

Seale & Associates

Creative Solutions. Trusted Advice.

AEROSPACE
INDUSTRY
MEXICO

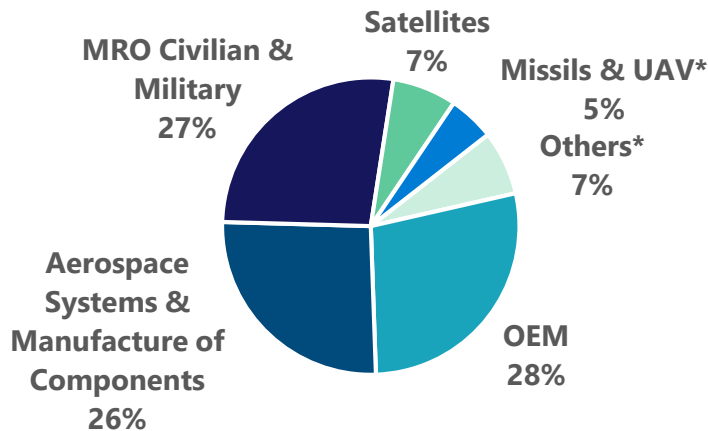
AUGUST
2019

INDUSTRY REPORT

AEROSPACE INDUSTRY

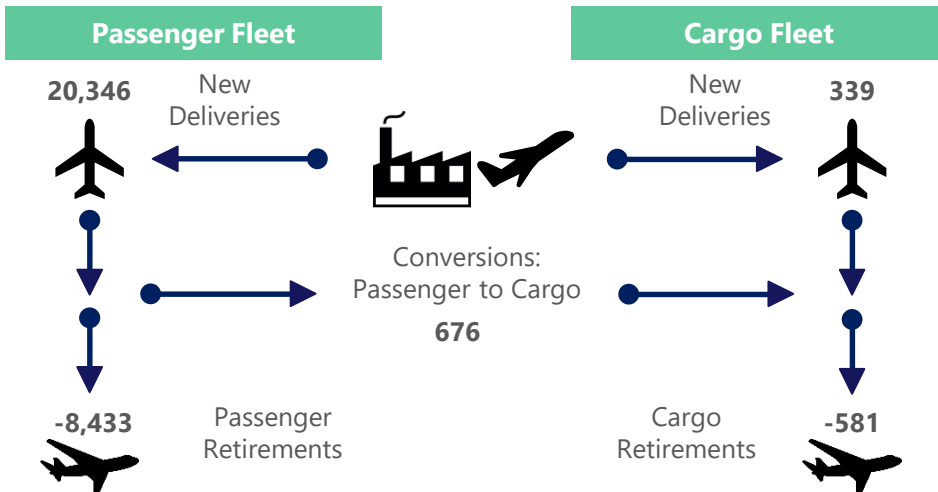
The aerospace industry is engaged in the research, development, and manufacturing of flight vehicles, missiles, space launch vehicles, and spacecrafts; also includes major flight-vehicle subsystems such as propulsion and avionics, and key support systems necessary for the testing, operation, and maintenance of flight vehicles.

- The global aerospace industry was worth US\$838 billion in 2017
- America accounts for 54% of the aerospace industry activity, followed by EMEA (Europe, Middle East and Africa) with 31% and Asia with 15%
- **Compound Annual Growth Rate (CAGR)** of 3.5% is expected for the period 2018-2023
- The industry is driven by growing demand for aircraft, mainly from low-cost aviation companies, as well as increased orders for the renewal of the aircraft fleet



Global Aerospace Industry Segmentation

*Others: flight simulators, non-profit companies and defense electronics

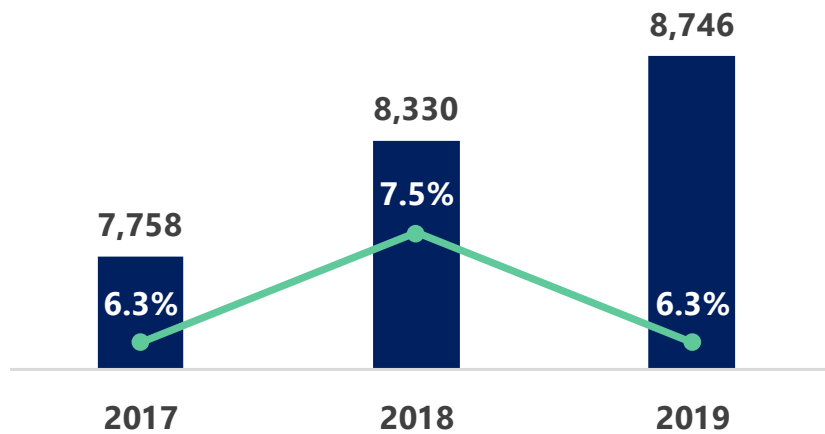
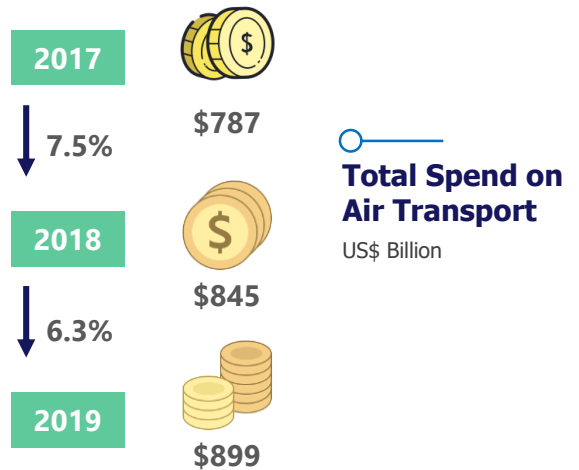
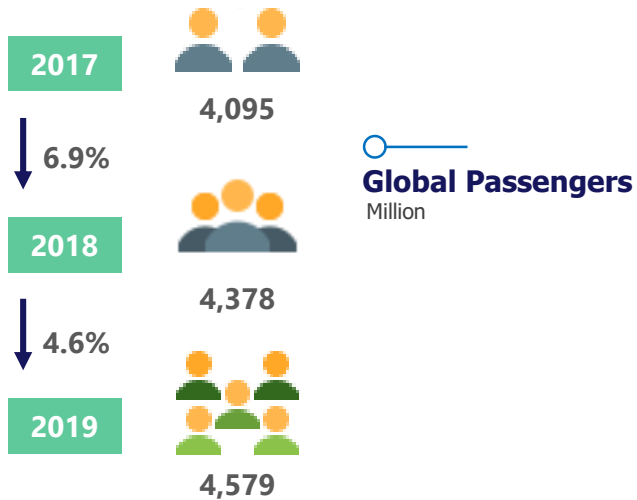


