



M&A MARKET MONITOR

AEROSPACE & DEFENSE

December 2021

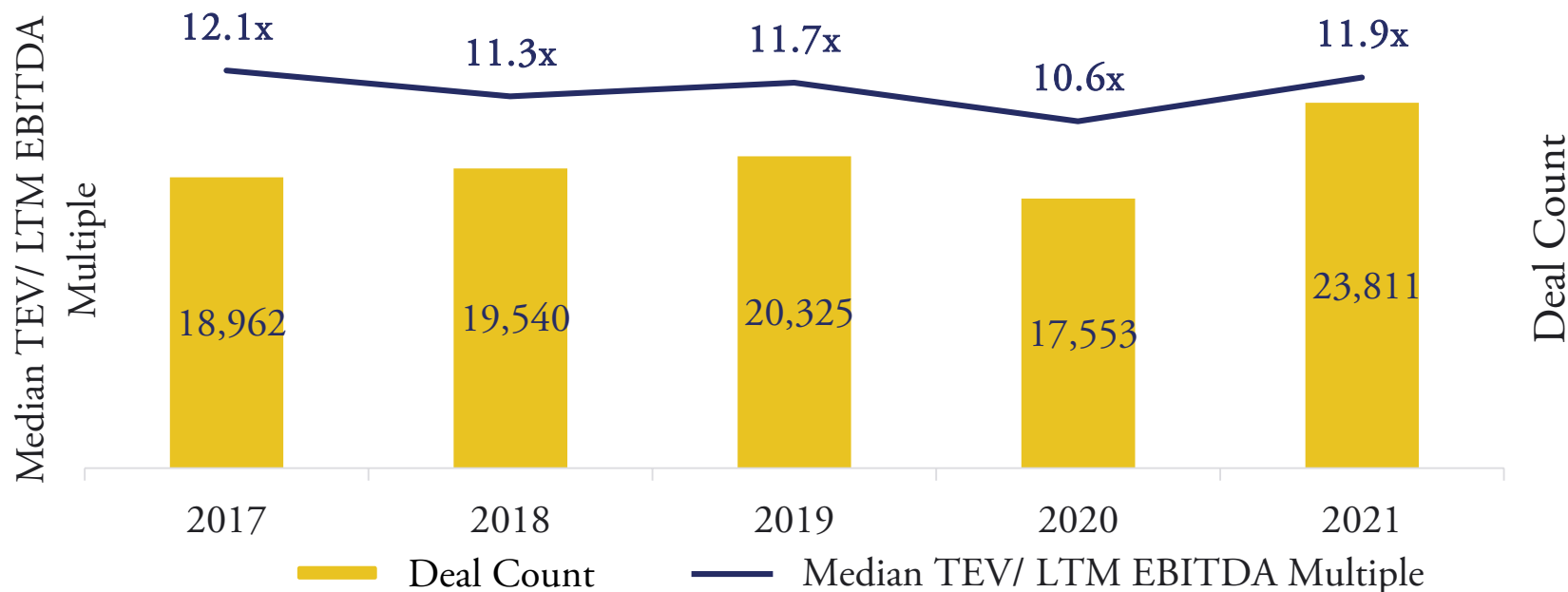
U.S. & Canada M&A Market Overview

Overall Market Transactions



Quick Highlights

- The M&A market finished the year strong demonstrated by surging deal count and rising valuation multiples
 - 2021 deal count was 125% of the previous 4-year (2017-2020) average
 - 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

As of 12/31/2021

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.

