment Banking: Aerospace, Defense & Government Services

About Us

As a leading full-service investment bank, Stifel maintains relationships with the most important business executives and financial sponsors in the Aerospace, Defense & Government Services sector. This report is designed to provide business leaders and investors with insight into the industry, its various sub-sectors and our transaction activity.

Select Stifel Transactions

$172,500,000 VSE Corporation Follow-on Offering Joint Bookrunning Manager *May 2024*	$90,000,000 XANDE Senior Secured Term Loan Co-Placement Agent *May 2024*	$9,844,961 Bridger Aerospace Registered Direct Sole Placement Agent *April 2024*	$965,000,000 Kaman *a portfolio company of* Arcline Investment Management Senior Secured Credit Facilities Joint Lead Arranger Joint Bookrunner *April 2024*	$355,000,000 Rocket Lab Convertible Senior Notes Co-Manager *February 2024*
$70,000,000 *a portfolio company of* Oaktree Senior Secured Credit Facility Sole Placement Agent *December 2023*	$500,000,000 FTAI Aviation Senior Notes Co-Manager *November 2023*	$10,000,000 Momentus Registered Direct Sole Placement Agent *February 2023*	ISO Group Has Been Acquired by Dynatech International Advisor to Seller *January 2023*	$62,000,000 AerSale Follow-on Offering Joint Bookrunning Manager *November 2022*
Manitowoc Tool & Machining, LLC *a portfolio company of* Merit Capital Partners Has Been Acquired by summit equity group Advisor to Seller *September 2022*	Innovative Solutions & Support Shareholder Rights Plan Advisor to the Board of IS&S *September 2022*	$84,309,375 AerSale Follow-on Offering Joint Bookrunning Manager *August 2022*	$260,000,000 V2X Senior Secured Term Loan Joint Lead Arranger *June 2022*	$1,577,000,000 Tailwind Acquisition Has Acquired Terran Orbital Capital Markets Advisor *March 2022*
$1,500,000,000 Air Lease Corporation Senior Notes Co-Manager *January 2022*	$89,700,000 Cadre Holdings Initial Public Offering Left Bookrunning Manager *November 2021*	$270,000,000 IMG *a portfolio company of* Addison Capital Partners Has Been Acquired by ichor Advisor to Seller *November 2021*	$4,100,000,000 Vector Capital Has Merged with Rocket Lab Capital Markets Advisor *August 2021*	$50,000,000 Voyager Space Holdings Convertible Preferred Stock Sole Placement Agent *February 2021*

Stifel Investment Banking: Aerospace, Defense & Government Services

About Us

Dedicated Sub-sector Coverage

Aircraft Manufacturing
- Commercial, business jet & general aviation
- Airframes & aerostructures – metals and composites
- Flight controls, avionics, landing gear

Aerospace Engines
- Jet, turbo-prop & piston aircraft engines
- Auxiliary power units (APU)
- Precision engine components – blades, vanes, propellers

After-market Support & MRO
- Component overhaul, engine & airframe overhaul
- Parts distribution
- Parts manufacturing approval (PMA)
- Used serviceable material (USM)

Specialty Aviation
- Business jet charter & fractional ownership
- AAM, VTOL / eVTOL
- Air cargo
- Military special mission
- Pilot training
- Aerial firefighting, medical transportation

Defense Platforms
- Naval ships, aircraft carriers, submarines
- Ground vehicles & tanks
- Fighter aircraft, transport aircraft, training aircraft, UAVs

Defense Systems & Components
- Missiles, weapons systems, sensors, communication networks, electronic warfare, C4ISR
- Components – chips, boards, amplifiers, antennas
- Systems & soldier protection

Government Services
- IT modernization, enterprise management
- Defense IT software development
- Data analytics, intel support and analysis, artificial intelligence
- Cybersecurity

Space
- Satellites, rockets / launch vehicles, sensors
- Space exploration
- Geospatial intelligence – remote imaging data, communications

Stifel Aerospace, Defense & Government Services

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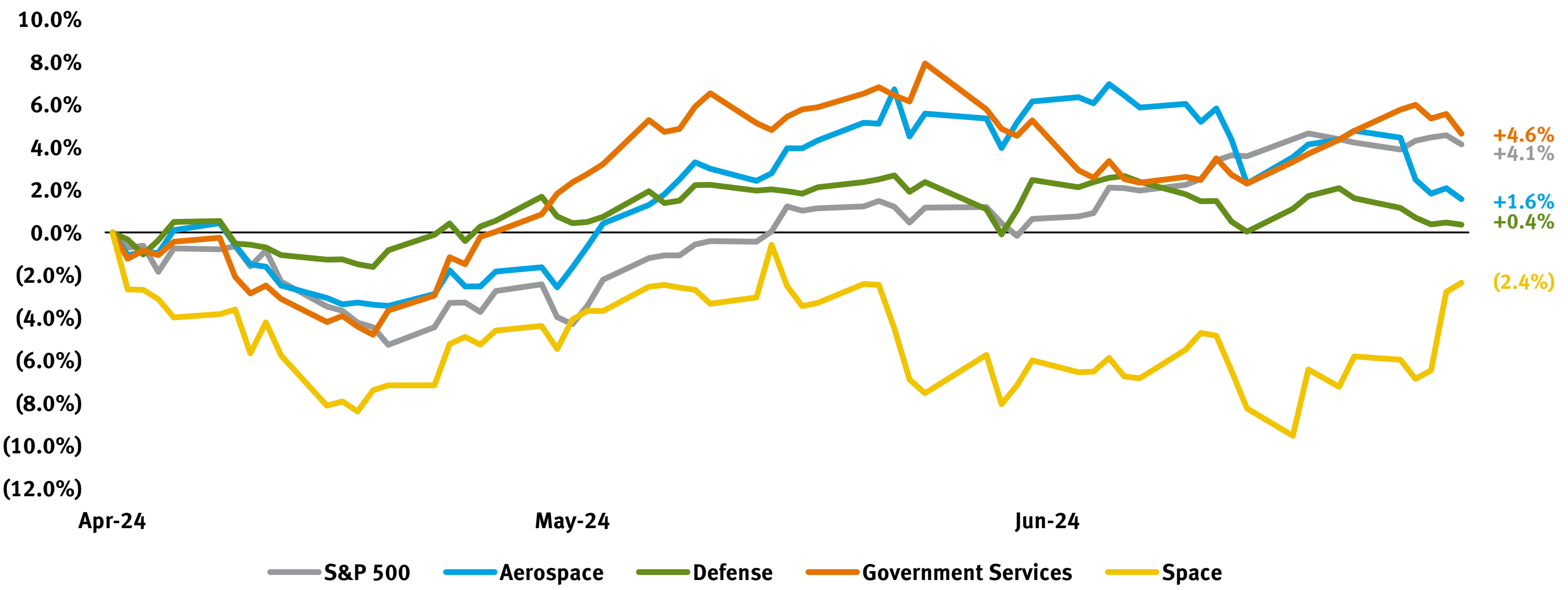
Aerospace, Defense & Government Services: Q2 Market Update

Market Performance

- The S&P 500 returned 4.1% in the second quarter of 2024, with all major U.S. equity benchmarks reaching new all-time highs; meanwhile, inflation remains stubbornly elevated causing the fed to hold interest rates steady
- The Aerospace, Defense & Government Services sector underperformed compared to the broader markets despite elevated geopolitical tensions and increased commercial air traffic trends that have driven strong sentiment regarding end-market fundamentals

Q2 Indexed Stock Price Performance(1)



Aerospace +1.6%

The aerospace sector has lagged behind the S&P 500 due to ongoing supply chain issues and labor disruptions, which have been noted for improvement. These challenges have led OEMs to reduce their delivery expectations for 2024.

Nonetheless, there is positive sentiment with the return to normalcy of air traffic demand, leading to strength in aftermarket suppliers and services markets.

Defense +0.4%

Despite a concern of tightening long-term U.S. budgets, Defense Prime valuations are still at a premium relative to historical levels, potentially reflecting the new norm for Defense companies in a persistently elevated geo-political conflict environment. In the period, Defense stocks underperformed the broader S&P 500 related to a handful of Company-specific declines in the Mid-Cap Defense sector.

Government Services +4.6%

The Government Services market outperformed broader markets in Q2 due to the strength in government outlays in 2023 and a return to pre-COVID activity levels.

Government Services providers outperformed their Defense counterparts primarily due to strong demand for next-generation technology and cyber capabilities from U.S. federal customers.

Space (2.4%)

The Space market underperformed the S&P 500 primarily due to delays in Space missions and limited capital funding, leading to setbacks in Company's business plans and performance. Despite the underperformance, the Space economy reached several milestones in Q2, including Boeing's CST-100 Starliner flying its first crewed test flight.

(1) Source: CapIQ as of 6/30/24. See pages 13-16 for individual stock price performance details.

