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AMERICAS AEROSPACE & DEFENSE

2Q26 earnings preview

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Our 2Q26 A&D earnings preview provides our current thoughts on each sub-market and single stock ideas into the results period. We see a favorable setup in aerospace aftermarket, as investor expectations were reduced on higher fuel prices, but fundamental demand remains strong and several companies have idiosyncratic drivers. Aerospace OE should continue to see strong growth with Boeing & Airbus ramping supply towards demand. Business jet fundamentals are solid, though vary by company. In defense, we see risk of top-line and margin disappointment in the larger-cap legacy vertical, while we think defense tech on average can see stronger fundamentals. Government IT demand indicators remain mixed. We highlight LOAR, ARXS, AVEX, EMBJ, LMT into results.

Aerospace OE: We believe Boeing is on track to break from current production rates of 42/month on the 737 MAX to 47/month this summer. 787 production remains at 7-8/month, and we continue to expect a rate break to 10/month by the end of the year. Destocking seems to have mostly ended, which should allow for high growth rates in the OE business of suppliers. Overall, demand remains higher than supply, creating a multi-year visible growth runway for OE.

Aerospace aftermarket: We expect strong aftermarket growth in the quarter and through 2026. AM growth was solid in 1Q, where growth was impacted less than the market had feared on account of fuel price volatility, and we see 2Q and the back half also having limited impact, while pent-up demand remains high. Long-term aftermarket drivers are intact, with the new aircraft supply / demand imbalance likely to remain through the end of the decade, durable growth in global air travel, and pricing power.

Business jet: Market fundamentals are solid, which we expect will continue to drive growth as delivery levels remain below demand. As production continues to gradually increase, there should be top-line growth in the industry, and pricing power. Supply chain remains a challenge, which has impacted the ability to grow revenue and expand margins for some companies in the industry.

Defense hardware: The market increasingly appears concerned with a potential peak in US defense budget authorization, which will be difficult to disprove with 2Q results. Top-line growth likely remains relatively muted compared to recent step-ups in budget authorization, which may leave the market questioning the forward growth

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profile. We also continue to see margin risk in this vertical, as the Pentagon pushes for more commercial terms and risk sharing with contractors.

Defense Tech: We think US defense spending growth areas of emphasis, and changing terms of trade, accrue to defense tech more than larger cap and more legacy defense companies. We expect to continue seeing this in the new order bookings, top-line organic revenue growth rate, and margin expansion, in defense tech on average.

Government IT & Services: While the bar is lower here, both in terms of the fundamental growth denominator, and investor expectations, we continue to see slow top-line growth and margin risks over the medium-term.

We revise certain estimates and price targets in this report.

GSe vs consensus and GS A&D differentiated ideas

Exhibit 1: Goldman Sachs Aerospace & Defense earnings estimates versus consensus
Negative variance = Goldman Sachs is below the Street; positive variance = Goldman Sachs is above the Street

