



INDUSTRIALS: AEROSPACE AND DEFENSE

- 2020 was a challenging year for the Aerospace and Defense industry, however travel volumes began recovering during the fourth quarter of the year. The travel recovery is expected to continue as the COVID-19 vaccine is distributed throughout the remainder of 2021, but 2019 travel volumes may not be reached for another 24-36 months.
- Defense stocks, which outperformed the aerospace industry during the height of the pandemic, have been left behind over the last 6-9 months while the uptick in travel and exceptional stock market performance boosted the rest of the industry.
- Both financial and strategic buyers have been active in the deal market so far this year as the level of uncertainty surrounding the Aerospace & Defense industry has begun to subside. We expect this trend to continue as the recovery progresses and the industry regains its footing.

RECENT SELECT TRANSACTIONS

Target	Date	Buyers / Investors	Region	Strategic / Financial
Enginetics Corporation	Mar 31	Enjet Aero, LLC	US	Strategic
Abaco Systems Inc.	Mar 22	AMETEK, Inc.	US	Strategic
Defense Laser Rangefinder Business of Saab AB	Mar 3	Lumibird SA	EMEA	Strategic
Global-Tek Manufacturing/Machining Technology	Mar 1	Crawford United Corporation	US	Strategic
ScioTeq and TREALITY Simulation (TransDigm)	Mar 1	OpenGate Capital, LLC	EMEA	Financial
Deployable Space Systems, Inc.	Feb 17	RedWire, LLC	US	Strategic
Horizon Aircraft, Inc.	Feb 18	Astro Aerospace Ltd.	US	Strategic
Engine Repair and Overhaul (Signature Aviation plc)	Feb 17	StandardAero, Inc.	EMEA	Financial Backed Strategic
Cubic Corporation	Feb 8	Veritas Capital Fund Management, L.L.C; I	US	Financial
Cobham Mission Systems Wimborne Limited	Feb 1	Eaton Corporation plc	EMEA	Strategic
Uavfactory Ltd.	Jan 28	AE Industrial Partners, LP	EMEA	Financial
ETA Global, Inc.	Jan 28	AeroMed Group, LLC	US	Financial Backed Strategic
Jet East Corporate Aviation, LLC	Jan 15	Gama Aviation Plc	US	Strategic
Arcturus UAV, Inc.	Feb 19	AeroVironment, Inc.	US	Strategic
Safe Flight Instrument Corporation	Jan 12	Loar Group, Inc.	US	Strategic
AeroSpares, Inc.	Dec 22	Jet Parts Engineering, LLC	US	Financial Backed Strategic
Mingo Aerospace, LLC	Dec 22	Sunvair, Inc.	US	Financial Backed Strategic
Genesys Aerosystems Group, Inc.	Dec 18	Moog Inc.	US	Strategic
Aerojet Rocketdyne Holdings, Inc.	Dec 20	Lockheed Martin Corporation	US	Strategic
Impossible Aerospace Corp	Dec 15	Alpine 4 Holdings Inc.	US	Strategic
Flight Simulation Company B.V.	Nov 16	CAE Inc.	EMEA	Strategic
Blue Canyon Technologies, Inc.	Dec 21	Raytheon Technologies Corporation	US	Strategic
Able Aerospace Adhesives	Dec 30	GracoRoberts	US	Financial Backed Strategic

For more information and insight please contact the EdgePoint Industrials team:

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M&A
Advisory

RESULTS *with*
INTEGRITY™

EdgePoint Public Comparable Index Constituents

Airframe and Engine OEMs

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2020E	LTM	2020E	LTM	LTM	3-Yr. CAGR		
Airbus SE	\$76,833	13.2%	7.9%	\$3,953	\$5,538	18.1x	13.9x	\$49,912	-29.2%	-5.4%	\$97.68	93.9%
The Boeing Company	182,502	-2.9%	-11.0%	(6,413)	5,563	NM	32.8x	58,158	-24.0%	-14.8%	244.87	87.9%
General Electric Company	165,752	17.0%	7.2%	5,732	7,366	24.3x	22.5x	79,619	-16.4%	-7.1%	12.99	90.1%
Rolls-Royce Holdings plc	12,841	-1.8%	-10.0%	(1,188)	1,221	NM	10.5x	11,824	-28.7%	-7.1%	1.06	24.9%
Safran SA	52,768	46.9%	16.4%	2,754	3,056	18.1x	17.3x	16,780	-33.6%	0.5%	115.30	90.5%
Mean		14.5%	2.1%	968	4,549	20.2x	16.0x	43,259	-26.4%	-6.8%	94.4	77.5%

Component Manufacturers

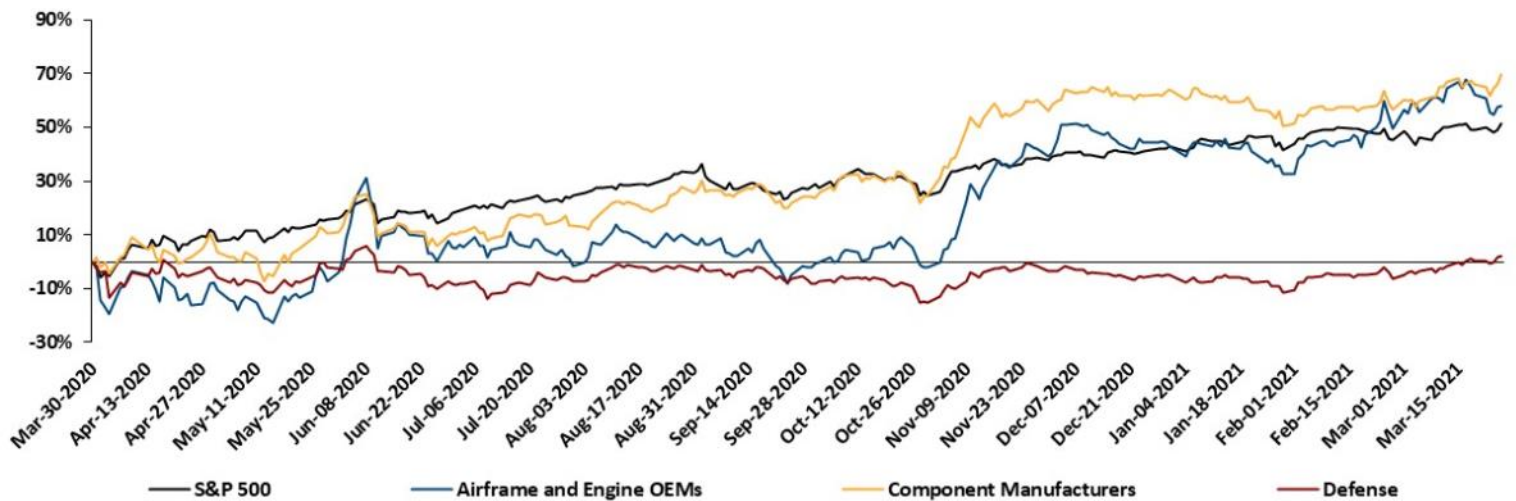
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Week High
		Gross	EBITDA	LTM	2020E	LTM	2020E	LTM	LTM	3-Yr. CAGR		
Allegheny Technologies Incorporated	\$3,933	10.1%	6.1%	\$182	\$224	19.8x	17.5x	\$2,982	-27.7%	-5.4%	\$22.23	97.2%
Astronics Corporation	692	18.8%	4.1%	21	36	25.0x	19.0x	503	-35.0%	-7.0%	17.33	88.5%
Honeywell International Inc.	160,228	32.1%	23.5%	7,656	8,568	20.1x	18.7x	32,637	-11.1%	-7.0%	218.53	99.8%
Meggitt PLC	4,441	31.0%	16.1%	271	339	15.5x	13.1x	1,684	-26.0%	-5.5%	4.71	91.5%
Moog Inc.	3,603	25.7%	10.2%	286	312	11.4x	11.5x	2,814	-5.6%	3.5%	82.23	94.4%
Triumph Group, Inc.	2,607	21.3%	7.8%	164	178	13.1x	14.6x	2,096	-31.9%	-13.4%	18.24	94.1%
Woodward, Inc.	8,427	25.5%	17.5%	404	442	19.8x	19.1x	2,313	-22.1%	2.8%	123.34	96.4%
Mean		23.5%	12.2%	1,283	1,443	17.8x	16.2x	6,433	-22.7%	-4.5%	69.52	94.6%