Aerospace, Defense & Government Services: Q2 Market Update

Select 2Q24 Industry Transactions

- M&A in the second quarter was led by several notable transactions in the Aerospace, Defense and Government Services market – with multiple portfolio reshaping transactions from both strategics and sponsors
- The outlook for M&A in the sector remains positive as financial investors continue to gravitate towards the resilient and strong performing end-market fundaments of the Aerospace, Defense and Government Services sector and strategics focus on the optimal capabilities to service a high growth market

Acquirer	Target
Honeywell	CAES / Advent International

Announced Date: June 2024
Transaction Value: $1,900M
Buyer Type: Strategic

- As part of Honeywell's strategic actions to strengthen its Defense & Space business, the Company acquired Cobham Advanced Electronic Solutions (CAES) for $1,900M from Advent International
- CAES provides systems that move data through off-the-shelf and customized products including RF, microwave and high reliability microelectronics, antenna subsystems and motion control

Acquirer	Target
cognizant	Belcan / ae Industrial Partners

Announced Date: June 2024
Transaction Value: $1,300M
Buyer Type: Strategic

- As a part of Cognizant's strategic actions to strengthen its engineering capabilities in the Aerospace and Defense Market, the Company announced the acquisition of Belcan, LLC for $1,300M from AE Industrial Partners
- Belcan is a global supplier of engineering consultancy services and technical staffing solutions that support aerospace components, jet engines, electronics, heavy equipment and pharmaceuticals

Acquirer	Target
GREENBRIAR	SUNVAIR / BLUE SEA CAPITAL

Announced Date: June 2024
Transaction Value: ND
Buyer Type: Sponsor

- Greenbriar acquired Sunvair Aerospace Group from Blue Sea Capital, LLC for an undisclosed amount
- Sunvair is a provider of MRO services to private sector and U.S. federal government aerospace and defense markets
- The Company is a fully-certified FAA Repair Station which specializes in landing gear overhaul and component repair services for commercial and military aircraft

Acquirer	Target
KANDERS & CO. / FISICA	L3HARRIS™

Announced Date: April 2024
Transaction Value: $200M
Buyer Type: Sponsor-Backed

- Kanders & Company announced the acquisition of the Antenna and Test Equipment Businesses from L3Harris Technologies for $200M
- The Antenna and Test Equipment businesses will operate under the name Fisica, Inc.
- The Company manufactures airborne and ground-based antennas and electromagnetic systems and simulators for applications across radar, communications, warning systems, remote sensing, nuclear effects testing and imaging

Acquirer	Target
AXON	Dedrone

Announced Date: May 2024
Transaction Value: $500M
Buyer Type: Strategic

- Axon entered into a definitive agreement to acquire the remaining outstanding stock of Dedrone Holdings, Inc. for $400M (Axon already owned ~20% prior to the transaction)
- Dedrone is a market leader in air space security combining hardware sensors with software to detect, identify, track and mitigate drones
- The proposed acquisition positions Axon to accelerate the next generation of drone and air space solutions

Sources: FactSet, Capital IQ, Mergermarket, Dacis.

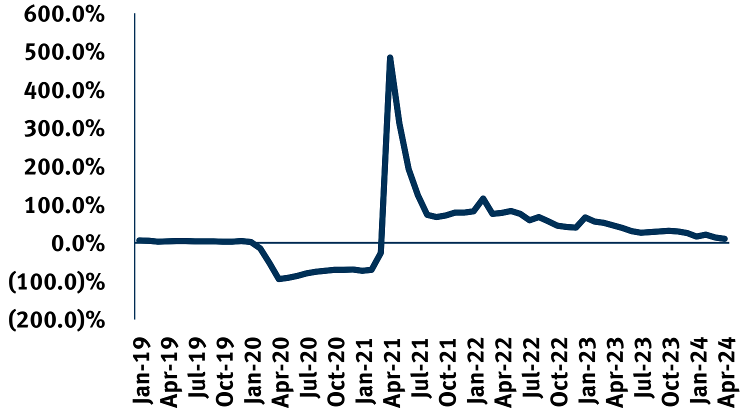
Sector: Aerospace | Defense

Aerospace: Market Drivers

Aerospace

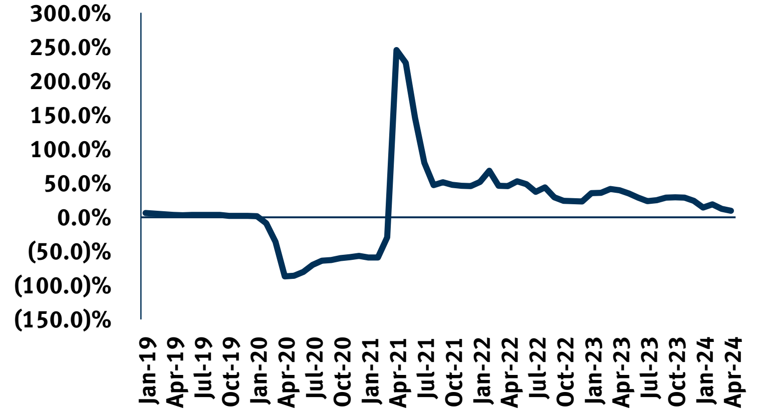
Global Air Passenger Activity Y/Y% Trends (RPK)

(% change year-over-year)



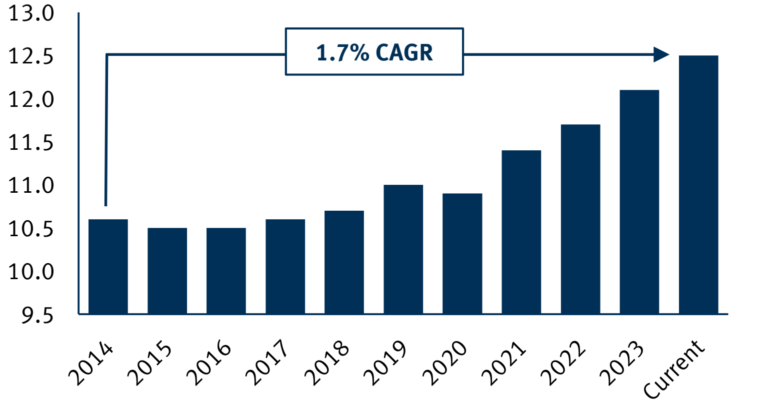
Available Seat Capacity Y/Y% Trends (ASK)

(% change year-over-year)



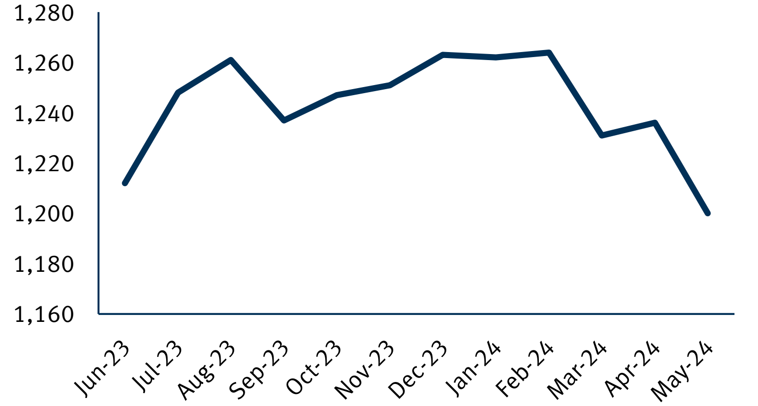
Average Age of Global Fleet

(age in years)



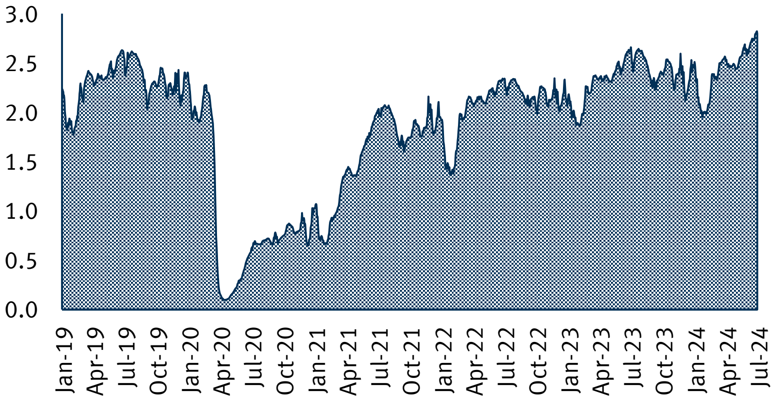
Monthly TTM OEM Aircraft Deliveries[1]

(# of aircraft, in actuals)



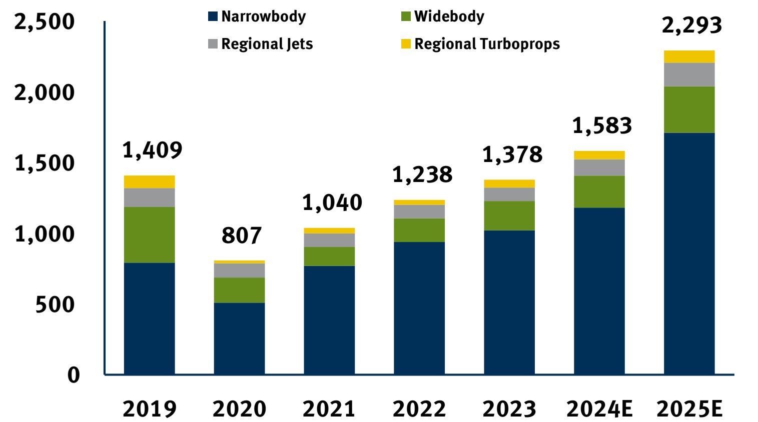
TSA Passenger Throughput (7-Day Average)

(# of passengers, in millions)



Annual Aircraft Deliveries by Type

(# of aircraft, in actuals)



Sources: IATA, TSA, Oliver Wymann, Stifel Research.
(1) Includes Boeing and Airbus.