Global Aircraft Demand 2018-2028

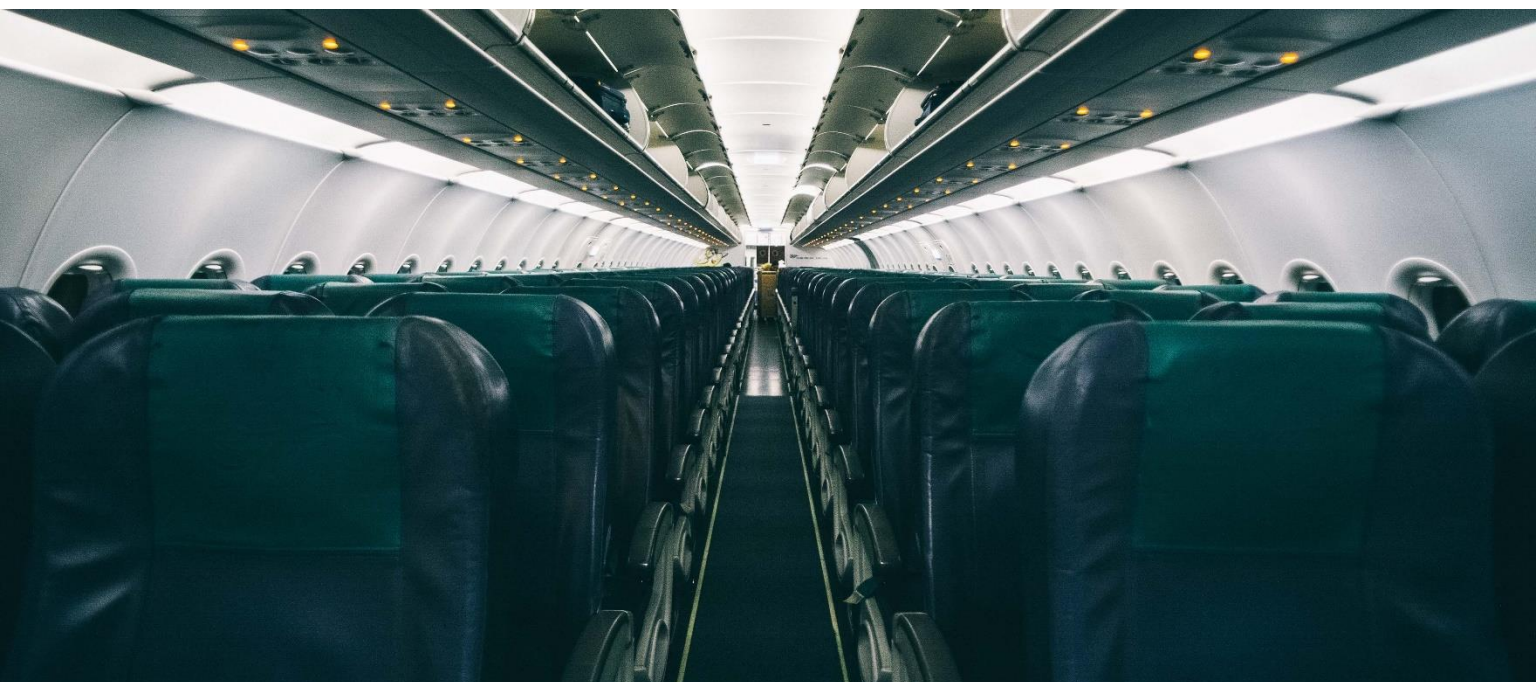


*MRO: Maintenance, Repair and Overhaul
*UAV: Unmanned Aerial Vehicle

AEROSPACE INDUSTRY



* RPK: is a measure of the volume of passengers carried by an airline

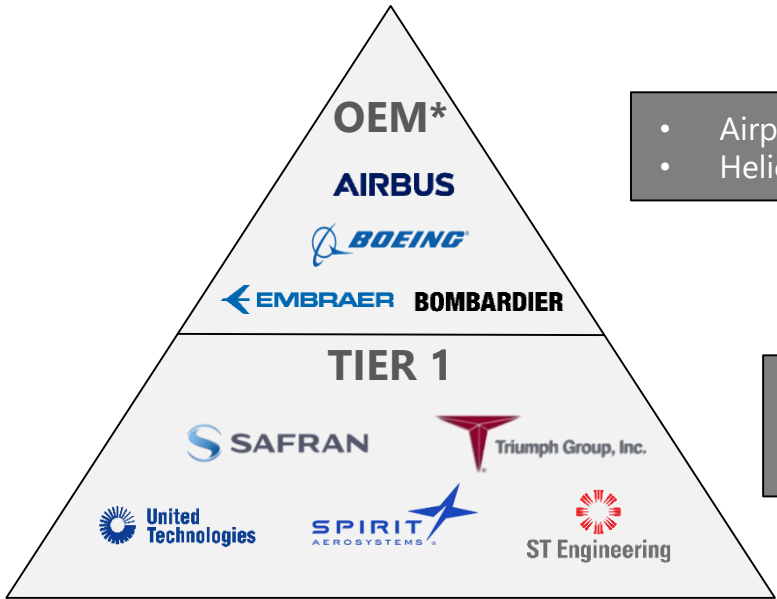


AEROSPACE INDUSTRY

The aerospace supply chain is classified as follows:

Demand:

- Airlines
- Logistic Companies
- Armies
- Leasing Companies



- Airplanes
- Helicopters
- Engines
- Satellites

- Wings
- Airframes
- Landing Gears
- Seats
- Structures

TIER 2: Companies specialized in mounting various sub-assemblies and sections (i.e. Honeywell International Inc., HEICO Corp., Astronics Corp.)

TIER 3: Companies specialized in the design and/or manufacture of elementary parts and components (i.e. General Dynamics Corp., Magellan Aerospace Corp., Destini Berhard)

*OEM: Original Equipment Manufacturer



AEROSPACE INDUSTRY TRENDS

M&A Activity:

An increase in M&A activity is forecasted due to the expected growth of the industry and the vertical integration strategy of the sector leaders. EBITDA multiples of public companies in the sector are between 10.0x and 12.0x.

New Technology:

Technologies are being developed to produce aircraft that require shorter runways, less total weight and fewer overhauls.

Artificial Intelligence:

According to a study by Accenture, 67% of companies in the sector will invest in artificial intelligence over the next few years, with plans to use it in the areas of production, security, research and development optimizing data management.

Aircraft monitoring:

Improved aircraft structural integrity monitoring, with new technology for MRO.

Efficiency in the Engines:

Reduce flight costs and emissions through electric and hybrid engines.

Digital Factories:

A growing interest in and investment in digital factories, which use digital technology to enable workers to configure, model, simulate, appraise and evaluate the entire manufacturing process.