Defense Contractors

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Week High
		Gross	EBITDA	LTM	2020E	LTM	2020E	LTM	LTM	3-Yr. CAGR		
BAE Systems plc	\$19,893	64.4%	11.0%	\$2,129	\$2,765	7.8x	7.2x	\$19,277	5.3%	3.8%	\$4.94	87.8%
General Dynamics Corporation	63,788	16.7%	13.4%	5,090	4,990	11.7x	12.8x	37,925	-3.6%	7.0%	181.54	99.8%
L3Harris Technologies, Inc.	47,504	29.3%	19.7%	3,585	3,965	12.6x	12.0x	18,194	-1.8%	0.0%	198.94	94.8%
Lockheed Martin Corporation	111,796	13.3%	15.3%	10,001	10,592	10.8x	10.6x	65,398	9.3%	9.4%	364.71	87.3%
Northrop Grumman Corporation	64,888	20.3%	14.9%	5,496	4,826	10.9x	13.4x	36,799	8.7%	12.3%	319.02	89.3%
Raytheon Technologies Corporation	144,780	15.9%	11.7%	6,641	9,752	20.3x	14.8x	56,587	24.8%	-1.8%	78.17	76.8%
Mean		22.8%	12.3%	4,706	5,270	12.3x	11.8x	33,454	6.1%	4.4%	\$163.90	76.6%

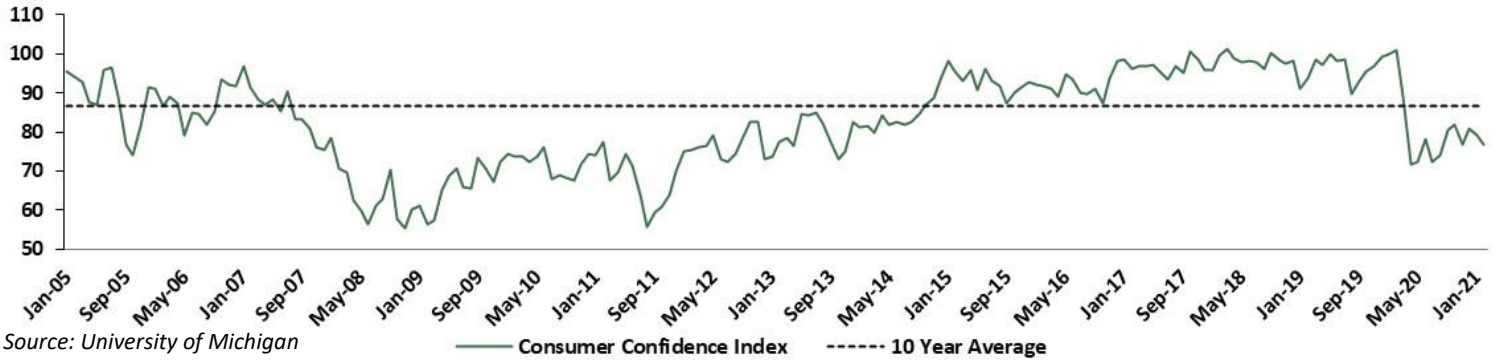
Source: S&P CapIQ (As of March 31, 2021)

