

Q4: Quarterly Industry Update

AS OF December 31, 2023



Aerospace Industry Summary

COGENT VALUATION identified **Aerospace** publicly traded companies, IPOs, and recent M&A transactions within the Aerospace Industry¹, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since December 31, 2022, the median 52-week share price return of the Aerospace industry decreased from 40.6% to 26.1%, and the median year to date increased from 4.1% to 13.1%. Between December 31, 2022 and December 31, 2023, the median EV/Revenue multiple decreased from 1.8 to 1.5 and the median EV/EBITDA multiple decreased from 13.8 to 14.3. The median price-to-earnings multiple increased from 21.5 to 31 and the median EV/Gross Profit multiple increased from 25.4 to 27.7 over the same period. The median MVIC/Earnings multiple decreased from 2.2% to 1.9%. The median Price/Revenue multiple increased from 8.6x to 10.4x over the same period. ¹[Click here for a discussion on Aerospace.](#)

Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
26.1%	13.1%	1.5x	14.3x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
31x	27.7x	1.9%	10.4x

Public Company Median Multiples by Quarter

	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
Median EV/Revenue Multiple	1.5x	3.2x	3.4x	2.7x	3.1x	3.2x	2.9x	3.0x
Median EV/EBITDA Multiple	14.3x	28.0x	17.6x	13.4x	14.6x	14.6x	19.4x	10.7x
Median Price/Earnings Multiple	31x	30.9x	20.3x	21.2x	20.8x	19.7x	17.9x	17.7x
Median EV/Gross Profit Multiple	27.7x	22.2x	21.3x	23.6x	24.5x	23.3x	20.4x	25.0x
Median MVIC/Earnings Multiple	1.9x	1.6x	2.7x	3.7x	5.4x	3.5x	2.2x	3.2x
Median Price/ Revenue Multiple	10.4x	3.2x	3.4x	2.7x	10.6x	2.5x	3.2x	3.2x

■ Highest Multiple
 ■ Median Multiple
 ■ Lowest Multiple

Comparable Public Company Market Price Returns as of December 31, 2023

Company Name	Q4 2023	12-months 2023	Two Year ¹	Three Year ¹	2022	2021	2020
AAR Corp.	12.3%	31.2%	4.4%	8.0%	-5.0%	18.9%	25.7%
Ability Inc.	-25.5%	-83.4%	N/A	N/A	-56.8%	-84.1%	-72.0%
Aerojet Rocketdyne Holdings, Inc.	-10.4%	28.9%	0.5%	2.9%	12.9%	73.8%	14.6%
DigitalGlobe, Inc.	-19.0%	62.4%	9.5%	6.2%	21.0%	109.3%	-9.0%
Ducommun Incorporated	-8.9%	-57.8%	10.9%	6.5%	-57.7%	-46.3%	-61.3%
Elbit Systems Ltd.	-21.4%	N/A	25.3%	26.0%	-55.3%	N/A	N/A
Embraer S.A.	-15.4%	-12.5%	-22.5%	-20.7%	-38.1%	47.0%	N/A
Engility Holdings, Inc.	-14.1%	3.4%	6.2%	-9.5%	-26.2%	1.4%	71.6%
Esterline Technologies Corporation	-10.1%	17.6%	-0.3%	-6.3%	-15.6%	22.5%	-4.4%
Northrop Grumman Corporation	-20.9%	-59.5%	27.2%	29.0%	42.4%	-55.3%	-2.0%
Orbital ATK, Inc.	48.3%	72.5%	15.8%	-9.8%	65.1%	9.3%	40.2%
Raytheon Company	8.9%	44.4%	29.9%	20.5%	14.0%	28%	-4.9%
Rockwell Collins, Inc.	8.2%	20.5%	6.7%	10.4%	0.5%	9.3%	1.5%
SIFCO Industries, Inc.	-17.9%	48.0%	-33.2%	-40.3%	-19.5%	-67.4%	13.4%
Sparton Corporation	4.8%	1.0%	-10.3%	-7.5%	19.3%	-29.5%	1.4%
Spirit AeroSystems Holdings, Inc.	0.0%	34.7%	2.5%	19.8%	16.5%	16.3%	26.3%
TAT Technologies, Ltd.	4.1%	39.9%	22.5%	11.6%	18.2%	10.8%	-16.1%
Teledyne Technologies Incorporated	0.9%	28.9%	10.0%	9.5%	38.7%	-13.7%	11.8%
Median of Industry Public Companies	26.1%	13.1%	6.7%	6.5%	14.9%	-14.4%	3.8%

■ Highest Return
 ■ Lowest Return
 ■ Median Return

[1] Calculated as the average annual return.

