

ACG<sup>®</sup> 101 Corridor

Take Flight on June 15th

# AEROSPACE & DEFENSE SUMMIT

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June 15<sup>th</sup>, 2022 | 4:00pm - 7:30pm | Sun Air Jets @ The Van Nuys Airport

# Industry Overview



Andrew D.  
Williamson

Calabasas Capital

*Managing Director*



# Moderator



## Ben Sappington

### Moss Adams

*Director | Commercial Aerospace, Defense,  
Space, & Government Contracting Practice*



MOSSADAMS

# Panelist



Major Adam  
Burnetta  
US Space Force  
*Program Manager for Space  
Enterprise Consortium (SpEC)*

# Panelist



**Brian Williams**

Avantus Aerospace  
*CEO*



# Panelist



## Brian Council

Sun Air Jets  
*President & CEO*



SUN AIR JETS

# Panelist



**Michael Alfred**  
Crissair Inc.  
*CEO*



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# ACG<sup>®</sup> 101 Corridor

Association for Corporate Growth

## Aerospace & Defense Summit

*June 15, 2022*



CALABASAS CAPITAL

## About Calabasas Capital

Calabasas Capital specializes in serving privately held companies in the lower middle market with revenues typically ranging from \$10 million to \$100 million. Our clients receive high touch service from a senior team of financial professionals with significant experience in M&A advisory and capital raising along with in-depth knowledge and management experience in the industry vertical markets we focus on. We provide our clients with connectivity to the senior management and boards of established and emerging market leaders, and their financial sponsors.

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26610 Agoura Road, Suite 120 Calabasas, CA 91302 | Phone: (818) 657-6130 Fax: (818) 657-6145



- Serving privately held companies in the lower middle market and emerging growth segments (\$10 - \$100M revenue / \$2 - \$8M EBITDA)
- Senior team of financial professionals with experience in M&A, private placements and operating roles in PE and VC backed companies
- Focus and expertise in Aerospace & Defense, Technology and Software
- Roll-up our sleeves partners in the process with proven ability to maximize value and terms and close the transaction

### **Mergers & Acquisitions**

- Sell-side M&A
- Buy-side M&A
- Divestitures
- JVs / Partnerships

### **Capital Raising**

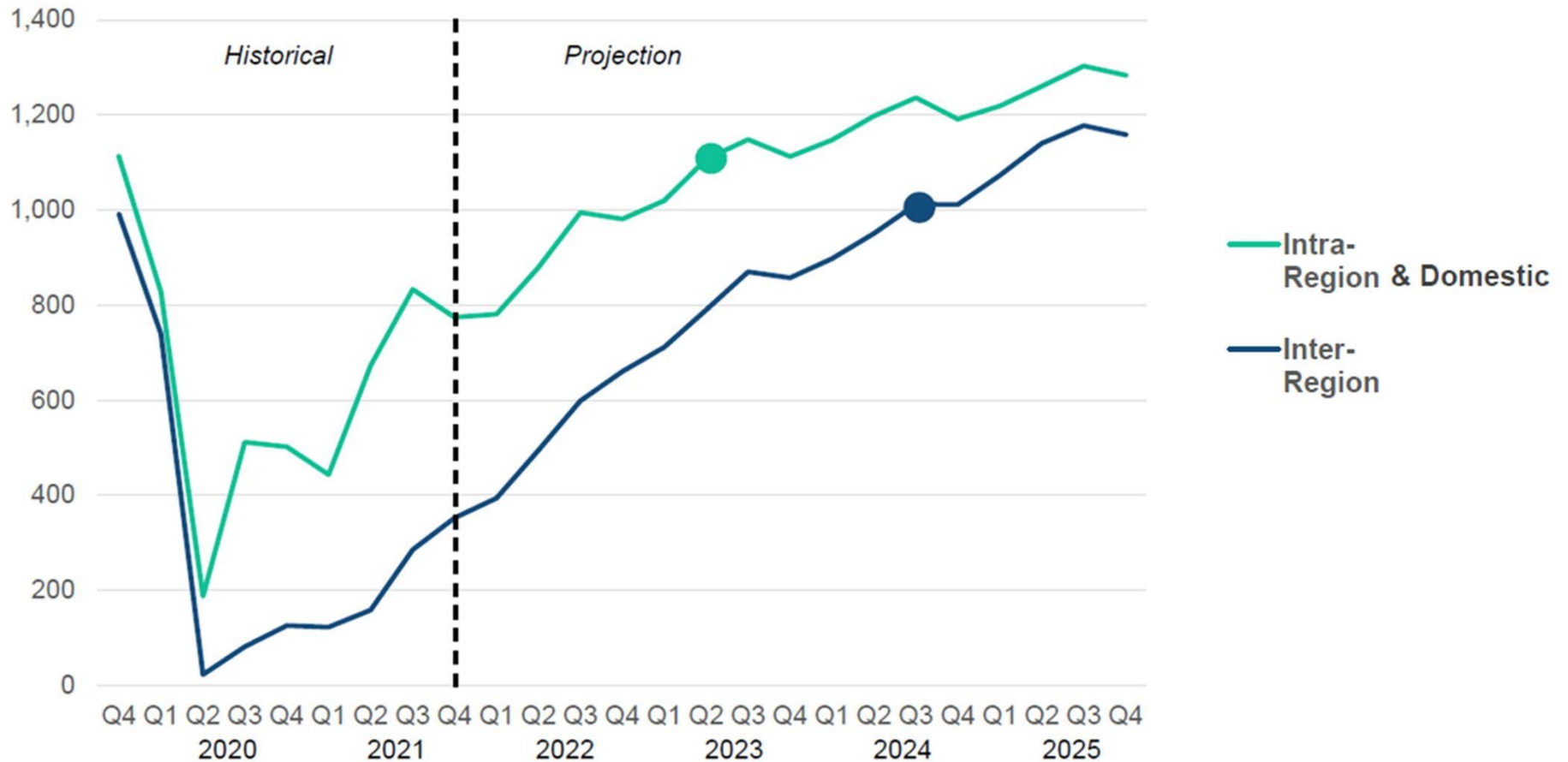
- Private Equity
- Subordinated Debt
- Senior Debt
- Venture Capital

