Cassel Salpeter & Co.

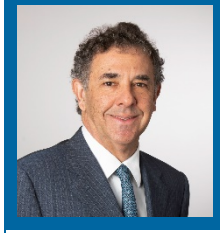
INVESTMENT BANKING

Aviation Investment Banking
Q1 2020 Update

Confidential

Member FINRA | SIPC

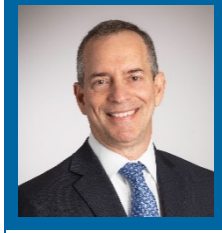
OUR TEAM



James S. Cassel
Chairman
jcassel@cs-ib.com
305-438-7701

Representative Assignments:

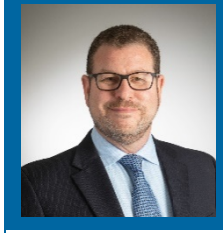
- Sale: Gulfstream International Airlines
- Sale: Tradewinds Engine Group



Scott E. Salpeter
President
ssalpeter@cs-ib.com
305-438-7702

Representative Assignments:

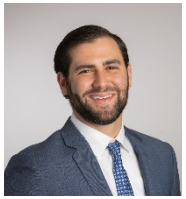
- Valuation: Flightstar Aircraft Services
- Valuation: Global Engine Maintenance
- Solvency: AmeriJet International
- Valuation: Avborne Heavy Maintenance



Joseph "Joey" Smith
Director, Aviation Services
jsmith@cs-ib.com
305-438-7706

Representative Assignments:

- Capital Raise: Avenger Flight Group
- Capital Raise: Diversified Aero Services
- Capital Raise: Alaris Aerospace Systems

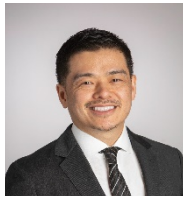


Philip Cassel
Managing Director

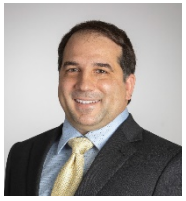
Ira Leiderman
Managing Director

Deborah Aghib
Managing Director

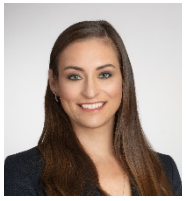
Margery Fischbein
Managing Director



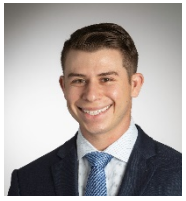
Marcus Wai
Vice President



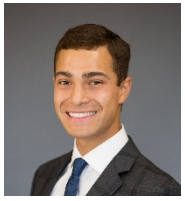
Chris Mansueto
Vice President



Laura Salpeter
Vice President



Julian Astrove
Associate



Edward Kropf
Associate

Tahz Rashid
Analyst

CS RESTRUCTURING AND ADVISORY SERVICES

- In this challenging environment, we are uniquely qualified to assist middle-market aviation companies and their owners with assignments including; capital raising, both debt and equity; owner liquidity, full or partial sale; and buy-side acquisition opportunities.

- Additionally, we represent debtors, creditor groups, and financial institutions in restructurings, liquidations, and bankruptcy proceedings. We have a successful track record of providing creative solutions in complex, multi-constituent transactions requiring unique structures. Our restructuring advisory capabilities include:

  - evaluating the financial condition and operations of a company, including any related financial analysis required,
  - Exploring, evaluating, and recommending financial and strategic alternatives in efforts to assist a company in the return to profitability or in the salvaging of valuable assets,
  - developing a comprehensive financial restructuring program,
  - Leading negotiations with relevant constituencies,
  - Facilitating implementation of the selected restructuring plan.
  - Out-of-Court Restructuring Services, including refinancing debt, renegotiating senior/subordinated facilities, placing junior capital, restructuring equity base or existing debt and/or other obligations, and deleveraging
  - Distressed M&A, including 363 Sales, Article 9 Sales, debt sales prior to change of control, and similar transactions
  - Plans of Reorganization, including arranging DIP/exit financing, formulating plans of reorganization and related financial analysis, and other services
  - Creditor Representation
  - Board of Director and Special Committee Advisory, including fairness opinions, solvency opinions and related analysis

I AEROSPACE & DEFENSE REVIEW

II M&A & PRIVATE PLACEMENT TRANSACTIONS

III PUBLIC MARKETS OVERVIEW

THE "GREY RHINO" EVENT IS HERE

- In Q1-2020, the "grey rhino" (defined as a highly probable but neglected threat) COVID-19 pandemic has plunged the global airline industry into an unprecedented crisis, as airline bookings nosedive in response to global shelter in place regulations, and business restrictions on travel to safeguard the public.

- Continued decline in air travel will most likely persist for an extended period. Uncertainty surrounding the magnitude of these circumstances does not allow for any clear visibility as to the industry's recovery mode toward the new normal.

