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Aerospace & Defense | North America

Flyby: Annual AUSA Conference Recap

This year's AUSA was among the busiest we've ever seen, in contrast to laggard Defense stock performance, highlighting the sector opportunity. Companies highlighted their offerings for missiles, UAS, & counter-UAS, spanning the spectrum from low-cost, proliferated solutions to high-end systems.

A Busy Week in Washington, D.C…

This week, we attended the Annual Association of the United States Army (AUSA) Meeting & Exhibition, where we met with Moog, RTX, Textron, Leonardo DRS, Redwire (not covered), Elbit, Viasat, V2X (covered by Greg Parrish), Parsons (not covered), Leidos (not covered), Honeywell Aerospace, SAIC (not covered), Northrop Grumman, and General Dynamics. The convention center was packed shoulder-to-shoulder, with attendance, to our eyes, appearing to be one of the busiest AUSA conferences we've seen in our ~18 years of attendance. Both U.S. and allied militaries were well-represented, with a separate pavilion highlighting Ukrainian technology, proven in theatre, which is now being leveraged in the U.S.

…Showcasing A Palpable Sense of Opportunity

Defense companies look to be eager to respond to the DoW's expressed priorities and needs, including both proliferating low-cost, attritable solutions and designing bespoke, high-end systems for increasingly complex mission needs. Exhibitors emphasized opportunities and new technology in missiles, unmanned aerial systems (UAS), and anti-UAS solutions. We note that investors were most focused on understanding supply chain bottlenecks and potential resolutions, particularly as it relates to missile procurements. In contrast, while companies fielded some questions on the U.S. midterms and FY27, and acknowledged ongoing budget uncertainty, the consensus among companies was that the Government customer is highly focused on high priority areas (such as missiles and autonomous solutions), with underlying structural need offering confidence that funding will eventually be realized. This palpable sense of advancement and opportunity stands in sharp contrast to the recent performance of Defense stocks, underscoring our view that current price levels do not fully reflect the opportunity ahead of the Defense sector.

Missiles & Munitions Production Expansion Top of Mind for Primes and Suppliers

In our booth tours and informal conversations, both missile Primes (RTX, LMT) and missile suppliers (including, but not limited to, GD, HONA, and MOG.A) highlighted the opportunity set ahead of them and the strong demand signals they're seeing from U.S. and international customers. The missile offerings on display also highlighted the trend of investment in expansion and production rate across the

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capability / cost spectrum, stretching from high-end interceptors such as THAAD, Pac-3, SM-3, and SM-6 to new initiatives for lower-cost missiles, such as Leidos's Low-Cost Containerized Munitions (LCCM) offering. Missile suppliers are also heeding the call for improved cost-effectiveness and timeliness in production, with RTX, for example, noting that it's been able to successfully cut Tomahawk lead-times from 36 to 24 months (and further potential levers to pull for further decreases). Despite the fact that funding for many of the marquee multi-year missile agreements hasn't yet been allocated by Congress, companies stressed that customer conversations indicate strong and real demand, with management at some companies specifically noting that they expect Congress to find means to substantially fund missile programs in the base budget if Congress does not succeed in passing the reconciliation package which was previously slated to provide the bulk of missile production acceleration funding. Amid the optimistic atmosphere, the one area of concern continues to be supply chain. Some conversations with suppliers, particularly Tier 2 or 3 suppliers, suggested that funding from long-term agreements is yet to trickle down the supply chain, delaying their ability to expand production to meet eventual Prime needs. In our view, this presents the largest obstacle to successful U.S. missile production expansion, and we expect this to continue to be an area of focus for investors.

Proliferation of UAS Offerings

The proliferation of UAS offerings was on full display at AUSA this year, from U.S., Ukrainian, and other international providers and from traditional Primes and new entrants, across the capability / cost spectrum. The conflicts in Ukraine and the Middle East have thrown into sharp relief the importance of UAS (and counter-UAS), and the technological and industrial base of the U.S. is looking to meet the moment. To give just a sample of the many UAS offerings we saw across AUSA, we viewed models of Lumberjack (a Group 3 UAS) at the Northrop Grumman booth, Stalker and Penguin (UAS for Intelligence, Surveillance, and Reconnaissance (ISR)) at the Redwire booth, and X-BAT at the Shield AI booth. Suppliers also noted how their existing capabilities provide them an advantage for supplying inputs to drones (such as specialized low-cost thermal cameras for Leonardo DRS and flight controls, guidance, actuation, navigation for Honeywell Aerospace). One thing that stood out to us was that the UAS space provides an example of how the structure of the Defense market supports both traditional providers and new entrants, and even encourages collaboration between the two. The military will require both ultra-low-cost systems en masse, as well as some more complex systems (where keeping cost low is still a priority). For example, NOC noted that on its Lumberjack system, it's working with new defense tech providers to help bring costs down, while providing specialized systems for complex capabilities, like jamming resistance, where NOC has a competitive edge.

A Multitude of Solutions in Counter-UAS

Similarly to the dynamics in UAS, the military needs revealed by recent conflicts have touched off a veritable Cambrian explosion of potential counter-UAS systems. The U.S. military is seeking a layered counter-UAS defense, providing opportunities for a wide array of solutions to find themselves of use. Among the systems demonstrated or discussed were RTX's Coyote (which is already playing an

important role in counter-UAS defense in the Middle East and elsewhere), NOC's in-development Cannon-Based Air Defense (which is designed to be highly cost-efficient, and is intended to be first fired in September 2027), and GD's proximity fuse systems (designed to turn existing current weapons systems which were not originally designed for counter-UAS into counter-UAS systems). We also noted that several of these systems are being developed using internal R&D funding (as opposed to waiting to procure customer funding through bureaucratic processes), suggesting that Defense companies (including the Primes) have internalized the Department of War's messages about proactively identifying areas of need and identifying solutions, and shifting towards more efficient forms of product development.

Company-Specific Highlights

General Dynamics (GD)

General Dynamics expects international markets to drive near-term Combat Systems growth as the U.S. Army transitions from mature production programs toward newer developmental platforms. Management highlighted opportunities in Canada, the UK, Ukraine, and the Middle East, where it estimates a $25-30bn Land Systems addressable market. Artillery propellant capacity remains fully sold, including a nearly 5mn-pound expansion, while GD anticipates a Canadian order roughly three times its typical size. Within the U.S., Stryker faces longer-term demand pressure from planned changes to Army brigade structures, partially offset by upgrades and international sales. GD continues to invest in XM30, autonomous systems, and counter-UAS, and sees opportunity from missile production acceleration. Management noted the persistence of supply-chain constraints in electronics, but is focused on strategic design, pre-buying, and working with its supply chain to reduce the impact of these challenges.

Honeywell Aerospace (HONA)

Honeywell Aerospace sees significant opportunities across unmanned systems, counter-UAS, and missile production, leveraging its existing capabilities in flight controls, guidance, navigation, and actuation. Management is particularly focused on Group 2 and larger unmanned aircraft operating in contested environments, where jamming and electronic warfare increase demand for sophisticated navigation solutions. In counter-UAS, Honeywell continues to develop its Samurai platform under a $1bn IDIQ contract vehicle, while its thermal energy storage technology is being sold to directed-energy OEMs serving Army and Navy applications. Supply-chain constraints involving castings, forgings, and bearings continue to limit deliveries, with prioritization of domestic defense production contributing to declining international revenue despite double-digit demand growth.

Northrop Grumman (NOC)

Northrop Grumman is positioning its integrated air-defense, radar, and autonomous systems portfolio to benefit from demand for layered defense architectures and affordable counter-UAS capabilities. The Integrated Battle Command System (IBCS) provides an open-architecture solution integrating sensors and effectors to optimize interception decisions, with meaningful international demand developing. G/ATOR, its multimission ground-based radar, addresses threats ranging from drones to cruise missiles, with 43 units delivered against a 60-unit Marine Corps contract and capacity to produce 12 annually. Management sees additional opportunities across U.S. and international customers, with higher volumes supporting potential cost reductions. In autonomous systems, Northrop is developing Lumberjack, a lower-cost Group 3 UAS incorporating technologies from nontraditional partners. The company is also internally funding a mobile cannon-based counter-UAS solution designed to engage multiple targets at relatively low cost, with initial firing planned for September 2027.