# Growth – Stability – Threats – Turbulence



# Progress ... Q4 2019 Recovery Still A Way Off

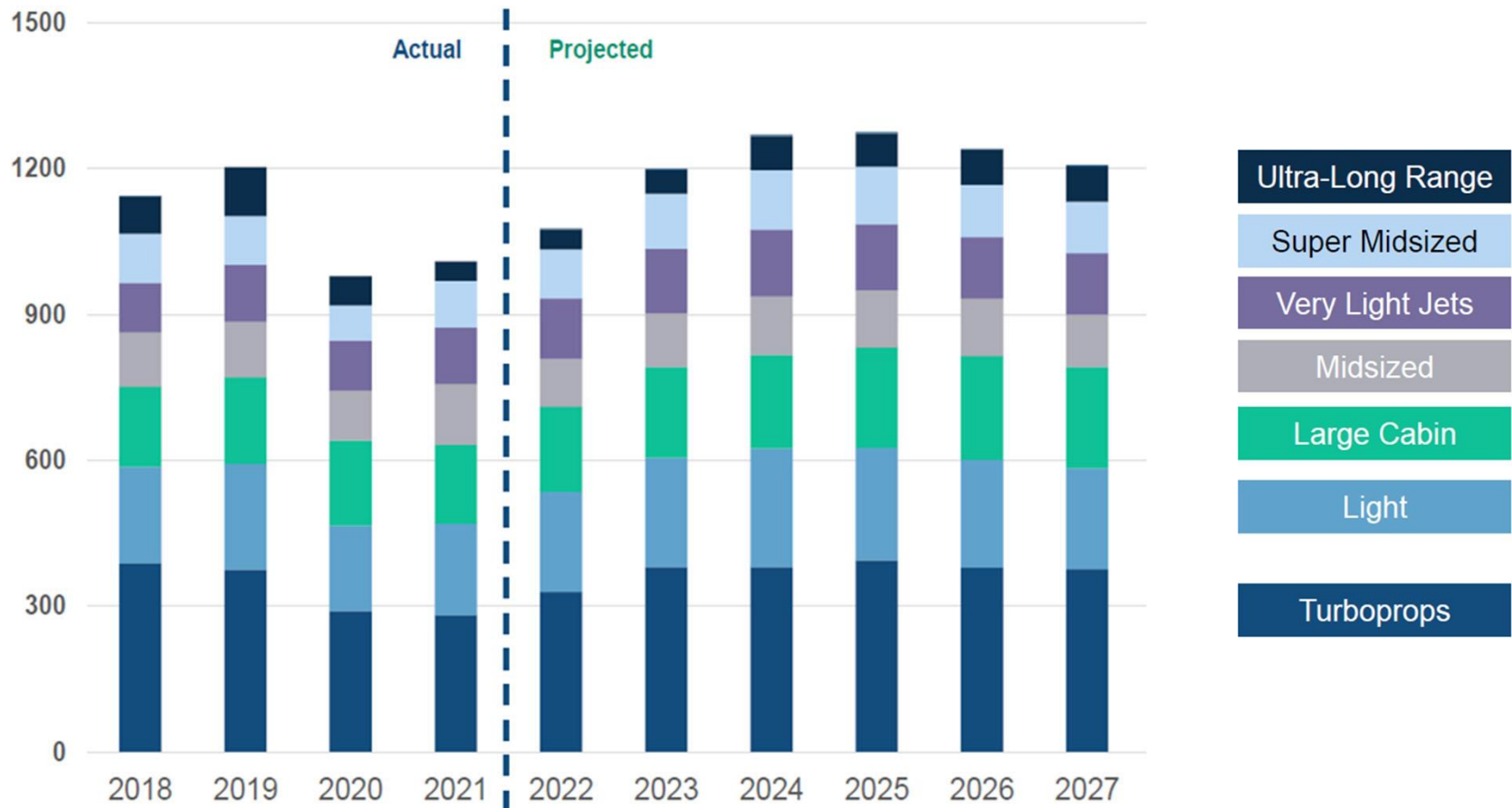
- Airline RPK Forecast – Domestic on Track for 2023



