



Seale & Associates

PRECISION INDUSTRY
Q1 2023
VALUATION UPDATE

Introduction

We are pleased to share our Precision Industry Multiples Valuation Update for Q1 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our clients' strategic objectives in a range of transactions including Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our A&D Industry clients that are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms and family-owned businesses across a wide range of industries.



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Representative Aerospace & Defense Experience

TRIUMPH
has sold
Triumph Processing - Embee Division
to
AMP
ALL METALS PROCESSING

TRIUMPH
has sold
Triumph Structures - Los Angeles, Inc.
to
Aerospace Systems and Structures LLC

TRIUMPH
has sold
Triumph Processing, Inc.
to
VALENCE
SURFACE TECHNOLOGIES
a portfolio company of
TRIVE CAPITAL

TRIUMPH
has sold
Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services - Asia, and Triumph Engines businesses
to
TGG | THE GORES GROUP

TRIUMPH
has sold
Triumph Structures-Nashville Operations
to
TECT
Aerospace

LOCKHEED MARTIN
has sold
Commercial Flight Training Business
to
ALTEON
A BOEING COMPANY

PCX
AEROSYSTEMS
a portfolio company of
RFE
has sold its
Texas Precision Machining Business
to
Harlow Aerostructures Texas, LLC

Derlan Industries Limited
has sold
KM
ELECTRONICS
to
ITT

KVERNER
has sold
Heavymph Air Repair & Triumph Engines businesses
to
HEAVYLIFT HOLDINGS LTD.

Standex
has sold
Enginetics
to
Enjet
AERO

Amkor Technology
has sold
Amkor Test Services
U.S. Based Test Services
to
INTEGRA
TECHNOLOGIES

United Technologies
has sold
FORNEY
to
THE WASHINGTON POST COMPANY

LORD

Acquisition Advisory Services

GOODRICH

Acquisition Advisory Services

NJVC
Driven by Your Mission®

Acquisition Advisory Services

HEICO

Acquisition Advisory Services

DERLAN
Aerospace Group

Divestiture Advisory Services

The Allied Defense Group

Corporate Finance Advisory Services

SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

Case Studies & Seale Approach

- Advised **Lockheed Martin Corporation**, a global Aerospace and Defense company, on the sale of its **commercial flight training business** to **Alteon**, a full-service provider of airline training solutions and a subsidiary of **The Boeing Company**.

 - Seale focused marketing materials on synergies with buyer’s business and demonstrated premium pricing rationale through proforma financials.
- Advised **Triumph Group Inc.** on the sale of its **Triumph Air Repair business**, a provider of APU maintenance and overhauls solutions, and Triumph Engines Tempe business, a vertically integrated provider of engine component repair and manufacturing services, to **The Gores Group**.


 - The assignment included the sale of a niche provider of hot-section component manufacturing and repair services for original equipment manufacturers, aircraft operators, and repair and overhaul providers.
- Advised **Triumph Group Inc.** on the sale of its **Nashville operations** to affiliates of **TECT Aerospace**.

 - The Nashville operations offer vertically integrated, build-to-print manufacturing of long-and-large structural parts to OEM customers.
 - The assignment had a number of challenges and issues to resolve, including lack of stand-alone financial statements, accounting block / POC accounting, carve-out operations, declining volumes, restructured business and OEM assignments and approvals.
- Advised **RFE Investment Partners** on the sale of PCX - Texas from its **PCX Aerosystems** portfolio company. The Texas based operations offers large structural airframe parts and assemblies to premier aerospace OEMs and Tier 1 suppliers on a range of commercial and military platforms.

 - Seale positioned the business on a go forward basis that included cost savings from recent restructuring efforts and presented a proforma illustration of performance under increased volumes.














Selected OEM's Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Airbus SE	 AIRBUS	NLD	\$105,487	\$99,571	\$63,588	10.9%	14.8x	11.3x	11.6x	1.6x
Bombardier Inc.	 BOMBARDIER	CAN	\$5,176	\$10,661	\$7,120	9.2%	81.5x	26.1x	16.8x	1.5x
Dassault Aviation Société anonyme	 DASSAULT AVIATION	FRA	\$16,426	\$6,221	\$7,553	10.4%	6.4x	6.9x	5.4x	0.8x
Embraer S.A.	 EMBRAER	BRA	\$3,016	\$4,273	\$4,436	1.0%	79.8x	14.3x	61.1x	0.9x
General Dynamics Corporation	 GENERAL DYNAMICS	USA	\$62,581	\$73,453	\$39,896	13.3%	11.8x	13.4x	12.5x	1.9x
Northrop Grumman Corporation	 NORTHROP GRUMMAN	USA	\$70,203	\$82,294	\$36,602	21.0%	11.3x	9.5x	10.2x	2.2x
The Boeing Company	 BOEING	USA	\$127,283	\$168,680	\$70,538	3.6%	NM	208.0x	81.6x	2.5x
Textron Inc.	 TEXTRON	USA	\$14,385	\$16,359	\$12,892	11.6%	13.8x	11.0x	10.4x	1.3x
						Mean	11.6x	39.2x	21.2x	1.6x
						Median	11.8x	11.3x	11.6x	1.6x