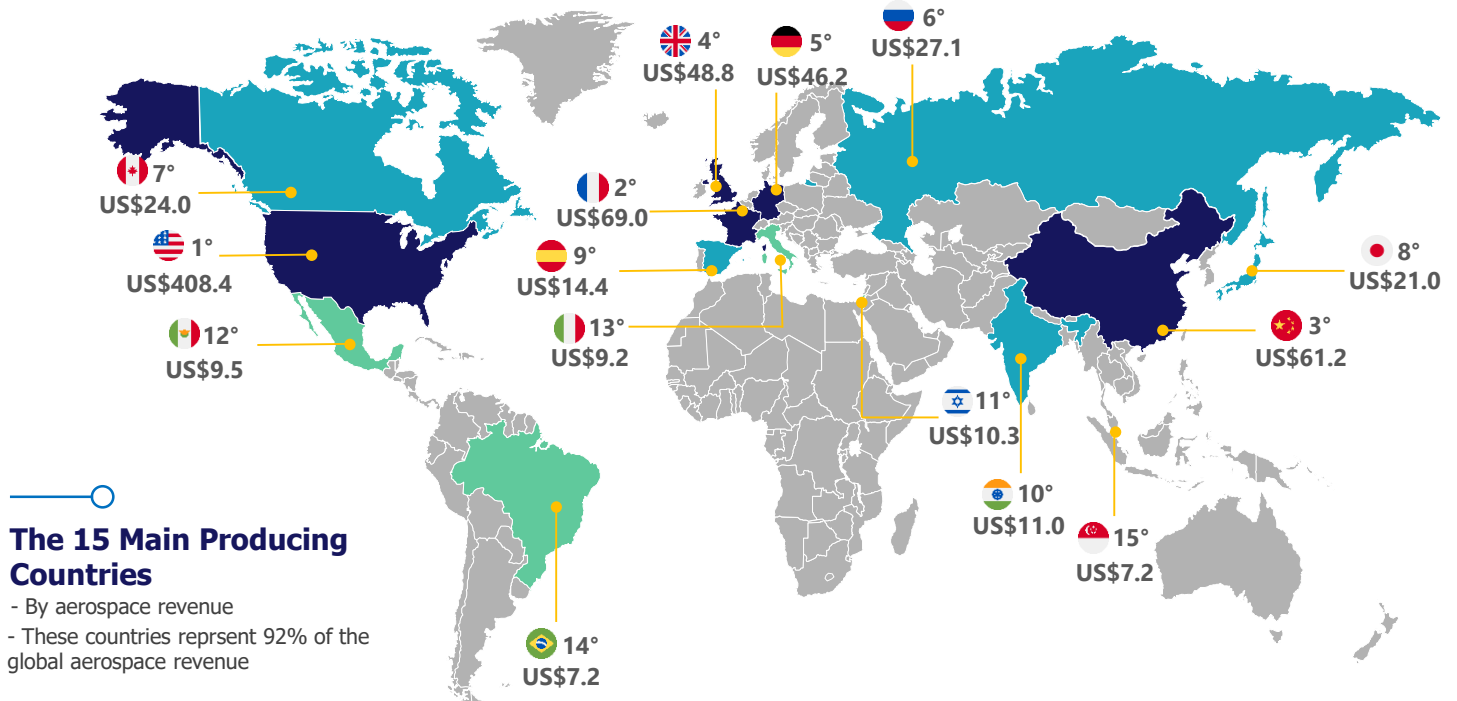
Defense Expenditure:

The increase in defence spending in most developed countries will spur industry growth in 2019 and beyond.



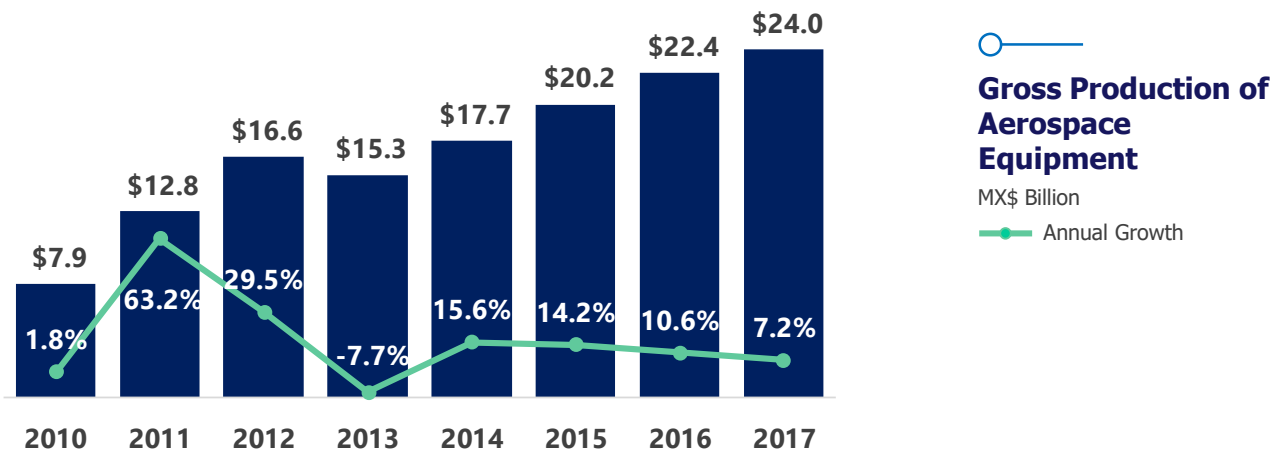
MEXICAN AEROSPACE INDUSTRY

Mexico generated 1% of global industry revenue in 2017, being the 12th producer worldwide



Gross production* of aerospace equipment manufacturing reached MXN\$24.0 billion in 2017, an increase of 7.2% over 2016.

- Growth in aerospace production volume in Mexico is estimated at an average of 11% for the period 2017-2023
- Aerospace equipment production represented 0.75% of Mexico's total manufacturing production, and is expected to increase at a 0.81% rate of until 2023



*It is the value of all the goods and services produced by the establishments of the aerospace industry in a determined period

MEXICAN AEROSPACE INDUSTRY

The Mexican aerospace industry has grown from 100 manufacturing companies in 2004 to more than 330 in 2018.

- 80% of the companies in Mexico correspond to manufacturing, 11% to MRO* and 9% to Design and Engineering.
- For every 100 persons employed, 64 are men and 36 are women
- Mexico represents a cost savings of 15.8% over the U.S. in the aerospace industry
- The Mexican aerospace industry accumulates a foreign investment of US\$2.7 billion in the last 10 years, of which 86% has been for the manufacture of aerospace equipment and 14% for MRO activities.

