



# M&A MARKET MONITOR

AEROSPACE & DEFENSE

April 2021

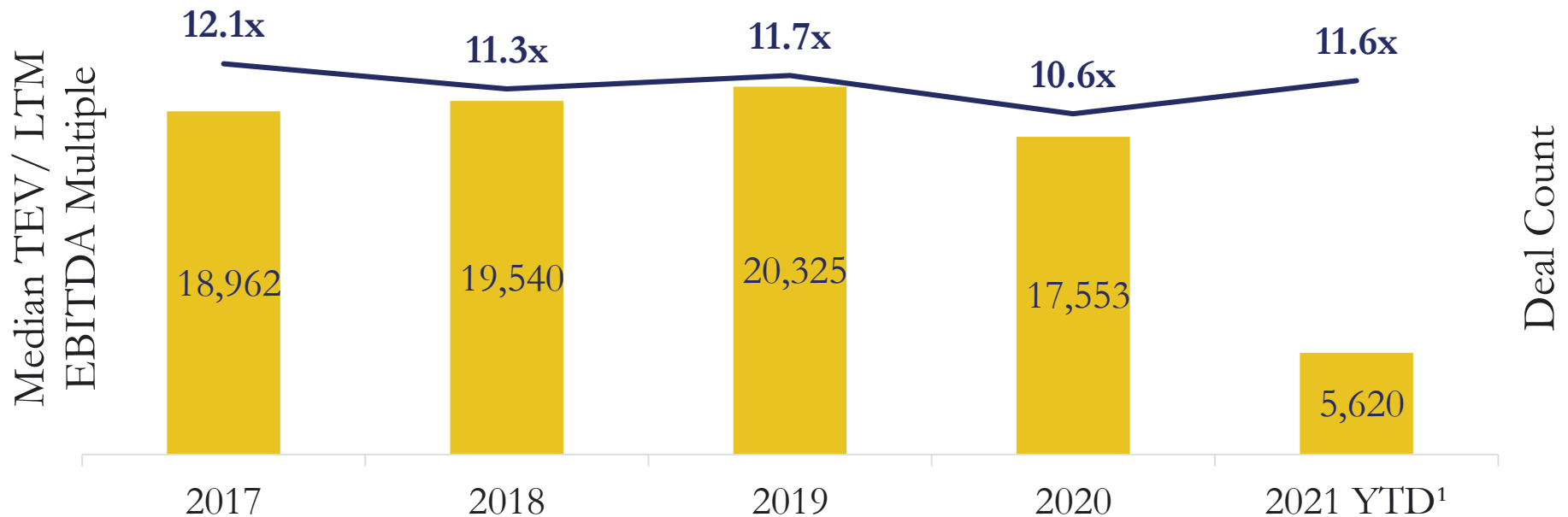
# U.S. & Canada M&A Market Overview



## Overall Market Transactions

### Quick Highlights

- The M&A market surged during the first quarter demonstrated by strong deal count and recovering valuation multiples
  - Annualized 2021 deal count was 118% of the previous 4-year (2017-2020) average
  - Q1 2021 median TEV/LTM EBITDA multiple was in line with the previous 4-year (2017-2020) average