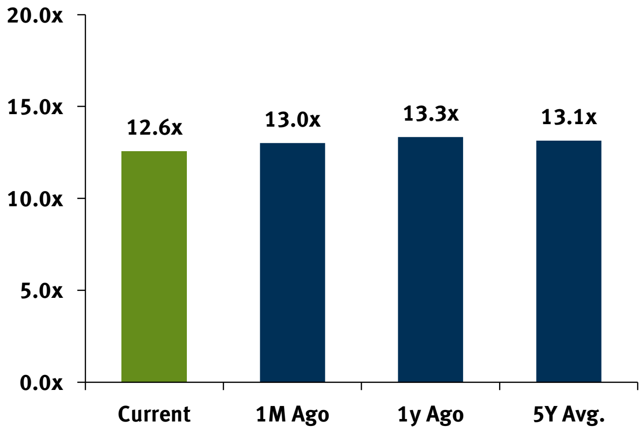
Aerospace: Public Company Performance

Aerospace

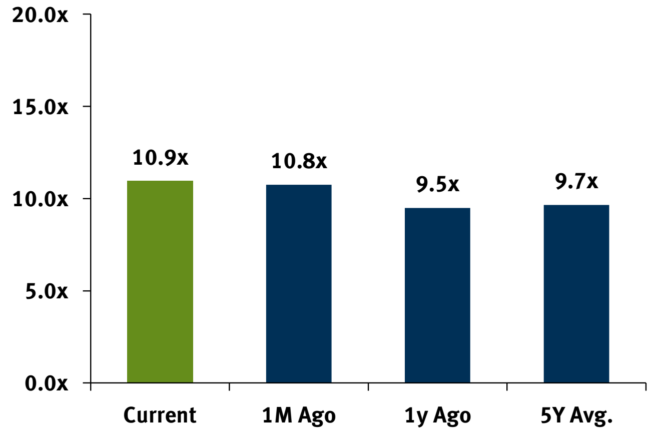
- In February 2024, Global RPK ("Revenue Passenger Kilometers") surpassed 2019 levels for the first time since the pandemic, marking the first month of a full-recovery in global air travel
- Despite the positive momentum, delays in new aircraft production rates, along with regulatory hurdles, continue to slow OEM build rates, leading the Aerospace OEM sub-sector to underperform during the period; additionally, current forward valuation multiples remain below historical averages
- The Aerospace market underperformance in Q2 was largely driven by Aerospace OEMs and Large-Cap Aerospace Suppliers, as Aftermarket Services continue to benefit from the delay in OEM production and an aging aircraft fleet

Valuation Multiples Analysis (EV / NTM EBITDA)[1]

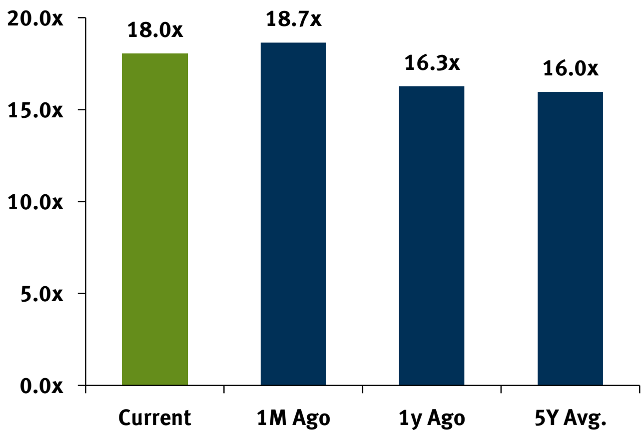
Aerospace OEMs



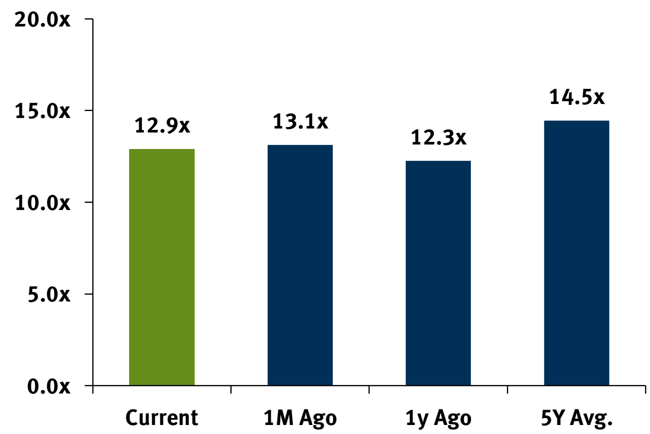
Aftermarket Services



Large-Cap Aerospace Suppliers



Mid-Cap Aerospace Suppliers



Sources: Capital IQ as of 6/30/2024.
(1) Excludes Air Mobility, Specialty Aviation and Aviation Leasing due to limited data.

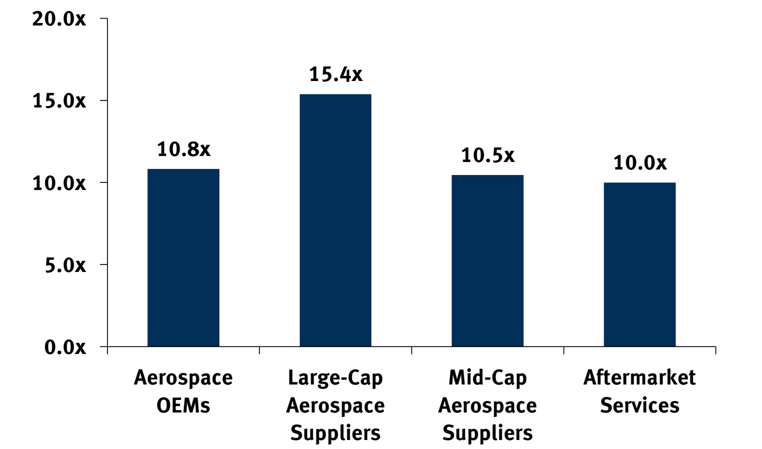
Aerospace: Public Company Performance

Aerospace

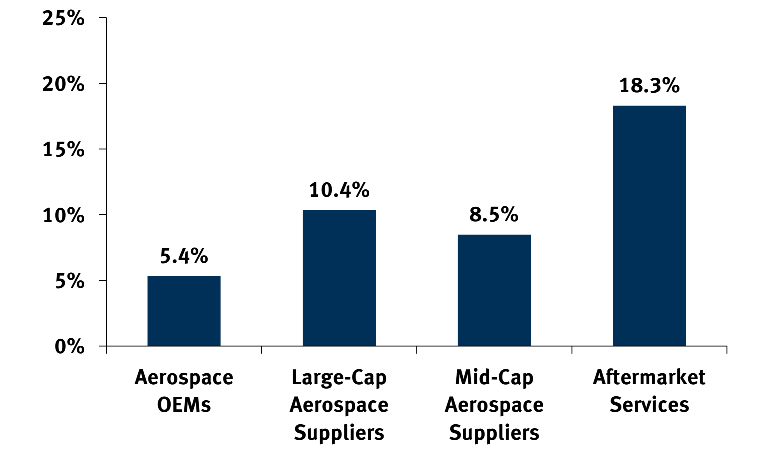
Q2 Aerospace Public Company Analysis[1]

	Stock Price % Change		Revenue Growth		EBITDA Margin %		EV/EBITDA		Net Debt / EBITDA	
	YTD	LTM	'22A - '23A	'23A - '24E	'23A	'24E	'23A	'24E	'23A	'24E
Sub-Sector Analysis										
Aerospace OEMs	6.8%	27.0%	15.2%	5.4%	11.5%	12.0%	11.5x	10.8x	3.1x	2.7x
Large-Cap Aerospace Suppliers	24.6%	35.0%	17.3%	10.4%	22.7%	24.1%	17.3x	15.4x	2.2x	2.0x
Mid-Cap Aerospace Suppliers	0.4%	0.9%	15.2%	8.5%	13.1%	16.3%	15.1x	10.5x	2.5x	1.9x
Aftermarket Services	16.5%	25.9%	-9.4%	18.3%	9.7%	11.7%	18.7x	10.0x	4.4x	1.8x
Median	13.3%	25.2%	15.3%	8.5%	13.2%	16.2%	15.4x	12.4x	2.5x	1.9x