Source: AeroDynamic Advisory (Mar 2022), IATA

# Business Aviation to Pre-Covid Levels in 2023

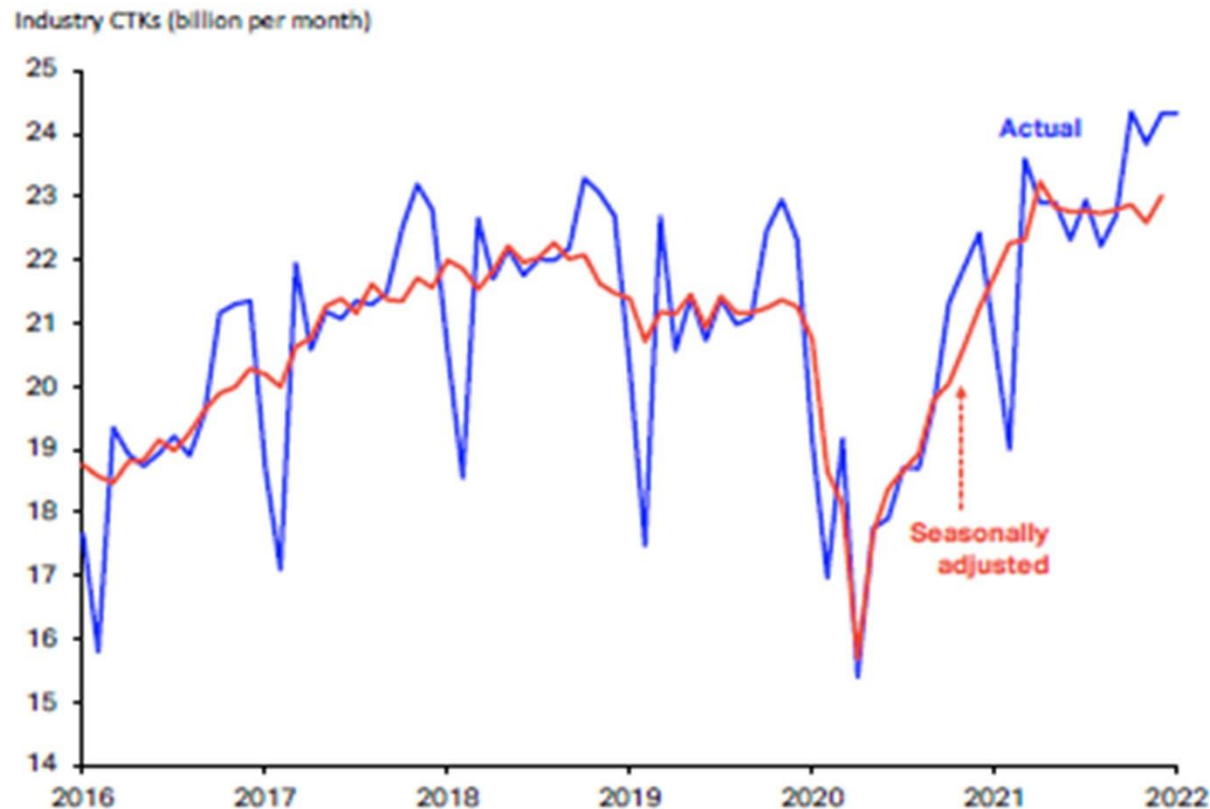
- Business Aviation Aircraft Production, 2018 - 2027