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

<sup>1</sup>YTD as of 03/31/2021

### 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.

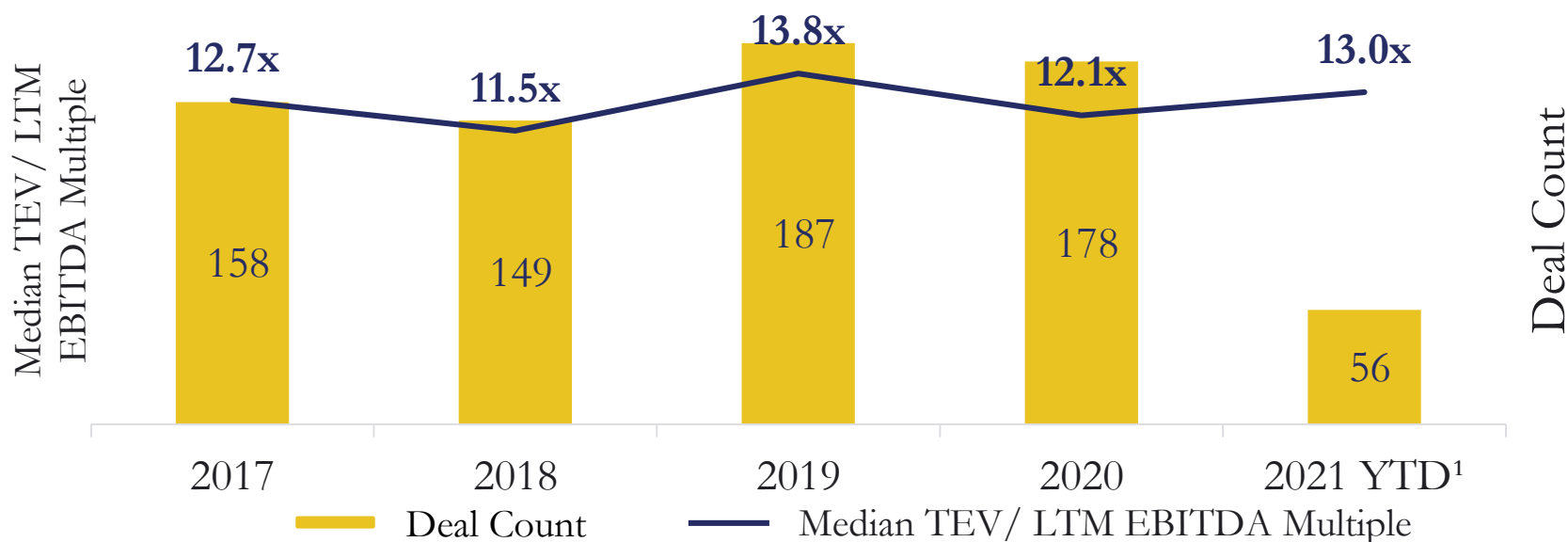
# U.S. & Canada M&A Market Overview



## Aerospace & Defense Transactions

### Quick Highlights

- The Aerospace & Defense industry Q1 2021 deal count and multiples exceeded historical averages
  - Annualized 2021 deal count was 133% of the previous 4-year (2017-2020) average
  - Q1 2021 median TEV/LTM EBITDA multiple was 104% of the previous 4-year (2017-2020) average



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









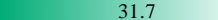














<sup>1</sup>YTD as of 03/31/2021

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# Public Companies' Trading Metrics | Aerospace & Defense

