

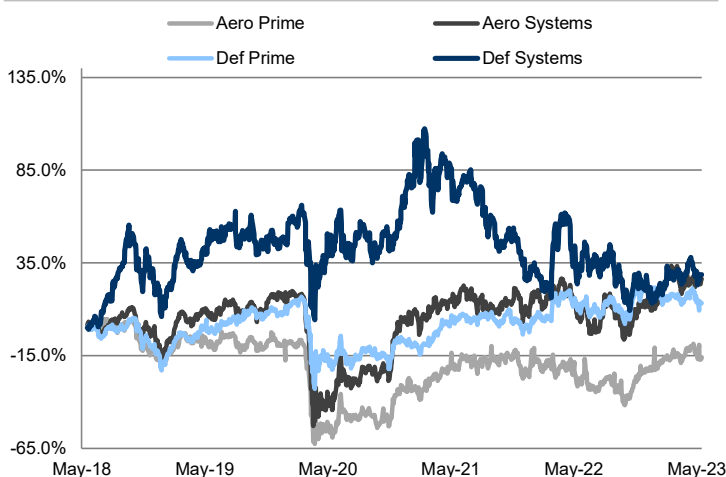
Transactions

- May 15. **HEICO Corporation** agreed to acquire Wencor Group, LLC, for ~\$2.1 billion. Wencor is a leading provider of FAA-approved aircraft replacement parts, distributor of high-use commercial and military aftermarket parts, and aircraft and engine accessory component repair and overhaul services. HEICO believes that the acquisition of Wencor will be a strategic move that will expand its aftermarket product offerings and gain access to Wencor's strong customer base.
- May 8. **TransDigm Group** announced it had closed its acquisition of Calspan Corporation for approximately \$725 million. Calspan provides independent testing and technology development services, solutions, and systems, with applications including mobility & safety, flight & wind tunnel, jet engine test solutions, and hypersonics. TransDigm sees an opportunity for its current operating model to support Calspan's aftermarket services in the aerospace and defense industry.
- May 4. **VSE Aviation, Inc** entered into a definitive agreement to acquire Desser Holding Company LLC for approximately \$120 million. Desser Holding is a leading provider of specialty distribution and MRO services for the aerospace industry. This is a growing market, and VSE Aviation believes that Desser Holding is well-positioned to benefit from this growth.
- May 3. **Advent International** completed the acquisition of Maxar Technologies for ~\$6.4 billion. Maxar is a leading provider of Earth observation, space infrastructure, and geospatial intelligence products and services. This acquisition will give Advent access to a wide range of space-based assets, which could be used to develop new products and services or to expand into new markets.
- April 25. **Ducommun Incorporated** completed the acquisition of BLR Aerospace for a purchase price of ~\$115 million. BLR Aerospace is a leading provider of aerodynamic systems that enhance the productivity, performance, and safety of rotary- and fixed-wing aircraft on commercial and military platforms. This acquisition will allow Ducommun to grow its business and expand its reach into new markets.
- April 21. **TriMas Corporation** closed its acquisition of Weldmac Manufacturing Company for ~\$45 million. Weldmac is a leading designer and manufacturer of high-performance, complex metal fabricated components and assemblies for the aerospace, defense, and space launch end markets. The acquisition will add complementary, highly-engineered products and new manufacturing capabilities to TriMas Aerospace, expanding its offering and position in the aerospace, defense, and space launch end markets.
- April 6. **NV5 Global, Inc.** completed the acquisition of L3Harris Technologies' Visual Information Solutions Business for \$70 million. The acquired business provides mission-critical solutions for government and commercial customers worldwide. The asset is located in the United States. The acquisition expands NV5's position as a provider of subscription-based software products for the analysis and management of geospatial data.