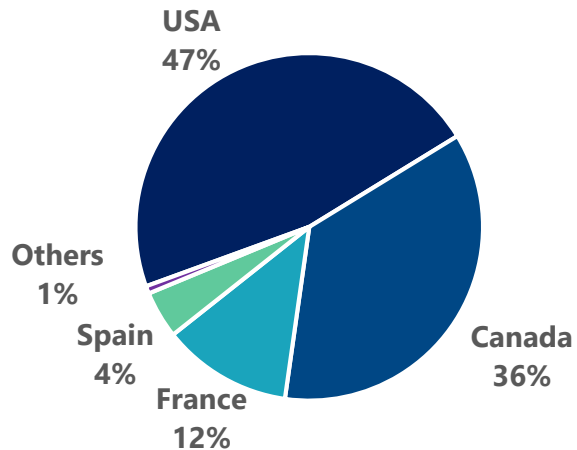
Scope of Aerospace Industry

US\$ Million

Year	Companies	Jobs	FDI	Cumulative FDI
2004	65	10,500	\$470	\$4,300
2011	238	31,000	\$1,300	\$19,300
2015	350	38,000	\$3,200	\$27,500
2020F	450	110,000	\$4,600	\$48,000

Foreign Direct Investment by Country in the Aerospace Sector

Cumulative 2007-2016



Mexican Aerospace Clusters

Sonora also has a high presence of companies in the sector



*MRO: Maintenance, Repair and Overhaul

MEXICAN AEROSPACE INDUSTRY

Companies from the Chihuahua Aerospace Cluster*:



Some companies from the Querétaro Aerospace Cluster:



*Image taken from the Chihuahua Aerospace Cluster's webpage.

MEXICAN AEROSPACE INDUSTRY

Some companies from the Monterrey Aerospace Cluster:



Some Companies from the Baja California Aerospace Cluster:



Some companies from the aerospace sector in Sonora:



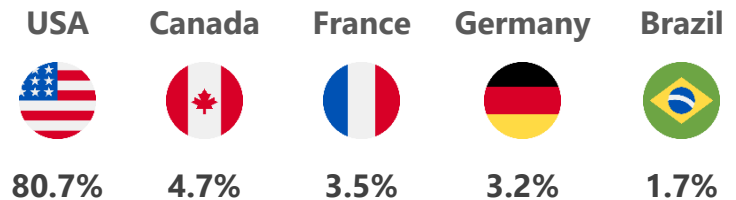
MEXICAN AEROSPACE INDUSTRY

- Mexico was the 6th supplier of aerospace parts to the United States in 2018
- Mexican aerospace exports had a value of US\$8.6 billion in 2018, an increase of 12% over 2017
- Aerospace exports have shown a growth of 179.4% in the last 10 years

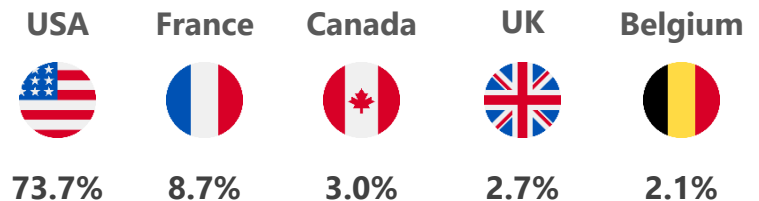
Mexican Exports by Product Type 2018

	Exports	Imports
Goods for the assembly or manufacture of aircraft or aeroparts	31.5%	34.3%
Turbojets or turbopropellers	19.4%	20.2%
Parts for gas turbines	11.7%	14.9%
Goods for MRO	9.80%	16.5%
Cables & Harnesses	6.6%	0.2%
Other parts of aeroplanes or helicopters	5.2%	1.1%
Turboreactors	4.4%	4.0%
Landing gears and parts thereof	3.1%	0.7%
Other	8.3%	8.1%

Destination Exports 2016 Other countries: 6.1%









Origin Imports 2016 Other countries: 9.7%












CURRENT MARKET SITUATION

COMPARABLE PUBLIC COMPANIES – GLOBAL

OEM

Company	Country	Price 8/13/19	Sales US\$M	EBITDA Margin	Mkt. Cap. US\$M	Enterprise Value US\$M	Annual Average EV / EBITDA			8/13/19		
							2016	2017	2018	EV / EBITDA	EV / Revenue	
The Boeing Company	 USA	\$332.86	\$92,155	7.9%	\$187,304	\$198,410	10.2x	13.4x	16.1x	NR	2.2x	
Airbus SE	 NED	\$141.67	\$79,202	9.8%	\$110,146	\$113,842	7.4x	26.3x	16.3x	14.3x	1.5x	
Textron Inc.	 USA	\$45.39	\$13,286	11.9%	\$10,445	\$14,040	8.5x	10.7x	12.3x	8.9x	1.1x	
Bombardier Inc.	 CAN	\$1.32	\$15,776	6.4%	\$3,165	\$12,243	16.4x	20.9x	19.0x	11.6x	0.8x	
Dassault Aviation SA	 FRA	\$1,373.25	\$5,861	10.5%	\$11,416	\$5,589	15.3x	17.5x	15.6x	6.7x	1.0x	
Embraer S.A.	 BRA	\$4.92	\$4,843	5.0%	\$3,618	\$2,472	10.3x	11.8x	16.9x	10.4x	0.5x	
NR: Not Relevant										Mean	10.4x	1.2x
										Median	10.4x	1.0x











MRO

Company	Country	Price 8/13/19	Sales US\$M	EBITDA Margin	Mkt. Cap. US\$M	Enterprise Value US\$M	Annual Average EV / EBITDA			8/13/19		
							2016	2017	2018	EV / EBITDA	EV / Revenue	
MTU Aero Engines AG	 GER	\$265.70	\$5,304	16.5%	\$13,752	\$14,886	9.0x	10.6x	12.5x	16.0x	2.9x	
Singapore Technologies Engineering Ltd	 SIN	\$3.08	\$5,108	12.7%	\$9,626	\$10,781	13.2x	14.7x	13.3x	16.2x	2.2x	
Spirit AeroSystems Holdings, Inc.	 USA	\$72.84	\$7,633	15.7%	\$7,538	\$8,434	6.7x	9.9x	12.1x	7.0x	1.1x	
AAR Corp.	 USA	\$40.93	\$2,052	7.5%	\$1,404	\$1,524	12.0x	10.4x	12.9x	9.9x	0.7x	
Abu Dhabi Ship Building PJSC	 UAE	\$0.00	\$92	3.5%	\$103	\$204	9.1x	5.6x	7.6x	NR	1.9x	
S.C. Aerostar S.A.	 ROM	\$0.00	\$88	27.4%	\$184	\$139	4.4x	5.7x	6.6x	5.7x	1.6x	
Air Asia Company Limited	 TRE	\$0.58	\$113	4.2%	\$70	\$126	NR	13.1x	NR	NR	1.1x	
Destini Berhad	 MAS	\$0.05	\$89	4.0%	\$63	\$88	15.5x	13.8x	10.6x	NR	1.0x	
TAT Technologies Ltd.	 ISR	\$0.00	\$92	-0.6%	\$49	\$42	12.6x	8.9x	8.9x	NR	0.5x	
NR: Not Relevant										Mean	11.0x	1.4x
										Median	9.9x	1.1x












