



Industry Update  
**Aerospace, Defense and Government**  
Q3 2024

## 1

# Financial Performance

## Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 09/30/24	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2024 Est. Revenue	2024 Est. EBITDA
<b>Diversified Contractors</b>									
QUALCOMM Incorporated	QCOM	\$170.05	73.7%	\$186,346	\$52,741	\$37,349	\$11,565	\$39,324	\$14,842
General Dynamics Corporation	GD	\$302.20	97.5%	\$90,505	\$57,312	\$46,046	\$5,403	\$47,879	\$5,783
Motorola Solutions, Inc.	MSI	\$449.63	99.5%	\$82,583	\$13,345	\$10,421	\$3,069	\$10,805	\$3,397
Teledyne Technologies Incorporated	TDY	\$437.66	97.7%	\$23,650	\$14,531	\$5,593	\$1,346	\$5,620	\$1,357
Juniper Networks, Inc.	MTZ	\$38.98	98.0%	\$13,546	\$9,596	\$5,034	\$499	\$12,223	\$990
MasTec, Inc.	JNPR	\$123.10	96.2%	\$13,212	\$8,763	\$12,180	\$890	\$5,062	\$819
Kratos Defense & Security Solutions, Inc.	KTOS	\$23.30	96.8%	\$3,497	\$1,914	\$1,126	\$81	\$1,145	\$107
<b>Information Technology and Consulting Contractors</b>									
L3Harris Technologies, Inc.	LHX	\$237.87	96.9%	\$60,032	\$41,889	\$21,142	\$3,706	\$21,289	\$3,994
Fortinet, Inc.	FTNT	\$77.55	99.2%	\$57,339	\$8,053	\$5,537	\$1,559	\$5,858	\$1,917
Tyler Technologies, Inc.	TYL	\$583.72	97.5%	\$26,048	\$4,997	\$2,078	\$369	\$2,137	\$580
NetApp, Inc.	NTAP	\$123.51	91.5%	\$23,461	\$9,311	\$6,377	\$1,582	\$6,527	\$2,045
CACI International Inc	CACI	\$504.56	100.0%	\$14,424	\$7,183	\$7,867	\$834	\$7,992	\$878
Viasat, Inc.	VSAT	\$11.94	41.0%	\$7,214	\$16,088	\$4,630	\$588	\$4,529	\$1,507
VSE Corporation	VSEC	\$82.73	87.9%	\$2,651	\$1,464	\$1,016	\$122	\$1,067	\$130
Verint Systems Inc.	VRNT	\$25.33	66.4%	\$2,051	\$2,184	\$915	\$146	\$933	\$271

Source: Capital IQ

## Financial Performance (cont.)

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 09/30/24	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2024 Est. Revenue	2024 Est. EBITDA
<b>Aerospace and Defense Contractors</b>									
The Boeing Company	BA	\$152.04	56.8%	\$160,075	\$137,695	\$73,293	-\$3,991	\$68,460	-\$5,426
TransDigm Group Incorporated	TDG	\$1,427.13	99.6%	\$93,589	\$21,828	\$7,606	\$3,774	\$8,169	\$4,295
Northrop Grumman Corporation	NOC	\$528.07	98.8%	\$89,147	\$48,289	\$40,985	\$4,458	\$41,330	\$5,748
Huntington Ingalls Industries, Inc.	HII	\$264.38	88.3%	\$10,371	\$11,082	\$11,708	\$1,071	\$11,625	\$929
Hexcel Corporation	HXL	\$61.83	80.2%	\$5,559	\$2,862	\$1,887	\$352	\$1,911	\$376
AAR Corp.	AIR	\$65.36	85.6%	\$3,117	\$2,783	\$2,431	\$213	\$2,540	\$283
OSI Systems, Inc.	OSIS	\$151.83	95.7%	\$2,960	\$2,114	\$1,604	\$241	\$1,632	\$279
Triumph Group, Inc.	TGI	\$12.89	72.1%	\$1,906	\$1,493	\$1,209	\$148	\$1,215	\$164