Trailing Twelve Months Stock Performance

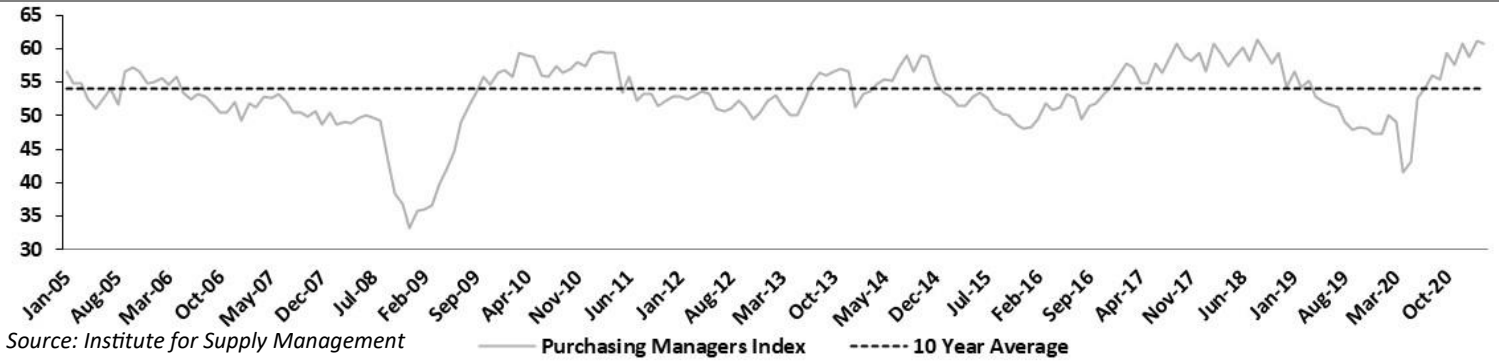


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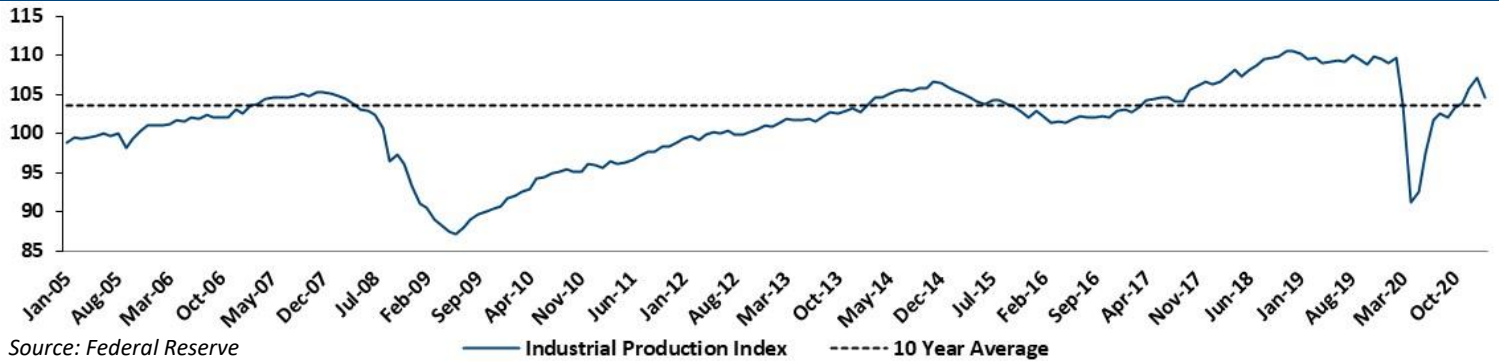
Consumer Confidence Index (2005 - September 2020)



Purchasing Managers Index (2005 - September 2020)



Industrial Production Index (2005 - September 2020)



U.S. Real GDP Growth (2004 - 2Q 2020)