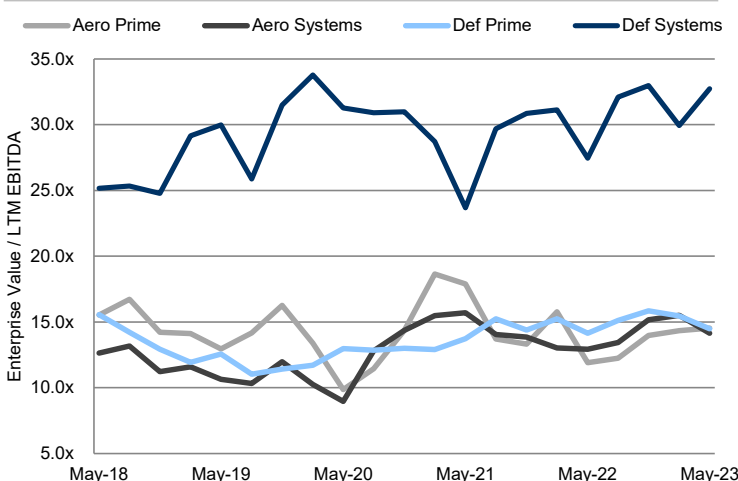
Transactions

- March 20. **AAR Corporation** acquired Trax USA Corp. for ~\$140 million. Trax is a leading provider of aircraft MRO and fleet management software. The acquisition will allow AAR Corp to offer a wider range of digital solutions to its customers. This will help AAR Corp to better compete with other aviation aftermarket providers and to grow its business.
- March 6. **MACOM Technology Solutions** announced the acquisition of Linearizer Communications Group for \$49 million. Linearizer specializes in non-linear microwave predistortion for use in terrestrial, avionic, and space-based applications and high-performance microwave photonic solutions for use in the industrial and defense markets. The Linearizer team uses proprietary design and manufacturing techniques to produce its high-performance components and subsystems. The acquisition is expected to strengthen MACOM's component and subsystem design expertise in its target markets.
- February 14. **APCT, Inc.** completed the acquisition of Advanced Circuits, Inc. for ~\$220 million. Advanced Circuits is a software-enabled designer and manufacturer of small-run, quick-turn, and low volume production printed circuit boards.
- February 3. **Lone Star Funds** announced its acquisition of Titan Acquisition Holdings for an undisclosed sum. Titan is a leading provider of ship repair services and marine and heavy complex fabrication. This is a growing market, and Lone Star Funds believes that Titan is well-positioned to benefit from this growth. Titan is comprised of Vigor Industrial, MHI Holdings, and Continental Maritime of San Diego.
- December 18. **L3Harris Technologies, Inc.** announced that it had agreed to acquire Aerojet Rocketdyne Holdings, Inc. for ~\$4.7 billion. Aerojet Rocketdyne is a leader in designing, developing, and producing a wide range of propulsion systems, including rocket engines and propulsion systems for spacecraft, missiles, and other defense applications. Aerojet's offerings will allow L3Harris to offer access to new markets and technologies in missiles and missile defense, including three hypersonics, as well as space exploration. The announcement comes approximately two years after Lockheed Martin announced it was acquiring Aerojet Rocketdyne for ~\$4.4 billion, a deal that the FTC ultimately blocked.

Relative Stock Price Returns



Industry EBITDA Multiples



¹Index Constituents - Aerospace Prime/Large: AIR, BA, BBD,B, CAE, DSY, EMBR3, GD, RR, SAF, TXT, RTX; Aerospace Systems: AIR, ATRO, B, BBA, CW, HEI, MAL, MOG.A, MTX, PH, SPR, HO, TDG, TGI, ULE, WCC, WWD; Defense Primes/Large: BAE, BA, GD, HON, LHX, LMT, NOC, RTX; Defense Systems: AVAV, COB, HIL, KTOS, MRCY.

Earnings Themes

Air travel trends continue to show signs of improvement, specifically driven by China's relaxation of zero-COVID policies. A suspension of all international flights had been in place since March 2020 in an effort to curb the spread of COVID-19. Overall, the recovery has been uneven, and it is not yet clear when air travel will return to pre-pandemic levels.

The industry is encouraged by the President's most recent FY 2024 budget request of \$842 billion, an increase of \$26 billion over FY 2023 levels and \$100 billion more than FY 2022. The request includes a significant increase in defense spending. The increase in defense spending is intended to meet the challenges posed by China and other adversaries. The budget request also includes funding for a number of new technologies, such as artificial intelligence and hypersonic weapons. Companies continue to face a number of headwinds, including increased competition from foreign companies, hiring challenges, and supply chain issues.

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