Elbit Systems (ESLT)

Elbit continues to execute on its rebrand of Elbit Systems of America to 26 Defense, and emphasize supply-chain localization, internally developed technology, and expanding U.S.

manufacturing capabilities as defense customers increasingly fund both product development and production capacity. Elbit Systems of America has reduced reliance on international supply chains, with approximately 30% of the business utilizing the Israeli supply chain and less than $300mn of its ~$2bn revenue base associated with Israeli costs. Management expects continued margin improvement in the U.S. business versus last year, supported by improving operational execution and working capital, with the goal of becoming margin accretive to the broader company. R&D remains a priority, supporting investments in fourth-generation night vision, augmented reality, weapons seekers, and other next-generation technologies. Elbit is also bringing loitering-munition and radar capabilities into the U.S. supply chain while exploring additional European production opportunities to improve resiliency.

Leonardo DRS (DRS)

Leonardo DRS is focusing on delivering the Army lower-cost sensing, counter-UAS, and edge computing solutions, emphasizing scalable domestic manufacturing and AI-enabled capabilities. The company highlighted thermal-imaging technology for drones, autonomous systems, and potentially missile seekers, showcasing new low-cost (and germanium-free) optics. For the C-UAS market, DRS to build on its tactical radar portfolio, citing new demand for "protecting the protector" solutions that can sense incoming threats to more exquisite radars. Management also sees opportunities in integrated sensing and onboard AI processing, supported by its installed base of MFoCS computers across approximately 80,000 Army vehicles. Additionally, DRS highlighted computing solutions that will allow customers to deploy third-party algorithms directly at the tactical edge.

V2X (VVX)

PACOM momentum continued post 2Q. The Pacific Rim strategy provides a strong foundation for future growth, ongoing military operations are creating opportunities across maintenance, replenishment, infrastructure, and physical security. White paper funding at year end was strong across the region as well as on the ground needs. While other Commands may be bill payers for CENTCOM, PACOM is getting its fair share of funding. V2X continues to expand its capabilities across counter-UAS, mission readiness, and integrated security, while benefiting from increasing sustainment and modernization requirements. The company highlighted Tempest Sentinel, a modular counter-UAS platform that progressed from concept to fielding within six months. Over the past year, Tempest has gone from one customer to five, with customers wanting different variations of the product. V2X is also investing in AI-enabled predictive maintenance through Project Cold Steel, developed with Google, which management believes can meaningfully improve fleet readiness and reduce maintenance costs. Longer term, V2X sees opportunities to leverage its differentiated readiness capabilities and integrated security solutions across a broader customer base.

Leidos (LDOS)

Leidos is expanding across integrated counter-UAS, radar, and affordable missile capabilities, with several developmental technologies transitioning into production programs. Its counter-UAS architecture combines proprietary mobile X-band radar and automated decision-making software with third-party effectors, alongside high-power microwave capabilities designed to defeat drone swarms. Persistent surveillance

represents another opportunity, with ALPS production expected to ramp toward approximately six systems per month and additional mobile variants supporting growth. Within missiles, Leidos is expanding across hypersonic, supersonic, and affordable munitions, including its Low-Cost Containerized Munition (LCCM). Successful testing in summer 2027 could support production of approximately 3,000 LCCMs beginning in late 2028, with planned capacity of 5,000 units annually and scalability to 10,000. Management is targeting a unit cost of $500,000 or less, positioning LCCM to complement higher-cost interceptors. Leidos has products across the missile value chain, and has goals of becoming a leader in the space.

Parsons (PSN)

Parsons is expanding across integrated security, biometrics, and counter-UAS, leveraging its systems-integration expertise and missile defense legacy to address increasingly complex defense and commercial requirements. Biometrics represents a meaningful opportunity as security needs increase across government agencies, critical infrastructure, and commercial facilities, with growing demand for end-to-end solutions. Data center build outs represent a large opportunity. Parsons offers point biometric products, as well as holistic integrated security build out capabilities. In counter-UAS, Parsons' Starfall product is an electronic-warfare system designed to defeat individual drones and swarms, addressing limitations associated with kinetic defenses. The company also highlighted a mobile counter-UAS platform combining commercially available laser technology with integrated sensors, command-and-control systems, and customer-selected effectors. Management believes this approach can provide a substantially lower-cost alternative to larger integrated systems, with its current solution priced at approximately $4mn versus roughly $20mn for certain competing platforms.

SAIC

SAIC continues to emphasize its position as an open-architecture systems integrator, helping government customers connect complex networks of sensors, platforms, and effectors without relying on proprietary systems. The company highlighted its Reconfigurable Air Defense (RAD) platform, a modular counter-UAS solution designed to accommodate different vehicle configurations, sensors, and kinetic or non-kinetic weapons. Developed around the Army's M-SHORAD Increment 4 requirements, RAD allows customers to tailor capabilities across applications ranging from lightweight sensing to heavily armed configurations. Management believes this flexibility addresses increasingly fragmented customer requirements while avoiding vendor lock-in. Longer term, SAIC sees an opportunity to transition toward a more commercial product-sales model while maintaining its differentiated integration capabilities.

Moog (MOG.A)

Moog continues to see significant opportunities across missiles and counter-UAS, supported by expanding production requirements and relationships with established primes and newer defense companies alike. The company highlighted strong positioning on PAC-3, THAAD, SM-3, and SM-6, with additional agreements expected to support growth. Meanwhile, Moog is confident in its ability to absorb new missile work with its existing footprint. The company is also establishing internal circuit-card assembly capabilities to address supply bottlenecks. In C-UAS, Moog is developing lightweight vehicle-mounted systems (leveraging RIwP) and exploring opportunities to integrate new

munitions. International demand remains robust, particularly in Europe, while newer defense entrants represent a relatively small but faster-growing portion of the business.

RTX

RTX continues to see substantial demand across layered air- and missile-defense systems, with production expansion dependent on supply-chain availability and longer-term procurement visibility. The company highlighted capabilities spanning SM-3, THAAD, Patriot, NASAMS, and counter-UAS, with customers increasingly seeking multiple defensive options to address evolving threats. Coyote has demonstrated effectiveness with approximately 600 combat kills, while AMRAAM and AIM-9X production continues to increase despite demand exceeding supply. RTX currently produces approximately 1,200 AMRAAMs and 900 AIM-9Xs annually, with additional expansion planned. Tomahawk production has increased from roughly 50 missiles annually to 50 monthly, while lead times have declined from 36 to 24 months. The company is also expanding PAC-2 capacity in Europe and preparing to ramp GhostEye radar production. Management sees further opportunities through automation, manufacturing improvements, and supplier investment, although electronics and rocket motors remain key constraints.

Viasat (VSAT)

Viasat continues its build on its heritage of integrating communications and networking capabilities to support cybersecurity, mission intelligence, and resilient connectivity across contested environments. Viasat highlighted its MOJO (Move Out/Jump Off) terminal, which combines multichannel radio capabilities, incl. Link 16 connectivity, and onboard computing in a substantially smaller form factor than traditional systems. Separately, the company showcased its NSA Type 1-certified network encryptor solutions, which position the company well for an impending upgrade cycle. We note VSAT is also developing a direct-to-device network that may accommodate national security applications over time.

Textron (TXT)

Textron continues to expand its defense portfolio across military aviation, ground vehicles, unmanned systems, and precision weapons. At Bell, MV-75 development is progressing, with engine testing underway and additional funding dependent on the Army's reprogramming process. Within Systems, Textron secured approximately $600mn of new land-systems awards over the past year, including Advanced Reconnaissance Vehicle development and a $160mn Commando Select order. Unmanned maritime systems represent another opportunity, with Marine Systems revenue expected to reach approximately $500mn next year and increasing adoption of contractor-owned, contractor-operated models. Textron is also developing lower-cost autonomous platforms, including Tsunami, alongside loitering munitions and precision-strike capabilities. Beyond these platforms, management sees opportunities in advanced materials, hypersonic thermal protection, and Sentinel-related components, leveraging its manufacturing expertise to address critical supply-chain bottlenecks.