Source: Capital IQ

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## Valuation Metrics

## Return Profile, Trading Multiples

Company Name	Ticker	Return Profile						Trading Multiples	
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Diversified Contractors</b>									
QUALCOMM Incorporated	QCOM	12.1%	38.9%	-3.2%	31.0%	-2.7%	1.3x	5.0x	16.1x
General Dynamics Corporation	GD	5.1%	17.0%	11.1%	11.7%	12.2%	0.6x	2.0x	16.8x
Motorola Solutions, Inc.	MSI	13.3%	251.5%	7.9%	29.5%	13.0%	1.0x	7.9x	26.9x
Teledyne Technologies Incorporated	TDY	4.5%	10.3%	-0.6%	24.1%	-2.1%	1.0x	4.2x	17.6x
Juniper Networks, Inc.	JNPR	2.2%	5.6%	-10.9%	9.9%	-39.5%	0.9x	2.7x	27.2x
MasTec, Inc.	MTZ	2.4%	4.2%	3.9%	7.3%	11.9%	1.7x	1.1x	14.8x
Kratos Defense & Security Solutions, Inc.	KTOS	1.6%	1.5%	16.5%	7.2%	93.1%	1.0x	3.1x	43.2x
	Mean	5.9%	47.0%	3.5%	17.2%	12.3%	1.1x	3.7x	19.9x
	Median	4.5%	10.3%	3.9%	11.7%	11.9%	1.0x	3.1x	17.2x
<b>Information Technology and Consulting Contractors</b>									
Fortinet, Inc.	LHX	11.6%	430.9%	11.0%	28.1%	21.8%	1.0x	10.4x	36.8x
L3Harris Technologies, Inc.	FTNT	3.6%	6.3%	13.3%	17.5%	16.6%	0.7x	2.8x	16.2x
Tyler Technologies, Inc.	TYL	3.6%	7.7%	8.0%	17.8%	16.3%	0.8x	12.5x	70.6x
NetApp, Inc.	NTAP	9.2%	120.4%	2.8%	24.8%	21.4%	1.2x	3.7x	14.8x
CACI International Inc	CACI	6.2%	13.3%	13.2%	10.6%	16.8%	0.9x	1.8x	17.3x
Viasat, Inc.	VSAT	-2.5%	-17.9%	67.7%	12.7%	26.2%	1.4x	1.6x	12.3x
Verint Systems Inc.	VRNT	3.2%	5.0%	3.0%	16.0%	26.3%	1.2x	2.2x	14.0x
VSE Corporation	VSEC	4.2%	4.8%	27.5%	12.0%	17.2%	1.6x	2.6x	21.8x
	Mean	4.9%	71.3%	18.3%	17.4%	20.3%	1.1x	4.7x	19.0x
	Median	3.9%	7.0%	12.1%	16.8%	19.3%	1.1x	2.7x	16.2x