Industry Initial Public Offerings – Aerospace and Defense (dollars in millions, except share prices)

Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets ¹	Debt ¹	LTM Revenue ¹	LTM EBITDA ¹	LTM Net Income ¹	LTM Cash Flows ¹
12/27/23	Velocity Composites plc	\$1.10	16.5	\$18.7	\$10.6	\$2.9	\$21.8	\$0.0	(\$0.3)	\$0.4
11/26/23	UUV Aquabotix Limited	\$0.15	35.0	\$5.2	\$4.7	\$0.2	\$0.8	N/A	\$0.1	\$0.2
7/20/23	DroneShield Limited	\$0.15	35.0	\$5.2	\$4.7	\$0.5	\$5.6	\$0.5	\$1.4	\$0.3
5/7/23	GomSpace Group AB (publ)	\$1.54	8.0	\$12.3	\$4.0	\$1.2	\$4.9	\$0.6	\$0.2	\$0.8
12/18/22	Hizeaero Co., Ltd.	\$15.42	4.4	\$67.5	N/A	\$30.9	N/A	N/A	\$2.5	\$7.1
9/30/22	LIG Nex1 Co., Ltd.	\$64.19	6.9	\$442.9	\$1,569	\$136.2	\$1,427.5	\$126.3	\$58.8	\$153.2
2/23/22	Martin Aircraft Company Limited	\$0.30	67.5	\$20.3	\$1.1	\$0.0	\$0.0	(\$3.2)	(\$3.2)	(\$3.1)
Median of all IPOs		nm	nm	\$18.7	\$10.6	\$4.4	\$21.8	\$3.2	\$1.3	\$3.9

[1] As of the effective date of the IPO

Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues ¹	EV/ Revenues ¹
10/2/23	Applied Defense Solutions, Inc.	Florida Pneumatic Mfg.	\$8,187.6	100%	N/A	0.8x
9/21/23	Beaver Aerospace & Defense	The KEYW Corporation	\$8.0	100%	\$30.0	2.1x
7/30/23	Orbital ATK, Inc.	Astronics Custom Control	\$365.7	100%	\$4,515.0	N/A
12/26/22	Extant Components Group	Leonardo - Finmeccanica	\$10.7	80%	N/A	1.6x
11/28/22	Zodiac Aerospace	Segula Tecnologias Espala	\$149.7	100%	\$5,773.4	4.2x
11/1/23	Applied Defense Solutions, Inc.	Halma plc	\$1.9	100%	N/A	1.5x
9/21/22	Beaver Aerospace & Defense, Inc.	Curtiss-Wright Controls	\$27.5	75%	\$40.2	9.4x
11/10/22	Aero-Missile Components	Med-Eng Holdings ULC	\$233.0	100%	N/A	5.3x
6/4/22	B/E Aerospace, Inc.	Groupe ADF SAS	\$11.9	97%	\$11.6	1.4x

[1] As of the close of the Transaction

■ USA ■ International

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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