		C2Q26E EPS			FY 2026E EPS			FY 2027E EPS			FY 2028E EPS		
		GS	Street	Var.	GS	Street	Var.	GS	Street	Var.	GS	Street	Var.
Archer Aviation Inc.	ACHR	(0.30)	(0.34)	12%	(1.17)	(1.31)	11%	(1.33)	(1.21)	-11%	(1.35)	(1.01)	-34%
Amentum	AMTM	0.61	0.61	1%	2.44	2.42	1%	2.74	2.76	-1%	3.05	3.12	-2%
Arxis Inc.	ARXS	(0.11)	(0.08)	-27%	0.34	0.35	-3%	0.64	0.71	-9%	0.84	0.89	-6%
AeroVironment	AVAV	0.21	0.28	-26%	3.28	3.28	0%	3.39	3.25	4%	4.91	4.46	10%
Aevex Corp	AVEX	0.07	0.07	3%	0.35	0.36	-1%	0.53	0.53	0%	0.76	0.81	-7%
Boeing	BA	(0.08)	(0.28)	71%	0.58	(0.16)	455%	4.96	4.12	20%	10.09	7.83	29%
Booz Allen Hamilton	BAH	1.51	1.49	1%	6.51	6.51	0%	6.14	6.29	-2%	6.38	6.85	-7%
Bombardier	BBD__B.TO	0.84	1.35	-38%	8.30	8.95	-7%	10.74	10.00	7%	12.71	11.55	10%
Beta Technologies Inc.	BETA	(0.53)	(0.55)	3%	(2.16)	(2.13)	-1%	(2.10)	(2.15)	2%	(1.75)	(1.83)	4%
CACI International	CACI	7.18	7.32	-2%	28.10	28.21	0%	28.67	31.23	-8%	34.10	35.76	-5%
CAE Inc.	CAE.TO	0.22	0.24	-6%	1.22	1.22	0%	1.21	1.25	-3%	1.38	1.47	-6%
Ducommun	DCO	0.90	0.98	-8%	3.98	4.16	-4%	4.75	5.12	-7%	5.61	5.95	-6%
Leonardo DRS	DRS	0.27	0.27	-1%	1.34	1.30	3%	1.48	1.44	3%	1.60	1.60	0%
Embraer	EMBJ	0.63	0.59	6%	2.85	2.80	2%	3.69	3.71	-1%	4.74	4.42	7%
Eve Holding Inc.	EVEX	(0.18)	(0.18)	0%	(0.76)	(0.74)	-3%	(0.81)	(0.63)	-28%	(0.83)	(0.43)	-93%
Firefly Aerospace	FLY	(0.56)	(0.51)	-9%	(2.17)	(1.96)	-11%	(1.28)	(1.29)	1%	(0.63)	(0.52)	-22%
General Dynamics	GD	4.07	3.94	3%	16.71	16.73	0%	17.94	18.29	-2%	19.25	19.69	-2%
GE Aerospace	GE	1.80	1.86	-3%	7.59	7.57	0%	8.47	8.66	-2%	9.39	9.90	-5%
HawkEye 360 Inc.	HAWK	(0.15)	(0.11)	-44%	(0.17)	(0.12)	-39%	0.09	0.13	-31%	0.34	0.35	-5%
Heico	HEI	1.52	1.50	2%	6.13	6.10	1%	6.99	6.88	2%	8.04	7.80	3%
Huntington Ingalls	HII	3.89	3.80	2%	18.36	17.29	6%	22.86	20.11	14%	28.42	23.49	21%
Howmet Aerospace	HWM	1.25	1.24	1%	5.05	5.06	0%	6.00	6.05	-1%	6.85	7.16	-4%
Hexcel	HXL	0.60	0.57	5%	2.33	2.29	2%	2.74	3.07	-11%	3.34	3.71	-10%
Joby Aviation Inc.	JOBY	(0.25)	(0.23)	-8%	(0.88)	(0.81)	-9%	(0.85)	(0.80)	-6%	(0.76)	(0.69)	-10%
Kratos	KTOS	0.17	0.13	27%	0.83	0.76	8%	1.05	1.07	-1%	1.31	1.39	-6%
Leidos	LDOS	2.90	2.89	0%	12.44	12.35	1%	12.77	13.09	-2%	13.15	14.42	-9%
Lockheed Martin	LMT	7.07	7.23	-2%	29.78	29.93	0%	31.79	32.06	-1%	34.00	34.35	-1%
Loar Holdings	LOAR	0.30	0.31	-3%	1.31	1.25	4%	1.57	1.51	4%	1.82	1.76	3%
Mercury Systems	MRCY	0.51	0.39	30%	1.20	1.08	11%	1.55	1.55	0%	1.87	2.15	-13%
Northrop Grumman	NOC	6.76	6.82	-1%	27.95	27.95	0%	30.67	30.17	2%	33.11	32.77	1%
Planet Labs	PL	(0.02)	(0.02)	37%	(0.03)	(0.03)	0%	(0.07)	(0.10)	31%	(0.07)	(0.02)	-215%
Parsons	PSN	0.88	0.76	17%	3.64	3.30	11%	3.94	3.70	7%	4.44	4.30	3%
Rocket Lab USA	RKLB	(0.06)	(0.06)	-8%	(0.19)	(0.19)	-2%	(0.02)	0.00	-515%	0.13	0.23	-44%
RTX Corp.	RTX	1.67	1.66	1%	6.97	6.95	0%	7.58	7.63	-1%	8.37	8.45	-1%
Science Applications Int'l	SAIC	2.37	2.31	3%	10.74	10.74	0%	10.24	10.18	1%	10.88	11.00	-1%
Virgin Galactic	SPCE	(0.59)	(0.66)	11%	(2.27)	(2.55)	11%	(0.44)	(0.61)	28%	0.43	0.71	-40%
TransDigm	TDG	10.16	10.29	-1%	40.30	40.04	1%	49.37	46.97	5%	59.75	53.95	11%
Teledyne Technologies	TDY	5.83	5.79	1%	24.57	24.16	2%	26.92	26.03	3%	29.50	28.14	5%
Textron	TXT	1.51	1.55	-3%	6.60	6.51	1%	7.29	7.31	0%	8.36	8.11	3%
V2X	VVX	1.54	1.44	7%	6.05	6.09	-1%	6.59	6.78	-3%	7.11	7.59	-6%
Woodward	WWD	2.41	2.44	-1%	9.52	9.40	1%	11.09	10.75	3%	13.11	12.75	3%
York Space Systems	YSS	(0.16)	(0.16)	2%	(0.91)	(1.02)	11%	0.40	0.51	-22%	0.73	0.96	-24%

