



INDUSTRIALS: AEROSPACE AND DEFENSE

- The post-pandemic “re-opening” in the United States and across the world is driving the return of summer vacations and business travel. Airlines are taking advantage of the opportunity, re-establishing operations and restoring temporarily halted routes into service.
- United Airlines made headlines this month when it announced an unprecedented overhaul of its narrow body fleet that is expected to yield orders for 270 planes—200 from Boeing Aerospace and 70 from Airbus.
- Defense stocks have consistently lagged the S&P 500 and the rest of the aerospace sector over the last 12 months as businesses resumed scheduled investments and consumer travel returned
- Sector deal activity has picked up in the second quarter as strategic buyers and private equity backed firms have aggressively pursued transactions in a crowded deal market.

RECENT SELECT TRANSACTIONS

Target	Date	Buyers / Investors	Region	Strategic / Financial
Camtronics LLC	Jun 24	HEICO Corporation	US	Strategic
Aerial Group B.V.	Jun 22	Aquiline Drones, LLC	EMEA	Strategic
Solar System Resources Corporation Sp. z o. o.	Jun 9	US Nuclear Corp.	EMEA	Financial Backed Strategic
ZF Luftfahrttechnik GmbH	Jun 8	Airbus Helicopters Deutschland GmbH	EMEA	Strategic
Used Serviceable Materials of Next Level Aviation	Jun 8	Pratt & Whitney Company, Inc.	US	Strategic
Apollo Fusion, Inc.	Jun 7	Astra Space, Inc.	US	Strategic
CPP France SAS (nka:Aerocast SAS)	Jun 2	Aviagroup Industries SAS	EMEA	Strategic
Barber-Nichols Inc.	Jun 1	Graham Corporation	US	Strategic
Columbia Avionics & Aircraft Services, Inc.	May 31	Blackhawk Modifications, Inc.	US	Strategic
Keystone Turbine Services LLC	May 19	Precision Aviation Group, Inc.	US	Financial Backed Strategic
HDT Global, Inc.	May 18	Nexus Capital Management LP	US	Financial
The Birken Manufacturing Company LLC	May 3	Enjet Aero, LLC	US	Strategic
Assets of Applied Aerodynamics, Inc.	Apr 27	Spirit AeroSystems Holdings, Inc.	US	Strategic
Technical Airborne Components Industries Sprl	Apr 27	Searchlight Capital Partners, L.P.	EMEA	Financial
PCX Aerostructures, LLC	Apr 26	Greenbriar Equity Group, L.P.	US	Financial
Cobalt Aerospace Group Limited	Apr 13	InFlight Peripherals Ltd.	EMEA	Strategic
BAE Systems Rokar International Ltd.	Apr 1	Elbit Systems Ltd.	EMEA	Strategic
Quadrant Systems Limited	Mar 31	Air One Aviation Limited	EMEA	Strategic

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

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EdgePoint Public Comparable Index Constituents

Airframe and Engine OEMs

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2020E	LTM	2020E		LTM	3-Yr. CAGR		
Airbus SE	\$99,527	13.8%	8.3%	\$4,843	\$6,520	18.9x	15.3x	\$58,381	-27.4%	-4.8%	\$128.57	93.5%
The Boeing Company	181,969	-1.4%	-9.6%	(5,408)	4,763	NM	38.2x	56,467	-20.0%	-16.0%	239.56	86.0%
General Electric Company	167,634	17.0%	7.3%	5,654	7,504	24.9x	22.3x	77,248	-16.5%	-13.5%	13.46	93.4%
Rolls-Royce Holdings plc	16,834	-1.8%	-10.0%	(1,622)	1,512	NM	11.2x	16,143	-28.7%	-7.1%	1.37	32.3%
Safran SA	63,520	46.9%	16.4%	3,369	3,671	18.4x	17.3x	20,526	-33.6%	0.5%	138.63	91.5%
Mean		14.9%	2.5%	1,367	4,794	20.7x	16.5x	45,753	-25.2%	-8.2%	104.3	79.3%