CURRENT MARKET SITUATION

COMPARABLE PUBLIC COMPANIES – GLOBAL

STRUCTURE & SUPPORT

Company	Country	Price 8/13/19	Sales US\$M	EBITDA Margin	Mkt. Cap. US\$M	Enterprise Value US\$M	Annual Average EV / EBITDA			8/13/19		
							2016	2017	2018	EV / EBITDA	EV / Revenue	
Honeywell International Inc.	 USA	\$167.98	\$38,618	22.5%	\$120,863	\$127,981	11.7x	13.8x	14.0x	14.7x	3.3x	
HEICO Corporation	 USA	\$142.01	\$1,925	26.3%	\$16,409	\$17,168	15.1x	18.8x	24.1x	NR	NR	
Spirit AeroSystems Holdings, Inc.	 USA	\$72.84	\$7,633	15.7%	\$7,538	\$8,434	6.7x	9.9x	12.1x	7.0x	1.1x	
Triumph Group, Inc.	 USA	\$23.01	\$3,262	6.6%	\$1,152	\$2,642	7.1x	6.8x	10.0x	12.2x	0.8x	
AAR Corp.	 USA	\$40.93	\$2,052	7.5%	\$1,404	\$1,524	12.0x	10.4x	12.9x	9.9x	0.7x	
Astronics Corporation	 USA	\$26.97	\$813	12.1%	\$875	\$1,008	9.6x	11.8x	17.1x	10.3x	1.2x	
FACC AG	 AUT	\$11.23	\$876	7.0%	\$514	\$757	11.7x	14.7x	12.5x	12.4x	0.9x	
Ducommun Incorporated	 USA	\$42.38	\$677	11.2%	\$489	\$734	9.3x	9.9x	11.6x	9.7x	1.1x	
PT Garuda Maintenance Facility Aero Asia Tbk	 INA	\$0.01	\$493	11.2%	\$417	\$680	0.0x	8.5x	8.5x	12.4x	1.4x	
CPI Aerostructures, Inc.	 USA	\$7.35	\$94	11.0%	\$87	\$123	8.5x	9.3x	10.7x	11.9x	1.3x	
NR: Not Relevant										Mean	11.1x	1.3x
										Median	11.9x	1.1x








PROPULSION & LANDING

Company	Country	Price 8/13/19	Sales US\$M	EBITDA Margin	Mkt. Cap. US\$M	Enterprise Value US\$M	Annual Average EV / EBITDA			8/13/19		
							2016	2017	2018	EV / EBITDA	EV / Revenue	
United Technologies Corporation	 USA	\$128.95	\$72,553	17.6%	\$111,262	\$154,864	9.8x	11.0x	12.1x	12.1x	2.1x	
Safran SA	 FRA	\$143.14	\$24,245	15.6%	\$61,898	\$66,399	7.2x	8.9x	12.4x	NR	2.8x	
Rolls-Royce Holdings plc	 GBR	\$9.08	\$20,491	3.8%	\$17,374	\$20,229	6.8x	13.6x	9.6x	NR	1.0x	
Meggitt PLC	 GBR	\$7.39	\$2,795	16.1%	\$5,703	\$7,059	14.1x	11.5x	10.1x	16.5x	2.7x	
Curtiss-Wright Corporation	 USA	\$120.48	\$2,461	20.5%	\$5,148	\$5,847	10.9x	12.1x	13.1x	11.6x	2.4x	
Moog Inc.	 USA	\$77.73	\$2,840	12.5%	\$2,717	\$3,455	8.4x	10.1x	10.7x	9.7x	1.2x	
Senior plc	 GBR	\$2.43	\$1,448	11.8%	\$1,011	\$1,334	9.7x	10.5x	11.1x	8.2x	1.0x	
Sumitomo Precision Products Co., Ltd.	 JPN	\$27.14	\$479	10.2%	\$144	\$299	10.2x	11.0x	8.4x	5.6x	0.6x	
S.C. AeroStar S.A.	 ROM	\$0.00	\$88	27.4%	\$184	\$139	4.4x	5.7x	6.6x	5.7x	1.6x	
TAT Technologies Ltd.	 ISR	\$0.00	\$92	-0.6%	\$49	\$42	12.6x	8.9x	8.9x	NR	0.5x	
SIFCO Industries, Inc.	 USA	\$2.91	\$116	1.3%	\$17	\$41	17.5x	16.7x	NR	NR	0.4x	
NR: Not Relevant										Mean	9.9x	1.5x
										Median	9.7x	1.2x






CURRENT MARKET SITUATION

COMPARABLE PUBLIC COMPANIES – GLOBAL






AVIONICS

Company	Country	Price 8/13/19	Sales US\$M	EBITDA Margin	Mkt. Cap. US\$M	Enterprise Value US\$M	Annual Average EV / EBITDA			8/13/19		
							2016	2017	2018	EV / EBITDA	EV / Revenue	
L3Harris Technologies, Inc.		USA	\$209.83	\$6,801	19.9%	\$46,459	\$49,451	9.8x	12.2x	15.5x	NR	NR
Thales S.A.		FRA	\$113.71	\$18,153	11.9%	\$24,163	\$20,894	10.0x	10.3x	10.3x	9.2x	1.2x
Cobham plc		GBR	\$1.97	\$2,500	14.1%	\$4,696	\$4,877	10.0x	9.4x	11.1x	14.5x	2.1x
Ultra Electronics Holdings plc		GBR	\$26.29	\$1,021	15.2%	\$1,857	\$2,108	12.5x	12.1x	9.8x	14.3x	2.2x
Aerospace Industrial Development Corporation		TRE	\$1.02	\$922	12.2%	\$960	\$1,404	14.8x	12.8x	11.1x	11.7x	1.5x
Astronics Corporation		USA	\$26.97	\$813	12.1%	\$875	\$1,008	9.6x	11.8x	17.1x	10.3x	1.2x
Ducommun Incorporated		USA	\$42.38	\$677	11.2%	\$489	\$734	9.3x	9.9x	11.6x	9.7x	1.1x
NR: Not Relevant										Mean	11.6x	1.5x
										Median	11.0x	1.4x

