



# M&A MARKET MONITOR

AEROSPACE & DEFENSE

January 2021

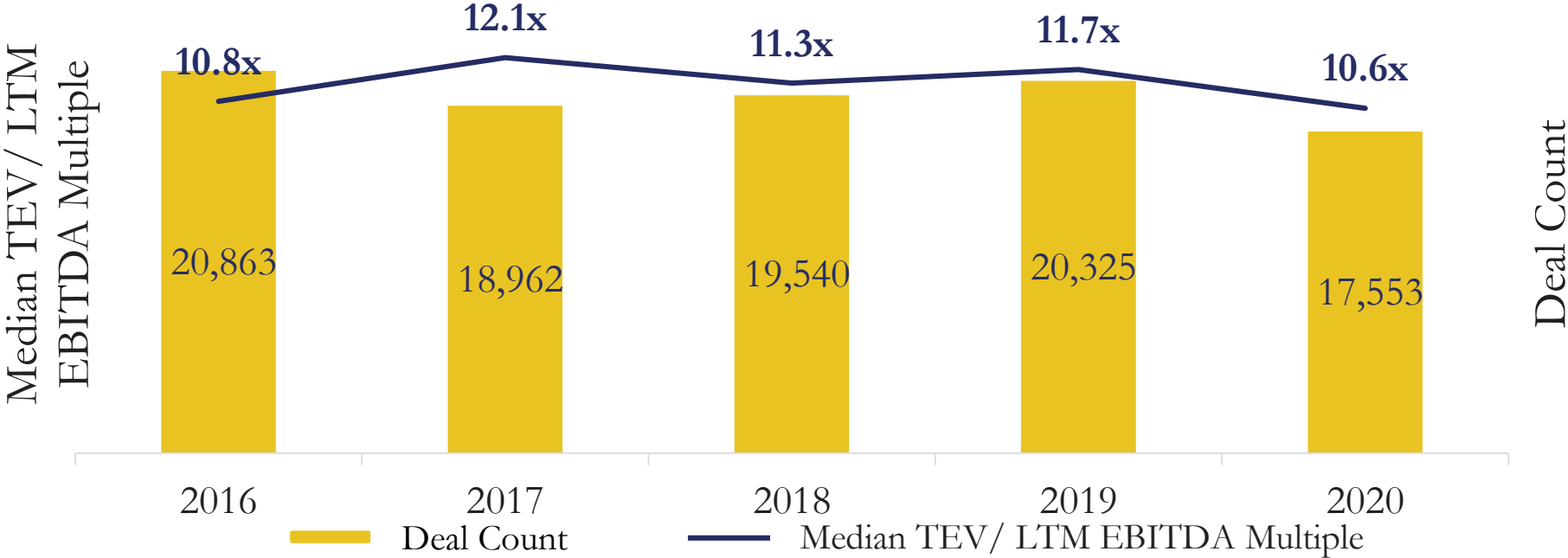
# U.S. & Canada M&A Market Overview



## Overall Market Transactions

### Quick Highlights

- Although the pandemic affected the U.S. & Canada M&A market, volume and multiples ended the year at approximately 90% of recent historical averages
  - 2020 deal count was 88% of the previous 4-year (2016-2019) average
  - 2020 median TEV/LTM EBITDA multiple was 92% of the previous 4-year (2016-2019) average



Source: S&P Capital IQ; ArkMalibu; Other publicly available sources, As of 12/31/2020

### About the Data

The information presented in this report is an analysis of deals in the United States or Canada. A deal is described as any closed or announced M&A transaction where the target is headquartered in the United States or Canada, financial terms of the transaction have been disclosed, and the target has an industry classification that falls into the subject industry group and as such may not be representative of your company's market valuation. Past performance is not indicative of future results. Certain adjustments have been made to the information to exclude transactions which are not specific to the industry or incorporate relevant transactions for which an industry classification was omitted.