■ Excluded from mean and median

NM - Not Measurable













Selected Structure and Manufacturers Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
BAE Systems plc	 GBR	\$37,081	\$42,063	\$25,614	11.9%	8.4x	10.8x	11.7x	1.6x	
CPI Aerostructures, Inc.	 USA	\$47	\$73	\$83	6.7%	71.6x	10.6x	11.3x	0.9x	
HEICO Corporation	 USA	\$20,524	\$21,550	\$2,339	26.8%	39.3x	33.4x	33.2x	9.2x	
Hexcel Corporation	 USA	\$5,752	\$6,414	\$1,645	19.5%	32.2x	21.2x	20.5x	4.1x	
Howmet Aerospace Inc.	 USA	\$17,448	\$20,989	\$5,942	22.1%	14.3x	14.9x	15.9x	3.7x	
Lockheed Martin Corporation	 USA	\$120,319	\$134,418	\$66,146	13.1%	10.7x	14.3x	14.9x	2.0x	
PT Garuda Maintenance Facility Aero Asia Tbk	 IDN	\$100	\$546	\$239	17.4%	NM	NM	NM	2.7x	
Raytheon Technologies Corporation	 USA	\$142,793	\$172,011	\$68,572	17.3%	17.1x	14.1x	14.6x	2.6x	
Spirit AeroSystems Holdings, Inc.	 USA	\$3,628	\$6,935	\$5,286	-1.5%	NM	64.4x	252.2x	1.4x	
TransDigm Group Incorporated	 USA	\$40,242	\$56,738	\$5,632	46.2%	26.4x	21.5x	21.6x	10.1x	
Triumph Group, Inc.	 USA	\$753	\$2,245	\$1,372	10.9%	11.5x	12.2x	13.4x	1.6x	
						Mean	14.7x	15.0x	15.0x	2.3x
						Median	12.9x	14.2x	14.2x	2.0x

■ Excluded from mean and median

NM - Not Measurable

Selected North American Airlines Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Air Canada	 AIR CANADA	CAN	\$5,073	\$11,506	\$12,233	4.9%	NM	15.2x	11.4x	0.9x
Alaska Air Group, Inc.	 Alaska	USA	\$5,348	\$6,703	\$10,161	8.7%	27.3x	8.0x	4.5x	0.7x
Allegiant Travel Company	 allegiant	USA	\$1,627	\$2,884	\$2,451	13.9%	36.7x	12.2x	9.8x	1.3x
American Airlines Group Inc.	 American Airlines	USA	\$9,629	\$44,351	\$52,261	12.3%	NM	16.9x	5.0x	0.9x
Controladora Vuela Compañía de Aviación, S.A.B. de C.V.	 volaris	MEX	\$1,435	\$3,889	\$3,011	4.2%	17.1x	5.4x	7.9x	1.3x
Delta Air Lines, Inc.	 DELTA	USA	\$22,284	\$47,460	\$53,993	12.8%	222.4x	21.0x	5.4x	0.9x
Hawaiian Holdings, Inc.	 HAWAIIAN AIRLINES	USA	\$471	\$1,253	\$2,777	-1.1%	13.4x	11.1x	6.8x	0.5x
JetBlue Airways Corporation	 jetBlue	USA	\$2,382	\$5,373	\$9,750	6.1%	NM	10.8x	5.3x	0.6x
SkyWest, Inc.	 SKYWEST INCORPORATED	USA	\$1,082	\$3,576	\$2,962	17.2%	17.2x	6.6x	5.2x	1.2x
Southwest Airlines Co.	 Southwest	USA	\$19,338	\$16,477	\$24,826	8.6%	110.8x	14.6x	6.3x	0.7x
Spirit Airlines, Inc.	 spirit	USA	\$1,874	\$6,612	\$5,451	3.1%	100.0x	24.3x	10.9x	1.3x
United Airlines Holdings, Inc.	 UNITED	USA	\$14,474	\$35,360	\$48,818	12.8%	NM	15.7x	4.2x	0.8x