- A tailspin in revenue and cash flow seems forthcoming for most airlines, original equipment manufacturers (OEMs), and their suppliers in the aircraft production and related services ecosystem. The government sponsored Coronavirus Aid, Relief, and Economic Security (CARES) Act will offer much-needed liquidity towards the future viability of many companies in the aerospace sector, with all roads leading back to the commercial airlines flying at capacity and continuing to upgrade their fleets, to ensure the ultimate health of the industry.

- The turmoil in the commercial aviation industry will have damaging effects on producers of aircraft, with a likely decrease in new aircraft orders, and/or the cancellation of existing ones. This reduced demand for materials and components will not only effect the OEMs, and their Tier 1 /2 suppliers, but is likely to spread throughout the industry's entire supply chain.

- The defense side of the industry is not nearly as impacted as the commercial aviation space, with defense contractors and their captive supply chains being well protected by budgeted government spending for the nation's defense. While demand for defense sector products may be protected by the government/DOD, the defense contractors may still experience supply chain disruptions, due to financial impact on suppliers and partners that may have to slow and/or pause production.

- As the pandemic and "new normal" move into summer and fall, many airlines will face a sustained downturn in commercial travel and revenue. They will also face liquidity challenges and distress managing their capital expenditures and debt obligations. Notwithstanding the CARES Act, some airlines may even struggle to recover and/or steer clear of bankruptcy.

- With all the unknown COVID-19 pandemic fears and factors facing the global population and economy, the commercial airlines and aviation ecosystem should brace for a challenging period ahead, and not expect a recovery until an effective vaccine is developed, which many believe will not take place until the second half of 2021.

UNCLE SAM TO THE RESCUE – THE CARES ACT

- On March 27, 2020, the $2 trillion CARES Act was signed into law by Congress, providing the U.S. aviation industry/companies with a $50 billion bailout/rescue package to help withstand the impact of the COVID-19 pandemic.
- That sum includes $25 billion in loans and loan guarantees from the federal government, and another $25 billion in grants. It is meant to be a lifeline to keep airlines, and the supporting aviation industry, afloat during the crisis, specifically:
  - $25 billion for passenger air carriers, including general aviation operators that conduct flights under Federal Aviation Regulations ("FAR") Part 135, and eligible businesses that are certified under FAR Part 145 approved to perform inspection, repair, replacement, or overhaul services and ticket agents;
  - $4 billion for cargo air carriers, and $17 billion for businesses critical to maintaining national security; and
  - $10 billion for airports of all sizes (including general aviation airports).
- Additionally, the Federal Reserve Board established a program with $454 billion to support all eligible businesses (including the aviation industry) and state and municipal governments through a variety of means, including loans and loan guarantees.
- It is not free money. Some of the conditions airlines must meet to get the money include: no buybacks of shares until one year after loans are repaid; and maintaining a level of service between cities, as the government has a preeminent interest in keeping the country connected. Labor is also a big part of the aid package. Airlines can use government grants to pay their salaries, since their revenue has dipped to almost zero. They must, however, guarantee that they will keep people employed, paid, and with benefits until September 30, 2020.

Sources of information: TPG Senior News Editor Clint Henderson.

DEATH SPIRAL OR LEVELING OFF?

- McKinsey released an assessment of the global impact of the COVID-19 pandemic, estimating that the impact on global aviation will be five to six times as bad as the impact of the 9/11 terrorist attacks. The report estimated that domestic air travel could return to normal levels after nine months, but international travel might not return to normal for 18 months.
- International Air Transport Association (IATA) estimates that the industry might lose up to $314 billion (55%) of passenger revenues in 2020 amidst travel restrictions and confidence effects, compounded by a global recession.
- As the COVID-19 pandemic progressed in March 2020, air transport came to a halt in most regions of the world and struggled to restart in markets affected earlier. Consequentially, seat capacity plunged 55% in March 2020, versus March 2019.
- Revised data for February 2020 shows that more than 1,000 aircrafts were parked, dwarfing the 737 Max grounding in 2019. In March 2020, airlines grounded 12,400 additional aircrafts, with slightly more than half of the global fleet being in storage.
- Airlines in the U.S. are still flying around the country amid quarantines, lockdowns, and social distancing guidelines, with each flight carrying passenger loads of just 5-15%, in some cases, even just a single passenger. Airlines have dramatically decreased their planned international flying, with as much as 80-90% of capacity cut for April – May 2020, but the domestic cuts have been slightly less.
- While the business ramifications of COVID-19 are unclear, the MRO sector is expected to join airlines and airports as among the most affected businesses. Analysts are projecting at least a 20% year-over-year decline in MRO business in 2020. Airlines will need less support, since fleets are grounded and are not likely to use the downtime for shop visits or other scheduled work because of their need to conserve cash.
- The uniqueness of this crisis may force the government to explore additional options such as: extending lines of credit, reducing infrastructure costs, short-term funding, lowering the tax burden and offering supply chain assistance. Projecting when and how this period of upheaval recedes, depends on fast-changing variables from geopolitics to the global containment efforts of the virus. Meanwhile, for many companies in the aviation sector, it will mean taking every measure to protect their business and cash flow to not only survive, but to navigate to the other side of this “grey rhino” pandemic.