Source: Capital IQ

## Valuation Metrics (cont.)

### Return Profile, Trading Metrics

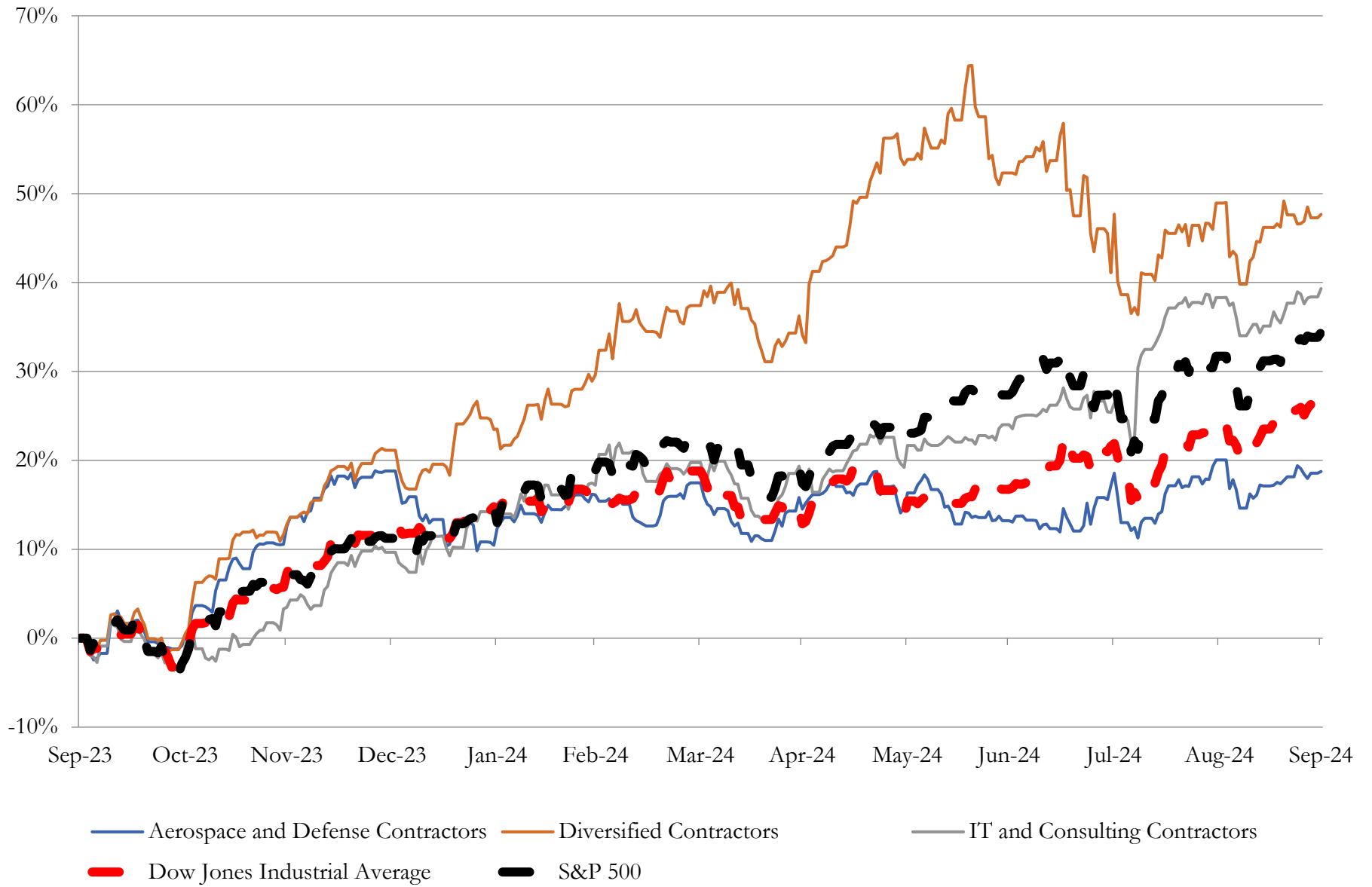
Company Name	Ticker	Return Profile						Trading Multiples	
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Aerospace and Defense Contractors</b>									
The Boeing Company	BA	-2.7%	N/A	-3.3%	-5.4%	N/A	1.6x	2.2x	N/A
Northrop Grumman Corporation	NOC	4.2%	15.5%	5.9%	10.9%	-37.7%	0.3x	2.2x	20.0x
TransDigm Group Incorporated	TDG	10.5%	N/A	21.8%	49.6%	26.1%	1.4x	12.3x	24.8x
Huntington Ingalls Industries, Inc.	HII	4.3%	17.7%	5.6%	9.1%	-0.8%	0.5x	0.9x	9.7x
Hexcel Corporation	HXL	5.0%	6.7%	7.1%	18.7%	3.7%	1.3x	2.9x	15.8x
AAR Corp.	TGI	4.4%	5.6%	16.1%	8.8%	23.3%	1.6x	1.3x	14.6x
OSI Systems, Inc.	OSIS	6.7%	17.6%	24.3%	15.0%	30.4%	1.1x	1.8x	12.3x
Triumph Group, Inc.	AIR	4.7%	N/A	15.7%	12.3%	9.3%	2.5x	1.6x	12.9x
	<b>Mean</b>	<b>4.6%</b>	<b>12.6%</b>	<b>11.7%</b>	<b>14.9%</b>	<b>7.7%</b>	<b>1.3x</b>	<b>3.2x</b>	<b>15.7x</b>
	<b>Median</b>	<b>4.5%</b>	<b>15.5%</b>	<b>11.4%</b>	<b>11.6%</b>	<b>9.3%</b>	<b>1.4x</b>	<b>2.0x</b>	<b>14.6x</b>