■ Excluded from mean and median

NM - Not Measurable

Mean	19.7x	13.2x	6.9x	1.0x
Median	17.1x	12.2x	6.3x	0.9x











Selected International Airlines Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Air France-KLM SA	 FRA	\$4,740	\$14,090	\$30,723	9.3%	NM	7.0x	3.6x	0.5x	
ANA Holdings Inc.	 JPN	\$10,176	\$14,295	\$12,845	15.8%	NM	31.4x	9.4x	1.2x	
Cathay Pacific Airways Limited	 HKG	\$6,191	\$17,564	\$6,545	20.2%	154.4x	51.9x	15.2x	2.7x	
China Eastern Airlines Corporation Limited	 CHN	\$14,875	\$44,332	\$8,110	-35.7%	39.0x	46.1x	NM	6.6x	
China Southern Airlines Company Limited	 CHN	\$18,753	\$48,836	\$14,506	-11.7%	18.0x	30.5x	NM	3.9x	
Deutsche Lufthansa AG	 DEU	\$13,326	\$20,867	\$37,986	9.6%	NM	15.2x	5.5x	0.6x	
easyJet plc	 GBR	\$4,843	\$5,672	\$6,428	4.4%	NM	6.4x	8.6x	0.8x	
Hainan Airlines Holding Co., Ltd.	 CHN	\$11,070	\$26,198	\$4,315	-20.4%	79.3x	NM	NM	7.3x	
International Consolidated Airlines Group S.A.	 GBR	\$9,258	\$20,697	\$27,727	11.8%	NM	16.4x	5.7x	0.8x	
Japan Airlines Co., Ltd.	 JPN	\$8,488	\$11,232	\$10,605	15.8%	NM	28.8x	12.8x	1.3x	
Korean Air Lines Co., Ltd.	 KOR	\$6,577	\$10,748	\$11,209	31.8%	10.0x	5.1x	3.1x	1.0x	
LATAM Airlines Group S.A.	 CHL	\$4,545	\$10,492	\$10,217	9.6%	82.4x	53.8x	11.6x	1.0x	
						Mean	14.0x	34.3x	8.9x	1.3x
						Median	14.0x	31.0x	9.0x	1.0x

■ Excluded from mean and median

NM - Not Measurable








Selected Avionics Providers Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Aerospace Industrial Development Corporation	 TWN	\$1,286	\$1,760	\$984	8.8%	30.6x	22.2x	17.8x	1.8x	
Astronics Corporation	 USA	\$417	\$581	\$535	-1.3%	62.9x	98.2x	NM	1.1x	
BAE Systems plc	 GBR	\$37,081	\$42,063	\$25,614	11.9%	8.4x	10.8x	11.7x	1.6x	
Ducommun Incorporated	 USA	\$665	\$903	\$730	10.9%	11.6x	10.2x	10.2x	1.3x	
DXC Technology Company	 USA	\$5,880	\$9,848	\$14,847	18.2%	4.7x	3.6x	3.1x	0.7x	
Honeywell International Inc.	 USA	\$127,695	\$138,751	\$35,954	23.3%	19.5x	16.2x	16.2x	3.9x	
L3Harris Technologies, Inc.	 USA	\$37,277	\$44,390	\$17,430	15.9%	13.1x	14.1x	14.6x	2.6x	
Nippon Avionics Co., Ltd.	 JPN	\$91	\$104	\$134	10.7%	6.5x	4.8x	7.3x	0.8x	
Safran SA	 FRA	\$62,983	\$63,790	\$21,026	19.0%	18.8x	16.4x	15.0x	3.0x	
Thales S.A.	 FRA	\$31,130	\$31,544	\$18,776	13.2%	9.1x	10.5x	10.9x	1.7x	
						Mean	11.5x	12.1x	11.9x	1.8x
						Median	10.3x	10.8x	11.7x	1.6x

■ Excluded from mean and median

NM - Not Measurable


































Selected MRO Service Providers Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
AAR Corp.	 USA	\$1,863	\$2,048	\$1,913	8.5%	18.2x	11.1x	10.3x	1.1x	
Aerostar S.A.	 ROM	\$252	\$199	\$108	27.3%	10.1x	10.2x	8.6x	1.9x	
Destini Berhad	 MYS	\$30	\$27	\$43	-14.8%	NM	118.7x	NM	0.6x	
Latécoère S.A.	 FRA	\$129	\$476	\$502	2.4%	33.3x	NM	38.9x	0.9x	
MTU Aero Engines AG	 DEU	\$13,420	\$14,095	\$5,696	12.4%	20.8x	15.5x	17.1x	2.4x	
Singapore Technologies Engineering Ltd	 SGP	\$8,583	\$13,250	\$6,738	11.5%	14.4x	14.6x	15.3x	2.0x	
TAT Technologies Ltd.	 ISR	\$55	\$77	\$85	4.2%	22.2x	60.4x	15.2x	0.9x	
						Mean	19.8x	12.8x	13.3x	1.4x
						Median	19.5x	12.9x	15.2x	1.1x