RESEARCH AND DEVELOPMENT

Company	Country	Price 8/13/19	Sales US\$M	EBITDA Margin	Mkt. Cap. US\$M	Enterprise Value US\$M	Annual Average EV / EBITDA			8/13/19		
							2016	2017	2018	EV / EBITDA	EV / Revenue	
Northrop Grumman Corporation		USA	\$370.66	\$32,886	16.1%	\$62,715	\$77,635	12.2x	13.8x	15.5x	14.6x	2.4x
General Dynamics Corporation		USA	\$183.11	\$38,288	14.1%	\$52,764	\$67,349	9.9x	12.6x	13.9x	12.5x	1.8x
Magellan Aerospace Corporation		CAN	\$12.28	\$776	15.2%	\$715	\$755	7.8x	8.1x	7.5x	6.5x	1.0x
Chemring Group PLC		GBR	\$2.21	\$395	3.9%	\$619	\$720	10.2x	8.4x	8.2x	NR	2.0x
Destini Berhad		MAS	\$0.05	\$89	4.0%	\$63	\$88	15.5x	13.8x	10.6x	NR	1.0x
NR: Not Relevant										Mean	11.2x	1.6x
										Median	12.5x	1.8x

























TRANSPORTATION SUPPORT SYSTEMS

Company	Country	Price 8/13/19	Sales US\$M	EBITDA Margin	Mkt. Cap. US\$M	Enterprise Value US\$M	Annual Average EV / EBITDA			8/13/19		
							2016	2017	2018	EV / EBITDA	EV / Revenue	
Thales S.A.		FRA	\$113.71	\$18,153	11.9%	\$24,163	\$20,894	10.0x	10.3x	10.3x	9.2x	1.2x
CAE Inc.		CAN	\$27.05	\$2,605	18.5%	\$7,202	\$8,684	10.2x	11.6x	13.3x	NR	NR
Cobham plc		GBR	\$1.97	\$2,500	14.1%	\$4,696	\$4,877	10.0x	9.4x	11.1x	14.5x	2.1x
AAR Corp.		USA	\$40.93	\$2,052	7.5%	\$1,404	\$1,524	12.0x	10.4x	12.9x	9.9x	0.7x
Arotech Corporation		USA	\$2.25	\$92	5.3%	\$59	\$82	24.8x	20.3x	15.0x	17.0x	0.9x
NR: Not Relevant										Mean	12.6x	1.2x
										Median	12.2x	1.0x

CURRENT MARKET SITUATION






















COMPARABLE PUBLIC COMPANIES – GLOBAL

AIRLINES

Company	Country	Price 8/13/19	Sales US\$M	EBITDA Margin	Mkt. Cap. US\$M	Enterprise Value US\$M	Annual Average EV / EBITDA			8/13/19		
							2016	2017	2018	EV / EBITDA	EV / Revenue	
Delta Air Lines, Inc.	 DELTA	USA	\$58.84	\$45,703	17.9%	\$38,117	\$53,543	4.3x	5.2x	5.8x	6.6x	1.2x
American Airlines Group Inc.	 American Airlines	USA	\$27.51	\$45,041	13.1%	\$12,249	\$41,590	4.2x	5.7x	6.2x	7.0x	0.9x
United Airlines Holdings, Inc.	 UNITED	USA	\$84.56	\$42,485	15.1%	\$21,725	\$36,464	3.4x	4.6x	5.6x	5.7x	0.9x
China Southern Airlines Company Limited	 CHINA SOUTHERN AIRLINES	CHN	\$0.95	\$21,925	15.7%	\$10,217	\$36,319	7.2x	8.9x	9.6x	11.1x	1.7x
China Eastern Airlines Corporation Limited	 中國東方航空 CHINA EASTERN	CHN	\$0.73	\$17,616	19.5%	\$9,341	\$33,845	9.8x	11.4x	9.3x	10.3x	2.0x
Air China Limited	 AIR CHINA	CHN	\$0.82	\$20,520	20.4%	\$14,795	\$32,485	6.3x	7.3x	8.6x	7.7x	1.6x
Southwest Airlines Co.	 Southwest	USA	\$49.92	\$22,338	18.6%	\$26,833	\$27,409	5.2x	6.9x	7.4x	6.6x	1.2x
ANA Holdings Inc.	 ANA	JPN	\$34.10	\$19,241	15.9%	\$11,412	\$16,517	5.5x	5.9x	5.7x	5.3x	0.8x
Hainan Airlines Holding Co.,Ltd.	 海南航空 HAINAN AIRLINES	CHN	\$0.29	\$10,368	11.8%	\$4,534	\$16,575	8.9x	10.9x	11.2x	13.6x	1.6x
International Consolidated Airlines Group, S.A.	 IAG INTERNATIONAL AIRLINES GROUP	ESP	\$5.36	\$28,777	16.9%	\$10,636	\$15,848	4.0x	3.9x	3.5x	3.4x	0.6x
Cathay Pacific Airways Limited	 CATHAY PACIFIC	HKG	\$1.22	\$14,278	13.3%	\$4,788	\$15,712	5.8x	11.0x	11.0x	7.3x	1.1x
Korean Air Lines Co.,Ltd.	 KOREAN AIR	KOR	\$19.18	\$11,481	18.7%	\$1,819	\$14,772	5.3x	4.8x	4.2x	7.3x	1.4x
Deutsche Lufthansa AG	 Lufthansa	GER	\$15.52	\$41,540	11.6%	\$7,356	\$14,410	2.6x	2.5x	2.4x	2.9x	0.4x
LATAM Airlines Group S.A.	 LATAM	CHI	\$9.26	\$9,746	13.9%	\$5,613	\$14,354	9.1x	10.4x	8.5x	11.1x	1.5x
Türk Hava Yolları Anonim Ortaklığı	 TURKISH AIRLINES	TUR	\$0.00	\$12,437	15.2%	\$2,998	\$13,923	7.8x	11.5x	6.4x	6.8x	1.1x
Air France-KLM SA	 AIRFRANCE KLM	FRA	\$11.77	\$30,859	10.2%	\$5,033	\$12,855	3.3x	3.1x	3.5x	4.2x	0.4x
Singapore Airlines Limited	 SINGAPORE AIRLINES	SIN	\$6.54	\$12,254	15.7%	\$7,746	\$12,723	4.2x	4.6x	5.4x	7.0x	1.1x
Ryanair Holdings plc	 RYANAIR	IRE	\$10.16	\$9,025	23.8%	\$11,355	\$11,861	8.7x	9.6x	7.8x	5.6x	1.3x
Air Canada	 AIR CANADA	CAN	\$32.86	\$14,427	12.7%	\$8,744	\$11,411	3.1x	3.9x	4.0x	6.3x	0.8x
Public Joint Stock Company Aeroflot - Russian Airlines	 AEROFLOT	RUS	\$1.69	\$9,733	4.5%	\$1,801	\$11,003	4.1x	3.8x	3.4x	NR	1.1x
Alaska Air Group, Inc.	 Alaska	USA	\$61.17	\$8,440	15.3%	\$7,541	\$9,437	4.7x	6.2x	5.8x	7.3x	1.1x
Qantas Airways Limited	 QANTAS	AUS	\$3.92	\$12,382	16.3%	\$6,070	\$8,459	3.8x	4.6x	4.5x	4.3x	0.7x
Grupo Aeroméxico, S.A.B. de C.V.	 AEROMEXICO	MEX	\$0.78	\$3,638	5.6%	\$537	\$3,525	7.2x	6.9x	7.0x	17.7x	1.0x
Controladora Vuela Compañía de Aviación, S.A.B. de C.V.	 volaris	MEX	\$0.93	\$1,600	2.5%	\$943	\$2,746	10.1x	14.6x	24.7x	NR	1.7x
NR: Not Relevant										Mean	7.5x	1.1x
										Median	6.9x	1.1x