Aerospace & Defense Coverage

Exhibit 1: Consensus Estimates

Consensus Estimates		Rating	Price	YTD Stock Performance	Market Cap ($mn)	EV ($mn)	Mean PT	% Upside	2026 Net Debt/EBITDA	EV/EBITDA			P/E			FCF Yield		
										CY26	CY27	CY28	CY26	CY27	CY28	CY26	CY27	CY28
GE-US	GE Aerospace	OW	$311.63	1.2%	$323,330	$332,562	$387	24%	~0.7x	~27.7x	~24.5x	~21.7x	~39.3x	~34.2x	~30.0x	~2.8%	~3.1%	~3.4%
RTX-US	RTX	OW	$186.39	1.6%	$251,209	$286,850	$228	22%	~1.7x	~18.4x	~16.8x	~15.3x	~25.7x	~23.5x	~21.3x	~3.4%	~4.1%	~4.6%
BA-US	Boeing	OW	$188.20	-13.3%	$148,748	$171,891	$269	43%	~5.9x	~40.5x	~20.5x	~13.9x		~52.2x	~24.4x	~1.6%	~3.7%	~6.1%
HWM-US	Howmet	OW	$220.36	7.5%	$87,880	$91,551	$327	48%	~1.1x	~28.0x	~23.7x	~20.5x	~41.2x	~33.8x	~28.7x	~2.2%	~2.6%	~3.2%
TDG-US	Transdigm	OW	$1,135.11	-14.6%	$62,745	$94,503	$1,416	25%	~5.7x	~16.6x	~15.0x	~13.8x	~26.4x	~22.5x	~19.6x	~3.5%	~4.2%	~4.9%
HONA-US	Honeywell Aerospace	OW	$163.23	NM	$51,736	$64,579	$195	20%	~3.0x	~14.0x	~12.6x	~11.4x	~21.2x	~18.2x	~15.9x	~2.6%	~4.8%	~5.9%
HEI-US	Heico	OW	$308.56	-4.6%	$36,628	$45,175	$398	29%	~1.3x	~28.7x	~25.9x	~23.7x	~47.7x	~42.1x	~37.1x	~2.3%	~2.6%	~3.1%
AER-US	AerCap	OW	$145.75	1.4%	$22,508	$63,812	$180	23%	~5.6x	~9.3x	~9.2x	~9.3x	~7.7x	~8.0x	~7.4x	~4.3%	~5.6%	~9.6%
FTAI-US	FTAI Aviation	OW	$167.54	-14.9%	$17,208	$20,101	$356	112%	~2.1x	~15.2x	~9.0x	~7.1x	~28.6x	~12.9x	~9.4x	~3.9%	~7.5%	~11.6%
RBC-US	RBC Bearings	OW	$501.46	11.8%	$15,876	$16,565	$638	27%	~0.7x	~24.5x	~21.9x	~20.4x	~35.0x	~31.0x	~32.3x	~2.5%	~2.8%	~3.1%
ARXS-US	Arxis	OW	$53.50	NM	$22,067	$22,672	$64	19%	~1.3x	~27.7x	~23.1x	~20.4x	~109.7x	~56.6x	~46.2x	~1.9%	~2.3%	~2.8%
TXT-US	Textron	OW	$75.07	-13.9%	$12,911	$15,520	$100	34%	~0.9x	~8.2x	~7.9x	~7.3x	~11.7x	~10.4x	~9.4x	~5.7%	~7.3%	~8.4%
EMBJ-US	Embraer	OW	$72.34	12.4%	$13,536	$13,490	$95	31%	~0.2x	~12.0x	~10.6x	~9.4x	~24.3x	~21.1x	~18.0x	~0.9%	~2.3%	~3.7%
CAE-CA	CAE	OW	$34.03	-18.5%	$10,905	$13,382	$45	32%	~2.1x	~11.5x	~11.0x	~10.1x	~27.2x	~23.8x	~19.9x	~3.9%	~4.4%	~4.3%
SARO-US	StandardAero	OW	$20.87	-27.2%	$6,905	$8,950	$33	60%	~2.1x	~9.9x	~8.7x	~7.8x	~13.5x	~11.8x	~10.0x	~4.2%	~4.8%	~6.9%
HXL-US	Hexcel	OW	$89.84	21.6%	$6,794	$7,609	$108	20%	~1.9x	~18.6x	~15.9x	~13.7x	~37.4x	~28.6x	~23.1x	~2.8%	~3.8%	~4.4%
DPC-US	DPC Holdings PLC	OW	$32.18	NM	$4,807	$4,616	$58	81%	~0.9x	~24.7x	~19.8x	~16.1x	~53.3x	~29.6x	~23.6x		~1.1%	~2.1%
LOAR-US	Loar	OW	$62.85	-7.6%	$5,888	$6,707	$88	40%	~2.9x	~24.8x	~21.9x	~19.6x	~45.9x	~38.9x	~33.0x			~3.1%
VSEC-US	VSE Corporation	OW	$162.59	-5.9%	$4,563	$5,456	$260	60%	~2.3x	~16.0x	~12.6x	~11.2x	~24.6x	~19.9x	~17.2x	~0.8%	~2.4%	~1.2%
	Aerospace							**~30%**	**~1.9x**	**~18.4x**	**~15.9x**	**~13.8x**	**~27.9x**	**~23.8x**	**~21.3x**	**~2.8%**	**~3.7%**	**~4.3%**
LMT-US	Lockheed Martin	OW	$532.73	10.1%	$122,949	$137,434	$620	16%	~1.2x	~12.1x	~11.4x	~10.8x	~17.5x	~16.3x	~15.2x	~5.8%	~5.4%	~5.8%
GD-US	General Dynamics	OW	$336.92	0.1%	$91,155	$96,683	$409	21%	~0.4x	~14.1x	~13.0x	~12.2x	~19.8x	~18.1x	~16.7x	~5.3%	~5.4%	~5.8%
NOC-US	Northrop Grumman	OW	$498.38	-12.6%	$70,801	$85,331	$623	25%	~1.4x	~13.8x	~12.8x	~12.0x	~17.2x	~16.4x	~15.2x	~4.6%	~4.8%	~5.1%
ESLT-US	Elbit Systems	EW	$742.12	28.5%	$34,501	$33,577	$880	19%	~0.9x	~30.0x	~25.7x	~24.2x	~50.5x	~42.2x	~36.6x	~2.1%	~2.1%	~2.5%
CW-US	Curtiss-Wright	OW	$499.00	-9.5%	$18,430	$19,250	$752	51%	~0.2x	~22.5x	~20.4x	~18.5x	~32.6x	~29.1x	~25.8x	~3.2%	~3.6%	~3.8%
MOG.A-US	Moog	OW	$367.63	50.9%	$11,608	$12,954	$436	19%	~1.2x	~19.4x			~31.5x	~29.8x		~2.3%		
DRS-US	Leonardo DRS	OW	$35.56	4.3%	$9,489	$9,392	$54	52%	~0.8x	~17.5x	~15.9x	~14.4x	~25.6x	~24.2x	~22.1x	~2.9%	~3.4%	~4.0%
AADX-US	Applied Aerospace & Defense	OW	$11.44	NM	$1,972	$2,313	$24	109%	~2.2x	~15.1x	~12.3x	~10.1x		~29.3x	~22.4x		~5.1%	~4.4%
	Defense							**~25%**	**~1.2x**	**~15.1x**	**~12.9x**	**~12.1x**	**~22.9x**	**~24.2x**	**~19.4x**	**~3.9%**	**~4.9%**	**~4.7%**
										EV/Sales			EV/Sales/Growth			FCF Yield		
										CY26	CY27	CY28	CY26	CY27	CY28	CY26	CY27	CY28
RKLB-US	Rocket Lab	OW	$55.03	-21.1%	$32,930	$35,096	$105	91%		~36.7x	~25.4x	~19.1x	~0.6x	~0.6x	~0.6x			~0.1%
PL-US	Planet Labs	OW	$14.57	-26.1%	$4,959	$4,712	$32	116%	~44.8x	~11.0x	~8.4x	~6.5x	~0.3x	~0.3x	~0.2x	~0.3%	~0.6%	~1.3%
FLY-US	Firefly Aerospace Inc	OW	$17.76	-20.6%	$2,973	$2,172	$38	114%		~4.9x	~3.2x	~2.0x	~0.0x	~0.1x	~0.0x			
HAWK-US	HawkEye 360	OW	$12.79	NM	$1,253	$726	$31	143%	~14.7x	~3.3x	~2.7x	~2.2x	~0.0x	~0.1x	~0.1x			~2.4%
VOYG-US	Voyager Technologies	OW	$26.49	1.3%	$1,464	$1,680	$45	68%		~5.8x	~3.4x	~1.8x	~0.1x	~0.0x	~0.0x			
SPCE-US	Virgin Galactic	EW	$2.59	-19.3%	$393	$261	$4	36%		~117.5x	~1.1x	~0.5x	~2.7x	~0.0x	~0.0x			~25.5%
	Space Technology							**~102%**		**~8.4x**	**~3.3x**	**~2.1x**	**~0.2x**	**~0.1x**	**~0.1x**	**~0.3%**	**~0.6%**	**~1.8%**
JOBY-US	Joby	EW	$4.85	-63.3%	$4,815	$2,954	$10	110%		~24.1x	~13.7x	~6.8x	~0.2x	~0.2x	~0.1x			
BETA-US	Beta Technologies	OW	$18.71	-33.7%	$4,217	$2,824	$32	72%		~60.2x	~8.6x	~3.2x	~1.9x	~0.0x	~0.0x			
	eVTOL							**~91%**		**~42.2x**	**~11.1x**	**~5.0x**	**~1.0x**	**~0.1x**	**~0.0x**			