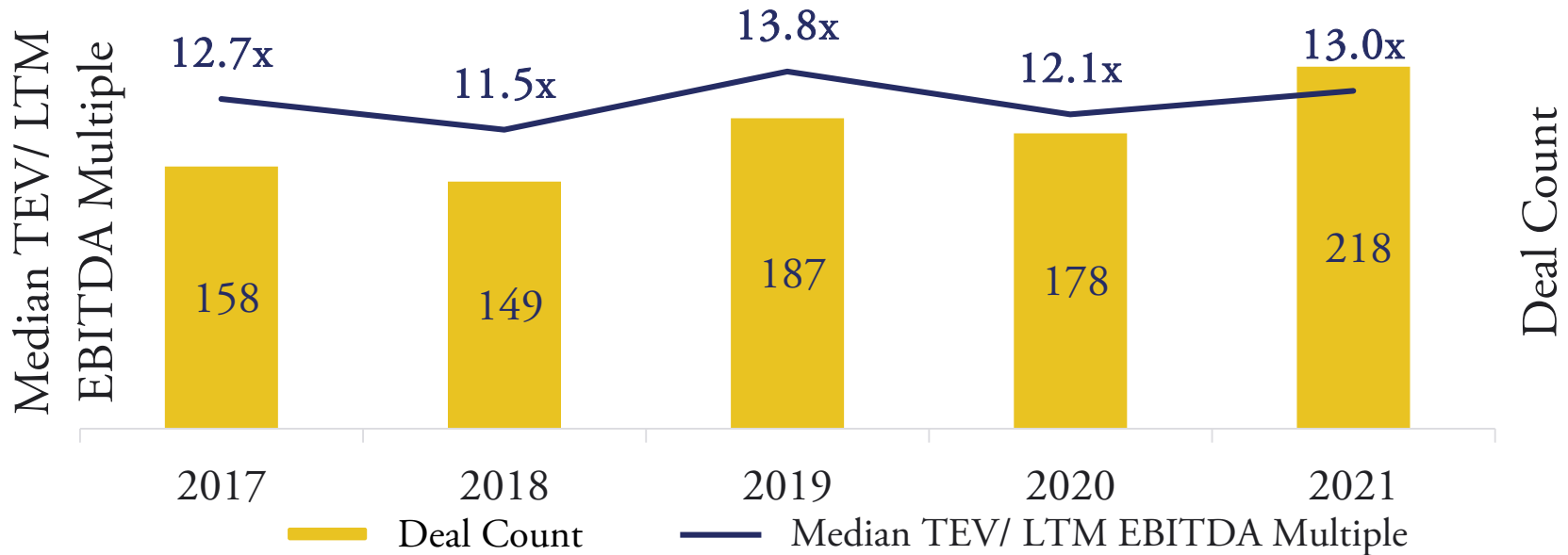
U.S. & Canada M&A Market Overview



Aerospace & Defense Transactions

Quick Highlights

- The Aerospace & Defense industry 2021 deal count and multiples exceeded historical averages
 - 2021 deal count was 130% of the previous 4-year (2017-2020) average
 - 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
























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Public Companies' Trading Metrics | Aerospace & Defense