Sources of information: International Air Transport Association (IATA).

I AEROSPACE & DEFENSE REVIEW

II M&A & PRIVATE PLACEMENT TRANSACTIONS

III PUBLIC MARKETS OVERVIEW

SELECTED M&A TRANSACTIONS

Selected Transactions Review

($ in millions)

Transaction					Metrics			Valuation Benchmarks		
Date				Enterprise	Target Trailing Twelve Months (TTM)			Implied Enterprise Value (EV) /		
Closed	Anncd.	Target	Acquirer	Value	Revenue	*EBITDA %*	*EBIT %*	Revenue	EBITDA	EBIT
2020 1st Quarter M&A Transactions										
27-Mar-20	6-Nov-19	Aircastle Limited	Marubeni Corporation; Mizuho Leasing Company, Limited	$ 7,367.9	$ 964.7	*48.3%*	*53.9%*	8.03x	15.80x	15.9x
13-Mar-20	6-Feb-20	Unisys Federal	Science Applications International Corporation	$ 1,200.0	$ 689.0	*na*	*na*	1.74x	na	na
2-Mar-20	30-Jan-20	RSA Engineered Products, LLC	TriMas Corporation	$ 85.0	$ 32.0	*na*	*nm*	2.66x	na	na
27-Feb-20	31-Jan-20	Prime Turbines, LLC	PTB Group Limited	$ 21.0	na	*na*	*na*	na	na	na
24-Feb-20	24-Feb-20	FreeFlight Systems, Inc.	ACR Electronics, Inc.	na	na	*na*	*na*	na	na	na
19-Feb-20	29-Jan-20	Custom MMIC Design Services, Inc.	Qorvo, Inc.	$ 105.0	na	*na*	*na*	na	na	na
10-Feb-20	1-Nov-19	Gores Holdings III, Inc.	Pacific Architects and Engineers Inc. (nka:PAE Incorporated)	na	na	*na*	*na*	na	na	na
4-Feb-20	4-Feb-20	Newman & Spurr Consultancy Limited	QinetiQ Group plc	$ 18.2	$ 7.7	*22.0%*	*na*	2.37x	10.77x	na
31-Jan-20	17-Dec-19	Dynetics, Inc.	Leidos, Inc.	$ 1,650.0	$ 10,190.0	*na*	*na*	0.16x	na	na
10-Jan-20	9-Jan-20	Fiber Materials Inc.	Spirit AeroSystems Holdings, Inc.	$ 120.0	na	*na*	*na*	na	na	na
9-Jan-20	9-Aug-19	Wesco Aircraft Holdings, Inc.	Pattonair Limited	$ 1,874.5	$ 1,671.0	*8.9%*	*6.7%*	1.10x	12.60x	15.7x
6-Jan-20	6-Jan-20	Premiair Aviation Maintenance Pty Ltd	Textron Aviation Inc.	na	na	*na*	*na*	na	na	na
3-Jan-20	14-Jan-20	Aircraft Performance Group, Inc.	AFV Partners LLC	na	na	*na*	*na*	na	na	na
2-Jan-20	7-Aug-19	Advanced Ballistic Protection Business of 3M	Avon Rubber p.l.c.	$ 116.0	$ 85.4	*na*	*na*	1.36x	na	na
na	7-Feb-20	Société Anonyme Belge de Constructions Aéronautiques	Sabena Aerospace SA; Federal Holding and Investment Company	$ 113.7	$ 204.8	*9.6%*	*3.7%*	0.54x	5.80x	77.6x
na	29-Jan-20	Consolidated Aerospace Manufacturing, LLC	Stanley Black & Decker, Inc.	$ 1,500.0	$ 375.0	*na*	*na*	4.00x	na	na
na	20-Jan-20	Military Global Positioning System Business Of Collins Aerospace	BAE Systems plc	$ 1,925.0	na	*na*	*na*	na	na	na
na	20-Jan-20	Airborne Tactical Radios Business of Raytheon Company	BAE Systems plc	$ 275.0	na	*na*	*na*	na	na	na
			Mean	*$ 1,169.4*	*$ 1,580.0*	*22.2%*	*21.4%*	*2.44x*	*11.24x*	*36.4x*
			Median	*$ 197.5*	*$ 375.0*	*15.8%*	*6.7%*	*1.74x*	*11.69x*	*15.9x*

Sources of Information: S&P Capital IQ and Pitchbook

SELECTED PRIVATE PLACEMENTS

Selected Private Placements Review

($ in millions)