Aerospace & Defense Valuation

Exhibit 2: Defense Valuation

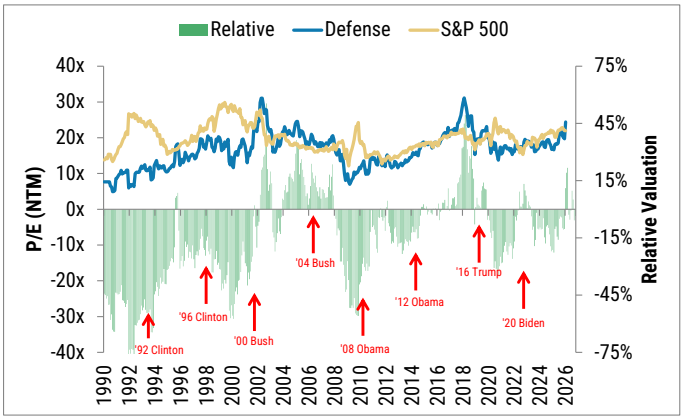
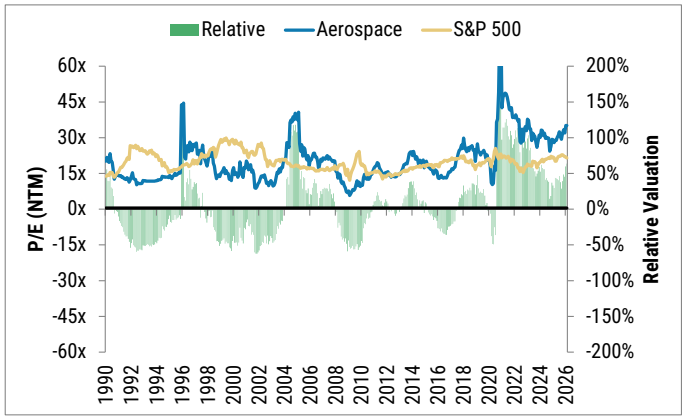