Source: AeroDynamic Advisory (Mar 2022)

# Air Cargo Continues to be Strong

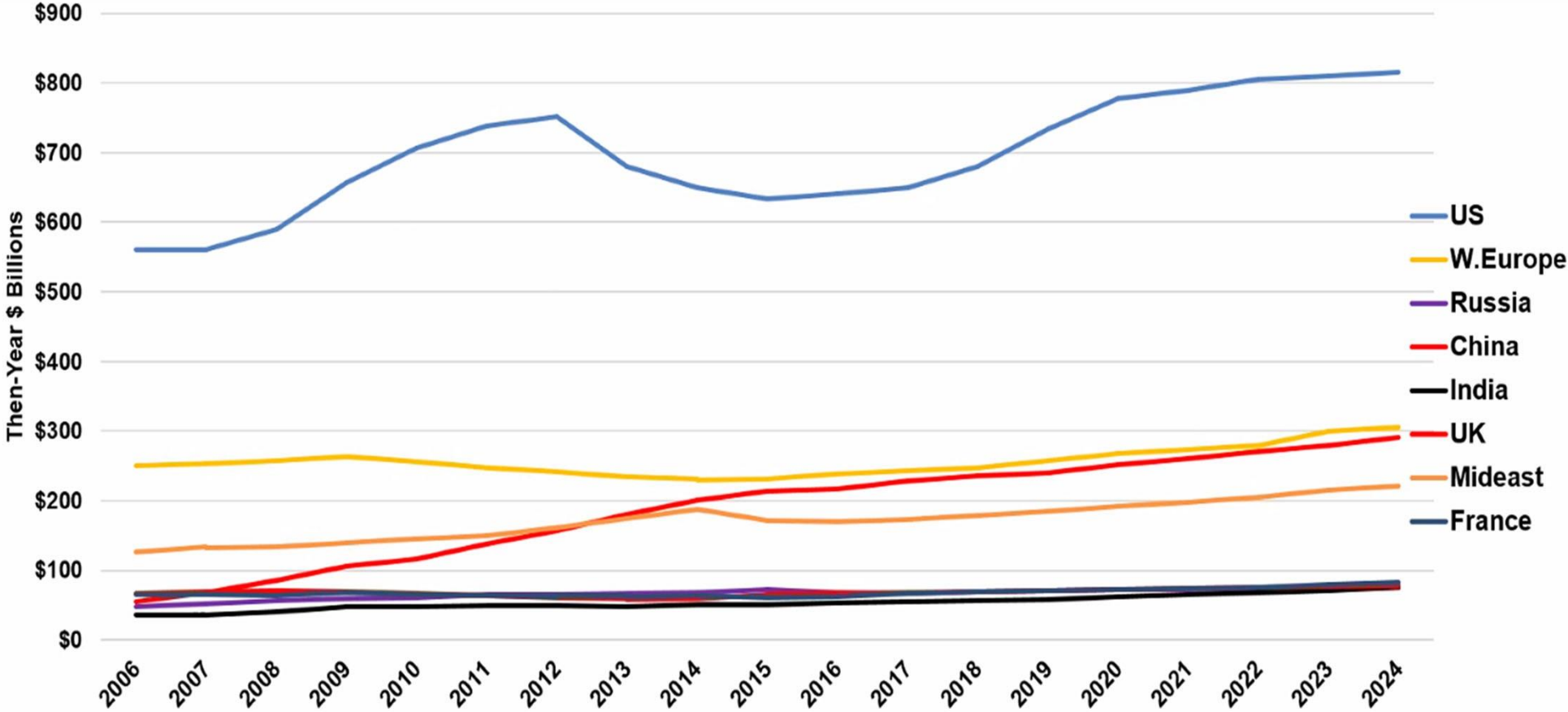
- **Global Cargo Ton-Kms (CTK): Dec 2021 8.9% Above Dec 2019**
- **2,000+ freight fleet operating at 10 - 20% higher utilization**