CURRENT MARKET SITUATION








COMPARABLE TRANSACTIONS – GLOBAL

Date	Target	Country	Description	Buyer	% Acquired	Size US\$M	EV / EBITDA	EV / Revenue
Jun-19	Latécoère S.A.	FRA 	Designs and manufactures aerostructures	Searchlight Capital Partners; Searchlight Capital II LP	74	\$545	11.0x	0.7x
May-19	WestJet Airlines Ltd.	CAN 	Airline	Onex Corporation	100	\$4,875	9.2x	1.0x
Apr-19	Latécoère S.A.	FRA 	Designs and manufactures aerostructures	Searchlight Capital Partners	26	\$107	11.0x	0.7x
Jan-19	Flybe Group PLC	GBR 	Regional airline	Connect Airways Limited	100	\$199	NR	NR
Dec-18	Sparton Corporation	USA 	Develops technology for the aerospace and defense industries	Cerberus Capital Management, L.P.	100	\$256	9.1x	0.7x
Oct-18	L3 Technologies, Inc.	USA 	Develops technology for the aerospace and defense industries	Harris Corporation (nka:L3Harris Technologies, Inc.)	100	\$19,723	13.7x	1.9x
Oct-18	Esterline Technologies Corporation	USA 	Manufactures engineered products and systems for the aerospace industry	TransDigm Group Incorporated	100	\$4,367	13.0x	2.0x
Oct-18	Omni Air International, LLC	USA 	Charter airline	Air Transport Services Group, Inc.	100	\$845	5.8x	NR
Sep-18	MRA Systems, LLC	USA 	Designs and manufactures aerostructures	Vision Technologies Aerospace Incorporated	100	\$506	10.0x	1.2x
Apr-18	E.I.S. Aircraft GmbH	GER 	Aircraft maintenance and cabin interior products	QinetiQ Group plc	100	\$86	13.0x	3.5x
Dec-17	Asia Aviation Public Company Limited	THA 	Airline	Undisclosed Buyer	36	\$252	15.2x	1.3x
Oct-17	HNZ Group Inc.	CAN 	Helicopter transportation	Undisclosed Buyer	96	\$189	13.8x	1.1x
Sep-17	Orbital ATK, Inc. (nka:Northrop Grumman Innovation Systems, Inc.)	USA 	Develops aerospace and defense products	Northrop Grumman Corporation	100	\$9,429	15.4x	2.1x
Sep-17	Collins Aerospace	USA 	Communication systems for the aerospace industry	United Technologies Corporation	100	\$30,943	NR	NR
Jun-17	Aernnova Aerospace S.A.	ESP 	Designs and manufactures aerostructures and other components	TowerBrook Capital Partners L.P.; Torreal, SCR, S.A.; Peninsula Capital Sarl	71	\$1,007	10.6x	1.8x
Feb-17	DigitalGlobe, Inc.	USA 	Provides earth-imagery, data, and analysis	SSL MDA Holdings, Inc. (nka:Maxar Technologies Holdings Inc.)	100	\$3,511	8.7x	4.7x
Feb-17	LMI Aerospace, Inc.	USA 	Provides structural assemblies and components for the aerospace industry	Sonaca SA	100	\$432	12.5x	1.2x
Jan-17	Zodiac Aerospace	FRA 	Aerospace equipment and systems	Safran SA	100	\$9,764	NR	1.6x
Oct-16	B/E Aerospace, Inc.	USA 	Manufactures cabin interior products	Collins Aerospace	100	\$8,188	13.3x	2.8x
Jun-16	Asia Aviation Public Company Limited	THA 	Airline	Undisclosed Buyer	39	\$860	9.1x	1.1x
Jun-16	Virgin Australia Holdings Limited	AUS 	Airline	Nanshan Group Co., Ltd.	20	\$171	8.9x	0.6x
May-16	Herndon Aerospace & Defense Company	USA 	Supply chain management solutions	KLX Inc. (nka:Boeing Distribution Services Inc.)	100	\$222	10.9x	1.7x

NR: Not Relevant

Mean 11.3x 1.7x
Median 11.0x 1.2x

COMPARABLE TRANSACTIONS - MEXICO

Date	Target	Description	Buyer	Country	% Acquired	Size US\$M	EV / EBITDA	EV / Revenue
Nov-16	Grupo Aeromar S.A. de C.V.	Regional airline	Synergy Group Corp.	BRA 	49	\$100	-	-
Nov-16	Grupo Viva Aerobus, S.A. de C.V.	Regional airline	SIPyT (Grupo IAMSA) - Flujos Futuros	USA 	49	-	-	-
Nov-15	Grupo Aeroméxico, S.A.B. de C.V.	Airline	Delta Air Lines, Inc.	USA 	32	\$595	9.4x	1.1x
Nov-14	Procesos Termicos S.A. DE C.V.	Aerospace components	Noranco Inc.	CAN 	100	-	-	-
May-12	Nuevo Grupo Aeronáutico, SA de CV	Operates airlines and air transportation systems	Med Atlantica, S.L.	ESP 	95	-	-	-
Aug-10	Nuevo Grupo Aeronáutico, SA de CV	Operates airlines and air transportation systems	Grupo Arizan, S.A. de C.V.; Grupo Industrial Omega Sa De Cv	MEX 	95	-	-	-
Jul-10	Controladora Vuela Compañía de Aviación	Air transportation services	Indigo Partners LLC (MEX) y Discovery Americas Capital (USA)	-	50	\$161	-	-
Jul-10	Turbo reactores, S.A. De C.V.	MRO services	Industria de Turbo Propulsores S.A.	ESP 	25	-	-	-