Exhibit 3: Aerospace Valuation



Commercial Aerospace Highlights

Future Deliveries Due by Global Region

Exhibit 4: Total Aircraft Deliveries Due

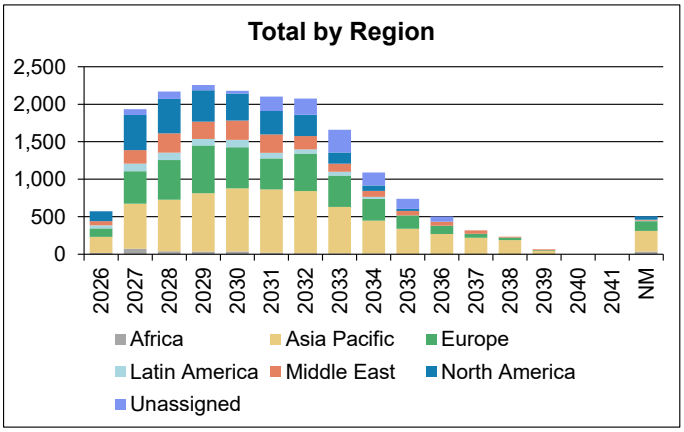


Exhibit 5: Narrowbody Aircraft Deliveries Due

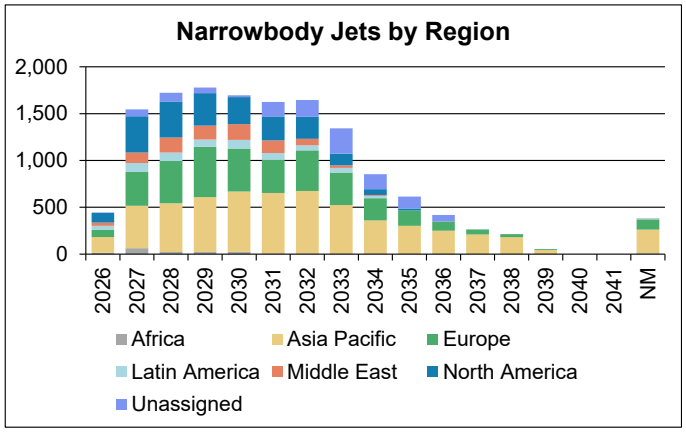


Exhibit 6: Widebody Aircraft Deliveries Due

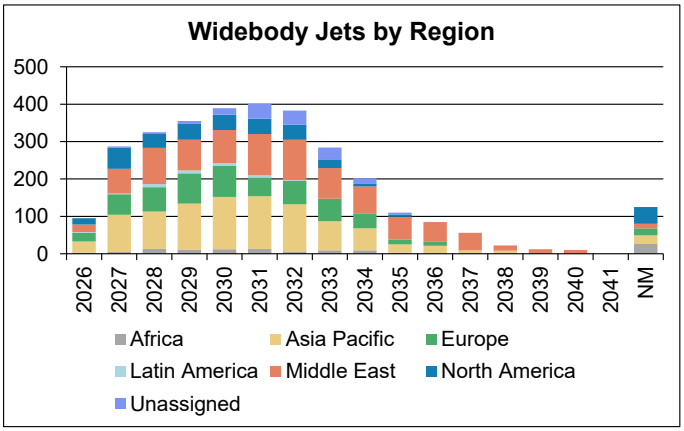


Exhibit 7: Regional Aircraft Deliveries Due

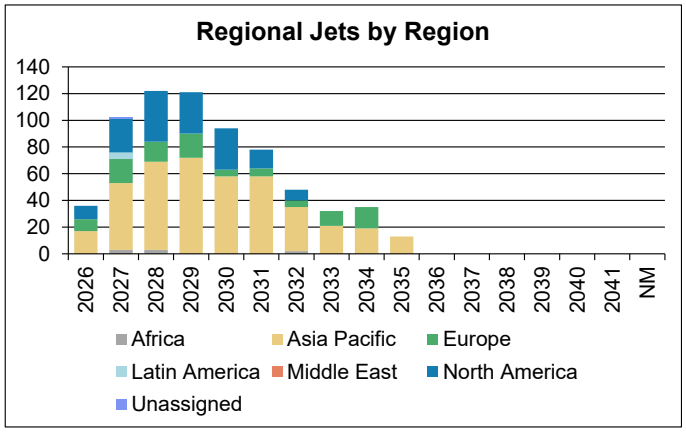


Exhibit 8: Boeing Deliveries Due

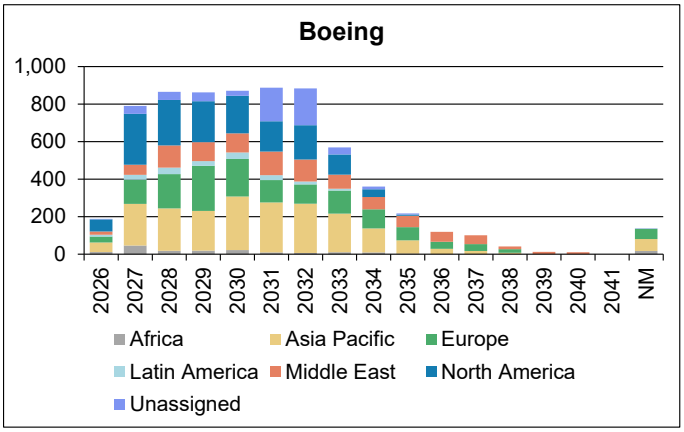


Exhibit 9: Airbus Deliveries Due

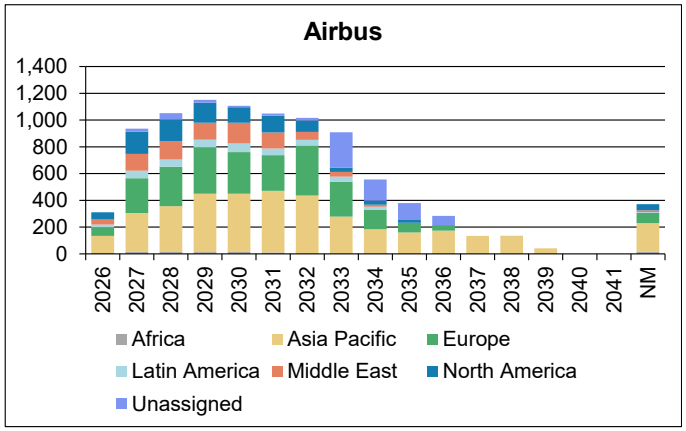


Exhibit 10: Boeing 737 MAX Deliveries Due

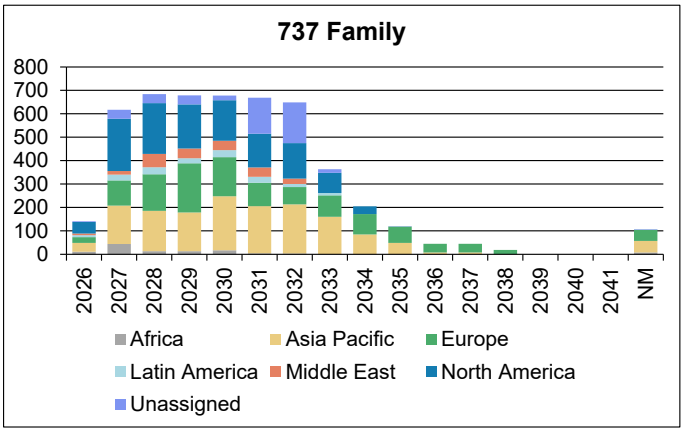


Exhibit 11: Airbus A320 Deliveries Due

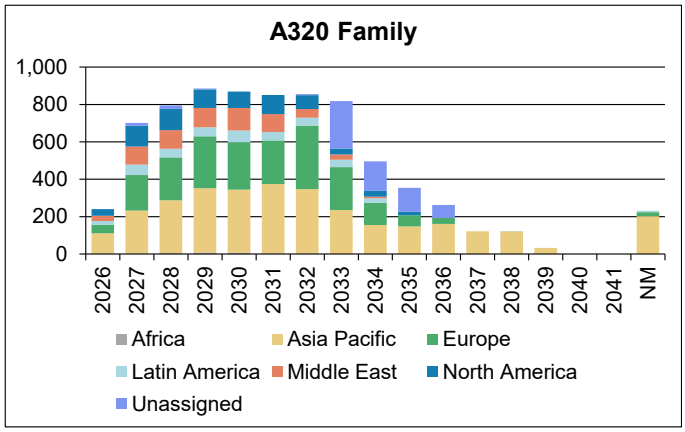


Exhibit 12: Boeing 787 Deliveries Due

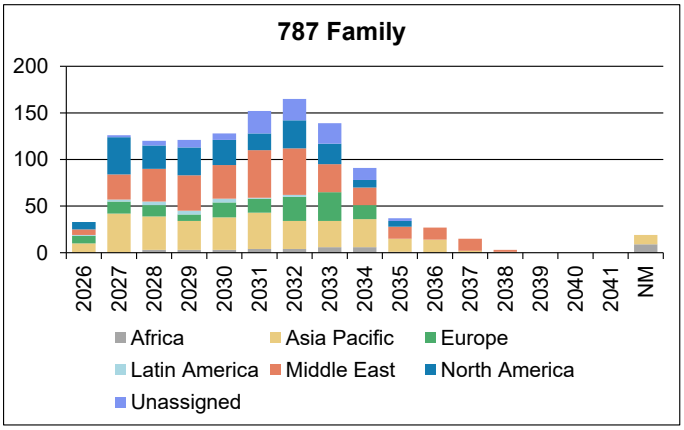


Exhibit 13: Airbus A350 Deliveries Due

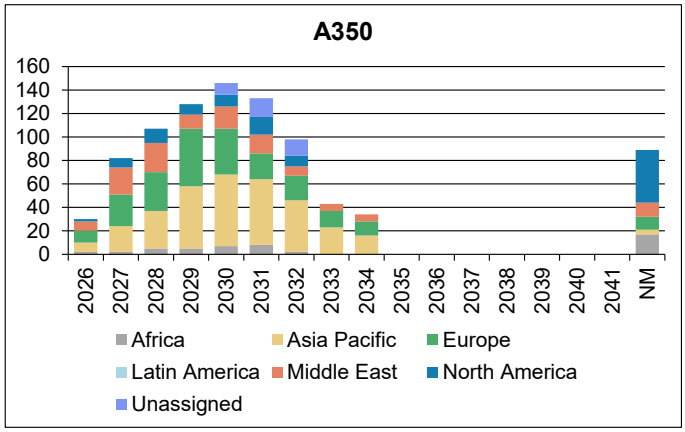


Exhibit 14: Airbus A220 Deliveries Due

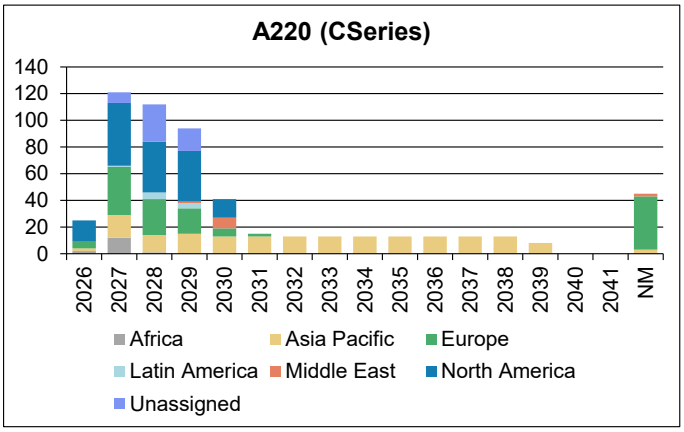
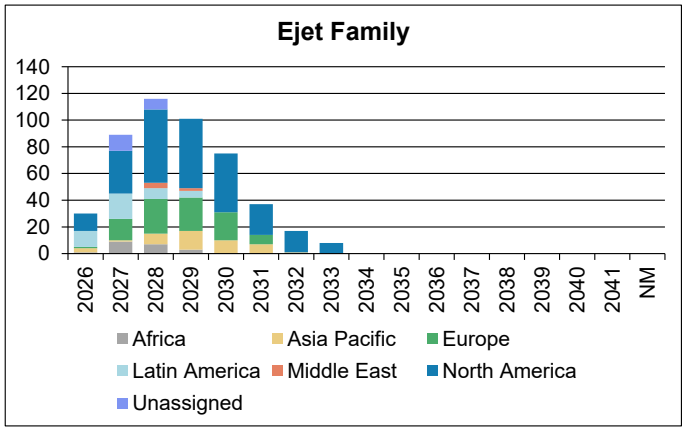