Component Manufacturers

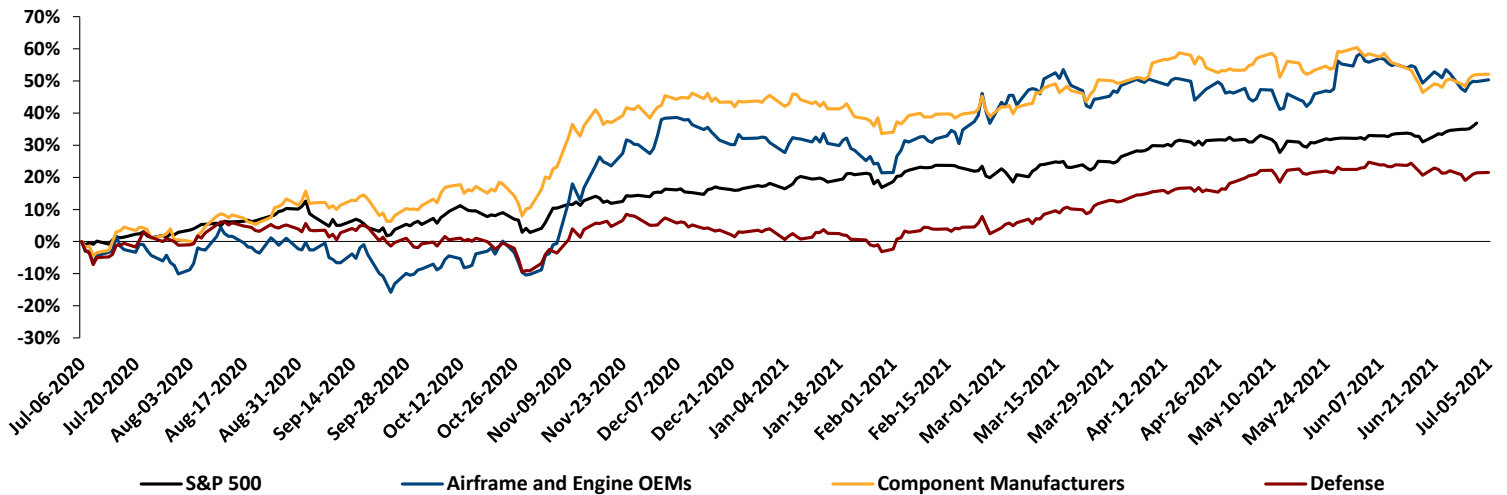
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Week High
		Gross	EBITDA	LTM	2020E	LTM	2020E		LTM	3-Yr. CAGR		
Allegheny Technologies Incorporated	\$3,854	9.2%	5.2%	\$140	\$229	24.0x	16.8x	\$2,719	-33.2%	-9.3%	\$20.85	83.3%
Astronics Corporation	706	16.1%	0.7%	3	25	69.6x	27.6x	451	-37.6%	-11.5%	17.51	83.7%
Honeywell International Inc.	162,118	31.5%	23.4%	7,649	8,833	20.4x	18.4x	32,628	-10.1%	-7.7%	219.35	93.7%
Meggit PLC	6,013	31.0%	16.1%	369	446	15.2x	13.5x	2,299	-26.0%	-5.5%	6.37	86.4%
Moog Inc.	3,672	25.6%	10.3%	286	346	11.6x	10.6x	2,785	-8.0%	2.4%	84.06	91.4%
Triumph Group, Inc.	2,738	22.3%	11.3%	212	161	11.2x	17.0x	1,870	-35.5%	-16.4%	20.75	91.4%
Woodward, Inc.	8,293	24.6%	16.2%	352	476	22.2x	17.4x	2,174	-25.8%	0.0%	122.88	94.0%
Mean		22.9%	11.9%	1,287	1,502	17.4x	17.3x	6,418	-25.2%	-6.8%	70.25	89.1%

Defense Contractors

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Week High
		Gross	EBITDA	LTM	2020E	LTM	2020E		LTM	3-Yr. CAGR		
BAE Systems plc	\$29,255	64.4%	11.0%	\$2,907	\$3,763	8.7x	7.8x	\$26,319	5.3%	3.8%	\$7.21	95.6%
General Dynamics Corporation	65,789	16.5%	13.3%	5,115	5,003	12.0x	13.1x	38,565	-0.7%	7.5%	188.26	95.3%
L3Harris Technologies, Inc.	51,263	29.5%	20.0%	3,629	3,991	13.5x	12.8x	18,135	-15.4%	0.0%	216.15	96.2%
Lockheed Martin Corporation	114,407	13.4%	15.5%	10,213	10,499	10.8x	10.9x	66,005	8.0%	9.4%	378.35	94.0%
Northrop Grumman Corporation	69,141	20.1%	14.6%	5,466	6,661	11.6x	10.3x	37,336	8.9%	12.3%	363.43	95.9%
Raytheon Technologies Corporation	154,674	14.8%	11.6%	7,008	10,646	20.5x	14.5x	60,478	32.2%	-0.4%	85.31	94.8%
Mean		22.7%	12.3%	4,905	5,795	12.9x	11.6x	35,263	5.5%	4.7%	\$176.96	81.7%