Source: IATA Air Cargo Market Analysis (Dec 2021)

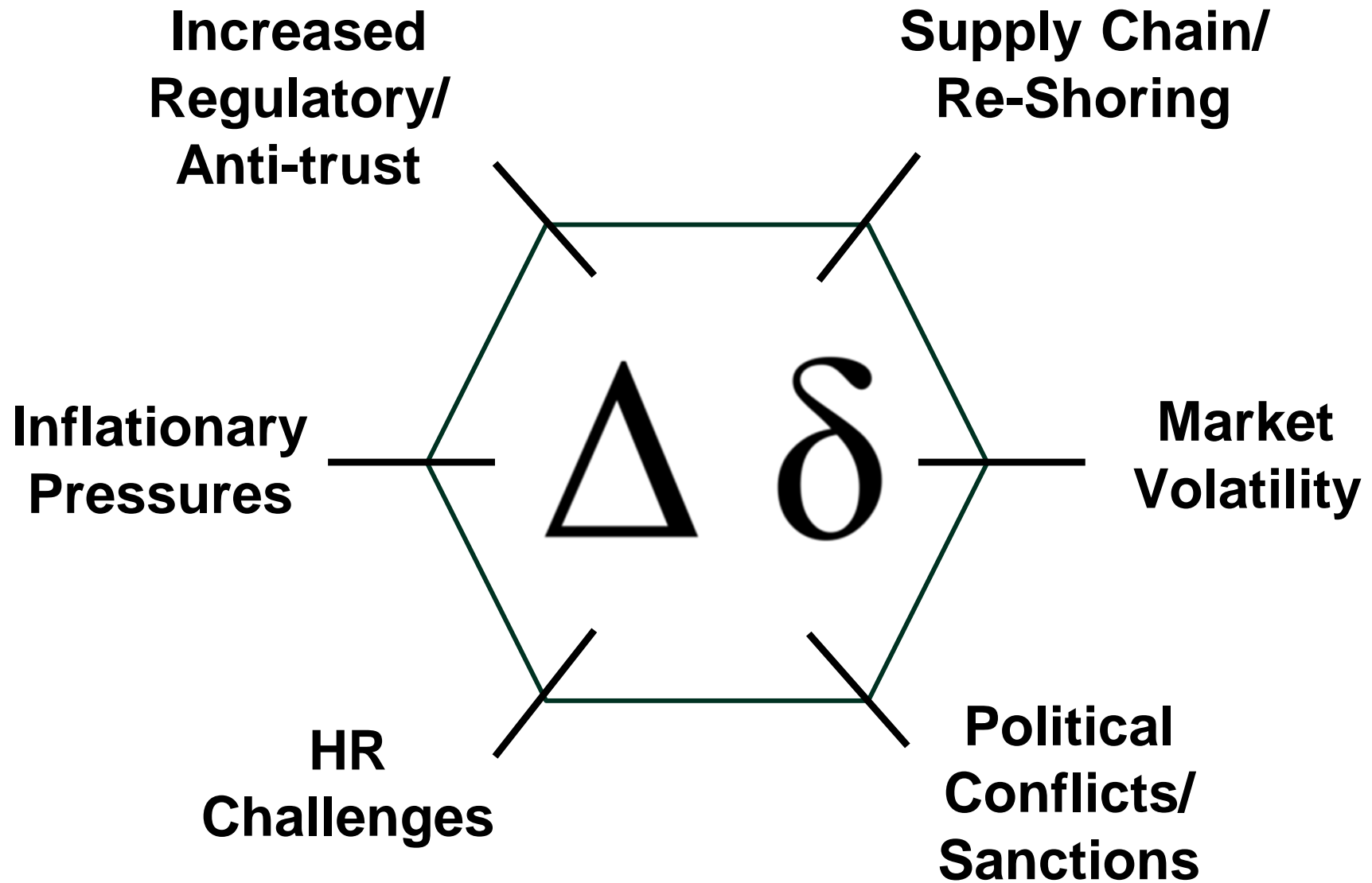
# Global Defense Spending Trending Higher