Close Date	Target	Investors	Raise	Round Type	Round Number
2020 1st Quarter Private Placements					
31-Mar-20	Beijing Tianbing Technology Co., Ltd.	Innovation Angel Fund; Eagles Fund; ZJU Joint Innovation Investment	$ 14.1	Pre-Series A	3
30-Mar-20	Agnikul Cosmos Private Limited	Lionrock Capital; Globevestor, Inc.; Artha Venture Partners LLP; Pi Ventures; Speciale Incept Advisors LLP; Letsventure Technologies Private Limited	4.8	Pre-Series A	2
3-Mar-20	Beijing MinoSpace Technology Co.,Ltd.	Guangdong Billionhome Fund Management Co., Ltd.; Beijing Chuangxiang Future Enterprise Management Center	14.4	Series A	3
26-Feb-20	Chengdu Dekun Aviation Equipment Manufacturing Co., Ltd.	Chengdu Leejun Industrial Co., Ltd.	21.4	Growth	2
24-Feb-20	Robotic Skies, LLC	CerraCapital Ventures	0.5	Debt	4
21-Feb-20	Volocopter GmbH	Daimler AG; b-to-v Partners AG; Schenker AG; MS&AD Insurance Group Holdings, Inc.; Zhejiang Geely Holding Group Co., Ltd.; TransLink Capital; Micron Ventures; MS&AD Ventures Inc.	94.5	Series C	4
19-Feb-20	Shetland Space Centre Ltd	Leonne International Ltd	2.7	Venture	1
13-Feb-20	Astranis Space Technologies Corp.	VR Adviser, LLC; Y Combinator Management LLC; Andreessen Horowitz LLC; Fifty Years Industries, LLC; Refactor Capital, LLC	90.0	Series B	3
11-Feb-20	ATLAS Space Operations, Inc.	Beringea, LLC	5.0	Venture	2
10-Feb-20	ARMR Systems LLC	The University System of Maryland Foundation, Inc., Endowment Arm; Tamiami Angel Fund; Maryland Momentum Fund	0.8	Seed	2
10-Feb-20	Sigma Labs, Inc.	Iroquois Capital Management L.L.C.; Iroquois Master Fund Ltd.; Brio Capital L.P.; Anson Group; Anson Investments Master Fund LP; Brio Capital Master Fund Ltd.	2.1	PIPE	9
29-Jan-20	Laflamme Aero Inc.	Investissement Québec, Investment Arm; Anges Québec; Anges Québec Capital Fund	2.0	Growth	1
16-Jan-20	SpinLaunch Inc.	Kleiner Perkins Caufield & Byers; Lauder Partners, LLC; GV; Airbus Ventures; Catapult Ventures	35.0	Growth	6
16-Jan-20	Repure Unimax Inc. (nka:Ehwa Defense Technology)	A-Frontier Co.,Ltd.	8.3	PIPE	1
15-Jan-20	Joby Aviation, LLC	Toyota Motor Corp.; Intel Capital; Baillie Gifford & Co.; Capricorn Investment Group; SPARX Group Co.; AME Cloud Ventures; JetBlue Technology Ventures; Toyota AI Ventures; Global Oryx Company Ltd.	590.0	Series C	3
na	Everis Aeroespacial y Defensa, S.L.U.	NTT DATA Corporation	131.1	Venture	1
na	Soltworks Co., Ltd.	Korea Fixed-Income Investment Advisory	8.1	PIPE	4
na	Ligeance Aerospace Technology Co.,Ltd.	Chengdu Airport Xingcheng Investment Group Co., Ltd.	138.0	PIPE	3
		Mean	*$ 56.8*		
		Median	*$ 8.5*		