Exhibit 15: Embraer E-Jet Deliveries Due



Orders & Deliveries

Exhibit 16: T12 Boeing Narrowbody Orders

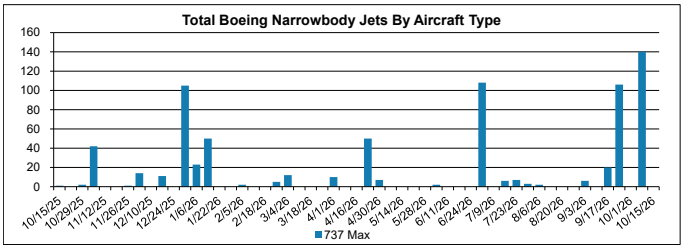


Exhibit 17: T12 Airbus Narrowbody Orders

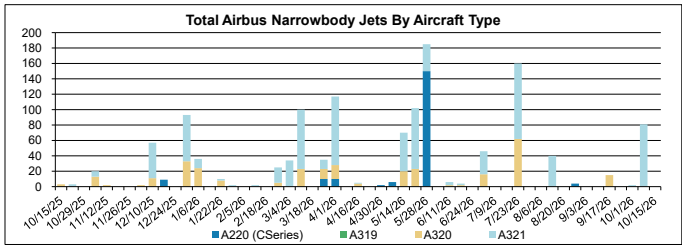


Exhibit 18: T12 Boeing Widebody Orders

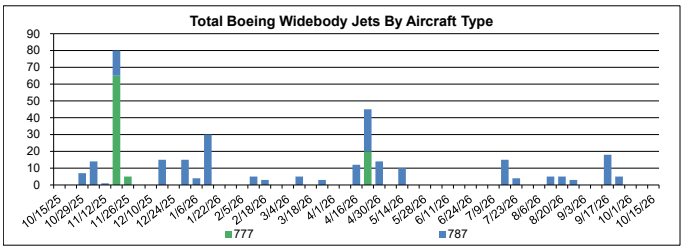


Exhibit 19: T12 Airbus Widebody Orders

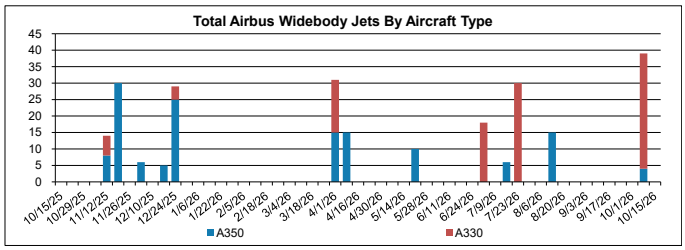


Exhibit 20: T12 Boeing Narrowbody Deliveries

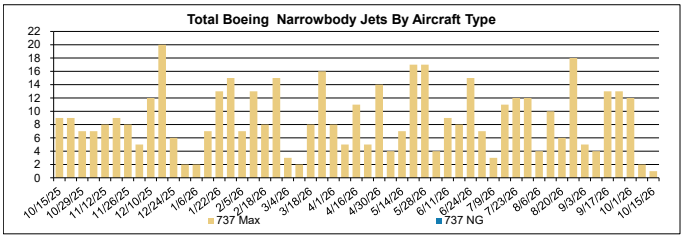


Exhibit 21: T12 Airbus Narrowbody Deliveries

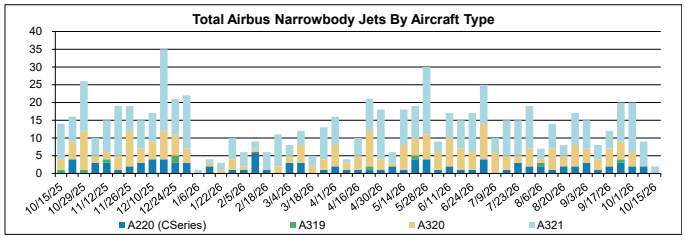


Exhibit 22: T12 Boeing Widebody Deliveries

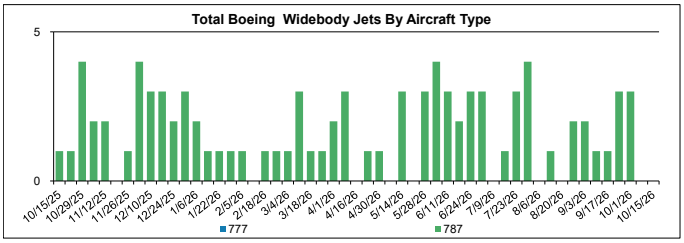
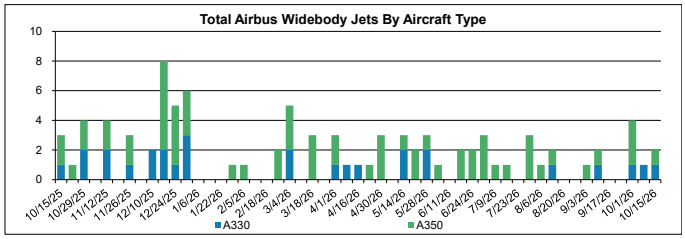


Exhibit 23: T12 Airbus Widebody Deliveries



Aircraft in Storage

Exhibit 24: Total Aircraft in Storage

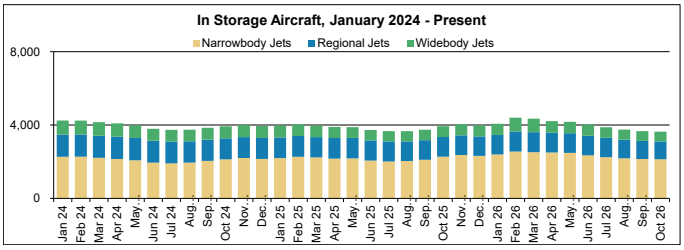


Exhibit 25: Narrowbody Aircraft in Storage

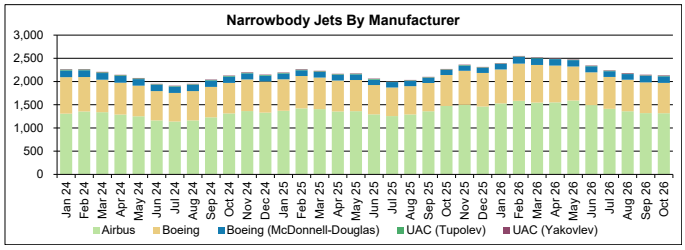


Exhibit 26: Widebody Aircraft in Storage

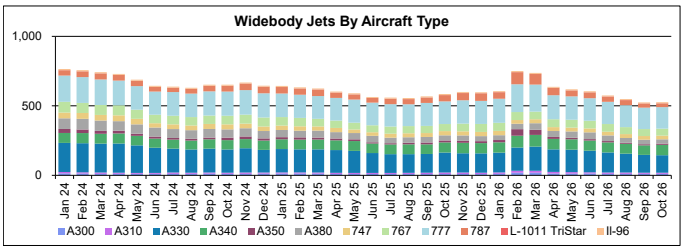
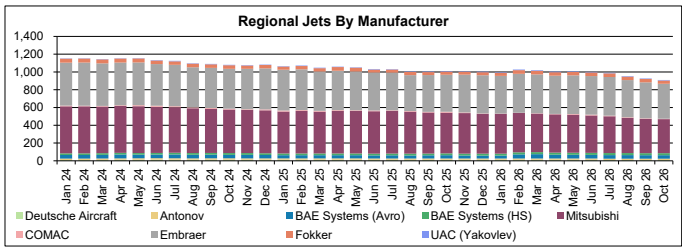