AMTM, AVAV, BAH, CACI, CAE, HEI, MRCY, PL, SAIC, TDG, and WWD FY differ from CY. AVAV, BAH, CAE, PL, and SAIC FY2026 EPS represent actuals. BA EPS estimates are "core" non-GAAP (defined by the company as excluding unallocated pension). CAE EPS are in $CAD. ARXS, AVEX, FLY, and HAWK EPS are GAAP Diluted.

Source: FactSet, Goldman Sachs Global Investment Research

Where we are different at the single stock level into C2Q26 earnings reports
We highlight LOAR, ARXS, AVEX, EMBJ, LMT into results.

Loar Holdings (LOAR; Buy, on CL): We expect strong top-line growth to continue as LOAR executes its high quality M&A compounder platform. The company has margin upside via integration of recent Harper and LMB acquisitions, and we see upside to

consensus over the medium-term. The investor expectations bar remains relatively low following aftermarket concerns related to the fuel price, but we do not expect that to impact 2Q results. We expect LOAR to be able to raise full-year guidance.

Arxis (ARXS; Buy): ARXS has favorable end-market exposure to both OE and Defense. Defense spending is growing, and new airplane supply remains below demand. We expect continued strong results, with fast organic revenue growth, margin upside, and potential for additional upside from M&A. We view the 2026 guidance as conservative, and expect the company to be able to raise the full-year.

Aevex (AVEX; Buy): We see upside to consensus estimates in the medium-term as AVEX sees top-line growth from secular tailwinds in the drone market. Revenue in the prior quarter was 4X the year ago period, and we expect the already strong margin profile to improve further as volume increases. We expect AVEX to have the highest organic revenue growth within Defense Tech over the medium-term, and valuation is attractive after de-rating post IPO, without any clear fundamental reason for that happening.

Embraer (EMBJ; Buy): Embraer de-rated following a relatively uneventful 1Q, creating a lower bar. In 2Q we see scope for the company to beat the quarter and raise the full-year; while demand and the medium-term growth and margin outlook remain solid across all of the business segments.

Lockheed Martin (LMT; Sell): We see growth headwinds near-term in Aeronautics and RMS, before MFC growth picks up. We continue to see margin risks in more than one business segment, from tougher contract terms with the customer. We are below consensus in the quarter.