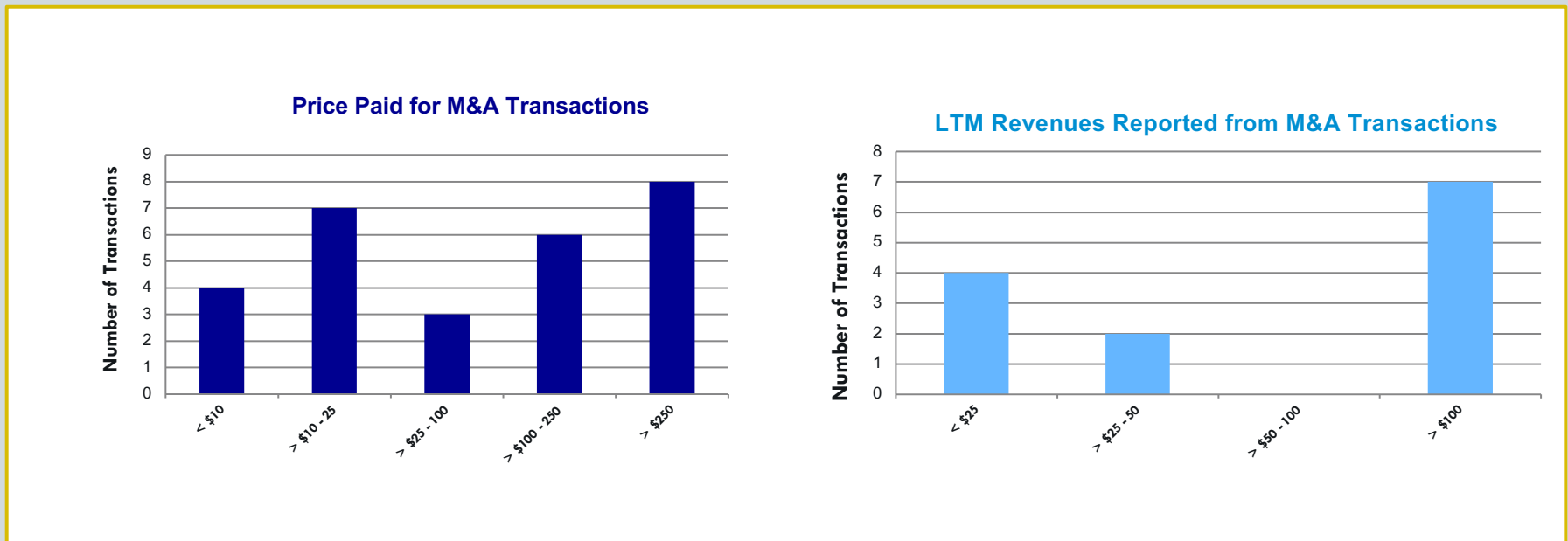
Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues ¹	EV/ Revenues ¹
11/12/23	Applied Defense Solutions, Inc.	L3 Technologies, Inc.	\$50.0	100%	\$21.3	\$34.3
10/12/23	Tenax Aerospace, LLC	NTC Group, Inc.	\$220.0	100%	N/A	N/A
7/6/23	Acro Aircraft Seating Ltd.	Zhejiang Science and Technology Investment Co., Ltd.	\$73.7	100%	\$40.2	1.8x
6/24/23	U.S. Sensor, Corp.	Littelfuse, Inc.	\$24.0	100%	N/A	N/A
1/2/23	Excelsys Technologies Ltd.	Advanced Energy Industries, Inc.	\$17.6	100%	\$11.6	1.5x
11/6/22	LMI Aerospace, Inc.	Sonaca SA	\$432.3	100%	\$346.2	1.2x
9/24/22	Beaver Aerospace & Defense, Inc.	Héroux-Devtek Inc.	\$23.5	100%	\$7.4	\$1.92
9/2/22	Orbital ATK, Inc.	Northrop Grumman Corp.	\$9,429.0	100%	\$6,074.0	\$5.00
8/9/22	Extant Components Group	TransDigm Group	\$525.0	100%	N/A	\$4.00
1/24/22	Zodiac Aerospace	Safran SA	\$9,763.8	100%	\$30.0	\$28.10
12/2/21	Tenax Aerospace, LLC	NTC Group, Inc.	\$329.0	100%	\$4,515.0	\$3.88
11/6/21	Extant Components Group	Zhejiang Science and Technology Investment Co., Ltd.	\$525.0	100%	N/A	\$15.57
9/24/21	Zodiac Aerospace	Littelfuse, Inc.	\$9,763.8	100%	\$5,773.4	\$6.55
9/2/20	Tenax Aerospace, LLC	Advanced Energy Industries, Inc.	\$220.0	100%	N/A	\$22.4
Median of the M&A Transaction Targets			\$101.2	100%	\$40.2	\$15.57

[1] As of the close of the Transaction

USA International

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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

Market Value of Invested Capital (MVIC): Market Value of Equity + Market Value of Debt

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