Exhibit 27: Regional Aircraft in Storage



Cancellations & Retirements

Exhibit 28: T12 Boeing Narrowbody Cancellations

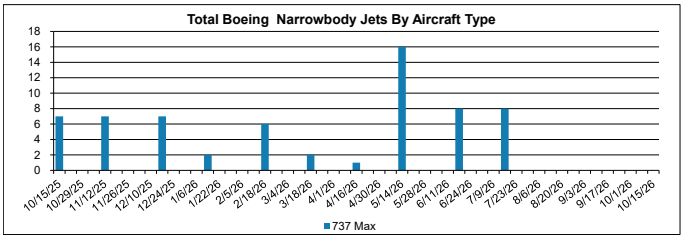


Exhibit 29: T12 Airbus Narrowbody Cancellations

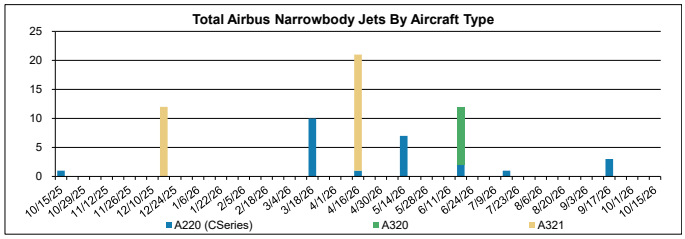


Exhibit 30: T12 Boeing Widebody Cancellations

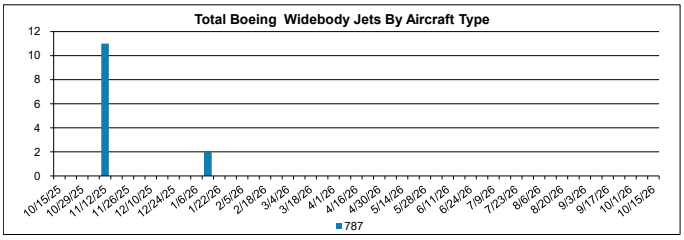


Exhibit 31: T12 Airbus Widebody Cancellations

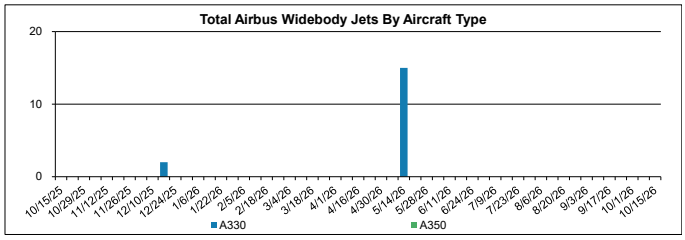


Exhibit 32: T12 Boeing Narrowbody Retirements

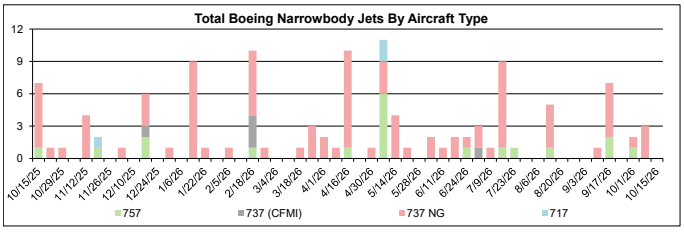


Exhibit 33: T12 Airbus Narrowbody Retirements

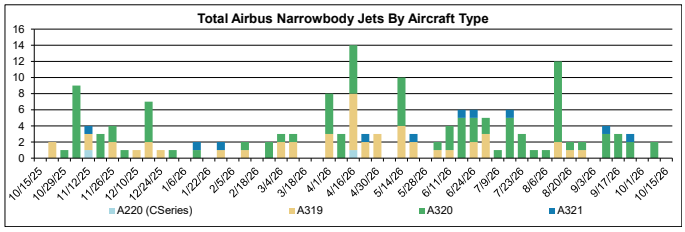


Exhibit 34: T12 Boeing Widebody Retirements

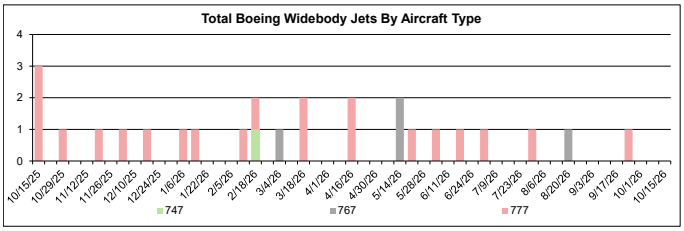
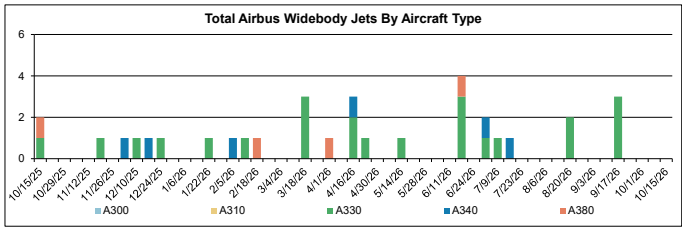


Exhibit 35: T12 Airbus Widebody Retirements



Defense Highlights

Exhibit 36: Defense Capabilities by Company

Crowding out	Advanced Computing	Big Data Analytics	Artificial Intelligence	Autonomy	Robotics	Directed Energy	Hypersonics	Biotechnology
LMT	★★★	☆☆☆	☆☆☆	★★★	☆☆☆	★★★	★★★	☆☆☆
NOC	★★★	☆☆☆	☆☆☆	★★★	☆☆☆	★★★	☆☆☆	☆☆☆
RTX	★★★	★★★	★★★	★★★	☆☆☆	★★★	★★★	☆☆☆
GD	☆☆☆	☆☆☆	☆☆☆	★★★	☆☆☆	☆☆☆	☆☆☆	☆☆☆
TXT	☆☆☆	☆☆☆	☆☆☆	★★★	☆☆☆	☆☆☆	☆☆☆	☆☆☆
BA	☆☆☆	☆☆☆	☆☆☆	★★★	☆☆☆	☆☆☆	☆☆☆	☆☆☆

Exhibit 37: Military Program Involvement

	Air Force	Army	Marine Corps	Navy	Space Force	Joint / Other
LMT	★★★	☆☆☆	★★★	★★★	★★★	★★★
NOC	★★★	☆☆☆	★★★	★★★	★★★	★★★
RTX	★★★	★★★	★★★	★★★	★★★	★★★
GD	★★★	★★★	★★★	★★★	☆☆☆	☆☆☆
TXT	☆☆☆	★★★	★★★	★★★	☆☆☆	☆☆☆
BA	★★★	★★★	★★★	☆☆☆	★★★	☆☆☆

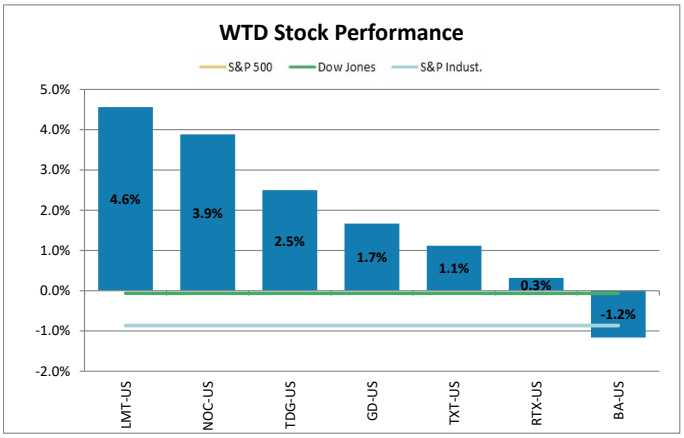
Exhibit 38: Modernization Strength by Company

	Space	Nuclear	Multi-Domain Operations
LMT	★★★	★★★	★★★
NOC	★★★	★★★	★★★
RTX	★★★	☆☆☆	★★★
GD	★★★	★★★	★★★
TXT	☆☆☆	☆☆☆	★★★
BA	★★★	★★★	☆☆☆