■ Excluded from mean and median

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Precision Q1 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-23		ARE	Supplies land, aerial, maritime, unmanned, and other systems and services to armed forces and security establishments		-	100.0%	-	-	-
Mar-23		USA	Designs and manufactures advanced technologies to improve aircraft performance			100.0%	\$115.0	-	-
Mar-23		ISR	Develops, and manufactures advanced robotic platforms for defense and homeland security markets			100.0%	-	-	-
Mar-23		USA	Design, fabricates, assembles, and operates integrated products and spaceflight hardware for NASA and Fortune 500 companies		-	100.0%	-	-	-
Mar-23		USA	Provides services, solutions, and systems in the aerospace, defense, and automotive industries		-	100.0%	\$725.0	-	-
Mar-23	Herley Industries, Inc.	USA	Designs, develops, and manufactures microwave technology solutions for the defense, aerospace, and medical industries		-	100.0%	-	-	-
Mar-23		USA	Manufactures jet engine test cells and related products		-	100.0%	-	-	-
Feb-23		USA	Provides aircraft maintenance, repair, and overhaul services for general and commercial aviation customers		-	100.0%	-	-	-
Feb-23		USA	Manufactures spacecrafts for small satellites to orbit		-	100.0%	-	-	-
Feb-23		USA	Operates as a jet maintenance service company		-	100.0%	-	-	-
Jan-23		CAN	Designs, manufactures, and supplyiessuspension systems, damping components, and shock absorber for military vehicles		-	100.0%	-	-	-
Jan-23		USA	Operates as a fixed-base operator		-	100.0%	-	-	-
Jan-23		USA	Operates as a technology and engineering services firm		-	100.0%	-	-	-
Jan-23		USA	Provides design engineering, prototype manufacturing, testing of cutting-edge tactical systems		-	100.0%	\$6.6	-	-
Jan-23		USA	Designs, develops, and manufactures a cutting-edge unmanned aircraft systems		-	100.0%	-	-	-
Jan-23		USA	Provides engine performance solutions for turboprop aircraft		-	>50%	-	-	-

Representative Global Engagements

 has acquired 	 has acquired 	 has sold Triumph Processing - Embee Division to 	 has sold Triumph Air Repair & Triumph Engines businesses to 	 has acquired unified brands from 	 has partnered with a company backed by 	 has acquired 	 has sold the North American guarding business of to 	 has sold to 	 has sold to 	 a subsidiary of has sold to
 has sold to Daives Baird Pty Ltd a sister company of 	 has acquired 	 has sold to Code Flower Inc.	 has sold its GRACE Membranes Business a subsidiary of 	 has sold and to 	 has sold a controlling interest to 	 has been acquired by 	 has sold SENSI CARE and ALOE+VESTA to 	 has sold their Sanitaryware Manufacturing Plant to 	 has acquired Multiple snack companies 	 has sold to
 has sold Commercial Flight Training Business to 	 has been acquired by 	 has sold Oxbow Sulphur, Inc. to 	 has been acquired by 	 has sold to 	 has acquired 	 has acquired 	 has acquired 	 has sold its SYCAR Resins business to 	 has sold to Private Equity Partners	 has been acquired by
 has sold to 	 has acquired KFC Costa Rica from 	 has been acquired by 	 has sold to 	 has sold the Films Business of to 	 has been acquired by 	 has sold to 	 Oxbow's Senior Subordinated debt issued by was refinanced by 	 has sold to 	 has acquired from THE MOORE COMPANY	 sold its concrete pumping business to

Advisor to Leading Companies Worldwide



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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

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Creative Solutions. Trusted Advice.

For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

SERVICES AND SOLUTIONS

25+

YEARS OF EXPERIENCE

\$50B

TRANSACTIONS GLOBALLY

Mergers & Acquisitions

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Recapitalizations

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We have worked repeatedly with many of the most well-known companies in the world...

...as well as with reputable funds, family-offices and privately held companies.



Seale & Associates

Creative Solutions. Trusted Advice.