Aerospace & Defense model changes, PTs, methodologies and risks

We update estimates as outlined in the exhibit below:

Exhibit 2: GS A&D new and old EPS estimates

		2026E	2027E	2028E	2029E	2030E	Drivers
ACHR	New	($1.17)	($1.33)	($1.35)	($0.88)	($0.18)	Updated for share issuance
	Old	($1.18)	($1.34)	($1.36)	($0.89)	($0.19)	
ARXS	New	$0.34	$0.64	$0.84	$1.08	$1.41	Added MagCanica acquisition
	Old	$0.33	$0.62	$0.82	$1.05	$1.37	
AVEX	New	$0.35	$0.53	$0.76	$0.94	$1.08	Updated for equity raises
	Old	$0.36	$0.55	$0.78	$0.96	$1.10	
BA	New	$0.58	$4.96	$10.09	$15.63	$21.84	Updated for 2Q deliveries; revised 3Q/4Q deliveries outlook
	Old	$0.59	$4.96	$10.09	$15.63	$21.84	
BBD__B.TO	New	$8.30	$10.74	$12.71	$13.59	$13.45	Updated for 2Q26 deliveries and debt issuance; revised delivery and PP&E outlook
	Old	$8.07	$10.47	$12.42	$13.31	$13.20	
BETA	New	($2.16)	($2.10)	($1.75)	($0.85)	$1.20	Updated 2Q26 revenue outlook
	Old	($2.16)	($2.10)	($1.75)	($0.85)	$1.20	
EMBJ	New	$2.85	$3.69	$4.74	$5.59	$6.44	Updated for 2Q26 deliveries
	Old	$2.75	$3.69	$4.74	$5.59	$6.44	
FLY	New	($2.17)	($1.28)	($0.63)	($0.14)	$0.39	Updated for follow-on offering
	Old	($1.85)	($0.94)	($0.27)	($0.14)	$0.40	
GD	New	$16.71	$17.94	$19.25	$20.42	$21.52	Updated for 10-Q; updated Marine Systems revenue outlook
	Old	$16.70	$17.99	$19.28	$20.43	$21.53	
GE	New	$7.59	$8.47	$9.39	$11.05	$12.49	Updated 2Q26 CES revenue outlook
	Old	$7.58	$8.45	$9.37	$11.02	$12.47	
HAWK	New	($0.17)	$0.09	$0.34	$0.68	$1.02	Updated for 10-Q
	Old	($0.18)	$0.09	$0.33	$0.68	$1.02	
HEI	New	$6.13	$6.99	$8.04	$8.92	$9.88	Added CalRamic and Cook Defence acquisitions; updated for debt repayment and dividend increase
	Old	$6.13	$6.95	$8.00	$8.88	$9.83	
JOBY	New	($0.88)	($0.85)	($0.76)	($0.51)	($0.12)	Updated 2Q26 revenue outlook
	Old	($0.88)	($0.85)	($0.76)	($0.51)	($0.12)	
KTOS	New	$0.83	$1.05	$1.31	$1.56	$1.81	Updated 2Q26 profitability outlook
	Old	$0.84	$1.03	$1.31	$1.58	$1.86	
LMT	New	$29.78	$31.79	$34.00	$36.65	$38.98	Updated 2026/2027 revenue outlook
	Old	$29.92	$32.20	$34.45	$37.14	$39.51	
PSN	New	$3.64	$3.94	$4.44	$4.88	$5.28	Updated 2026/2027 profitability outlook
	Old	$3.72	$4.00	$4.44	$4.88	$5.28	
RKLB	New	($0.19)	($0.02)	$0.13	$0.34	$0.54	Added Motiv Space Systems acquisition
	Old	($0.22)	($0.04)	$0.12	$0.33	$0.53	
RTX	New	$6.97	$7.58	$8.37	$9.20	$10.12	Updated for dividend increase
	Old	$6.97	$7.57	$8.37	$9.20	$10.12	
SPCE	New	($2.27)	($0.44)	$0.43	$0.77	$0.82	Updated for note redemptions and convertible note exchange
	Old	($2.50)	($0.49)	$0.47	$0.85	$0.90	
TXT	New	$6.60	$7.29	$8.36	$9.47	$10.62	Updated for 10-Q and tax rate outlook
	Old	$6.64	$7.33	$8.36	$9.47	$10.62	
YSS	New	($0.91)	$0.40	$0.73	$1.14	$1.52	Added Solestial acquisition
	Old	($0.91)	$0.38	$0.71	$1.11	$1.49	