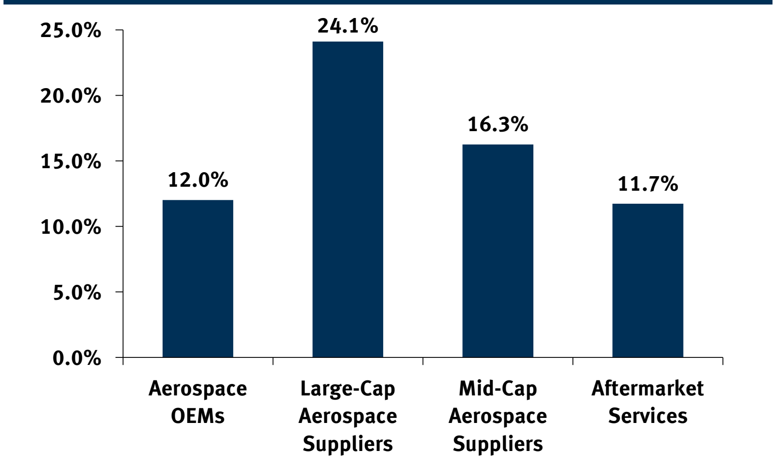
Median 2024E EV/EBITDA



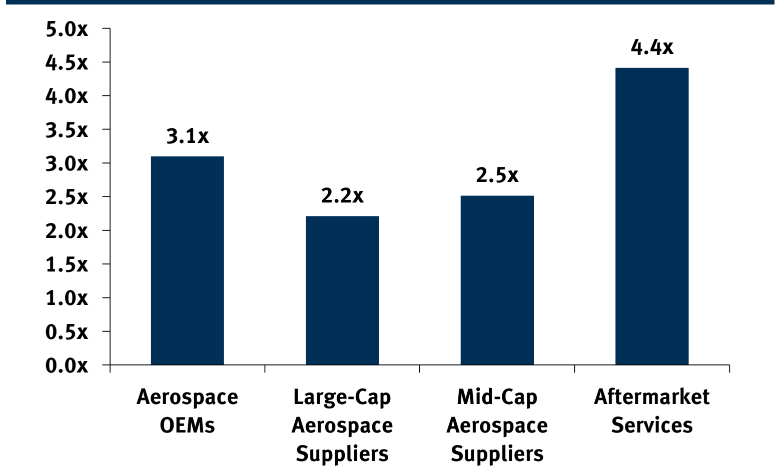
Median 2023A-2024E Revenue Growth



Median 2024E EBITDA Margin %



Median Net Debt / 2023A EBITDA

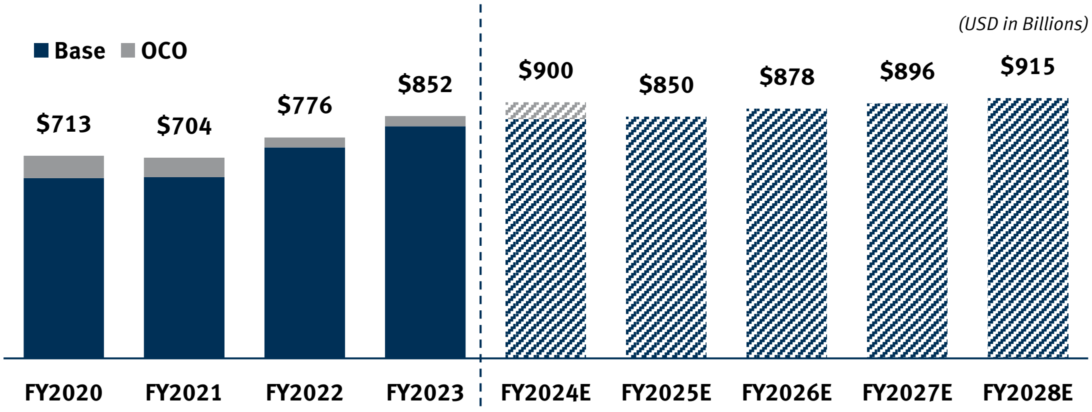


Sources: FactSet, Capital IQ as of 6/30/2024.
(1) Excludes Air Mobility, Specialty Aviation and Aviation Leasing due to limited data.

Defense & Government Services: Market Drivers

Defense & Government Services

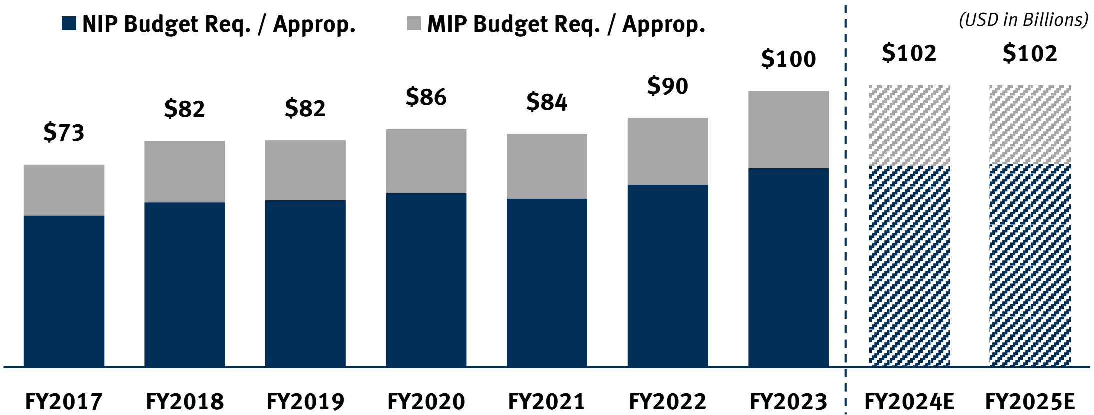
Trending Defense Budget



Note: "OCO"= Oversees Contingency Operations

In FY2024, the U.S. DoD is anticipated to spend a record $900B including supplemental requests of $44.4B for Ukraine and $10.6B for Israel. The Biden Administration's FY2025 budget request implies a modest 1% growth y/y for the base budget, before the impact of expected supplemental spending for ongoing international conflicts.

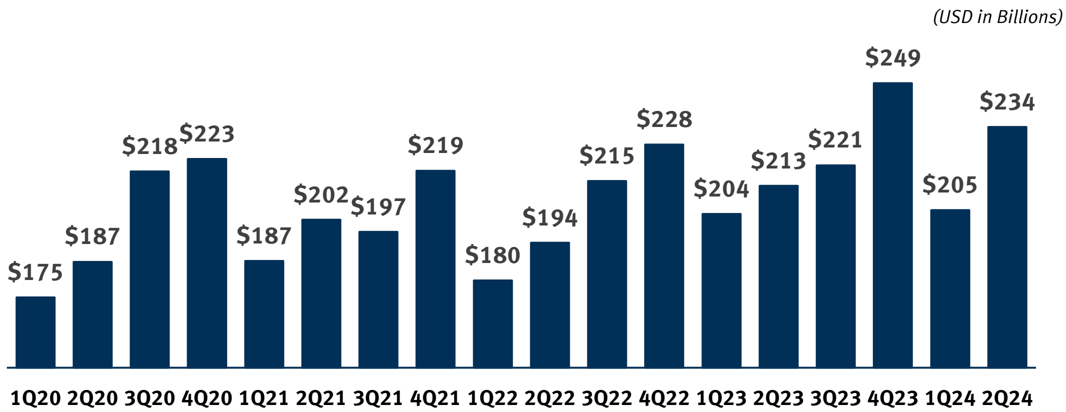
Trending U.S. Intelligence Budget



Note: "NIP" = National Intelligence Program"; "MIP"= "Military Intelligence Program"

In FY2024, U.S. Intelligence agencies are projected to increase spending by 2.0% y/y, following two consecutive years of +7.0% y/y growth. In FY2025, the budget for intelligence spending is anticipated to be flat resulting in average 3.4% 5-year CAGR for FY2020- FY2025.

National Security – U.S. Quarterly Outlays(1)



The quarterly outlays for National Security increased 14% q/q as a result of a rebound from previous budget legislation delays that impacted contract awards in Q1 2024. This was resolved by the passing of the 2024 Defense appropriations on March 23rd, 2024.

Sources: U.S. Department of Defense, U.S. National Intelligence Office, Treasury.gov.
(1) National Security includes Department of Defense and Department of Homeland Security; June 2024 outlays estimated based on 2023 historical values.

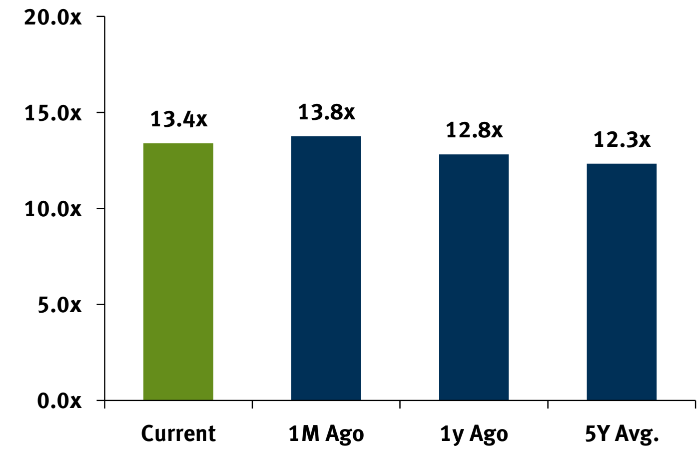
Defense & Government Services: Public Company Performance

Defense & Government Services

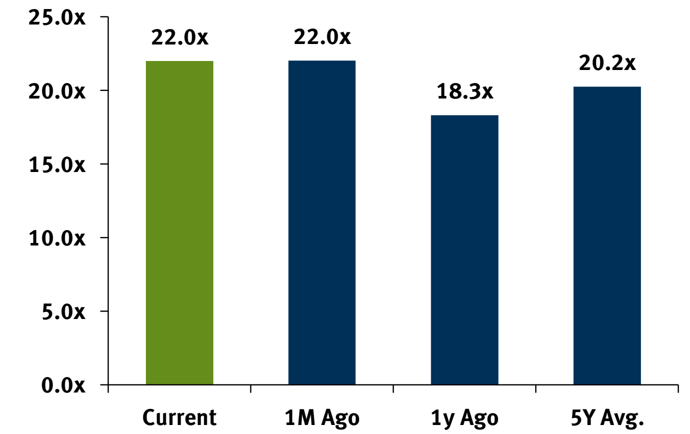
- Continued geopolitical conflicts in the Middle East, Eastern Europe and the South China Sea have lead to an increase in global Defense spending to a record $2.2 trillion in 2023, a 9% increase over 2022
- As a result, Defense companies are trading above their 5-year historical averages – with much of the valuation strength coming over the past year as conflicts in Eastern Europe and Middle East intensify
- The FY2025 defense budget appropriations, which prioritizes battlefield readiness by procuring 76 new F-35s, has been approved by the House and currently sits in the Senate appropriations process