As of: 3/31/2021

Category / Company	Valuation Statistics				Multiples Data						
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)			EV / EBITDA (x)			
					2020A	LTM	NTM	2020A	LTM	NTM	
USD in millions except per share price											
<b>Aircraft OEMs</b>											
Airbus SE	\$113.31	\$88,962	\$89,291	7.9%	1.4	1.5	1.5	NM	18.0		13.8
Bombardier Inc.	\$0.77	\$1,910	\$13,373	-1.4%	0.9	2.0	2.3	34.4	NM		24.7
Embraer S.A.	\$2.48	\$1,825	\$3,607	-2.6%	2.9	1.0	0.8	159.7	NM		11.4
The Boeing Company	\$254.72	\$148,665	\$188,251	-11.0%	2.6	3.2	2.3	NM	NM		33.8
<b>Median</b>	<b>\$57.89</b>	<b>\$45,436</b>	<b>\$51,332</b>	<b>-2.0%</b>	<b>2.0</b>	<b>1.8</b>	<b>1.9</b>	<b>97.0</b>	<b>18.0</b>		19.2
<b>Aerospace Supply Chain &amp; Aftermarket Support</b>											
Airbus SE	\$113.31	\$88,962	\$89,291	7.9%	1.4	1.5	1.5	NM	18.0		13.8
Astronics Corporation	\$18.04	\$558	\$715	4.1%	1.0	1.4	1.5	11.8	25.8		19.7
Ducommun Incorporated	\$60.00	\$710	\$990	12.2%	1.4	1.6	1.5	10.8	12.3		10.6
HEICO Corporation	\$125.80	\$16,027	\$16,551	25.7%	9.7	9.7	8.6	35.6	37.9		31.7
Héroux-Devtek Inc.	\$13.63	\$496	\$646	13.7%	1.2	1.4	1.4	8.3	9.2		9.4
Hexcel Corporation	\$56.00	\$4,689	\$5,581	14.2%	2.8	3.7	4.0	15.7	24.5		28.8
Kaman Corporation	\$51.29	\$1,422	\$1,525	14.9%	2.1	1.9	2.0	12.2	12.4		14.5
Meggitt PLC	\$6.58	\$5,118	\$6,183	16.1%	2.2	2.7	2.7	9.8	15.7		13.3
Moog Inc.	\$83.15	\$2,665	\$3,624	10.2%	1.2	1.3	1.3	10.5	11.5		11.6
RBC Bearings Incorporated	\$196.77	\$4,830	\$4,686	26.0%	6.4	7.4	7.4	23.6	27.3		29.2
Safran SA	\$136.21	\$58,150	\$62,311	16.4%	2.4	3.2	3.3	12.4	18.2		17.4
Senior plc	\$1.53	\$633	\$917	-17.4%	0.6	0.9	1.0	6.7	NM		12.9
Solvay SA	\$124.65	\$12,890	\$15,830	18.1%	1.3	1.4	1.5	6.4	7.4		6.7
The Boeing Company	\$254.72	\$148,665	\$188,251	-11.0%	2.6	3.2	2.3	NM	NM		33.8
TransDigm Group Incorporated	\$587.92	\$32,153	\$47,738	39.8%	9.7	10.1	9.4	23.0	24.9		20.8
Triumph Group, Inc.	\$18.38	\$1,011	\$2,615	7.8%	1.0	1.2	1.5	9.2	13.2		14.7
Woodward, Inc.	\$120.63	\$7,605	\$8,256	17.5%	3.4	3.6	3.4	18.1	19.4		18.7
<b>Median</b>	<b>\$83.15</b>	<b>\$4,830</b>	<b>\$5,581</b>	<b>14.2%</b>	<b>2.1</b>	<b>1.9</b>	<b>2.0</b>	<b>11.8</b>	<b>18.0</b>		14.7