BA EPS estimates are “core” non-GAAP (defined by the company as excluding unallocated pension). ARXS, AVEX, FLY, and HAWK EPS are GAAP Diluted.

Source: Goldman Sachs Global Investment Research

We revise a number of our 12-month price targets:

Exhibit 3: PT changes
Priced as of 7/7/26, all price targets are 12-months

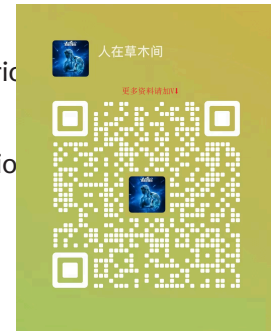
Ticker	Rating	Price	Old PT	New PT	Upside (Downside)
Aerospace Suppliers					
ARXS	Buy	$43.37	$58	$59	36%
DCO	Buy	$181.23	$161	$177	-2%
GE	Buy	$366.06	$364	$395	8%
HEI	Buy	$356.51	$471	$472	32%
LOAR	Buy	$78.66	$100	$102	30%
Aerospace OEM					
BBD__B.TO	Sell	$344.63	$229	$254	-26%
Large-Cap Defense					
GD	Sell	$374.61	$313	$308	-18%
HII	Buy	$289.14	$435	$431	49%
LMT	Sell	$534.33	$511	$487	-9%
NOC	Neutral	$546.35	$603	$533	-2%
Defense Tech					
AVEX	Buy	$17.78	$35	$32	80%
KTOS	Buy	$50.98	$100	$89	75%
MRCY	Sell	$116.84	$68	$74	-37%
TDY	Buy	$640.85	$803	$858	34%
Space					
FLY	Neutral	$26.01	$35	$34	31%
HAWK	Buy	$19.97	$42	$37	85%
PL	Neutral	$29.22	$22	$25	-14%
RKLB	Neutral	$85.19	$76	$77	-10%
SPCE	Neutral	$2.59	$3.20	$3.05	18%
EVTOL					
ACHR	Neutral	$5.03	$9.00	$8.00	59%
BETA	Buy	$17.43	$30	$29	66%
EVEX	Neutral	$2.60	$3.80	$3.50	35%
JOBY	Sell	$8.22	$9.00	$8.00	-3%
Government IT & Services					
AMTM	Neutral	$21.90	$29	$27	23%
BAH	Sell	$63.42	$74	$65	2%
CACI	Buy	$502.49	$707	$682	36%
LDOS	Neutral	$108.37	$171	$152	40%
PSN	Neutral	$57.34	$68	$69	20%
SAIC	Sell	$114.48	$96	$93	-19%
VVX	Sell	$75.02	$70	$69	-8%

Source: Goldman Sachs Global Investment Research, FactSet

All price target revisions reflect a multiple update or estimate changes, with details below:

- We target ARXS to trade at 30.0X CY27 EV/EBITDA (unchanged).
- We now target DCO to trade at 17.5X CY27 EV/EBITDA (16.0X prior, given a mark-to-market vs peers).
- We now target GE to trade at 32.5X CY27 EV/EBITDA (30.0X prior, given estimate revisions and a mark-to-market vs peers).
- We target HEI to trade at 30.0X CY27 EV/EBITDA (unchanged).
- We target LOAR to trade at 35.0X CY27 EV/EBITDA (unchanged).
- We now target BBD_B.TO to trade at 11.0X CY27 EV/EBITDA (10.0X prior, given estimate revisions and a mark-to-market vs peers).