Sources of information: S&P Capital IQ and Pitchbook

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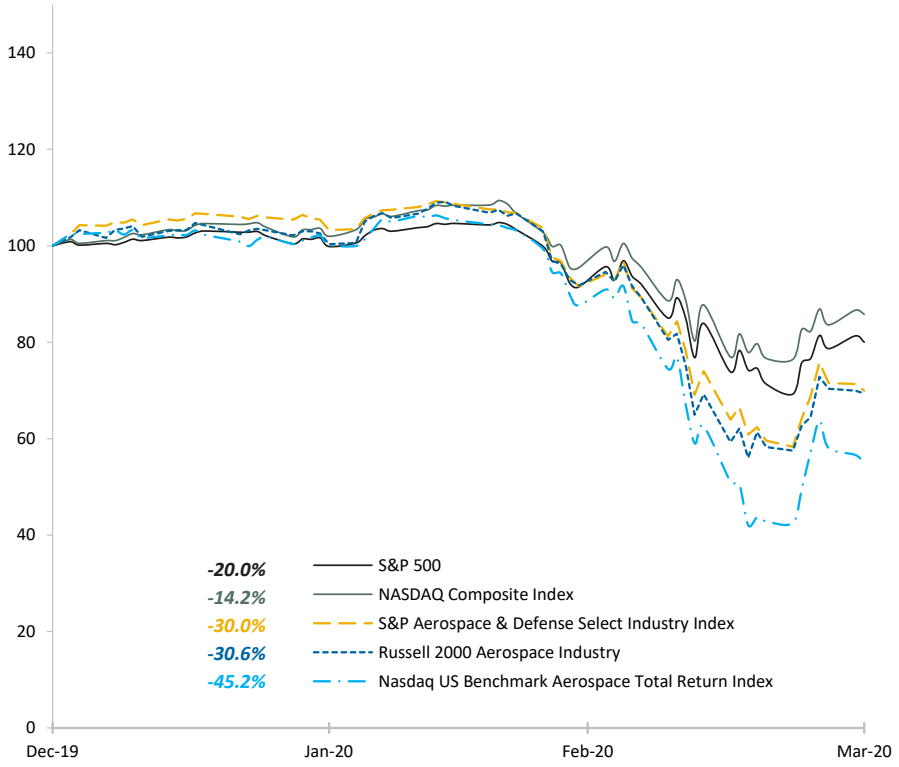
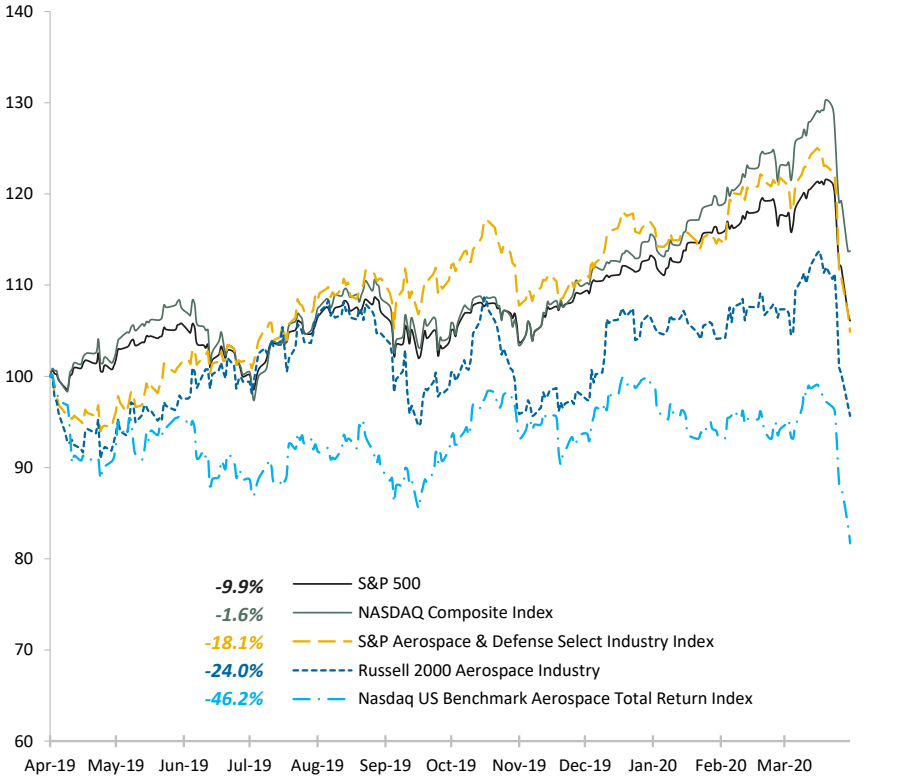
SELECTED MARKET INDICES

Relative Performance

Quarterly - December 31, 2019 to March 31, 2020



Annual - April 1, 2019 to March 31, 2020



Sources of information: S&P Capital IQ.

SELECTED PUBLIC COMPANY TRADING DATA

Selected Companies Review

($ in thousands, except per security)