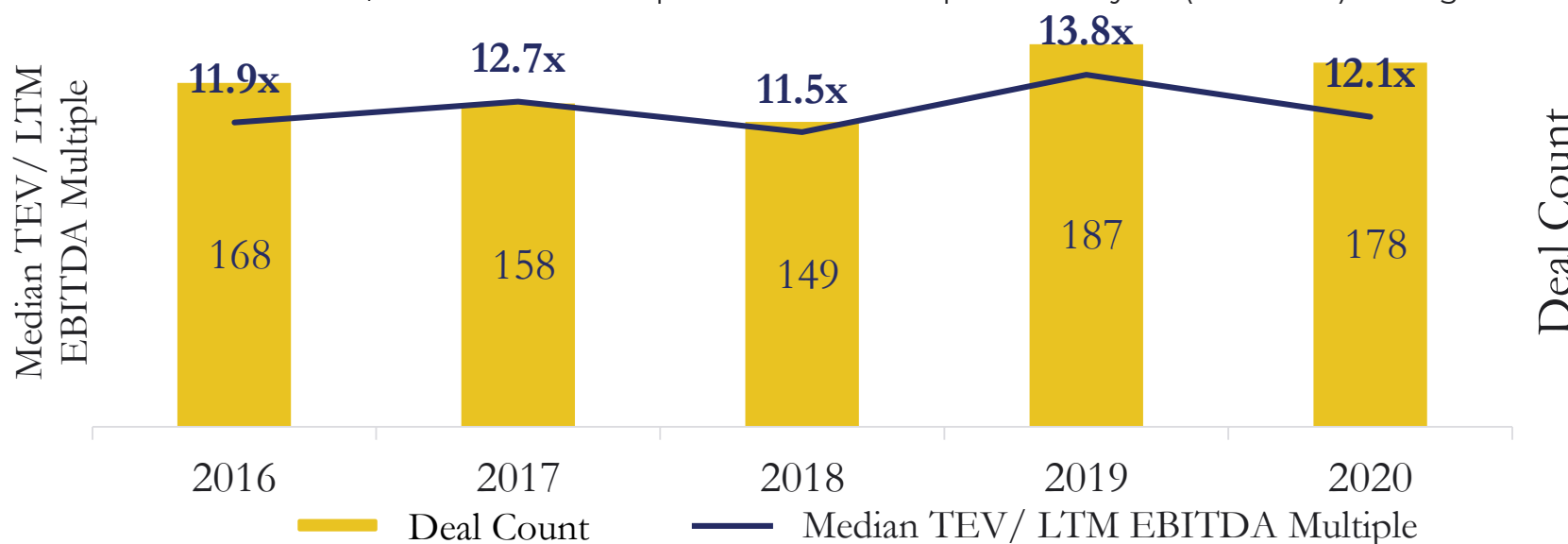
# U.S. & Canada M&A Market Overview

## Aerospace & Defense Transactions



### Quick Highlights

- The Aerospace & Defense industry 2020 deal count exceeded historical averages while multiples remained relatively unchanged
  - 2020 deal count was 108% of the previous 4-year (2016-2019) average
  - 2020 median TEV/LTM EBITDA multiple was 97% of the previous 4-year (2016-2019) average



Source: S&P Capital IQ; ArkMalibu; Other publicly available sources

As of 12/31/2020

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# Public Companies' Trading Metrics | Aerospace & Defense

