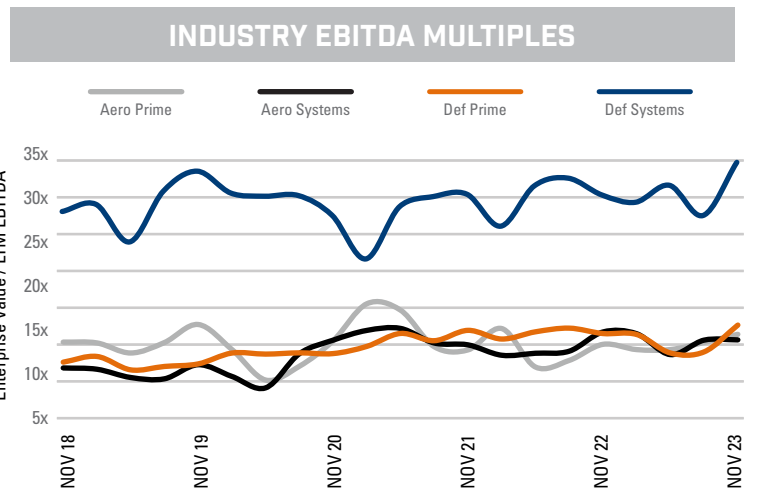
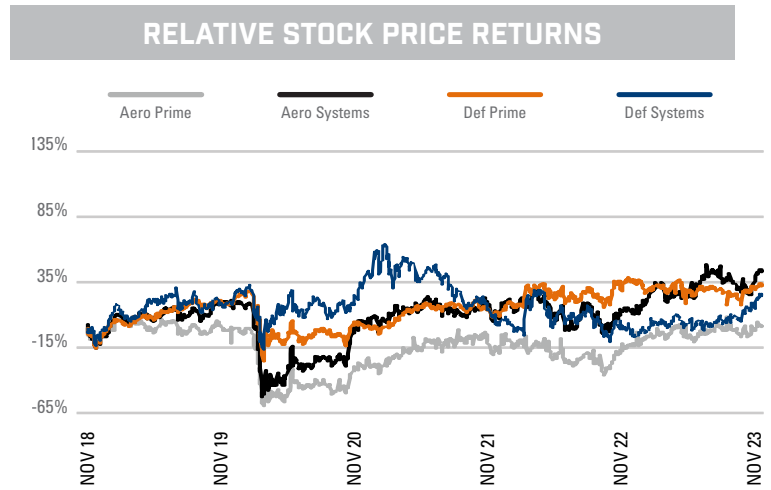


- Air travel demand remains strong. The recovery in the commercial aerospace market has continued, and trends remain favorable as demand for travel remains high. Global domestic air traffic continues to lead the recovery and has surpassed pre-pandemic levels. International travel is also making progress and catching up to domestic travel.
- Capital allocation remains a priority. Companies are focused on reinvesting in the business, targeting accretive M&A opportunities, and returning capital to their shareholders via share buybacks or dividends.
- Ongoing issues with the supply chain and talent acquisition were acknowledged as persistent challenges affecting production and efficiency. However, steady progress is being made addressing these challenges.
- As Congress continues to work through the FY '24 appropriations bills, companies are optimistic that there will be consistent support for the National Defense strategy and funding for its priorities.

VALUATIONS



KEY INDUSTRY TRANSACTIONS & DEVELOPMENTS

JUN
5

Barnes Aerospace announced that it entered into a definitive agreement to acquire MB Aerospace for an enterprise value of \$740 million. MB Aerospace provides precision aero-engine component manufacturing and repair services for aerospace and defense engine OEMs, Tier 1 suppliers, and MRO providers. The acquisition is expected to strengthen and expand Barnes Aerospace's global OEM offering and aftermarket repair capabilities.

AE Industrial Partners announced its acquisition of Yingling Aviation for an undisclosed amount. Yingling provides MRO and FBO services to business aviation and government customers throughout the United States. AE Industrial Partners expects to scale Yingling as an independent platform to provide best-in-class services.

JUN
8

Firefly Aerospace (AE Industrial Partners) completed its acquisition of Spaceflight, a launch and in-space transportation service provider for satellites. The acquisition is expected to strengthen Firefly's on-orbit solutions and service the entire lifecycle of customers' satellites and spacecraft. Following this acquisition, on June 16, Firefly announced its acquisition of Virgin Orbit's remaining assets for \$3.8 million. Virgin Orbit filed for bankruptcy protection in March 2023 and soon after shut operations down. Firefly is developing a launch vehicle called Firefly Alpha and anticipates launching its vehicle for a third time for the U.S. Space Force in the foreseeable future.