As of: 12/31/2021

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											
Aircraft OEMs											
Airbus Group	\$127.22	\$99,972	\$95,658	14.2%	1.5	1.5	1.4	NM	10.3		10.0
Bombardier	\$1.32	\$3,223	\$8,652	12.9%	1.5	1.3	1.3	NM	10.1		9.9
Embraer	\$4.49	\$3,278	\$5,348	8.3%	0.9	1.2	1.0	NM	14.1		9.3
Boeing	\$201.32	\$118,316	\$160,914	-6.5%	2.6	2.6	1.8	NM	NM		16.8
Median	\$65.85	\$51,625	\$52,155	10.6%	1.5	1.4	1.4	NM	10.3		10.0
Aerospace Supply Chain & Aftermarket Support											
Airbus Group	\$127.22	\$99,972	\$95,658	14.2%	1.5	1.5	1.4	NM	10.3		10.0
Astronics	\$12.00	\$378	\$552	0.5%	1.0	1.2	1.0	NM	244.1		10.6
Ducommun	\$46.77	\$558	\$865	12.1%	1.4	1.4	1.3	13.0	11.2		8.3
HEICO	\$144.22	\$18,268	\$18,697	26.1%	9.7	10.0	8.7	37.0	38.4		32.1
Heroux-Devtek	\$14.12	\$505	\$618	15.9%	1.3	1.4	NM	243.9	8.7		8.4
Hexcel	\$51.80	\$4,346	\$5,117	11.6%	2.8	4.1	3.2	18.3	35.1		16.0
Kaman	\$43.15	\$1,202	\$1,280	8.7%	2.1	1.8	1.7	56.4	20.4		11.7
Meggitt	\$9.96	\$7,789	\$8,928	13.3%	2.3	4.6	3.7	NM	34.5		18.3
Moog	\$80.97	\$2,736	\$3,540	11.5%	1.2	1.2	1.1	25.8	10.8		10.1
RBC Bearings	\$201.97	\$5,831	\$4,525	23.7%	6.6	7.3	3.4	26.0	30.6		11.2
Safran Group	\$121.89	\$52,022	\$55,849	24.6%	2.7	3.2	2.7	33.9	13.1		13.8
Senior	\$1.98	\$832	\$1,036	NM	0.4	1.1	1.0	NM	NM		9.6
Solvay	\$115.71	\$11,944	\$14,751	17.9%	1.4	1.2	1.2	7.4	6.5		5.4
Boeing	\$201.32	\$118,316	\$160,914	-6.5%	2.6	2.6	1.8	NM	NM		16.8
TransDigm Group	\$636.28	\$35,154	\$50,391	42.2%	9.6	10.5	9.3	23.9	24.9		18.5
Triumph Group	\$18.53	\$1,197	\$2,613	3.1%	1.0	1.6	NM	NM	51.4		NM
Woodward	\$109.46	\$6,904	\$7,207	18.2%	3.3	3.2	2.8	18.7	17.7		14.8
Median	\$80.97	\$5,831	\$5,117	13.7%	2.1	1.8	1.8	25.8	20.4		11.5

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					2020A	LTM	NTM	2020A	LTM	NTM	
USD in millions except per share price											
Diversified Industrials											
AMETEK	\$147.04	\$34,014	\$36,484	29.0%	6.3	7.0	6.1	20.8	24.0	20.8	
Crane Company	\$101.73	\$5,974	\$6,391	19.5%	1.7	2.0	1.9	26.0	10.4	NM	
Curtiss-Wright	\$138.67	\$5,441	\$6,380	19.3%	2.3	2.5	2.5	12.2	13.2	NM	
Eaton	\$172.82	\$68,886	\$77,676	19.8%	3.0	4.0	3.8	20.6	20.1	18.9	
General Electric	\$94.47	\$103,741	\$137,864	5.7%	1.1	1.8	1.7	5.9	56.3	15.5	
Parker Hannifin	\$318.12	\$40,883	\$46,946	21.7%	3.1	3.2	2.9	18.0	14.5	13.0	
Rolls-Royce	\$1.66	\$13,877	\$20,811	38.0%	1.0	1.4	1.2	NM	4.0	9.1	
Textron	\$77.20	\$17,017	\$18,607	10.9%	1.1	1.5	1.4	15.6	13.4	11.6	
Median	\$120.20	\$25,515	\$28,648	19.7%	2.0	2.3	2.2	18.0	14.0	14.2	
Defense Prime Contractors											
Airbus Group	\$127.22	\$99,972	\$95,658	14.2%	1.5	1.5	1.4	NM	10.3	10.0	
General Dynamics	\$208.47	\$58,210	\$70,384	13.6%	1.5	1.8	1.7	11.0	13.4	13.5	
Huntington Ingalls Industries	\$186.74	\$7,481	\$10,445	12.1%	1.0	1.1	0.9	8.5	9.0	10.2	
Lockheed Martin	\$355.41	\$98,017	\$106,964	13.8%	1.7	1.6	1.6	11.1	11.7	10.5	
Northrop Grumman	\$387.07	\$60,901	\$70,993	20.8%	1.8	1.9	1.9	13.7	9.2	10.9	
Boeing	\$201.32	\$118,316	\$160,914	-6.5%	2.6	2.6	1.8	NM	NM	16.8	
Median	\$204.90	\$79,459	\$83,325	13.7%	1.6	1.7	1.7	11.1	10.3	10.7	
Defense Technologies											
AeroVironment	\$62.03	\$1,539	\$1,649	-2.2%	4.7	3.8	3.5	NM	NM	21.6	
Chemring Group	\$3.99	\$1,131	\$1,168	19.0%	2.3	2.2	2.0	12.6	11.3	10.4	
Comtech Telecommunications	\$23.69	\$624	\$854	7.3%	1.3	1.5	1.4	NM	20.8	10.8	
Elbit Systems	\$172.76	\$7,645	\$9,010	10.7%	1.5	1.7	1.7	17.0	17.9	NM	
Kratos Defense & Security Solutions	\$19.40	\$2,405	\$2,390	7.7%	4.6	3.0	2.7	50.8	38.6	23.9	
Mercury Systems	\$55.06	\$3,119	\$3,295	13.7%	5.8	3.5	3.1	32.7	25.6	NM	
Teledyne Technologies	\$436.89	\$20,383	\$24,403	21.1%	4.8	6.0	4.4	25.2	28.6	32.1	
Ultra Electronics	\$42.92	\$3,065	\$3,154	19.7%	2.0	2.8	2.5	14.3	14.0	15.0	
Median	\$48.99	\$2,735	\$2,772	12.2%	3.4	2.9	2.6	21.1	20.8	18.3	