Valuation Multiples Analysis (EV / NTM EBITDA)

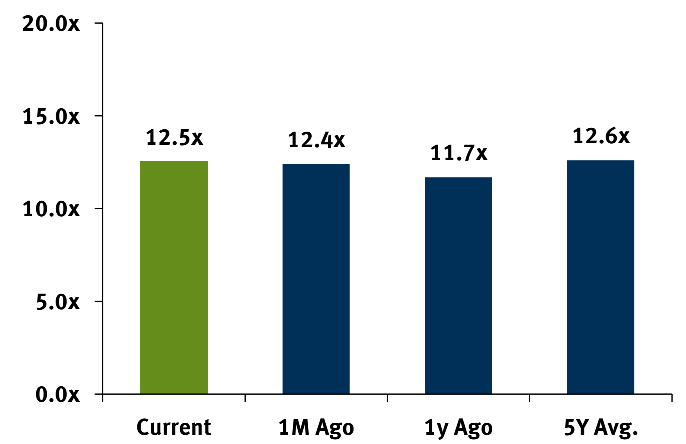
Defense Primes



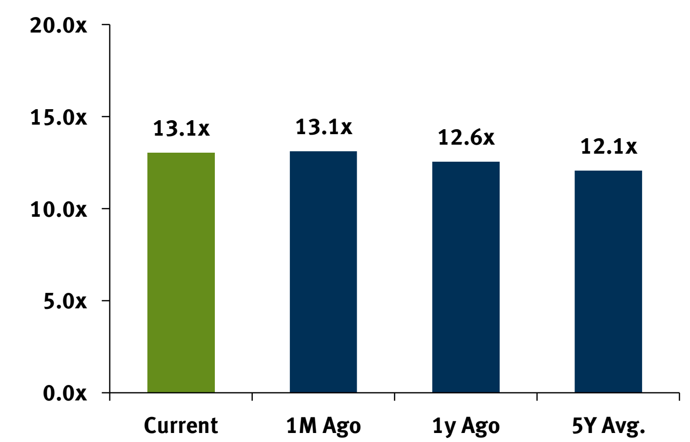
Defense Mid-Cap Suppliers



Defense & Law Enforcement Protection



Government Services



Sources: Capital IQ as of 6/30/2024, The Washington Post.

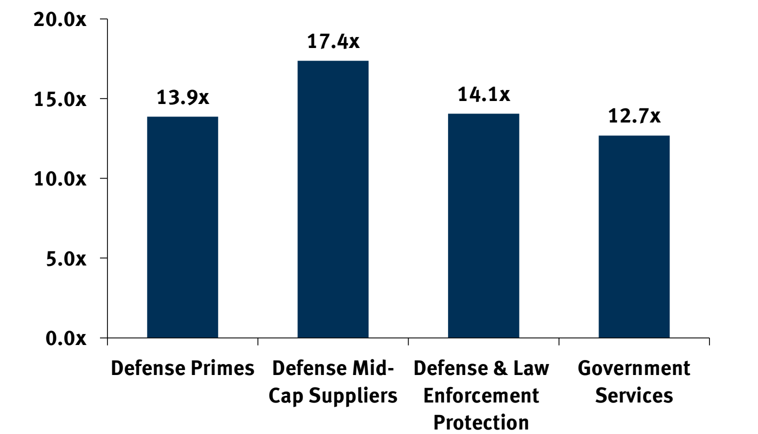
Defense & Government Services: Public Company Performance

Defense & Government Services

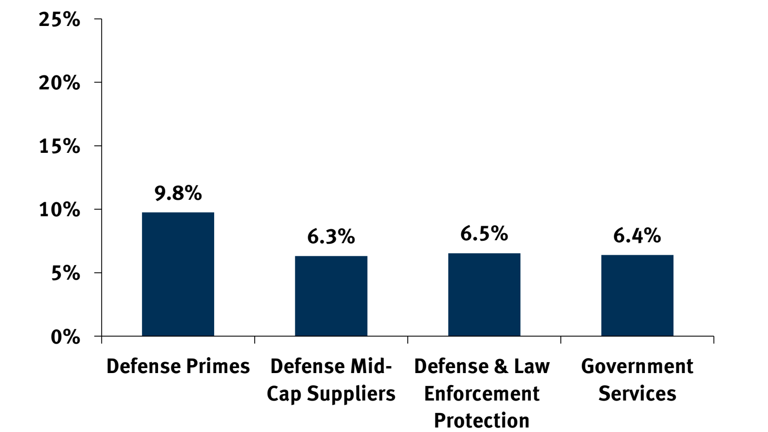
Q2 Defense & Government Services Public Company Analysis

	Stock Price % Change		Revenue Growth		EBITDA Margin %		EV/EBITDA		Net Debt / EBITDA	
	YTD	LTM	'22A - '23A	'23A - '24E	'23A	'24E	'23A	'24E	'23A	'24E
Sub-Sector Analysis										
Defense Primes	9.2%	8.6%	7.3%	9.8%	14.2%	13.9%	14.1x	13.9x	2.4x	2.2x
Defense Mid-Cap Suppliers	(1.4%)	39.5%	11.1%	6.3%	11.5%	12.6%	18.4x	17.4x	2.3x	2.2x
Defense & Law Enforcement Protection	13.9%	50.8%	5.4%	6.5%	17.8%	18.7%	17.5x	14.1x	1.8x	1.5x
Government Services	18.0%	15.4%	8.6%	6.4%	9.8%	11.0%	14.2x	12.7x	2.7x	2.3x
Median	**12.8%**	**20.5%**	**7.9%**	**6.5%**	**11.8%**	**12.7%**	**15.2x**	**14.1x**	**2.3x**	**2.2x**

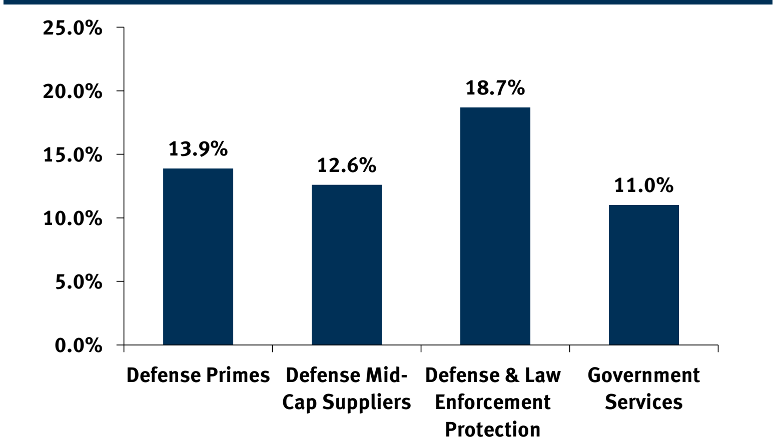
Median 2024E EV/EBITDA



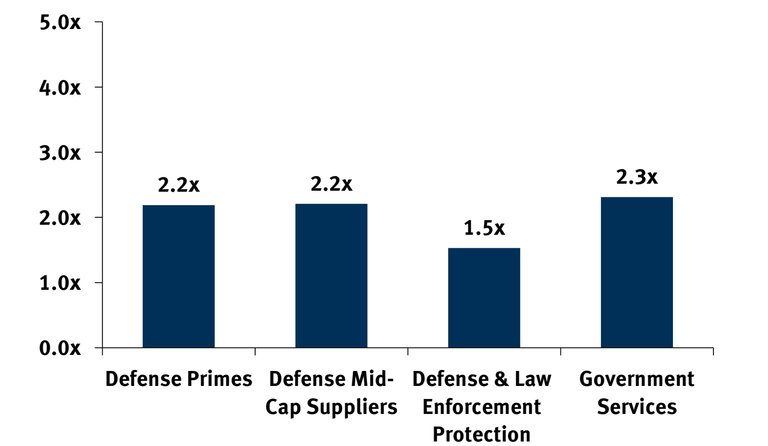
Median 2023A - 2024E Revenue Growth



Median 2024E EBITDA Margin %



Median Net Debt / 2023A EBITDA



Sources: FactSet, Capital IQ as of 6/30/2024.