# Public Companies' Trading Metrics | Aerospace & Defense

As of: 3/31/2021

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	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)			EV / EBITDA (x)			
					2020A	LTM	NTM	2020A	LTM	NTM	
USD in millions except per share price											
<b>Diversified Industrials</b>											
AMETEK, Inc.	\$127.73	\$29,480	\$30,854	28.7%	6.3	6.8	6.4	21.8	22.8	21.6	
Crane Co.	\$93.91	\$5,475	\$6,225	15.3%	1.7	2.1	2.0	10.2	12.7	11.4	
Curtiss-Wright Corporation	\$118.60	\$4,853	\$5,884	20.9%	2.4	2.5	2.4	10.8	10.9	11.2	
Eaton Corporation plc	\$138.28	\$55,086	\$62,633	14.5%	3.0	3.5	3.5	19.4	22.4	19.0	
General Electric Company	\$13.13	\$115,342	\$166,981	7.2%	1.9	2.1	2.1	18.5	24.4	23.0	
Honeywell International Inc.	\$217.07	\$150,972	\$159,212	23.5%	4.7	4.9	4.6	20.0	20.0	18.6	
Parker-Hannifin Corporation	\$315.43	\$40,716	\$47,338	19.6%	3.1	3.5	3.2	16.0	17.5	15.7	
Rolls-Royce Holdings plc	\$1.45	\$12,081	\$17,587	-10.0%	0.9	1.1	1.1	NM	NM	10.5	
Textron Inc.	\$56.08	\$12,726	\$15,302	8.8%	1.1	1.3	1.2	12.0	14.2	11.8	
<b>Median</b>	<b>\$118.60</b>	<b>\$29,480</b>	<b>\$30,854</b>	<b>15.3%</b>	<b>2.4</b>	<b>2.5</b>	<b>2.4</b>	<b>17.3</b>	<b>18.7</b>	<b>15.7</b>	
<b>Defense Prime Contractors</b>											
Airbus SE	\$113.31	\$88,962	\$89,291	7.9%	1.4	1.5	1.5	NM	18.0	13.8	
BAE Systems plc	\$6.96	\$22,379	\$28,457	11.0%	1.0	1.1	1.0	8.4	8.5	7.5	
General Dynamics Corporation	\$181.56	\$51,886	\$63,794	13.4%	1.5	1.7	1.6	10.1	11.7	12.8	
Honeywell International Inc.	\$217.07	\$150,972	\$159,212	23.5%	4.7	4.9	4.6	20.0	20.0	18.6	
Huntington Ingalls Industries, Inc.	\$205.85	\$8,296	\$9,664	12.1%	1.0	1.0	1.0	7.7	7.9	12.7	
Lockheed Martin Corporation	\$369.50	\$102,984	\$113,131	15.3%	1.7	1.7	1.7	11.1	10.9	10.7	
Northrop Grumman Corporation	\$323.64	\$53,957	\$65,263	14.9%	1.8	1.8	1.8	13.1	11.0	13.5	
The Boeing Company	\$254.72	\$148,665	\$188,251	-11.0%	2.6	3.2	2.3	NM	NM	33.8	
<b>Median</b>	<b>\$211.46</b>	<b>\$71,460</b>	<b>\$77,277</b>	<b>12.8%</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>10.6</b>	<b>11.0</b>	<b>13.2</b>	

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USD in millions except per share price										
<b>Defense Technologies</b>										
AeroVironment, Inc.	\$116.06	\$2,841	\$2,480	14.6%	4.6	6.3	4.7	36.2	49.8	24.1
Chemring Group PLC	\$3.66	\$1,034	\$1,101	18.3%	2.1	2.0	2.0	11.3	10.6	10.2
Comtech Telecommunications Corp.	\$24.84	\$647	\$878	10.1%	1.3	1.5	1.4	9.3	11.6	11.2
Cubic Corporation	\$74.57	\$2,368	\$3,243	12.6%	1.9	2.2	2.1	14.9	15.7	19.7
Elbit Systems Ltd.	\$141.48	\$6,254	\$7,154	10.4%	1.4	1.6	1.5	11.0	12.9	13.5
FLIR Systems, Inc.	\$56.47	\$7,399	\$7,879	23.5%	3.3	4.1	4.1	14.1	16.9	17.1
Kratos Defense & Security Solutions, Inc.	\$27.28	\$3,368	\$3,390	7.5%	4.7	4.5	4.1	49.4	49.9	39.9
Mercury Systems, Inc.	\$70.65	\$3,966	\$4,102	18.2%	5.8	4.9	3.9	29.6	25.1	17.9
Teledyne Technologies Incorporated	\$413.65	\$15,314	\$15,561	20.4%	4.8	5.0	4.8	23.1	23.6	23.1
Ultra Electronics Holdings plc	\$27.94	\$1,984	\$2,102	15.3%	1.9	1.8	1.7	11.2	10.9	10.1
<b>Median</b>	<b>\$63.56</b>	<b>\$3,104</b>	<b>\$3,317</b>	<b>14.9%</b>	<b>2.7</b>	<b>3.2</b>	<b>3.0</b>	<b>14.5</b>	<b>16.3</b>	<b>17.5</b>
<b>Diversified Services</b>										
AECOM	\$64.11	\$9,470	\$11,531	5.7%	0.7	0.9	0.9	8.5	11.0	14.1
Babcock International Group PLC	\$3.15	\$1,592	\$3,958	4.5%	0.7	0.7	0.6	8.1	7.4	5.2
CGI Inc.	\$83.22	\$20,618	\$22,760	17.5%	2.4	2.4	2.3	12.6	12.5	11.4
Fluor Corporation	\$23.09	\$3,252	\$3,238	1.6%	0.2	0.2	0.2	NM	7.6	7.1
Gibson Energy Inc.	\$17.70	\$2,593	\$3,785	7.7%	0.8	1.0	0.8	9.7	11.4	10.6
ICF International, Inc.	\$87.40	\$1,650	\$2,099	9.1%	1.3	1.4	1.4	11.5	11.9	13.9
KBR, Inc.	\$38.39	\$5,407	\$6,889	7.1%	0.9	1.2	1.2	9.1	12.2	12.6
Sercos Group plc	\$1.90	\$2,296	\$2,926	4.4%	0.5	0.5	0.5	7.5	7.6	7.3
<b>Median</b>	<b>\$30.74</b>	<b>\$2,923</b>	<b>\$3,871</b>	<b>6.4%</b>	<b>0.8</b>	<b>0.9</b>	<b>0.8</b>	<b>9.1</b>	<b>11.2</b>	<b>11.0</b>