- Countries and Regions Allocating Higher % of GDP



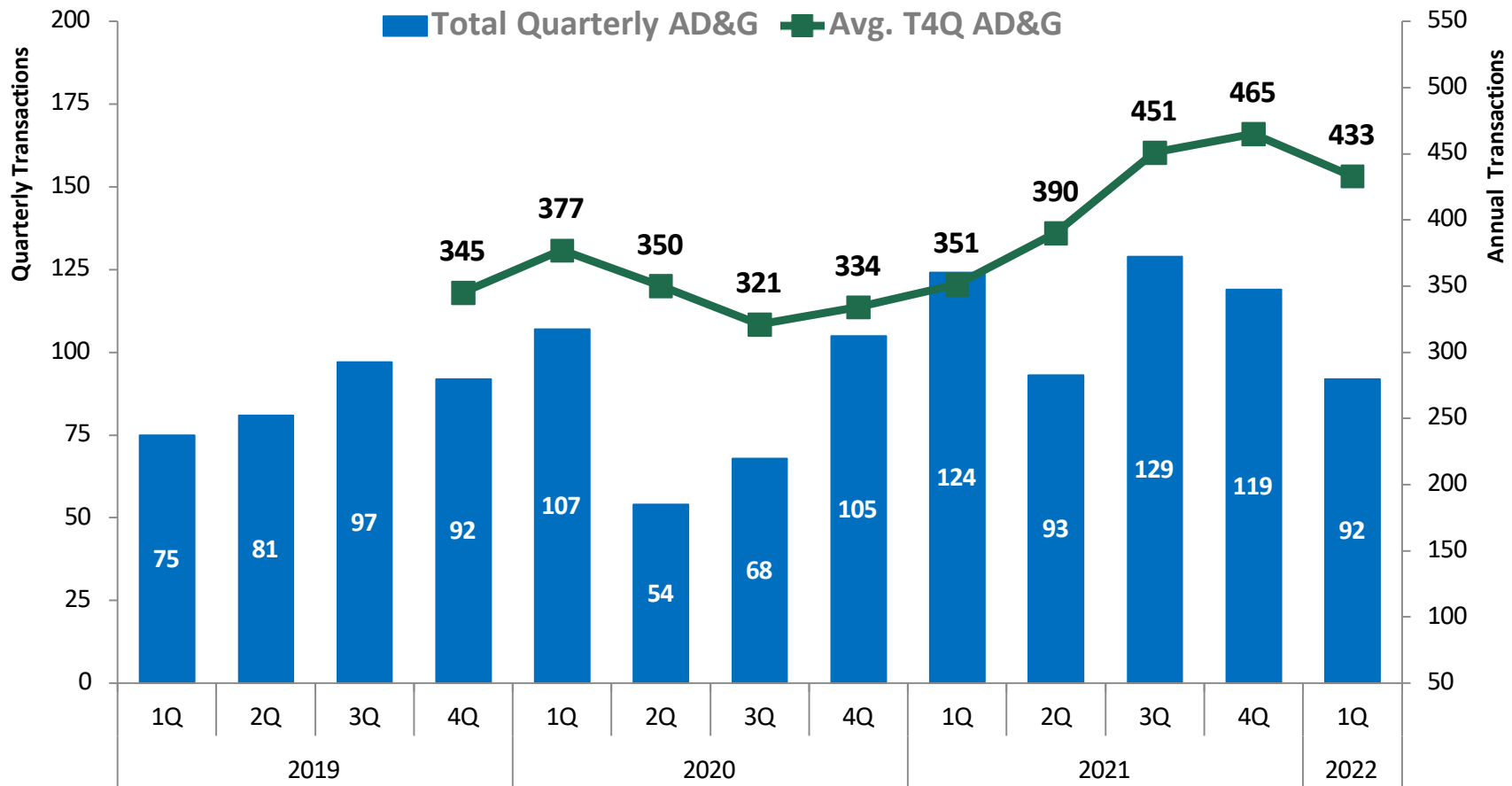
Source: AeroDynamic Advisory (Feb 2022)