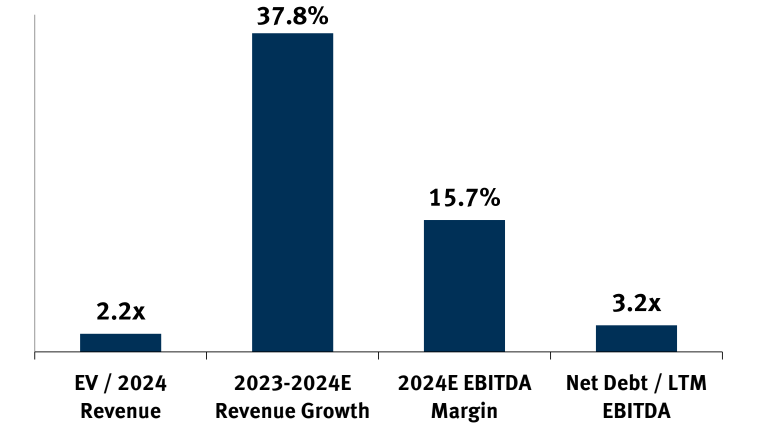
Space:
Public Company Performance & Market Update

Space

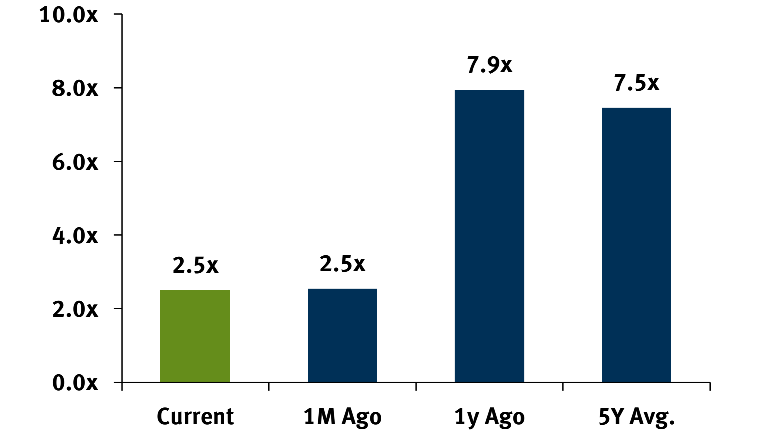
- In Q2, the Space sector underperformed broader markets, as companies with long-dated, capital intensive business plans are met with project delays and continued difficulty in the fundraising market as investors look towards more resilient sectors
- Despite the underperformance, the industry saw progress towards a growing space economy, including the successful re-entry of SpaceX's Starship during its fourth test flight and multiple successful new satellite launches
- As later stage Space companies demonstrate commercial viability of technology, new entrants to the market are finding difficult to secure additional funding with more mature, well funded peers reaching critical operational milestones

	Stock Price % Change		Revenue Growth		EBITDA Margin %		EV/ Revenue		Net Debt / EBITDA	
	YTD	LTM	'22A - '23A	'23A - '24E	'23A	'24E	2023A	2024E	'23A	'24E
Sub-Sector Analysis										
Space	(18.4%)	(29.3%)	36.7%	37.8%	21.6%	15.7%	2.6x	2.2x	3.0x	3.2x
Median	**(18.4%)**	**(29.3%)**	**36.7%**	**37.8%**	**21.6%**	**15.7%**	**2.6x**	**2.2x**	**3.0x**	**3.2x**

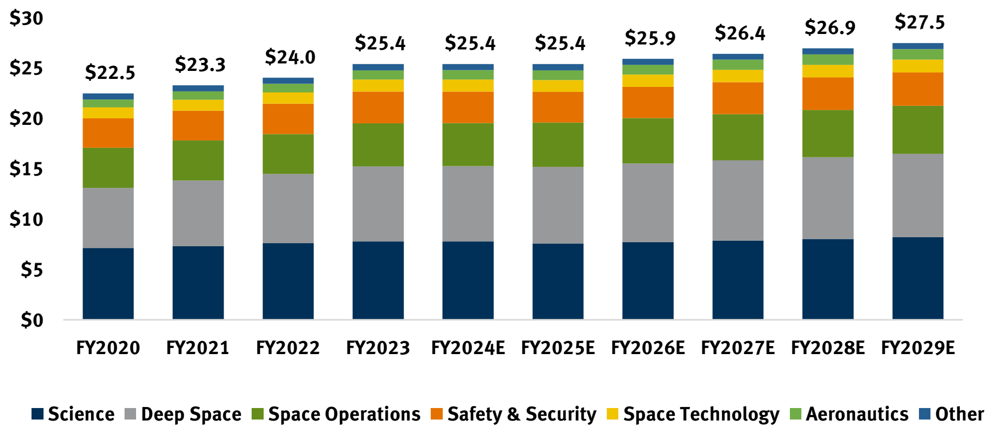
Median Industry Metrics



Valuation Multiples Analysis (EV / NTM Revenues)



Trending NASA Budget Spending



NASA released its FY2025 Budget proposal which calls for a 2% y/y increase in budget in 2025E and projected 5-year growth CAGR of 8.2% as the organization supports the Artemis missions. Key FY2025 budget priorities include funding Artemis II mission scheduled September 2025 along with funding for development of a commercial space station.

Sources: CapitalIQ 06/30/2024, NASA.