		Market Statistics			Metrics				Valuation Benchmarks			
		Closing Price	% of 52-week	Enterprise	Revenue	EBITDA	*EBITDA*	*EBITDA*	EV / Revenue		EV / EBITDA	
Company	Ticker	31-Mar-20	High-Low	Value	LTM	LTM	*LTM Margin*	*2021 E Growth*	LTM	2020 E	LTM	2020 E
Aerostructures & Component Manufacturers												
Air Industries Group	AIRI	$ 1.06	31.5% - 176.7%	$ 62.1	$ 54.6	$ 3.6	*6.6%*	*na*	1.14x	1.00x	17.2x	7.9x
Allegheny Technologies Incorporated	ATI	$ 8.50	30.9% - 171.7%	2,166.7	4,122.5	433.6	*10.5%*	*17.9%*	0.53x	0.57x	5.0x	5.1x
Astronics Corporation	ATRO	$ 9.18	20.7% - 131.3%	468.0	772.7	83.2	*10.8%*	*128.9%*	0.61x	0.93x	5.6x	55.7x
CPI Aerostructures, Inc.	CVU	$ 2.25	26.0% - 174.4%	62.5	100.9	11.5	*11.4%*	*19.6%*	0.62x	0.54x	5.5x	4.2x
Hexcel Corporation	HXL	$ 37.19	42.7% - 132.6%	4,162.4	2,355.7	566.9	*24.1%*	*5.8%*	1.77x	1.82x	7.3x	7.5x
Honeywell International Inc.	HON	$ 133.79	72.7% - 132.4%	101,628.8	36,709.0	8,592.0	*23.4%*	*10.6%*	2.77x	2.88x	11.8x	12.2x
Ducommun Incorporated	DCO	$ 24.85	43.0% - 152.7%	578.7	721.1	87.0	*12.1%*	*9.7%*	0.80x	0.83x	6.6x	6.9x
FACC AG	WBAG:FACC	$ 8.57	51.3% - 155.9%	626.5	895.6	63.2	*7.1%*	*13.0%*	0.70x	0.70x	9.9x	6.9x
Héroux-Devtek Inc.	TSX:HRX	$ 7.39	48.4% - 122.3%	448.7	465.8	66.3	*14.2%*	*2.6%*	0.96x	1.05x	6.8x	6.5x
Innovative Solutions and Support, Inc.	ISSC	$ 3.19	44.9% - 265.8%	32.1	18.1	2.1	*11.6%*	*na*	1.77x	na	15.3x	na
JAMCO Corporation	TSE:7408	$ 6.51	28.7% - 106.5%	463.2	804.7	46.5	*5.8%*	*na*	0.58x	na	10.0x	na
Kaman Corporation	KAMN	$ 38.47	56.4% - 131.0%	796.7	761.6	103.9	*13.6%*	*31.6%*	1.05x	0.95x	7.7x	7.5x
Latécoère S.A.	ENXTPA:LAT	$ 2.30	53.7% - 116.8%	371.1	800.2	52.0	*6.5%*	*56.8%*	0.46x	0.51x	7.1x	7.7x
Lisi S.A.	ENXTPA:FII	$ 18.40	49.5% - 116.7%	1,354.7	1,972.9	294.0	*14.9%*	*9.4%*	0.69x	0.72x	4.6x	4.4x
Magellan Aerospace Corporation	TSX:MAL	$ 4.59	34.3% - 135.6%	304.5	783.5	109.0	*13.9%*	*36.6%*	0.39x	0.50x	2.8x	3.8x
Meggitt PLC	MGGT	$ 3.61	41.4% - 148.0%	3,931.6	3,014.6	655.6	*21.7%*	*11.3%*	1.30x	1.46x	6.0x	6.8x
Moog Inc.	MOG.A	$ 50.53	51.3% - 155.5%	2,634.5	2,979.8	372.0	*12.5%*	*7.4%*	0.88x	0.86x	7.1x	6.7x
RBC Bearings Incorporated	ROLL	$ 112.79	60.9% - 145.3%	2,768.6	723.8	185.4	*25.6%*	*na*	3.83x	4.06x	14.9x	15.2x
Senior plc	LSE:SNR	$ 0.87	29.6% - 155.7%	647.2	1,471.0	154.4	*10.5%*	*21.0%*	0.44x	0.59x	4.2x	5.1x
SIFCO Industries, Inc.	SIF	$ 2.25	40.0% - 119.0%	53.9	109.6	(1.4)	*-1.3%*	*na*	0.49x	na	na	na
Spirit AeroSystems Holdings, Inc.	SPR	$ 23.93	25.3% - 174.8%	3,240.6	7,863.1	1,054.7	*13.4%*	*146.6%*	0.41x	0.62x	3.1x	10.3x
Triumph Group, Inc.	TGI	$ 6.76	23.0% - 223.8%	1,777.8	3,076.0	296.4	*9.6%*	*-4.4%*	0.58x	0.68x	6.0x	5.8x
TransDigm Group Incorporated	TDG	$ 320.19	47.5% - 160.0%	31,673.3	5,695.2	2,491.4	*43.7%*	*5.4%*	5.56x	5.39x	12.7x	12.1x
Woodward, Inc.	WWD	$ 59.44	46.1% - 127.8%	4,735.6	2,967.7	494.6	*16.7%*	*10.4%*	1.60x	1.62x	9.6x	8.4x
		Mean	*41.7% - 151.4%*	*$ 6,874.6*	*$ 3,301.7*	*$ 675.7*	*14.1%*	*28.4%*	*1.25x*	*1.35x*	*8.1x*	*9.8x*
		Median	*42.9% - 146.6%*	*$ 721.9*	*$ 850.1*	*$ 131.7*	*12.3%*	*11.3%*	*0.75x*	*0.86x*	*7.1x*	*6.9x*

Market value equals price per share times number of diluted shares outstanding. Enterprise value equals market value plus debt, preferred stock, and non controlling interests, less cash.

Sources of information: S&P Capital IQ.