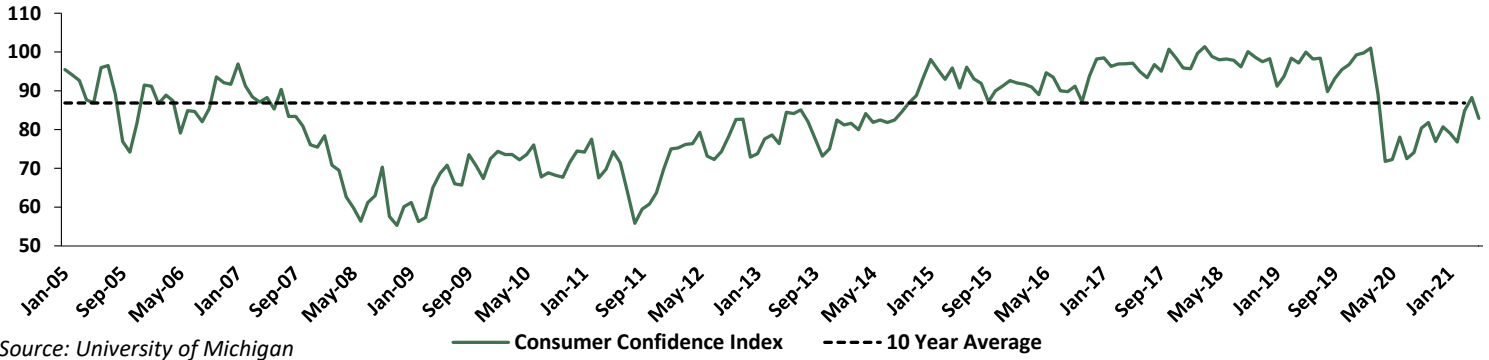
Source: S&P CapIQ (As of June 30, 2021)

Trailing Twelve Months Stock Performance

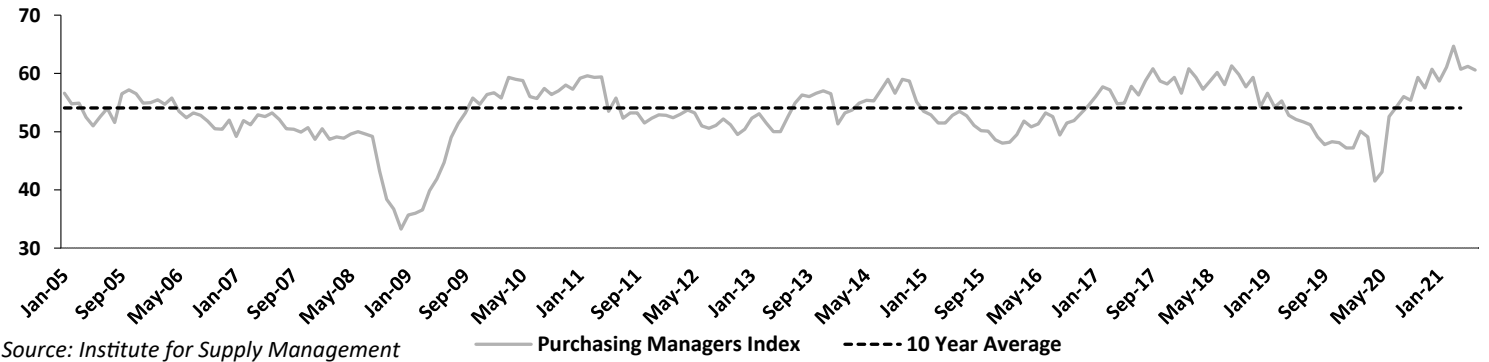


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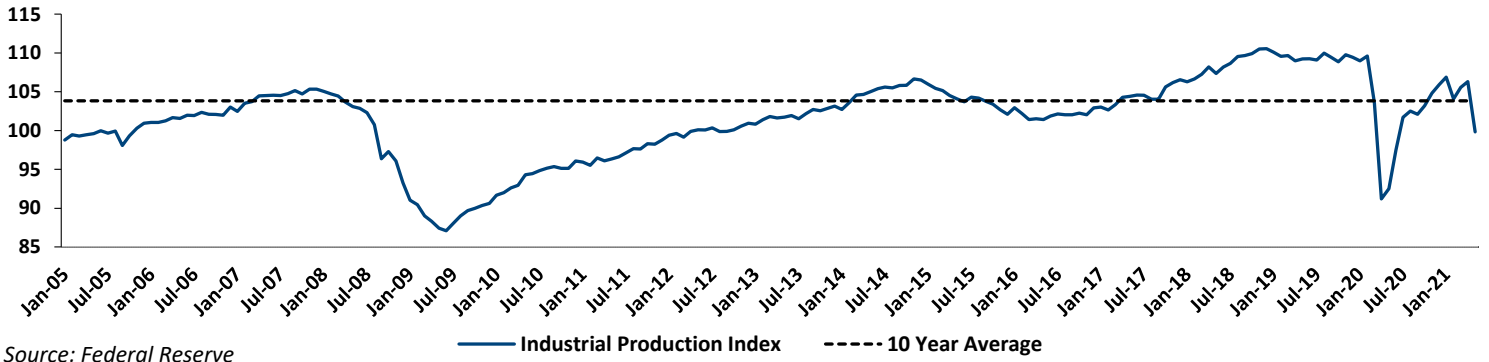
Consumer Confidence Index (2005 - YTD 2021)



Purchasing Managers Index (2005 - YTD 2021)



Industrial Production Index (2005 - YTD 2021)



U.S. Real GDP Growth (2004 - YTD 2021)