- We now target GD to trade at 12.6X CY27 EV/EBITDA (12.7X prior, given estimate revisions and a mark-to-market vs peers).
- We target HII to trade at a CY27E P/E (ex-pension) multiple of 1.21X relative to the S&P (unchanged).
- We target LMT to trade at a CY27E P/E (ex-pension) multiple of 0.99X relative to the S&P (unchanged).
- We target NOC to trade at a CY27E P/E (ex-pension) multiple of 1.10X relative to the S&P (unchanged).
- We now target AVEX to trade at 4.8X CY27E EV/Sales (5.4X prior, given estimate revisions and a mark-to-market vs peers).
- We now target KTOS to trade at 7.0X CY27 EV/Sales (8.0X prior, given estimate revisions and a mark-to-market vs peers).
- We now target MRCY to trade at 24.0X CY27 EV/EBITDA (22.0X prior, given a mark-to-market vs peers).
- We now target TDY to trade at 24.0X CY27 EV/EBITDA (22.5X prior, given a mark-to-market vs peers).
- We now target FLY to trade at 6.0X CY28 EV/Sales (6.3X prior, given estimate revisions and a mark-to-market vs peers).
- We now target HAWK to trade at 15.0X CY27 EV/Sales (15.7X prior, given estimate revisions and a mark-to-market vs peers).
- We now target PL to trade at 14.5X CY27 EV/Sales (13.0X prior, given a mark-to-market vs peers).
- We target RKLB to trade at 35.0X CY27 EV/Sales (unchanged).
- We now target SPCE to trade at 2.5X CY27 EV/Sales (2.2X prior, given estimate revisions and a mark-to-market vs peers).
- We now target ACHR to trade at 3.0X CY30 EV/Sales (3.5X prior, given estimate revisions and a mark-to-market vs peers).
- We target BETA to trade at 1.8X CY30 EV/Sales (unchanged).
- We now target EVEX to trade at 1.4X CY30 EV/Sales (1.5X prior, given a mark-to-market vs peers).
- We now target JOBY to trade at 5.0X CY30 EV/Sales (5.5X prior, given estimate revisions and a mark-to-market vs peers).
- We now target AMTM to trade at 7.7X 5-8QE EV/EBITDA (8.2X prior, given a mark-to-market vs peers).
- We now target BAH to trade at 8.8X 5-8QE EV/EBITDA (9.6X prior, given a mark-to-market vs peers).
- We now target CACI to trade at 13.9X 5-8QE EV/EBITDA (14.3X prio mark-to-market vs peers and the S&P).
- We now target LDOS to trade at 9.3X 5-8QE EV/EBITDA (10.1X prio mark-to-market vs peers).



- We target PSN to trade at an 85% weighting 10.3X 5-8QE EV/EBITDA (10.1X prior, given estimate revisions and a mark-to-market vs peers and the S&P), and 15% M&A multiple of 20.0X (unchanged).
- We target SAIC to trade at an 85% weighting 7.7X 5-8QE EV/EBITDA (8.0X prior, given a mark-to-market vs peers and the S&P), and 15% M&A multiple of 12.6X (unchanged).
- We now target VVX to trade at 7.7X 5-8QE EV/EBITDA (7.9X prior, given a mark-to-market vs peers).

Exhibit 4: GS A&D price target methodologies and risks

Price targets are for a 12-month time frame, LOAR is on the Americas Conviction List.