Appendix

Aerospace:
Public Company Performance

Aerospace

(USD in millions, except per share data)	Price as of	YTD Price Change	1-Yr Price Change	Market Value	Net Debt	Enterprise Value	CY Revenue Growth		CY EBITDA Margin		EV/EBITDA		Price to Earnings		Net Debt/EBITDA	
Company (ticker)	**6/30/2024**						**'22-'23**	**'23-'24**	**CY 23**	**CY 24**	**CY 23**	**CY 24**	**CY 23**	**CY 24**	**CY 23**	**CY 24**
Aerospace OEMs																
Airbus SE	$137.43	(11.0%)	(4.9%)	$108,630	($2,823)	$105,864	15.2%	4.1%	12.3%	12.0%	11.9x	11.7x	22.2x	22.7x	NM	NM
The Boeing Company	182.01	(30.2%)	(13.8%)	111,733	40,411	152,137	16.8%	1.2%	1.4%	5.1%	NM	38.0x	NM	NM	37.1x	10.1x
Bombardier Inc.	64.10	59.6%	30.0%	6,311	4,863	11,438	16.4%	5.4%	15.3%	15.8%	9.3x	8.5x	16.3x	14.9x	4.0x	3.6x
Embraer S.A.	6.51	41.2%	69.3%	4,784	1,239	6,133	15.1%	20.0%	10.6%	10.7%	11.1x	9.1x	30.5x	13.1x	2.2x	1.8x
Textron Inc.	85.86	6.8%	27.0%	16,559	2,520	18,893	6.3%	6.3%	11.5%	12.0%	12.0x	10.8x	15.4x	13.6x	1.6x	1.4x
Mean							**14.0%**	**7.4%**	**10.2%**	**11.1%**	**11.1x**	**15.6x**	**21.1x**	**16.1x**	**11.2x**	**4.3x**
Median							**15.2%**	**5.4%**	**11.5%**	**12.0%**	**11.5x**	**10.8x**	**19.2x**	**14.3x**	**3.1x**	**2.7x**
Aftermarket Services																
AAR Corp.	$72.70	16.5%	25.9%	$2,596	$279	$2,812	17.6%	18.3%	9.7%	11.0%	13.4x	9.9x	22.9x	20.1x	1.3x	1.0x
AerSale Corporation	6.92	(45.5%)	(52.9%)	367	82	449	(18.1)%	14.3%	3.7%	11.7%	36.5x	10.0x	NM	14.4x	6.7x	1.8x
VSE Corporation	88.28	36.6%	61.4%	1,625	502	2,128	(9.4)%	22.8%	13.2%	13.0%	18.7x	15.5x	26.7x	25.5x	4.4x	3.7x
Mean							**(3.3)%**	**18.5%**	**8.9%**	**11.9%**	**22.9x**	**11.8x**	**24.8x**	**20.0x**	**4.1x**	**2.2x**
Median							**(9.4)%**	**18.3%**	**9.7%**	**11.7%**	**18.7x**	**10.0x**	**24.8x**	**20.1x**	**4.4x**	**1.8x**
Large-Cap Aerospace Suppliers																
General Electric Company	$158.97	24.6%	44.7%	$174,836	$2,149	$177,407	(11.2)%	(46.7)%	12.1%	21.9%	21.6x	22.3x	56.6x	39.2x	0.3x	0.3x
HEICO Corporation	223.61	25.0%	26.4%	31,448	2,185	29,720	38.7%	22.6%	25.4%	26.1%	36.1x	28.6x	73.1x	60.0x	2.7x	2.1x
Honeywell International Inc.	213.54	1.8%	2.9%	139,856	14,349	154,001	3.4%	5.8%	25.3%	26.6%	16.6x	14.9x	23.3x	20.8x	1.5x	1.4x
Howmet Aerospace Inc.	77.63	43.4%	56.6%	31,715	3,306	35,048	17.3%	10.4%	22.7%	24.1%	23.2x	19.8x	42.2x	32.4x	2.2x	1.9x
Parker-Hannifin Corporation	505.81	9.8%	29.7%	66,205	10,956	75,982	15.4%	0.8%	24.8%	24.7%	15.4x	15.4x	21.0x	20.1x	2.2x	2.2x
Rolls-Royce Holdings plc	5.77	51.3%	200.8%	48,520	2,644	50,973	28.4%	8.5%	16.7%	17.2%	15.6x	13.9x	33.1x	30.6x	0.8x	0.7x
RTX Corporation	100.39	19.3%	2.5%	133,841	38,647	173,551	2.8%	14.5%	19.0%	16.1%	13.2x	13.7x	19.8x	18.7x	2.9x	3.0x
Safran SA	211.51	20.0%	35.0%	87,464	(85)	87,929	26.1%	14.4%	19.8%	19.9%	17.3x	15.1x	40.7x	28.0x	NM	NM
TransDigm Group Incorporated	1,277.61	26.3%	42.9%	71,493	18,105	89,605	23.9%	15.3%	51.7%	52.5%	24.8x	21.2x	45.0x	37.2x	5.0x	4.3x
Mean							**16.1%**	**5.1%**	**24.2%**	**25.5%**	**20.4x**	**18.3x**	**39.4x**	**31.9x**	**2.2x**	**2.0x**
Median							**17.3%**	**10.4%**	**22.7%**	**24.1%**	**17.3x**	**15.4x**	**40.7x**	**30.6x**	**2.2x**	**2.0x**
Mid-Cap Aerospace Suppliers																
Astronics Corporation	$20.03	15.0%	0.9%	$705	$186	$884	28.8%	12.5%	8.1%	12.3%	15.9x	9.3x	NM	24.7x	3.3x	1.9x
CAE Inc.	18.57	(14.0%)	(17.1%)	5,936	2,152	8,113	18.0%	(3.9)%	21.9%	24.3%	10.9x	10.2x	22.3x	22.5x	2.9x	2.7x
Ducommun Incorporated	58.06	11.5%	33.3%	857	255	1,110	6.2%	4.9%	13.4%	14.0%	10.9x	10.0x	22.6x	20.2x	2.5x	2.3x
Héroux-Devtek Inc.	18.19	58.6%	57.0%	627	154	765	15.2%	8.6%	13.1%	16.3%	12.8x	9.5x	33.8x	19.0x	2.6x	1.9x
Hexcel Corporation	62.45	(15.3%)	(17.9%)	5,205	623	5,813	13.4%	10.0%	19.1%	20.6%	17.0x	14.4x	34.5x	27.9x	1.8x	1.5x
Innovative Solutions and Support, Inc.	6.00	(29.7%)	(16.3%)	105	10	115	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Loar Holdings Inc.	53.41	NM	NM	4,791	516	5,307	NA	NA	NA	36.0%	NA	39.5x	NA	NM	NA	3.8x
Magellan Aerospace Corporation	5.95	0.4%	(5.6%)	340	46	388	17.9%	8.4%	8.9%	9.9%	6.5x	5.4x	45.3x	12.3x	0.8x	0.6x
Melrose Industries PLC	6.99	(3.2%)	8.7%	9,237	973	10,202	(53.0)%	8.7%	15.9%	19.2%	15.1x	11.5x	NM	NM	1.4x	1.1x
Moog Inc.	167.30	NM	NM	5,412	1,045	6,402	11.2%	5.4%	12.2%	13.6%	15.3x	13.1x	26.1x	21.7x	2.5x	2.1x
MTU Aero Engines AG	255.87	18.6%	(1.3%)	13,772	737	14,504	4.1%	33.8%	3.2%	16.3%	76.7x	11.2x	19.9x	19.4x	3.9x	0.6x
Senior plc	2.02	(10.6%)	(9.3%)	827	260	1,083	20.1%	6.3%	9.7%	10.7%	9.1x	7.7x	15.9x	18.4x	2.2x	1.9x
Spirit AeroSystems Holdings, Inc.	32.87	3.4%	12.6%	3,831	3,813	7,648	20.2%	17.5%	2.7%	NM	46.4x	NM	NM	NM	23.2x	NM
Triumph Group, Inc.	15.41	(7.1%)	24.6%	1,190	702	1,892	(1.0)%	(10.0)%	13.1%	14.8%	10.6x	10.5x	NM	32.1x	3.9x	3.9x
Woodward, Inc.	174.38	28.1%	46.6%	11,006	503	11,126	25.3%	8.5%	17.9%	18.5%	20.2x	18.0x	33.8x	29.7x	0.9x	0.8x
Mean							**9.7%**	**8.5%**	**12.2%**	**17.4%**	**20.6x**	**13.1x**	**28.2x**	**22.6x**	**4.0x**	**1.9x**
Median							**15.2%**	**8.5%**	**13.1%**	**16.3%**	**15.1x**	**10.5x**	**26.1x**	**21.7x**	**2.5x**	**1.9x**
Air Mobility																
Archer Aviation Inc.	$3.52	(42.7%)	(14.6%)	$1,222	($372)	$767	NA	NA	NA	NM	NM	NM	NM	NM	1.2x	1.1x
Eve Holding, Inc.	4.05	(44.7%)	(61.4%)	1,091	(98)	993	NA	NA	NA	NM	NM	NM	NM	NM	0.8x	0.7x
Joby Aviation, Inc.	5.10	(23.3%)	(50.3%)	3,673	(888)	2,725	NA	142.2%	NM	NM	NM	NM	NM	NM	2.6x	2.0x
Lilium N.V.	0.79	(32.7%)	(54.8%)	495	(203)	286	NA	NA	NA	NA	NM	NM	NM	NM	0.7x	0.6x
Vertical Aerospace Ltd.	0.73	6.8%	(62.7%)	174	81	243	NA	NA	NA	NA	NM	NM	NM	NM	NM	NM
Mean							**NA**	**142.2%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**1.3x**	**1.1x**
Median							**NA**	**142.2%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**0.8x**	**0.7x**
Specialty Aviation																
Blade Air Mobility, Inc.	$3.48	(1.4%)	(11.7%)	$291	($125)	$144	54.1%	9.7%	NM	0.2%	NM	NM	NM	NM	7.5x	NM
flyExclusive, Inc.	4.03	(26.7%)	(60.7%)	72	230	291	(1.5)%	26.7%	0.1%	5.1%	NM	14.4x	NM	NA	NM	11.4x
Volato Group, Inc.	0.58	(84.5%)	(94.5%)	17	30	47	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Wheels Up Experience Inc.	1.89	(44.9%)	61.5%	1,318	136	1,454	NM	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mean							**26.3%**	**18.2%**	**0.1%**	**2.6%**	**NA**	**14.4x**	**NA**	**NA**	**7.5x**	**11.4x**
Median							**26.3%**	**18.2%**	**0.1%**	**2.6%**	**NA**	**14.4x**	**NA**	**NA**	**7.5x**	**11.4x**
Aviation Leasing																
AerCap Holdings N.V.	$93.20	25.4%	46.7%	$18,066	$44,404	$62,470	8.1%	2.2%	83.9%	85.5%	9.8x	9.4x	8.7x	8.8x	7.0x	6.7x
Air Lease Corporation	47.53	13.3%	13.6%	5,293	18,926	24,219	15.9%	5.7%	89.3%	91.1%	10.1x	9.4x	9.2x	11.1x	7.9x	7.3x
FTAI Aviation Ltd.	103.23	122.5%	226.1%	10,397	2,629	12,978	65.3%	23.5%	51.0%	50.1%	21.7x	17.9x	48.9x	56.6x	4.4x	3.6x
Willis Lease Finance Corporation	69.30	41.8%	77.1%	455	1,720	2,226	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mean							**29.7%**	**10.5%**	**74.7%**	**75.6%**	**13.9x**	**12.2x**	**22.3x**	**25.5x**	**6.4x**	**5.9x**
Median							**29.7%**	**10.5%**	**74.7%**	**75.6%**	**13.9x**	**12.2x**	**22.3x**	**25.5x**	**6.4x**	**5.9x**

Sources: FactSet, Capital IQ. Note: “NM” = Not Meaningful, “NEG” = Negative, “NA” = Not Available.