SELECTED PUBLIC COMPANY TRADING DATA

Selected Companies Review

($ in thousands, except per security)

		Market Statistics			Metrics				Valuation Benchmarks			
		Closing Price	% of 52-week	Enterprise	Revenue	EBITDA	*EBITDA*	*EBITDA*	EV / Revenue		EV / EBITDA	
Company	Ticker	31-Mar-20	High-Low	Value	LTM	LTM	*LTM Margin*	*2021 E Growth*	LTM	2020 E	LTM	2020 E
MRO, Parts & Supply Chain												
AAR Corp.	AIR	$ 17.76	33.6% - 207.5%	$ 862.9	$ 2,218.2	$ 143.2	*6.5%*	*31.6%*	0.39x	0.50x	6.0x	9.0x
HEICO Corporation	HEI	$ 74.61	50.4% - 143.5%	10,096.8	2,095.8	559.6	*26.7%*	*18.8%*	4.82x	4.98x	18.0x	20.6x
MTU Aero Engines AG	XTRA:MTX	$ 146.54	46.1% - 136.4%	9,014.7	5,194.0	835.8	*16.1%*	*12.1%*	1.74x	1.76x	10.8x	9.4x
Singapore Technologies (ST Aerospace)	SGX:S63	$ 2.19	70.6% - 112.2%	8,363.7	5,850.1	707.9	*12.1%*	*9.4%*	1.43x	1.40x	11.8x	10.7x
TAT Technologies Ltd.	TATT	$ 3.48	50.3% - 116.0%	21.9	102.0	6.4	*6.2%*	*na*	0.22x	na	3.5x	na
VSE Corporation	VSEC	$ 16.32	39.7% - 118.0%	476.0	752.6	87.6	*11.6%*	*na*	0.63x	na	5.4x	na
		Mean	*48.5% - 138.9%*	*$ 4,806.0*	*$ 2,702.1*	*$ 390.1*	*13.2%*	*18.0%*	*1.54x*	*2.16x*	*9.3x*	*12.4x*
		Median	*48.2% - 127.2%*	*$ 4,613.3*	*$ 2,157.0*	*$ 351.4*	*11.9%*	*15.4%*	*1.03x*	*1.58x*	*8.4x*	*10.0x*
Aviation Services												
AerCap Holdings N.V.	AER	$ 22.79	35.1% - 218.7%	$ 31,513.7	$ 4,937.3	$ 2,727.0	*55.2%*	*5.0%*	6.38x	6.80x	11.6x	7.8x
Air Lease Corporation	AL	$ 22.14	44.3% - 263.3%	15,842.3	2,016.9	na	*na*	*18.8%*	7.85x	7.24x	na	7.7x
Air T, Inc.	AIRT	$ 12.51	51.1% - 132.9%	133.2	272.8	16.7	*6.1%*	*na*	0.49x	na	8.0x	na
Air Transport Services Group, Inc.	ATSG	$ 18.28	71.4% - 138.5%	2,572.4	1,452.2	436.1	*30.0%*	*7.5%*	1.77x	1.67x	5.9x	5.3x
Atlas Air Worldwide Holdings, Inc.	AAWW	$ 25.67	49.4% - 171.5%	3,477.9	2,739.2	481.7	*17.6%*	*-4.5%*	1.27x	1.23x	7.2x	6.2x
CAE Inc.	TSX:CAE	$ 12.55	42.4% - 124.8%	5,029.0	2,827.9	565.8	*20.0%*	*16.1%*	1.78x	2.04x	8.9x	9.0x
Gogo Inc.	GOGO	$ 2.12	29.3% - 137.7%	1,210.4	835.7	155.5	*18.6%*	*188.3%*	1.45x	1.83x	7.8x	23.2x
		Mean	*46.1% - 169.6%*	*$ 8,539.9*	*$ 2,154.6*	*$ 730.5*	*24.6%*	*38.5%*	*3.00x*	*3.47x*	*8.2x*	*9.9x*
		Median	*44.3% - 138.5%*	*$ 3,477.9*	*$ 2,016.9*	*$ 458.9*	*19.3%*	*11.8%*	*1.77x*	*1.93x*	*7.9x*	*7.8x*