Company name	Ticker	Rating	Price Target	Price Target Methodology	Risks
Aerospace Suppliers					
Axis Inc.	ARXS	Buy	$59	Target CY27E EV/EBITDA	(1) DoW spending priorities and budget, (2) Commercial jet end market demand, (3) M&A execution
CAE Inc.	CAE	Buy	$33	Target CY27E EV/EBITDA	(1) Air traffic recovery, (2) Competitive pressures, (3) Operational execution in Defence
CAE Inc.	CAE.TO	Buy	CAD 46	Target CY27E EV/EBITDA	(1) Air traffic recovery, (2) Competitive pressures, (3) Operational execution in Defence
Ducommun	DCO	Buy	$177	Target CY27E EV/EBITDA	(1) Commercial aerospace demand, (2) Global defense spend, (3) M&A pipeline
GE Aerospace	GE	Buy	$395	Target CY27E EV/EBITDA	(1) Supply chain challenges, (2) Air travel downturn, (3) Defense budget priorities
Heico	HEI	Buy	$472	Target CY27E EV/EBITDA + PMA NPV	(1) PMA adoption/penetration rate, (2) Valuation, (3) M&A pipeline and execution
Howmet Aerospace	HWM	Buy	$303	Target CY27E EV/EBITDA	(1) Inventory destocking, (2) End-market demand, (3) Key man risk
Hexcel	HXL	Neutral	$88	Target CY27E EV/EBITDA (85%), M&A (15%)	(1) Next gen aircraft content, (2) Capex requirements as the company scales, (3) Pace of aerospace growth
Loar Holdings	LOAR	Buy	$102	Target CY27E EV/EBITDA	(1) Commercial & biz jet end market demand, (2) DoW spending priorities, (3) M&A execution, (4) Shareholder dilution
RTX Corp.	RTX	Neutral	$195	Target FCF Yield derived from 2027E FCF/share	(1) Commercial aerospace demand, (2) Defense budget priorities, (3) Merger integration
TransDigm	TDG	Buy	$1,937	Target CY27E EV/EBITDA	(1) ASM growth, (2) Acquisition integration, (3) Defense spending
Woodward	WWD	Buy	$468	Target CY27E EV/EBITDA	(1) Pace of aerospace growth, (2) Industrial drivers, (3) Valuation
Aerospace OEM					
Boeing	BA	Buy	$293	Target CY27E FCF Yield	(1) Pace of air traffic growth, (2) Supply chain ramp up, (3) BDS execution, (4) DoD spending priorities
Bombardier	BBD__B.TO	Sell	$254	Target CY27E EV/EBITDA	(1) Business jet demand, (2) Free cash generation, (3) Debt levels
Embraer	EMBJ	Buy	$82	SOTP: Segment CY27E EV/EBITDA, EVE Stake	(1) Business and regional jet demand, (2) Brazil Defense business, (3) FX
Textron	TXT	Neutral	$95	Target CY27E EV/EBITDA	(1) Business jet demand, (2) New program execution, (3) DoD spending priorities, (4) Strategic portfolio reviews
Large-Cap Defense					
General Dynamics	GD	Sell	$308	SOTP: Weighted average target CY27E EV/EBITDA	(1) Business jet demand, (2) DoD spending priorities, (3) capital deployment
Huntington Ingalls	HII	Buy	$431	Target relative CY27E P/E	(1) Geopolitics, (2) DoD spending priorities, (3) Margins
Lockheed Martin	LMT	Sell	$487	Target relative CY27E P/E	(1) Geopolitics, (2) DoD spending priorities, (3) capital deployment
Northrop Grumman	NOC	Neutral	$533	Target relative CY27E P/E	(1) Geopolitics, (2) DoD spending priorities, (3) Capital deployment, (4) margins
Defense Tech					
AeroVironment	AVAV	Buy	$326	Target CY27E EV/Sales	(1) Large program timing / awards, (2) New market entrants, (3) BlueHalo integration
Aevex Corp	AVEX	Buy	$32	Target CY27E EV/Sales	(1) DoD and government spending priorities, (2) Contract terms and margins, (3) New order bookings, (4) Capital deployment