As of: 12/31/2020

Category / Company	Valuation Statistics				Multiples Data			
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
<b>Aircraft OEMs</b>								
Airbus SE	\$109.82	\$86,019	\$92,050	-1.4%	1.4	1.5	NM	13.2
Bombardier Inc.	\$0.38	\$993	\$13,244	0.8%	0.9	0.9	34.4	11.1
Embraer S.A.	\$1.70	\$1,255	\$4,017	1.1%	2.9	1.0	159.7	17.9
The Boeing Company	\$214.06	\$120,843	\$154,954	-3.6%	2.6	2.1	NM	28.2
<b>Median</b>	<b>\$55.76</b>	<b>\$43,637</b>	<b>\$52,647</b>	<b>-0.3%</b>	<b>2.0</b>	<b>1.2</b>	<b>97.0</b>	<b>15.5</b>
<b>Aerospace Supply Chain &amp; Aftermarket Support</b>								
Airbus SE	\$109.82	\$86,019	\$92,050	-1.4%	1.4	1.5	NM	13.2
Astronics Corporation	\$13.23	\$408	\$572	7.1%	1.0	1.2	11.8	19.2
Ducommun Incorporated	\$53.70	\$629	\$920	12.3%	1.4	1.4	10.8	10.1
HEICO Corporation	\$132.40	\$16,660	\$17,303	26.1%	9.7	9.0	35.6	33.8
Héroux-Devtek Inc.	\$11.07	\$402	\$573	13.5%	1.2	1.3	8.3	8.6
Hexcel Corporation	\$48.49	\$4,051	\$4,982	17.8%	2.8	3.8	15.7	22.9
Kaman Corporation	\$57.13	\$1,581	\$1,731	16.9%	2.1	2.1	12.2	12.3
Meggitt PLC	\$6.37	\$4,956	\$6,322	21.4%	2.2	2.5	9.8	13.9
Moog Inc.	\$79.30	\$2,580	\$3,515	10.6%	1.2	1.3	10.5	11.6
RBC Bearings Incorporated	\$179.04	\$4,390	\$4,274	26.1%	6.4	7.0	23.6	28.1
Safran SA	\$141.83	\$60,545	\$65,284	18.5%	2.4	3.1	12.4	16.5
Senior plc	\$1.22	\$505	\$831	8.5%	0.6	0.8	6.7	9.4
Solvay SA	\$118.51	\$12,255	\$15,445	18.0%	1.3	1.4	6.4	6.3
The Boeing Company	\$214.06	\$120,843	\$154,954	-3.6%	2.6	2.1	NM	28.2
TransDigm Group Incorporated	\$618.85	\$33,688	\$49,532	41.6%	9.7	10.5	23.0	23.5
Triumph Group, Inc.	\$12.56	\$655	\$2,300	9.1%	1.0	1.3	9.2	12.6
Woodward, Inc.	\$121.53	\$7,631	\$8,391	17.7%	3.4	3.5	18.1	19.8
<b>Median</b>	<b>\$79.30</b>	<b>\$4,390</b>	<b>\$4,982</b>	<b>16.9%</b>	<b>2.1</b>	<b>2.1</b>	<b>11.8</b>	<b>13.9</b>

Source: S&P Capital IQ; ArkMalibu

EV = enterprise value; LTM = last twelve months; NTM = next twelve months; NM = not meaningful

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					LTM	NTM	LTM	NTM
USD in millions except per share price								
<b>Diversified Industrials</b>								
AMETEK, Inc.	\$120.94	\$27,824	\$29,493	28.0%	6.3	6.2	21.8	21.0
Crane Co.	\$77.66	\$4,513	\$5,258	15.7%	1.7	1.7	10.2	10.1
Curtiss-Wright Corporation	\$116.35	\$4,829	\$5,594	20.0%	2.4	2.2	10.8	10.3
Eaton Corporation plc	\$120.14	\$48,092	\$56,038	14.4%	3.0	3.1	19.4	17.6
General Electric Company	\$10.80	\$94,607	\$157,306	8.6%	1.9	2.0	18.5	21.0
Honeywell International Inc.	\$212.70	\$149,249	\$157,485	22.7%	4.7	4.8	20.0	18.6
Parker-Hannifin Corporation	\$272.41	\$35,086	\$42,268	19.0%	3.1	3.1	16.0	16.1
Rolls-Royce Holdings plc	\$1.52	\$12,691	\$18,826	-9.6%	0.9	1.2	NM	34.5
Textron Inc.	\$48.33	\$11,062	\$13,541	8.9%	1.1	1.1	12.0	10.1
<b>Median</b>	<b>\$116.35</b>	<b>\$27,824</b>	<b>\$29,493</b>	<b>15.7%</b>	<b>2.4</b>	<b>2.2</b>	<b>17.3</b>	<b>17.6</b>
<b>Defense Prime Contractors</b>								
Airbus SE	\$109.82	\$86,019	\$92,050	-1.4%	1.4	1.5	NM	13.2
BAE Systems plc	\$6.67	\$21,459	\$26,284	10.4%	1.0	0.9	8.4	7.3
General Dynamics Corporation	\$148.82	\$42,609	\$55,931	13.5%	1.5	1.4	10.1	10.7
Honeywell International Inc.	\$212.70	\$149,249	\$157,485	22.7%	4.7	4.8	20.0	18.6
Huntington Ingalls Industries, Inc.	\$170.48	\$6,903	\$8,625	11.3%	1.0	0.9	7.7	10.1
Lockheed Martin Corporation	\$354.98	\$99,318	\$108,441	15.1%	1.7	1.6	11.1	10.4
Northrop Grumman Corporation	\$304.72	\$50,802	\$62,802	12.4%	1.8	1.7	13.1	11.8
The Boeing Company	\$214.06	\$120,843	\$154,954	-3.6%	2.6	2.1	NM	28.2
<b>Median</b>	<b>\$191.59</b>	<b>\$68,410</b>	<b>\$77,426</b>	<b>11.8%</b>	<b>1.6</b>	<b>1.5</b>	<b>10.6</b>	<b>11.2</b>