Defense & Government Services: Public Company Performance

Defense & Government Services

(USD in millions, except per share data) Company (ticker)	Price as of 6/30/2024	YTD Price Change	1-Yr Price Change	Market Value	Net Debt	Enterprise Value	CY Revenue Growth '22-'23	CY Revenue Growth '23-'24	CY EBITDA Margin CY 23	CY EBITDA Margin CY 24	EV/EBITDA CY 23	EV/EBITDA CY 24	Price to Earnings CY 23	Price to Earnings CY 24	Net Debt/EBITDA CY 23	Net Debt/EBITDA CY 24
Defense Primes																
BAE Systems plc	$16.68	18.0%	41.6%	$50,934	$3,298	$53,634	14.9%	10.3%	13.7%	13.3%	12.1x	11.4x	20.7x	19.4x	0.7x	0.7x
General Dynamics Corporation	290.14	11.7%	34.9%	80,576	10,027	89,503	7.3%	10.9%	12.1%	12.8%	17.5x	15.0x	24.1x	19.9x	2.0x	1.7x
L3Harris Technologies, Inc.	224.58	6.6%	14.7%	42,777	13,231	55,893	13.8%	9.2%	18.0%	18.3%	16.0x	14.4x	18.2x	17.3x	3.8x	3.4x
Lockheed Martin Corporation	467.10	3.1%	1.5%	112,075	16,628	128,703	2.4%	3.1%	14.7%	14.0%	13.0x	13.2x	16.8x	17.8x	1.7x	1.7x
Northrop Grumman Corporation	435.95	(6.9%)	(4.4%)	64,516	15,093	79,266	7.3%	4.6%	13.6%	13.7%	14.9x	14.1x	18.7x	17.6x	2.8x	2.7x
RTX Corporation	100.39	19.3%	2.5%	133,841	38,647	173,551	2.8%	14.5%	19.0%	16.1%	13.2x	13.7x	19.8x	18.7x	2.9x	3.0x
Mean							**8.1%**	**8.8%**	**15.2%**	**14.7%**	**14.4x**	**13.6x**	**19.7x**	**18.5x**	**2.3x**	**2.2x**
Median							**7.3%**	**9.8%**	**14.2%**	**13.9%**	**14.1x**	**13.9x**	**19.3x**	**18.2x**	**2.4x**	**2.2x**
Defense Mid-Cap Suppliers																
AeroVironment, Inc.	$182.16	44.5%	78.1%	$5,098	($14)	$5,075	44.9%	11.2%	21.4%	16.2%	33.5x	39.8x	50.7x	66.7x	NM	NM
Cohort plc	9.48	33.9%	56.0%	386	(6)	377	11.8%	5.2%	13.4%	14.0%	11.9x	10.8x	20.6x	18.8x	NM	NM
Comtech Telecommunications Corp.	3.03	(64.1%)	(66.8%)	86	173	430	11.1%	(4.6)%	11.4%	9.9%	6.6x	7.9x	6.2x	18.4x	2.7x	3.2x
Curtiss-Wright Corporation	270.98	21.6%	47.5%	10,378	824	11,202	11.3%	6.3%	21.4%	21.3%	18.4x	17.4x	28.9x	26.2x	1.4x	1.3x
Elbit Systems Ltd.	176.38	(18.2%)	(15.1%)	7,864	1,410	9,231	8.4%	7.3%	10.5%	10.0%	14.8x	14.4x	NA	NA	2.3x	2.2x
Huntington Ingalls Industries, Inc.	246.33	(5.1%)	8.2%	9,714	2,645	12,359	7.3%	2.1%	9.8%	9.1%	11.0x	11.5x	14.4x	14.9x	2.3x	2.5x
Kratos Defense & Security Solutions, Inc.	20.01	(1.4%)	39.5%	3,003	(49)	2,977	15.5%	11.0%	9.2%	9.4%	31.2x	27.5x	47.6x	44.2x	NM	NM
Leonardo DRS, Inc.	25.51	27.3%	47.1%	6,762	324	7,037	4.9%	6.4%	11.5%	12.6%	21.7x	18.6x	34.9x	31.6x	1.0x	0.9x
Mercury Systems, Inc.	26.99	(26.2%)	(22.0%)	1,602	558	2,160	(10.5)%	(6.1)%	5.1%	5.1%	46.9x	50.4x	NM	NM	12.1x	13.0x
Palantir Technologies Inc.	25.33	47.5%	65.2%	60,693	(3,651)	52,842	16.7%	21.3%	29.9%	33.8%	79.3x	57.9x	NM	76.7x	NM	NM
Teledyne Technologies Incorporated	387.98	(13.1%)	(5.6%)	18,557	2,334	20,738	3.2%	(0.3)%	24.1%	24.1%	15.3x	15.3x	21.0x	24.0x	1.7x	1.7x
Mean							**11.3%**	**5.4%**	**15.3%**	**15.1%**	**26.4x**	**24.7x**	**28.1x**	**35.7x**	**3.4x**	**3.5x**
Median							**11.1%**	**6.3%**	**11.5%**	**12.6%**	**18.4x**	**17.4x**	**24.9x**	**26.2x**	**2.3x**	**2.2x**
Defense & Law Enforcement Protection																
AirBoss of America Corp.	$4.21	14.0%	(18.6%)	$115	$111	$224	(10.7)%	5.2%	6.3%	6.0%	8.4x	8.3x	NM	NM	4.2x	4.1x
Avon Protection plc	16.40	51.6%	51.5%	501	77	569	(5.1)%	6.5%	14.9%	15.8%	15.1x	13.3x	26.6x	30.5x	2.0x	1.8x
Axon Enterprise, Inc.	294.24	13.9%	50.8%	22,338	(344)	21,862	31.4%	26.5%	21.1%	22.4%	66.4x	49.3x	71.1x	67.4x	NM	NM
Cadre Holdings, Inc.	33.56	2.0%	53.9%	1,372	135	1,498	5.4%	18.1%	17.8%	18.7%	17.5x	14.1x	31.2x	28.8x	1.6x	1.3x
MSA Safety Incorporated	187.69	11.2%	7.9%	7,395	493	7,888	17.0%	4.3%	25.1%	26.7%	17.6x	15.8x	26.7x	24.2x	1.1x	1.0x
Mean							**7.6%**	**12.1%**	**17.0%**	**17.9%**	**25.0x**	**20.2x**	**38.9x**	**37.7x**	**2.2x**	**2.0x**
Median							**5.4%**	**6.5%**	**17.8%**	**18.7%**	**17.5x**	**14.1x**	**28.9x**	**29.7x**	**1.8x**	**1.5x**
Government Services																
Booz Allen Hamilton Holding Corporation	$153.90	20.3%	37.9%	$19,991	$3,076	$22,998	13.9%	11.3%	10.8%	11.0%	20.5x	18.2x	29.7x	26.0x	2.7x	2.4x
CACI International Inc	430.13	32.8%	26.2%	9,590	1,854	11,444	10.0%	7.3%	10.1%	11.0%	15.8x	13.6x	22.7x	19.3x	2.6x	2.2x
KBR, Inc.	64.14	15.8%	(1.4%)	8,619	1,700	10,323	6.0%	8.9%	10.7%	11.0%	13.8x	12.3x	22.0x	19.8x	2.3x	2.0x
Leidos Holdings, Inc.	145.88	34.8%	64.9%	19,838	4,541	24,321	7.2%	5.1%	10.8%	11.5%	14.6x	13.0x	20.0x	16.6x	2.7x	2.4x
Maximus, Inc.	85.70	2.2%	1.4%	5,210	1,294	6,504	5.4%	5.5%	9.5%	11.4%	13.8x	10.9x	19.2x	14.6x	2.7x	2.2x
Parsons Corporation	81.81	30.5%	69.9%	8,787	994	9,779	29.7%	16.4%	8.5%	8.9%	21.0x	17.4x	33.7x	27.3x	2.1x	1.8x
Science Applications International Corporation	117.55	(5.4%)	4.5%	6,026	2,170	8,160	(3.4)%	(0.0)%	9.0%	9.3%	12.2x	11.8x	14.9x	14.5x	3.2x	3.1x
V2X, Inc.	47.96	3.3%	(3.2%)	1,510	1,164	2,673	37.1%	5.4%	7.4%	7.4%	9.1x	8.6x	12.8x	11.7x	4.0x	3.8x
Mean							**13.2%**	**7.5%**	**9.6%**	**10.2%**	**15.1x**	**13.2x**	**21.9x**	**18.7x**	**2.8x**	**2.5x**
Median							**8.6%**	**6.4%**	**9.8%**	**11.0%**	**14.2x**	**12.7x**	**21.0x**	**17.9x**	**2.7x**	**2.3x**

Sources: FactSet, Capital IQ. Note: “NM” = Not Meaningful, “NEG” = Negative, “NA” = Not Available.

Space:
Public Company Performance

Space

(USD in millions, except per share data) Company (ticker)	Price as of 6/30/2024	YTD Price Change	1-Yr Price Change	Market Value(1)	Net Debt	Enterprise Value	CY Revenue Growth		CY EBITDA Margin		EV/Revenue		Price to Earnings		Net Debt/EBITDA	
							'22-'23	'23-'24	CY 23	CY 24	CY 23	CY 24	CY 23	CY 24	CY 23	CY 24
Space																
BlackSky Technology Inc.	$1.07	(23.6%)	(51.8%)	$156	$57	$211	44.6%	NM	NM	11.6%	2.2x	1.9x	NM	NM	NM	4.5x
MDA Space Ltd.	9.98	14.8%	61.8%	1,223	400	1,593	29.1%	NM	21.6%	19.7%	2.6x	2.2x	33.0x	24.8x	3.0x	2.7x
Mynaric AG	15.75	(32.4%)	(38.6%)	100	71	168	26.1%	NM	NM	NM	28.2x	2.8x	NM	NM	NM	NM
Redwire Corporation	7.17	151.6%	181.2%	470	75	641	NM	NM	6.3%	6.9%	2.6x	2.1x	NM	NM	4.9x	3.6x
Rocket Lab USA, Inc.	4.80	(13.2%)	(20.0%)	2,405	(16)	2,281	15.9%	77.7%	NM	NM	9.3x	5.2x	NM	NM	0.2x	0.2x
Spire Inc.	60.73	(2.6%)	(4.3%)	3,507	4,489	8,238	NM	(2.1)%	25.3%	30.7%	3.2x	3.2x	15.3x	14.0x	6.8x	5.7x
Terran Orbital Corporation	0.82	(28.1%)	(45.3%)	166	168	333	44.2%	NM	NM	NM	2.5x	1.6x	NM	NM	NM	NM
Virgin Galactic Holdings, Inc.	8.43	(82.8%)	(89.1%)	173	(273)	(166)	194.1%	NM	NM	NM	NM	NM	NM	NM	0.6x	0.8x
Mean							**59.0%**	**37.8%**	**17.7%**	**17.2%**	**7.2x**	**2.7x**	**24.1x**	**19.4x**	**3.1x**	**2.9x**
Median							**36.7%**	**37.8%**	**21.6%**	**15.7%**	**2.6x**	**2.2x**	**24.1x**	**19.4x**	**3.0x**	**3.2x**

Sources: FactSet, Capital IQ. Note: “NM” = Not Meaningful, “NEG” = Negative, “NA” = Not Available.
(1) Note: Excludes companies with less than $50M in Market Capitalization.

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