Leonardo DRS	DRS	Buy	$57	Target CY27E EV/EBITDA	(1) Columbia class execution, (2) Contract terms with DoD customers, (3) DoD spending priorities
Kratos	KTOS	Buy	$89	Target CY27E EV/Sales	(1) DoD spending priorities, (2) Funded contract timing, (3) Execution, (4) Capital needs and deployment
Mercury Systems	MRCY	Sell	$74	Target CY27E EV/EBITDA	(1) Geopolitics, (2) DoD spending priorities, (3) Capital needs and deployment
Teledyne Technologies	TDY	Buy	$858	Target CY27E EV/EBITDA	(1) DoD spending priorities, (2) Premium valuation, (3) Capital deployment
Space					
Firefly Aerospace	FLY	Neutral	$34	Target CY28 EV/Sales	(1) Operational execution, (2) Growth in spacecraft, (3) Incremental capital investment
HawkEye 360 Inc.	HAWK	Buy	$37	Target CY27E EV/Sales	(1) Revenue concentration, (2) Launch availability, cost, and success, (3) Ability to sell internationally, (4) Technological innovation
Planet Labs	PL	Neutral	$25	Target CY27E EV/Sales	(1) New contract awards, (2) Margins, (3) Capital requirements
Rocket Lab USA	RKLB	Neutral	$77	Target CY27E EV/Sales	(1) Product expansion, (2) Incremental capital investment, (3) Aggressive bidding in the path to growth
Virgin Galactic	SPCE	Neutral	$3.05	Target CY27E EV/Sales	(1) Timelines, (2) Production ramp, (3) Competition
York Space Systems	YSS	Neutral	$28	Target CY28E EV/Sales	(1) Backlog concentration, (2) Fixed price contracts & % completion accounting, (3) Execution
EVTOL					
Archer Aviation	ACHR	Neutral	$8.00	Target CY30E EV/Sales	(1) Certification timeline, (2) Lack of vertical integration, (3) Defense application timeline
Beta Technologies	BETA	Buy	$29	Target CY30E EV/Sales	(1) Operational execution, (2) Incremental capital investment, (3) Product expansion
Eve Holding	EVEX	Neutral	$3.50	Target CY30E EV/Sales	(1) Certification progress, (2) FAA simultaneous certification, (3) Product design
Joby Aviation	JOBY	Sell	$8.00	Target CY30E EV/Sales	(1) Aircraft/payload size, (2) Aircraft operator model, (3) Production expansion
Government IT & Services					
Amentum	AMTM	Neutral	$27	Target relative 5-8QE EV/EBITDA	(1) DoD spending priorities, (2) Contract renewal and new bid competition, (3) Merger execution, (4) DOGE
Booz Allen Hamilton	BAH	Sell	$65	Target relative 5-8QE EV/EBITDA	(1) Government spending, (2) DOGE, (3) New order bookings, (4) Contract terms and margins, (5) Capital deployment
CACI International	CACI	Buy	$682	Target relative 5-8QE EV/EBITDA	(1) DoD spending priorities, (2) Government efficiency initiatives, (3) M&A pipeline & integration, (4) DOGE
Leidos	LDOS	Neutral	$152	Target relative 5-8QE EV/EBITDA	(1) DoD spending priorities, (2) Core company bookings, (3) Pace of organic growth, (4) DOGE
Parsons	PSN	Neutral	$69	Target relative 5-8QE EV/EBITDA (85%), M&A (15%)	(1) Government & DoD spending, (2) Middle East exposure, (3) M&A execution and integration, (4) DOGE
Science Applications Int'l	SAIC	Sell	$93	Target relative 5-8QE EV/EBITDA (85%), M&A (15%)	(1) DoD / government budget growth, (2) Margin output, (3) Core company bookings growth, (4) DOGE
V2X	VVX	Sell	$69	Target relative 5-8QE EV/EBITDA	(1) DoD spending priorities, (2) Contract renewal and potential new wins, (3) Geopolitical dynamics, (4) DOGE

Source: Goldman Sachs Global Investment Research, FactSet