JUL
12

Thales entered exclusive negotiation to acquire Cobham Aerospace Communications ("AeroComms") for an enterprise value of ~\$1.1 billion, implying a 5.5x EV/Revenue multiple. AeroComms supplies advanced, ultra-reliable innovative safety cockpit communication systems. The proposed acquisition is expected to strengthen Thales' Avionics portfolio by incorporating developed products benefiting from solid positions with major OEMs and strong aftermarket/retrofit opportunities.

JUL
21

Safran Group announced its acquisition of Collins Aerospace's Actuation and Flight Control Business. The acquisition is expected to be a cash-deal based on a \$1.8 billion enterprise value, representing a multiple of ~14x EBITDA 2024E pre-synergies and ~10x EBITDA 2024E post-synergies. The acquisition gives Safran a unique opportunity to become a global leader in critical flight control (ATA27) and actuation functions.

JUL
24

Bridger Aerospace entered into a definitive purchase agreement with Bighorn Airways for approximately \$39.3 million. Located in Sheridan, Wyoming, Bighorn Airways provides aviation services including on-demand aircraft and helicopter charter, aerial spraying, FBO services, aircraft refueling, maintenance, avionics service, and government contract services. The merged entity is expected to expand Bridger Aerospace's aerial firefighting services to new mission-critical areas.

AUG
7

Frontgrade Technologies (Veritas Capital) completed its acquisition of Aethercomm for an undisclosed sum. Aethercomm designs, manufactures, and supplies RF and microwave amplifier modules, subsystems, and systems for use in radar, electronic warfare, communication, test and measurement, and other systems that require high power. The acquisition is expected to combine Aethercomm's capabilities with Frontgrade's antenna solutions, allowing the acquirer to offer a complete portfolio of solutions for complex defense and space missions.

KEY INDUSTRY TRANSACTIONS & DEVELOPMENTS

AUG
17

BAE Systems announced its acquisition of Ball Aerospace for an enterprise value of \$5.55 billion, marking the acquirer's largest acquisition to date. Ball Aerospace is a provider of spacecraft, mission payloads, optical systems, and antenna systems for the IC, DoD, and civilian space agencies. Based in Colorado with approximately 5,200 employees, Ball Aerospace has four main divisions: National Defense, Tactical Solutions, Civil Space, and Advanced Technology and Information Systems. The addition of Ball Aerospace is expected to strengthen BAE Systems' multi-domain portfolio as well as support an expected revenue CAGR of 10% over the next five years with the scope to expand margins.

AUG
22

AeroVironment Inc. signed a definitive agreement to acquire Tomahawk Robotics for \$120 million. Tomahawk Robotics designs and develops robotic control systems to drive enterprise adoption of robotics. The acquisition is expected to enable deeper integration of both companies' technology, ultimately enabling warfighters to operate various connected robotic solutions in the battlefield and share information between multiple domains with one common controller.

SEP
15

General Atomics announced its acquisition of EO Vista for an undisclosed sum. EO Vista designs, develops, and provides space and airborne electro-optical sensor systems for government applications. EO Vista will be integrated into the General Atomics Electromagnetic Systems group and the acquisition is expected to expand the acquirer's weather and science programs as well as support the growth of its sensor system payload designs portfolio.


NOV
9


TransDigm Group Incorporated acquired the Electron Device Business of Communications & Power Industries ("CPI") for approximately \$1.385 billion in cash. CPI's Electron Device Business manufactures electronic components and subsystems primarily serving the aerospace and defense market. The acquisition is expected to create value in line with TransDigm's long-term private equity-like return objectives.

NOV
27


TJCLP. and L3Harris Technologies announced the signing of a definitive agreement under which an affiliate of TJC will acquire L3Harris' Commercial Aviation Solutions ("CAS") business for an enterprise value of \$800 million, implying a 15x LTM 9/30 EBITDA multiple. L3Harris' CAS business offers pilot training, flight data analytics, avionics, and advanced air mobility products and services. The sale of L3Harris' CAS business is expected to optimize L3Harris' strategy to optimize its national security and technology-focused portfolio, as well as utilize the proceeds from the sale to repay debt to reach its debt leverage objective.


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