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		Market Statistics			Metrics				Valuation Benchmarks			
		Closing Price	% of 52-week	Enterprise	Revenue	EBITDA	*EBITDA*	*EBITDA*	EV / Revenue		EV / EBITDA	
Company	Ticker	31-Mar-20	High-Low	Value	LTM	LTM	*LTM Margin*	*2021 E Growth*	LTM	2020 E	LTM	2020 E
Airframe & Engine OEM												
Airbus SE	ENXTPA:AIR	$ 65.21	42.6% - 123.3%	$ 48,432.9	$ 79,091.0	$ 3,753.8	*4.7%*	*14.2%*	0.61x	0.70x	12.9x	5.2x
The Boeing Company	BA	$ 149.14	37.4% - 167.6%	103,144.3	76,559.0	169.0	*0.2%*	*128.2%*	1.35x	1.23x	610.3x	17.9x
Bombardier Inc.	TSX:BBD.B	$ 0.32	15.6% - 119.7%	9,202.3	15,757.0	421.0	*2.7%*	*96.4%*	0.58x	0.67x	21.9x	13.6x
Dassault Aviation SA	ENXTPA:AM	$ 823.08	51.5% - 120.0%	1,999.2	8,277.8	993.1	*12.0%*	*30.5%*	0.24x	0.34x	2.0x	3.3x
Embraer S.A.	BOVESPA:EMBR3	$ 1.84	46.3% - 130.0%	561.5	2,604.2	22.1	*0.8%*	*243.2%*	0.22x	0.12x	25.4x	3.1x
General Electric Company	GE	$ 7.94	59.9% - 134.6%	150,488.1	95,214.0	11,932.0	*12.5%*	*24.0%*	1.58x	1.70x	12.6x	15.4x
Rolls-Royce Holdings plc	LSE:RR.	$ 4.24	36.0% - 113.5%	9,675.5	21,968.1	(275.5)	*-1.3%*	*22.7%*	0.44x	0.52x	na	4.4x
Safran SA	ENXTPA:SAF	$ 88.07	52.6% - 156.8%	42,769.4	28,351.5	5,666.0	*20.0%*	*12.8%*	1.51x	1.76x	7.5x	8.8x
Textron Inc.	TXT	$ 26.67	46.0% - 131.6%	8,981.3	13,630.0	1,576.0	*11.6%*	*13.5%*	0.66x	0.67x	5.7x	6.4x
		Mean	*43.1% - 133.0%*	*$ 41,694.9*	*$ 37,939.2*	*$ 2,695.3*	*7.0%*	*65.1%*	*0.80x*	*0.86x*	*87.3x*	*8.7x*
		Median	*46.0% - 130.0%*	*$ 9,675.5*	*$ 21,968.1*	*$ 993.1*	*4.7%*	*24.0%*	*0.61x*	*0.67x*	*12.8x*	*6.4x*
Defense Contractors												
AeroVironment, Inc.	AVAV	$ 60.96	83.9% - 135.5%	$ 1,190.2	$ 320.0	$ 44.6	*13.9%*	*13.4%*	3.72x	2.94x	26.7x	18.8x
BAE Systems plc	LSE:BA.	$ 6.50	77.6% - 121.7%	23,405.5	24,243.4	3,063.4	*12.6%*	*6.8%*	0.97x	0.90x	7.6x	6.8x
Elbit Systems Ltd.	TASE:ESLT	$ 129.91	78.6% - 109.7%	6,760.4	4,508.4	471.1	*10.4%*	*na*	1.50x	1.38x	14.4x	na
General Dynamics Corporation	GD	$ 131.23	67.7% - 130.5%	51,196.0	39,350.0	5,493.0	*14.0%*	*5.2%*	1.30x	1.27x	9.3x	9.1x
Herkules S.A.	HRS	$ 0.13	21.4% - 129.5%	26.9	34.1	1.1	*3.2%*	*na*	0.79x	na	24.8x	na
Huntington Ingalls Industries, Inc.	HII	$ 182.21	65.1% - 123.8%	8,830.3	8,899.0	982.0	*11.0%*	*-25.4%*	0.99x	0.99x	9.0x	7.0x
Kratos Defense & Security Solutions, Inc.	KTOS	$ 13.84	55.2% - 276.8%	1,705.4	717.5	64.6	*9.0%*	*30.4%*	2.38x	2.21x	26.4x	22.6x
L3Harris Technologies, Inc.	LHX	$ 180.12	78.0% - 126.8%	46,599.2	18,526.0	3,558.0	*19.2%*	*7.8%*	2.52x	2.44x	13.1x	12.5x
Leonardo S.p.a.	BIT:LDO	$ 6.67	51.1% - 138.6%	7,214.8	15,468.5	1,761.9	*11.4%*	*11.9%*	0.47x	0.46x	4.1x	3.8x
Lockheed Martin Corporation	LMT	$ 338.95	76.6% - 127.4%	108,034.3	59,812.0	8,776.0	*14.7%*	*7.1%*	1.81x	1.70x	12.3x	10.9x
Mercury Systems, Inc.	MRCY	$ 71.34	79.8% - 136.6%	3,846.5	722.8	134.3	*18.6%*	*14.1%*	5.32x	4.63x	28.6x	20.7x
Northrop Grumman Corporation	NOC	$ 302.55	78.6% - 114.9%	63,921.6	33,841.0	3,987.0	*11.8%*	*9.4%*	1.89x	1.79x	16.0x	13.0x
The Restaurant Group plc	RTN	$ 0.52	25.0% - 207.3%	622.2	1,405.1	174.9	*12.5%*	*43.8%*	0.44x	0.62x	3.6x	5.2x
Thales S.A.	ENXTPA:HO	$ 83.93	67.9% - 145.5%	21,817.5	20,649.8	2,467.2	*11.9%*	*8.5%*	1.06x	1.03x	8.8x	7.4x
		Mean	*64.7% - 144.6%*	*$ 24,655.1*	*$ 16,321.3*	*$ 2,212.8*	*12.4%*	*11.1%*	*1.80x*	*1.72x*	*14.6x*	*11.5x*
		Median	*72.2% - 130.0%*	*$ 8,022.5*	*$ 12,183.8*	*$ 1,371.9*	*12.2%*	*8.9%*	*1.40x*	*1.38x*	*12.7x*	*10.0x*

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