### Industry Highlights

- **On May 10, 2021,** Arlington Capital Partners completed its acquisition of Triumph Group’s composites business. The business will operate independently as Qarbon Aerospace. Qarbon is a leading provider of complex structural components and assemblies such as fuselages, wings, flight control surfaces, and engine nacelles.

- **On April 27, 2021,** Spirit AeroSystems announced the acquisition of the assets of Applied Aerodynamics, a high-quality composite MRO company based in Farmer Branch, Texas. The acquisition complements its acquisition of Bombardier assets, expands its existing MRO infrastructure and allows Spirit to conduct a broader range of repairs on more products.

- **On March 25, 2021,** Redwire announced it will go public via a merger with Genesis Park Acquisition Corp.

- **On February 23, 2021,** Redwire announced it had acquired Deployable Space Systems (DSS), a leading supplier of deployable solar arrays, structures and mechanisms for space applications. DSS marks Redwire’s seventh acquisition since its creation by AE Industrial Partners in June 2020.

- **On March 1, 2021,** CAE announced an agreement to acquire L3Harris’ Military Training business for $1.05 billion. The acquisition is 13.5x EBITDA. The acquisition broadens CAE’s position in the U.S. and complements CAE’s military training business. In April, CAE also acquired RB Group, furthering its goal of linking operators and crew digitally.

- **On March 1, 2021,** RENK AG announced it had agreed to acquire the Combat Propulsion Systems business and Magnet-Motors of L3Harris for $400 million. The deal is expected to create a global developer and supplier of combat mobility solutions.

- **On January 13, 2021,** AeroVironment, Inc. announced it had agreed to acquire Arcturus UAV for $405 million. The acquisition is 11x LTM EBITDA. Arcturus’s complementary capabilities will accelerate growth by expanding into the more valuable Group 2 and 3 UAS segments.

- **On February 1, 2021,** Eaton Corp. announced it had signed an agreement to acquire Cobham Mission Systems for $2.83 billion. The acquisition is ~14x 2020 EBITDA. Cobham is a leading manufacturer of air-to-air refueling systems, environmental systems, and actuation.

- **On December 30, 2020,** Mercury Systems Inc. acquired Physical Optics Corporation for $310 million, approximately 13x 2021 EBITDA. The acquisition broadens Mercury’s avionics product and technology portfolio and its strategy to deliver complete, pre-integrated avionics subsystems to its customers.

### Notable M&A Deals

- **On May 26, 2021,** Cubic Corporation announced the completion of its approximate $3.0 billion acquisition by Vertitas Capital and Evergreen Coast Capital Corporation. Under the terms of the Amended Agreement, Cubic shareholders will receive $75.00 in cash for each share of Cubic’s common stock, representing a premium of approximately 69% to Cubic’s unaffected closing stock price on September 18, 2020.

- **On May 14, 2021,** Teledyne Technologies completed its acquisition of FLIR Systems for approximately $8.2 billion, a 40% premium to its price before disclosing the merger agreement. FLIR provides intelligent sensing platforms for use in defense and industrial applications. FLIR will now operate under the name Teledyne FLIR. The transaction results in a complementary portfolio of imaging technologies and products, with minimal overlap, for key platforms and applications across a global customer base.

- **On December 20, 2020,** Lockheed Martin announced its acquisition of Aerojet Rocketdyne for $4.4 billion. Aerojet Rocketdyne is a leading aerospace and defense rocket engine manufacturer. Aerojet Rocketdyne’s propulsion systems key components of Lockheed Martin’s supply chain across several business areas. The acquisition adds substantial expertise in propulsion to Lockheed Martin’s portfolio and will enable growth in Hypersonics, Tactical Missiles, Integrated Air and Missile Defense, Strategic Systems, and Space Exploration.

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**Industry EBITDA Multiples**

<table>
<thead>
<tr>
<th>AeroPrime</th>
<th>AeroSys.</th>
<th>DefPrime</th>
<th>DefSys.</th>
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<tbody>
<tr>
<td>34.0x</td>
<td>30.0x</td>
<td>28.0x</td>
<td>26.0x</td>
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**LTM Revenue Growth**

<table>
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<th>AeroSys.</th>
<th>DefPrime</th>
<th>DefSys.</th>
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<tbody>
<tr>
<td>20.0%</td>
<td>15.0%</td>
<td>10.0%</td>
<td>5.0%</td>
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**Relative Stock Price Returns**

<table>
<thead>
<tr>
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<th>AeroSupply</th>
<th>DefPrime</th>
<th>DefSys.</th>
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<tbody>
<tr>
<td>350.0%</td>
<td>300.0%</td>
<td>250.0%</td>
<td>200.0%</td>
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**Purchase Price Allocation % from Recent Transactions**

- **Aerop.**
- **AeroSys.**
- **DefPrime**
- **DefSys.**

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