Source: Pitchbook; ArkMalibu

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

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					2020A	LTM	NTM	2020A	LTM	NTM
USD in millions except per share price										
Diversified Services										
AECOM	\$77.35	\$10,999	\$12,778	4.9%	0.7	1.0	1.9	13.9	19.7	13.8
Babcock International Group	\$4.30	\$2,174	\$4,071	-11.7%	0.7	0.7	0.7	NM	NM	7.1
CGI Group	\$87.72	\$21,363	\$23,292	19.6%	2.5	2.4	2.3	14.3	12.4	NM
Fluor	\$24.77	\$3,503	\$2,731	-0.6%	0.1	0.2	0.2	NM	21.5	6.3
Gibsons	\$17.58	\$2,577	\$3,821	5.9%	0.9	0.8	0.6	10.6	12.8	10.2
ICF International	\$102.55	\$1,936	\$2,330	9.1%	1.3	1.5	1.4	15.1	16.1	13.7
KBR	\$47.62	\$6,680	\$7,969	4.1%	0.9	1.3	1.2	25.3	30.7	12.1
Serco	\$1.82	\$2,213	\$3,107	7.9%	0.6	0.5	0.6	8.9	6.9	6.7
Median	\$36.20	\$3,040	\$3,946	5.4%	0.8	0.9	0.9	14.1	16.1	10.2
Government Services										
Booz Allen	\$84.79	\$11,353	\$13,706	10.1%	1.7	1.7	1.5	17.4	17.0	14.3
CACI International	\$269.21	\$6,280	\$8,237	10.9%	1.4	1.4	1.3	13.5	12.5	11.6
Leidos	\$88.90	\$12,476	\$17,655	11.0%	1.6	1.3	1.2	16.2	11.9	11.5
ManTech International	\$72.93	\$2,971	\$2,924	10.2%	1.5	1.1	1.1	16.1	11.2	11.4
Science Applications International	\$83.59	\$4,760	\$7,376	9.0%	1.2	1.0	1.0	14.9	11.2	11.6
Median	\$84.79	\$6,280	\$8,237	10.2%	1.5	1.3	1.2	16.1	11.9	11.6



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



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4555 Lake Forest Drive, Suite 365
Cincinnati, OH 45242



(513) 583-5413



www.arkmalibu.com