Weekly Financial Metrics

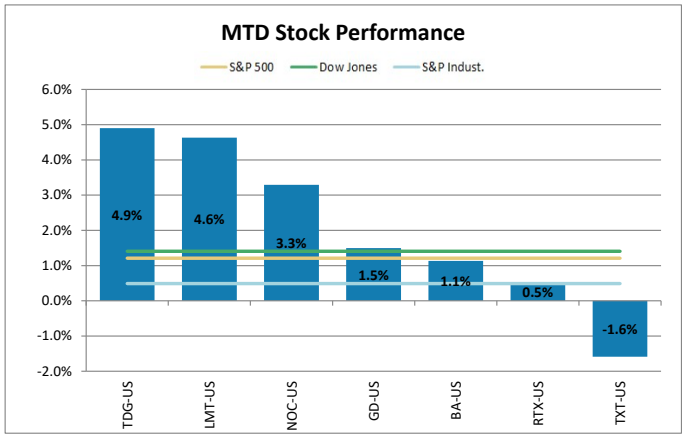
Stock Performance

Exhibit 39: Stock Performance, Week to Date



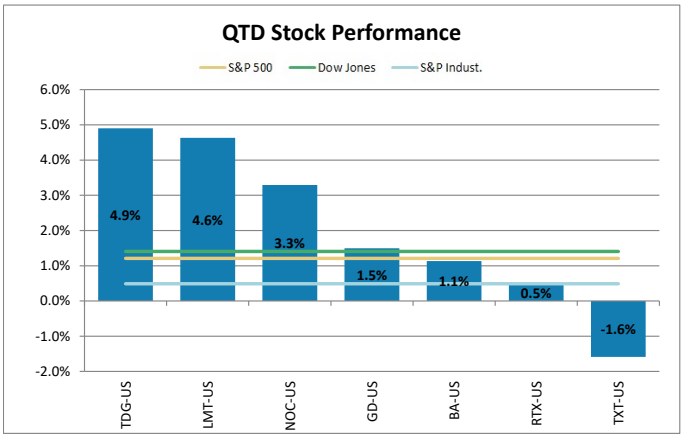
Source: Factset

Exhibit 40: Stock Performance, Month to Date



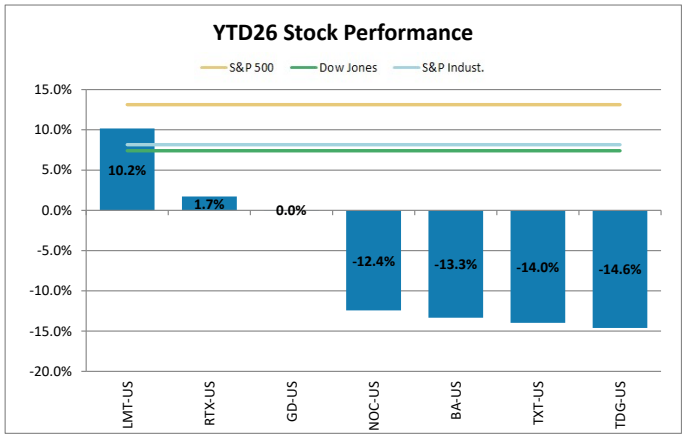
Source: Factset

Exhibit 41: Stock Performance, Quarter to Date



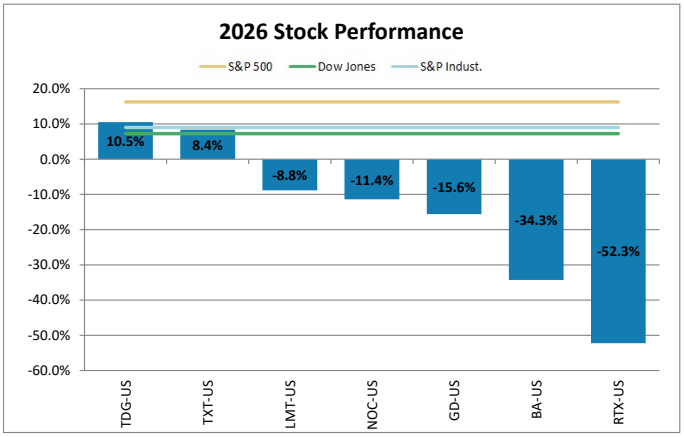
Source: Factset

Exhibit 42: Stock Performance, Year to Date



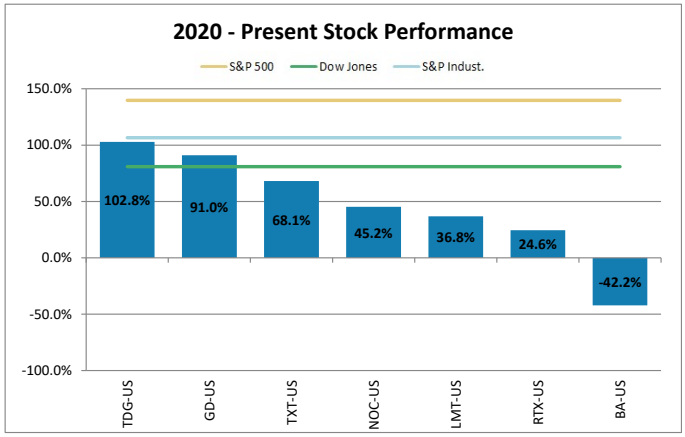
Source: Factset

Exhibit 43: Stock Performance, FY2025



Source: Factset

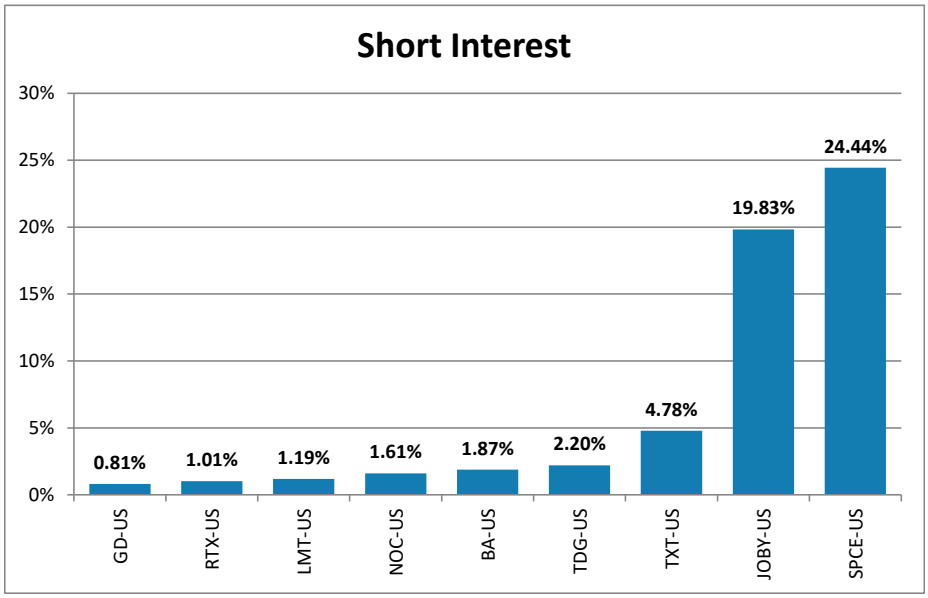
Exhibit 44: Stock Performance, Jan. 2020 - Present



Source: Factset

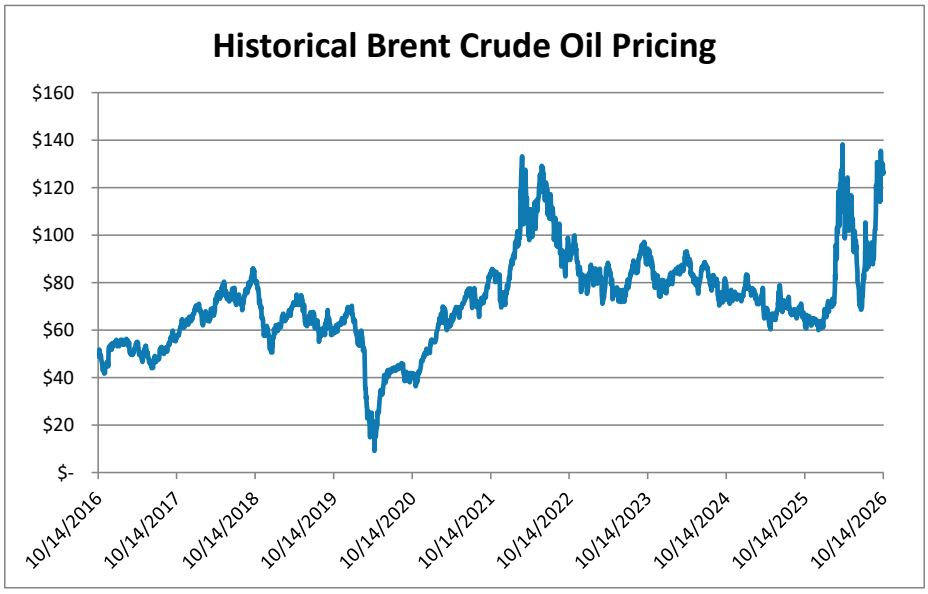
Exhibit 45:

Short Interest by Company



Source: Factset

Exhibit 46: Oil Price history over the past 10 years



Source: Factset

Note: Brent Crude Oil