Source: Capital IQ

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## LTM Equity Performance

### Major Indexes



Source: Capital IQ

## 4

## Recent M&amp;A Activity

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

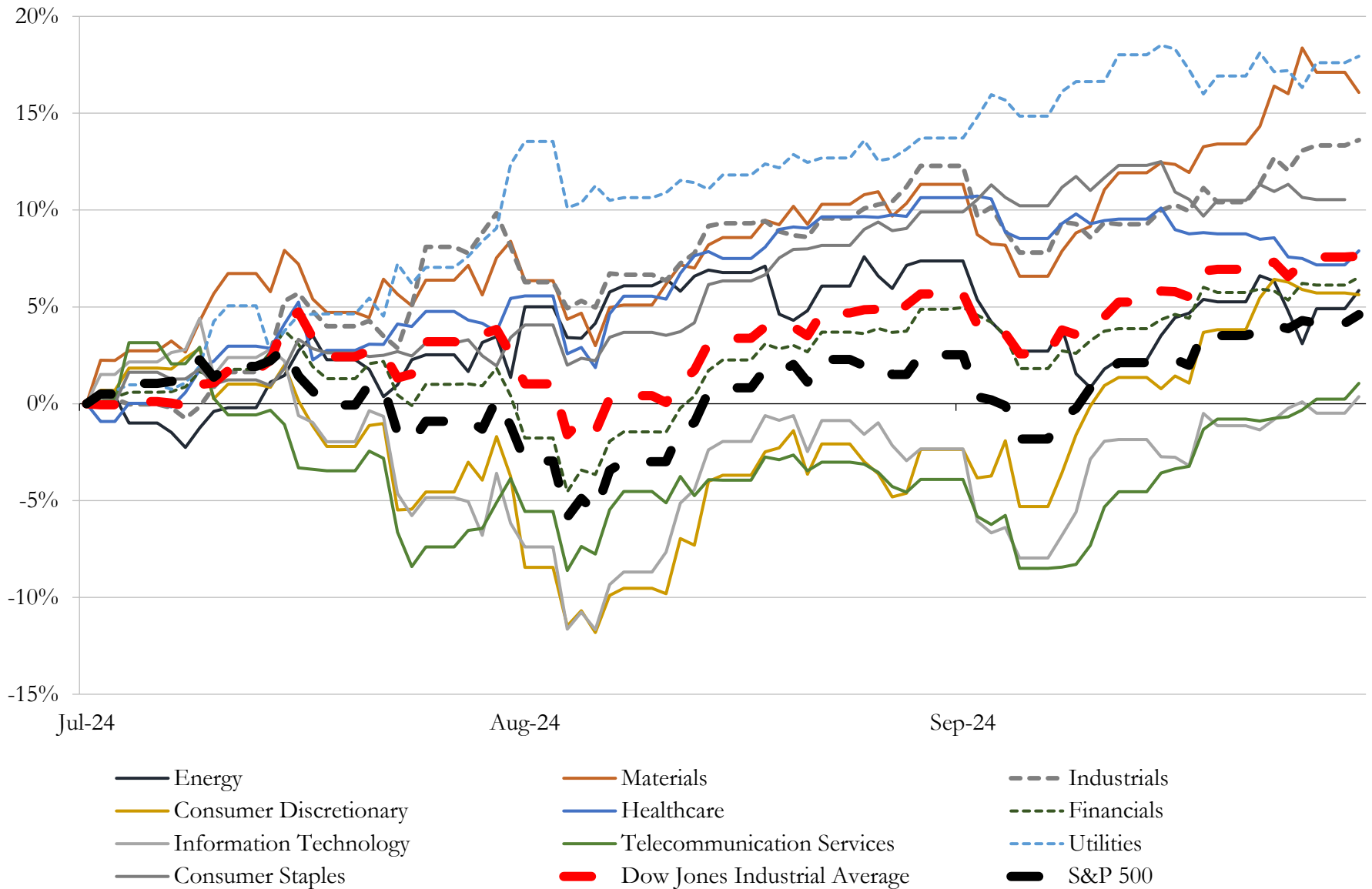
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Aug-24	Cobham Advanced Electronic Solutions Inc.	Honeywell International Inc.	\$1,930
Apr-24	Kaman Corporation	Arcline Investment Management LP	\$1,884
Jun-24	Electron Device Business of Communications & Power Industries, Inc.	TransDigm Group Incorporated	\$1,385
Mar-24	Cybersecurity, Intelligence and Services Business of Raytheon Company	N/A	\$1,300
Jul-24	Raptor Scientific LLC	TransDigm Group Incorporated	\$655
Sep-24	kSARIA Corporation	ITT Inc.	\$475
May-24	Peerless Aerospace Fastener Corp.	Diploma PLC	\$300
Aug-24	BlackSignal Technologies, LLC	Parsons Corporation	\$200
Jun-24	Non-Core Assets of L3Harris Technologies, Inc.	Fisica, Inc.	\$200
Feb-24	Sierra Bullets, L.L.C./Barnes Bullets - Mona, LLC	JDH Capital	\$175
Jan-24	Vian Enterprises, Inc.	Crane Company	\$146