NR: Not Relevant

Mean 9.4x 1.1x
Median 9.4x 1.1x

CURRENT MARKET SITUATION

REPRESENTATIVE TRANSACTIONS – GLOBAL

Summary	Target	Buyer
<p>On September 04, 2017, United Technologies Corp., a U.S. technology company, announced the acquisition of Rockwell Collins, Inc., a U.S. aviation and communications systems company, for US\$30.943 million, representing implied enterprise values of 22.6x EBITDA and 5.0x sales</p>		
<p>On October 14, 2018, Harris Corporation, a U.S. technology company, announced the acquisition of L3 Technologies, Inc., a U.S. company providing aircraft sustainment, communications, etc., for US\$19.723 million, representing implied enterprise values of 13.7x EBITDA and 1.9x sales</p>		
<p>On January 19, 2017, Safran SA, a French company of propulsion systems and equipment for the aerospace industry, announced the acquisition of Zodiac Aerospace, a French company of equipment and systems for the aerospace industry, for US\$9.764 million, representing implied enterprise values of 34.0x EBITDA and 1.6x sales</p>		
<p>On October 23, 2016, Rockwell Collins, Inc., a U.S. aviation and communications systems company, announced the acquisition of B/E Aerospace, Inc., a U.S. aircraft cockpit products company, for US\$8,188 million, representing implied enterprise values of 13.3x EBITDA and 2.8x sales</p>		
<p>On May 13, 2019, Onex Corporation, a Canadian private equity fund, announced the acquisition of WestJet Airlines, Ltd., a Canadian airline, for US\$4.875 million, representing implied enterprise values of 9.2x EBITDA and 1.0x sales</p>		

GLOBAL REPRESENTATIVE TRANSACTION

Rockwell acquisition expected to result in joint sales of US\$60-68 billion

Rockwell Collins is dedicated to designing and producing avionics, cockpit electronics, information management devices and flight training programs.

BUYER

TARGET



ON SEPTEMBER 04, 2017,
UNITED TECHNOLOGIES
ANNOUNCED THE ACQUISITION OF
ROCKWELL COLLINS, INC
FOR US\$30,943 MILLION



Rockwell Collins and the **UTC** aerospace business teamed up to create a new business division called **Collins Aerospace Systems**.

The transaction includes \$7 billion of **Rockwell Collins** debt

The transaction represented implied enterprise values of 22.6x EBITDA and 5.0x sales



REVENUE OF US\$59.8 B IN 2017



REVENUE OF US\$6.8 B IN 2017



+240,000 EMPLOYEES



+31,000 EMPLOYEES



FOUNDED IN 1934



FOUNDED IN 1933

GLOBAL REPRESENTATIVE TRANSACTION

Following the acquisition, **Zodiac** was restructured into 3 divisions: seating, cab equipment and Aero systems

Safran-Zodiac became the world's 3rd largest supplier of Airbus and Boeing

BUYER

TARGET



ON JANUARY 19, 2017,
SAFRAN
ANNOUNCED THE ACQUISITION OF
ZODIAC AEROSPACE
FOR US\$9,764 MILLION



With the acquisition, the combined company achieved sales of EUR€21 billion

Zodiac specializes in aircraft seating and cabin seating

The transaction represented implied enterprise values of 34.0x EBITDA and 1.6x sales



REVENUE OF
EUR€17,400 M IN 2016



REVENUE OF
EUR€5,200 M IN 2016



+70,000 EMPLOYEES*



+35,000 EMPLOYEES



FOUNDED IN 1924



FOUNDED IN 1896

*Before Zodiac acquisition. Currently, has +90,000 employees


REPRESENTATIVE AEROSPACE & DEFENSE ENGAGEMENTS


LOCKHEED MARTIN
has sold

 Commercial Flight Training
 Business
 to
ALTEON
A BOEING COMPANY


DERLAN
 Aerospace Group

*Divestiture
 Advisory
 Service*


DYVELCO

*Divestiture
 Advisory
 Service*


Amkor
 Technology®

sold
Amkor Test Services
 U.S. Based test Services
 to

INTEGRA
 TECHNOLOGIES


DGT
 DYNAMIC GUNNER
 TECHNOLOGIES, LLC

*acquisition
 advisory
 services*


Triumph Group
has sold
**Triumph Processing,
 Inc.**
 to

VALENCE
 SURFACE TECHNOLOGIES
 a portfolio company of

TRIVE CAPITAL


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


KVÆRNER™

has sold
**HeavyLift Air
 Cargo**
 to
**HEAVYLIFT
 HOLDINGS LTD.**


The Allied Defense Group

**Corporate
 Finance
 Advisory
 Services**


GOODRICH

**Acquisition
 Advisory
 Services**


**Derlan
 Industries
 Limited**
has sold

KM
 ELECTRONICS
 to


ITT


KENNAMETAL
 STELLITE

**Acquisition
 Advisory
 Services**


Standex

**Acquisition
 Advisory
 Services**


ITT

**Acquisition
 Advisory
 Services**


**ADVANCED
 CAST
 PRODUCTS, INC.**
 A CITICORP VENTURE CAPITAL,
 LTD company
has sold

**BELCHER
 CORPORATION**
 to

**ADVANCED METALS
 GROUP, LLC**


NJVC

**Acquisition
 Advisory
 Services**


LORD

**Acquisition
 Advisory
 Services**


HEICO

**Acquisition
 Advisory
 Services**




Optelecom-nkf
*has been acquired
 by*



**TKH
 SECURITY
 SOLUTIONS**

REPRESENTATIVE MEXICO ENGAGEMENTS

intelectiva
has acquired

KFC Costa Rica
from



ARCACONTINENTAL
has acquired



ARCACONTINENTAL
has acquired



has merged with

a business of


FOQUE
GRUPO FOMENTO QUERETANO
merged its
beverage division
with

FEMSA


merged its
beverage division
with

FEMSA


caffenio
has partnered with

a subsidiary of
FEMSA


caffenio
has partnered with



Ragasa
Acquisition
Advisory
Services


Fonterra
Acquisition
Advisory
Services


has been acquired by
FEMSA

CORPORACION 
Corporate
Finance
Advisory
Services


GRUPO INDUSTRIAL SALTILLO
has formed a partnership in
the casting tools business
between

and



sold

to



CEMEX
has carved out and sold
its concrete pumping
assets in Mexico
to



CEMEX
has formed a
partnership to market
and develop oil storage
and distribution in
Mexico with


FEMSA
sold

to
ECOLAB



grupo protexa
Corporate
Finance
Advisory
Services


SI CELUB LUBRI TECH
has been acquired by
COLFAX


COSMOCEL
has sold
Cosmoce Química
to

a business unit of
ICL


FORTACERO
Corporate
Finance
Advisory
Services


Pinturas Berel
Corporate
Finance
Advisory
Services


has acquired



dealers of
GRUPO FRBL


Holding company of
sanfer
acquired a 61% stake on



Discovery Americas
has acquired

Anne Sullivan


United
Technologies
sold

FORNEY
to

THE WASHINGTON POST COMPANY





DLG
has acquired
workshop and store in
Mexico City from

GREENBRIER RAIL SERVICES


ARCACONTINENTAL
has acquired

Carolina Country Snacks


AEn
Acquisition
Advisory
Services


GRUPO INDUSTRIAL SALTILLO
has sold
its sanitaryware business
ST. THOMAS CREATIONS
BATHROOMS THAT WORK BEAUTIFULLY
and

VITROMEX
to

Villeroy & Boch

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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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