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USD in millions except per share price										
<b>Government Services</b>										
Booz Allen Hamilton Holding Corporation	\$80.53	\$11,089	\$12,494	10.3%	1.7	1.6	1.5	15.2	13.9	14.8
CACI International Inc	\$246.66	\$6,224	\$8,012	10.9%	1.4	1.4	1.3	11.6	10.7	12.0
Leidos Holdings, Inc.	\$96.28	\$13,609	\$18,632	10.7%	1.6	1.5	1.3	15.0	12.8	12.9
ManTech International Corporation	\$86.95	\$3,522	\$3,606	9.0%	1.5	1.4	1.3	13.2	13.3	14.6
Science Applications International Corporation	\$83.59	\$4,854	\$7,552	8.6%	1.2	1.1	1.0	11.6	10.3	11.9
<b>Median</b>	<b>\$86.95</b>	<b>\$6,224</b>	<b>\$8,012</b>	<b>10.3%</b>	<b>1.5</b>	<b>1.4</b>	<b>1.3</b>	<b>13.2</b>	<b>12.8</b>	<b>12.9</b>



ARKMALIBU

| UNCONFLICTED. UNORTHODOX. UNRELENTING. |

ArkMalibu is one of the only Mergers & Acquisitions advisory firms that focuses exclusively on sell-side transactions.

We're not like other banks – we don't have conflicted business relationships with buyers, leaving our senior advisors and principals unhindered and unyielding in their pursuit of your goals. From the first meeting to dry ink, we are dedicated to exceeding your expectations and surpassing industry valuation benchmarks during one of life's most prodigious events. Selling a company requires both psychological intelligence and financial rigor, and that is ArkMalibu. We're a steady ship in stormy seas – here to guide you through uncharted territory with experience, integrity, and confidentiality at every turn.



## Unconflicted. Loyalty to You is our Livelihood

- We only represent sellers; we're not incentivized to encourage you to accept less than your company's true maximum value.
- We pursue the highest possible value because we're unconflicted.



## Unorthodox. Senior-Level Service is Our Standard

- All of ArkMalibu's clients receive care and attention from our senior-level advisors and principals.
- From analysts to principals, our team remains present and available throughout the process.



## Unrelenting. Our Unrivaled Strategy Sells Your Story

- Our approach: understand, capture, and communicate your company's culture – the asset that can't be duplicated – and work to identify buyers whose goals and values align with yours, negotiating tirelessly on your behalf in order to complete the deal with the best partner.
- Our proprietary Four Boxes Analysis delivers prospective buyers a compelling investment story with undeniable upside.



## We are Anchored to Increasing Your Value

- ArkMalibu is tied to your destiny; we are anchored to the goal of bringing you unparalleled value while navigating the personalities and interests of the people involved.
- 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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