Aug-24	Aero Turbine, Inc.	Dynasty Parent Co., Inc. (nka:StandardAero, Inc.)	\$141
Oct-23	Jet East Corporate Aviation, LLC	West Star Aviation, LLC	\$132
Apr-24	Turbine Controls, Inc.	VSE Corporation	\$120
Feb-24	Alpha Safety Intermediate, LLC	Safariland, LLC	\$103
Jul-24	Astra Space, Inc.	N/A	\$85
Dec-23	Quick Turn Engine Center LLC	FTAI Aviation Ltd.	\$61
Apr-24	Wsc, Inc.	Curtiss-Wright Corporation	\$34
Oct-23	Sierra Technical Services, Inc.	Kratos Defense & Security Solutions, Inc.	\$27
Jun-24	FMS Aerospace	Bridger Aerospace Group Holdings, Inc.	\$21
Nov-23	P3 Technologies, LLC	Graham Corporation	\$13
May-24	Allegient Defense, Inc.	BCS, LLC (nka:BCS Allegient)	\$13
Dec-23	SLPE business	N/A	\$5
Oct-23	Immaterial Business of Leidos Holdings, Inc.	N/A	\$2
Sep-24	Jet In FBO	Jet Aviation AG	NA
Sep-24	Sabre Systems, Inc.	CM Equity Partners	NA
Sep-24	Bevan Aviation Inc.	Yingling Aircraft, Inc.	NA
Sep-24	Ravenswood Solutions, Inc.	N/A	NA
Sep-24	The technology resale business of Three Wire Systems, LLC	Emergent, LLC	NA
Sep-24	Saint Technologies Inc.	First Aviation Services Inc.	NA