Source: S&P Capital IQ; ArkMalibu

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USD in millions except per share price								
<b>Defense Technologies</b>								
AeroVironment, Inc.	\$86.90	\$2,077	\$1,743	15.0%	4.6	4.1	36.2	26.1
Chemring Group PLC	\$3.90	\$1,100	\$1,166	18.3%	2.1	2.0	11.3	10.6
Comtech Telecommunications Corp.	\$20.69	\$517	\$733	10.7%	1.3	1.1	9.3	9.3
Cubic Corporation	\$62.04	\$1,956	\$2,778	11.2%	1.9	1.8	14.9	15.7
Elbit Systems Ltd.	\$131.61	\$5,817	\$6,922	10.8%	1.4	1.5	11.0	NM
FLIR Systems, Inc.	\$43.83	\$5,748	\$6,261	22.8%	3.3	3.3	14.1	13.7
Kratos Defense & Security Solutions, Inc.	\$27.43	\$3,367	\$3,392	7.9%	4.7	3.9	49.4	36.5
Mercury Systems, Inc.	\$88.06	\$4,932	\$4,759	18.3%	5.8	5.2	29.6	23.5
Teledyne Technologies Incorporated	\$391.98	\$14,457	\$14,930	19.9%	4.8	4.7	23.1	22.8
Ultra Electronics Holdings plc	\$28.29	\$2,008	\$2,154	15.4%	1.9	1.8	11.2	10.2
<b>Median</b>	<b>\$52.94</b>	<b>\$2,722</b>	<b>\$3,085</b>	<b>15.2%</b>	<b>2.7</b>	<b>2.7</b>	<b>14.5</b>	<b>15.7</b>
<b>Diversified Services</b>								
AECOM	\$49.78	\$7,505	\$8,893	5.7%	0.7	0.7	8.5	11.1
Babcock International Group PLC	\$3.82	\$1,931	\$4,276	4.5%	0.7	0.7	8.1	5.3
CGI Inc.	\$79.26	\$20,275	\$22,481	17.3%	2.4	2.3	12.6	11.4
Fluor Corporation	\$15.97	\$2,247	\$2,033	-0.4%	0.2	0.1	NM	5.0
Gibson Energy Inc.	\$16.14	\$2,363	\$3,465	7.9%	0.8	0.6	9.7	10.1
ICF International, Inc.	\$74.33	\$1,402	\$1,936	8.8%	1.3	1.3	11.5	13.4
KBR, Inc.	\$30.93	\$4,408	\$5,054	6.6%	0.9	0.9	9.1	9.8
Serco Group plc	\$1.63	\$2,004	\$2,697	5.8%	0.5	0.5	6.8	7.5
<b>Median</b>	<b>\$23.53</b>	<b>\$2,305</b>	<b>\$3,870</b>	<b>6.2%</b>	<b>0.8</b>	<b>0.7</b>	<b>9.1</b>	<b>9.9</b>

Source: S&P Capital IQ; ArkMalibu

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USD in millions except per share price								
<b>Government Services</b>								
Booz Allen Hamilton Holding Corporation	\$87.18	\$12,022	\$13,513	10.2%	1.7	1.6	15.2	16.0
CACI International Inc	\$249.33	\$6,288	\$8,248	10.5%	1.4	1.3	11.6	12.4
Leidos Holdings, Inc.	\$105.12	\$14,961	\$19,647	10.6%	1.6	1.4	15.0	13.8
ManTech International Corporation	\$88.94	\$3,589	\$3,604	9.1%	1.5	1.4	13.2	15.4
Science Applications International Corporation	\$94.64	\$5,510	\$8,238	8.7%	1.2	1.1	11.5	12.4
<b>Median</b>	<b>\$94.64</b>	<b>\$6,288</b>	<b>\$8,248</b>	<b>10.2%</b>	<b>1.5</b>	<b>1.4</b>	<b>13.2</b>	<b>13.8</b>

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- We pursue the highest possible value because we're unconflicted.



## Unorthodox. Senior-Level Service is Our Standard

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- Selling a business requires as much EQ as IQ; with our depth of experience and understanding of the complex human dynamics at play, we coach you through the challenges so you can enjoy your hard-earned and well-deserved prosperity.



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