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

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



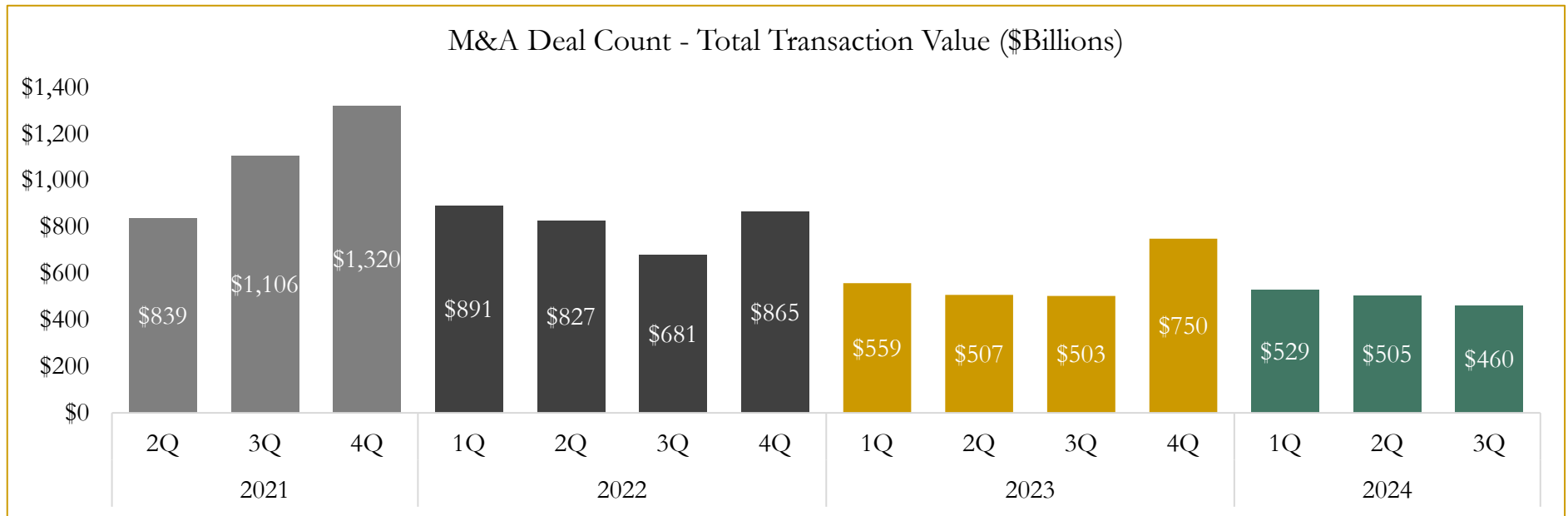
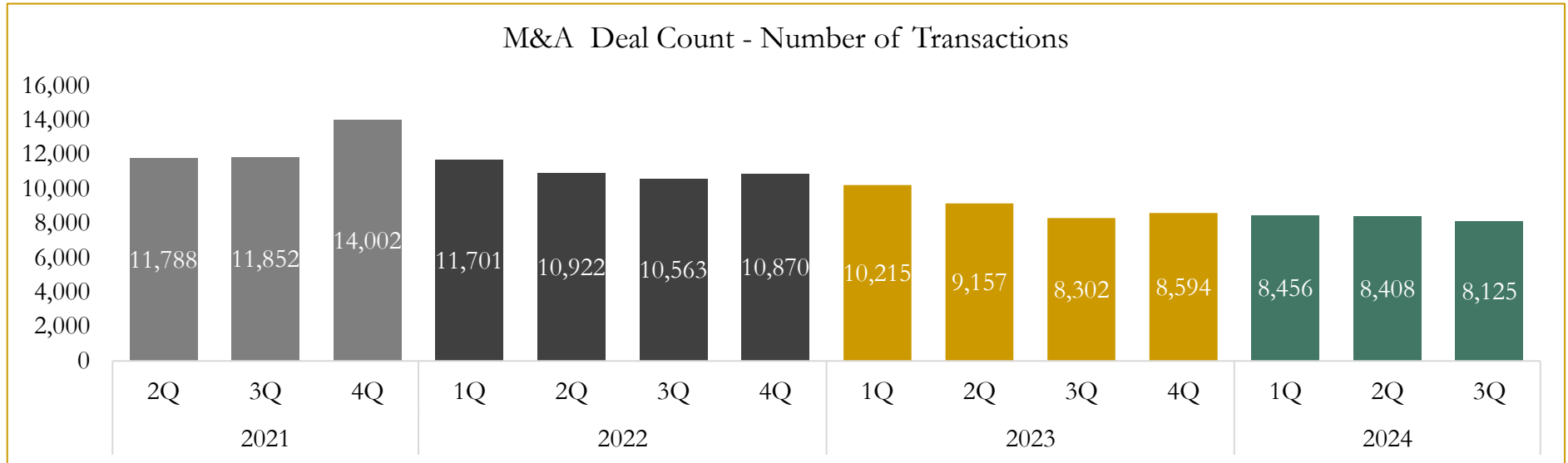
Source: Capital IQ



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## M&A Deal Flow Statistics

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



Source: Capital IQ

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- **Complex & Illiquid Securities (Level 3)**
- **Cryptoasset /Blockchain Valuations**
  - Locked Token Valuations
- **Enterprise Valuations**
- **Fairness & Solvency Opinions**
  - SPAC Fairness
- **Estate & Gift Valuations**
- **Purchase Price Allocation (ASC 805)**
- **Goodwill Impairment Testing (ASC 350)**
- **Stock-based Compensation (ASC 718, IRC 409A)**

### Investment Banking

- **Mergers & Acquisitions**
  - Sell-Side Advisory
  - Sale of Minority Ownership Positions
  - Leveraged Buyouts
  - Majority Recapitalizations
  - Corporate Divestitures
- **Corporate Financial Services**
  - Financial Modeling
  - Investor Presentation
  - Valuation Analysis
  - Strategic Advisory

**For questions or inquiries regarding our services, please contact:**

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