# Auto-Pilot is Not a Strategy



# M&A Returning to Sustainable Levels

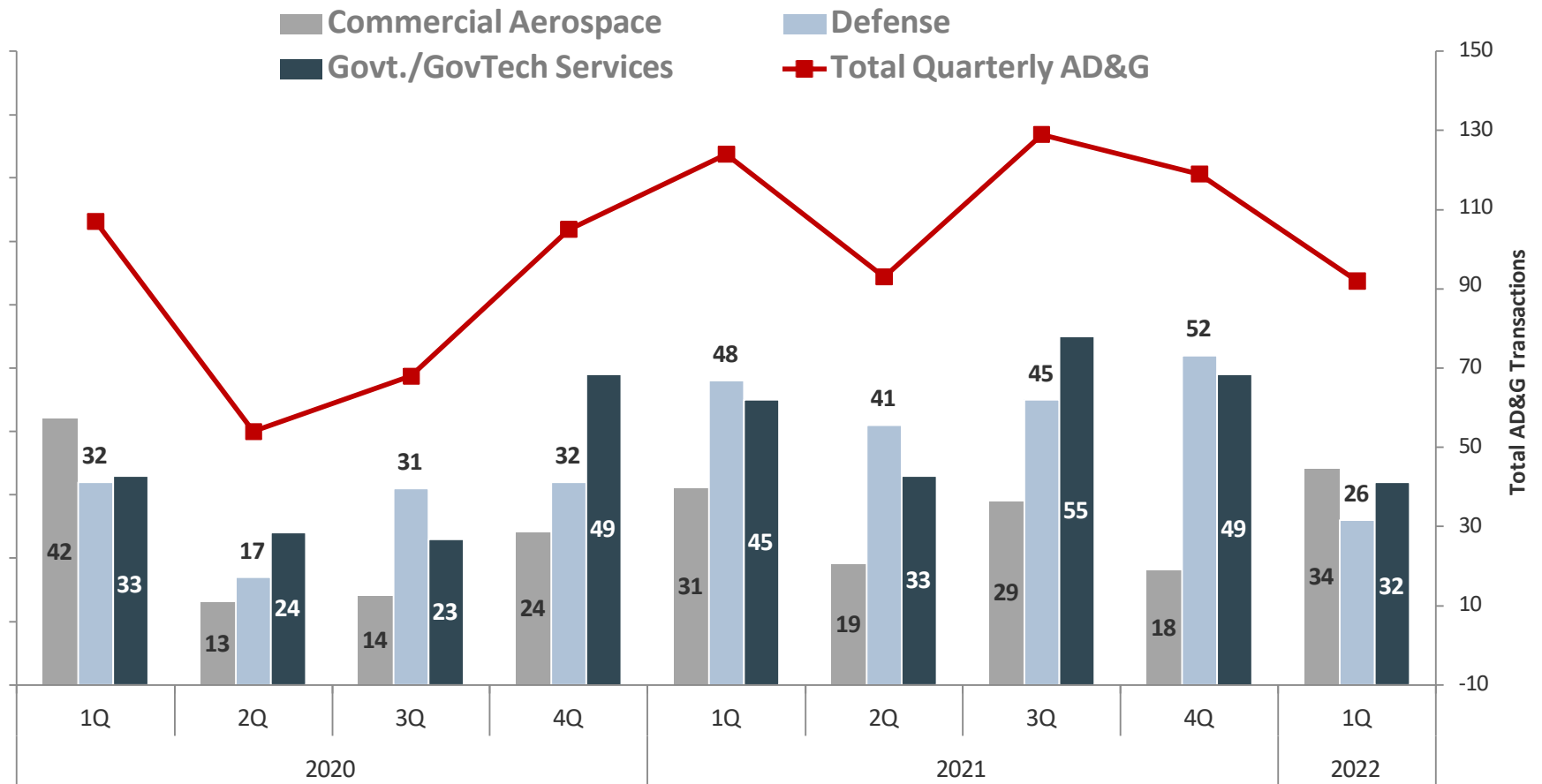
- T10Q M&A: 4Q Average = 382 | 4Q Median = 364



Source(s): CapIQ, DACiS, Kipps DeSanto, Janes Capital, company and investor reports | Notes: US Buyer and/or Seller only

# The Value of A&Ds Diversification in M&A

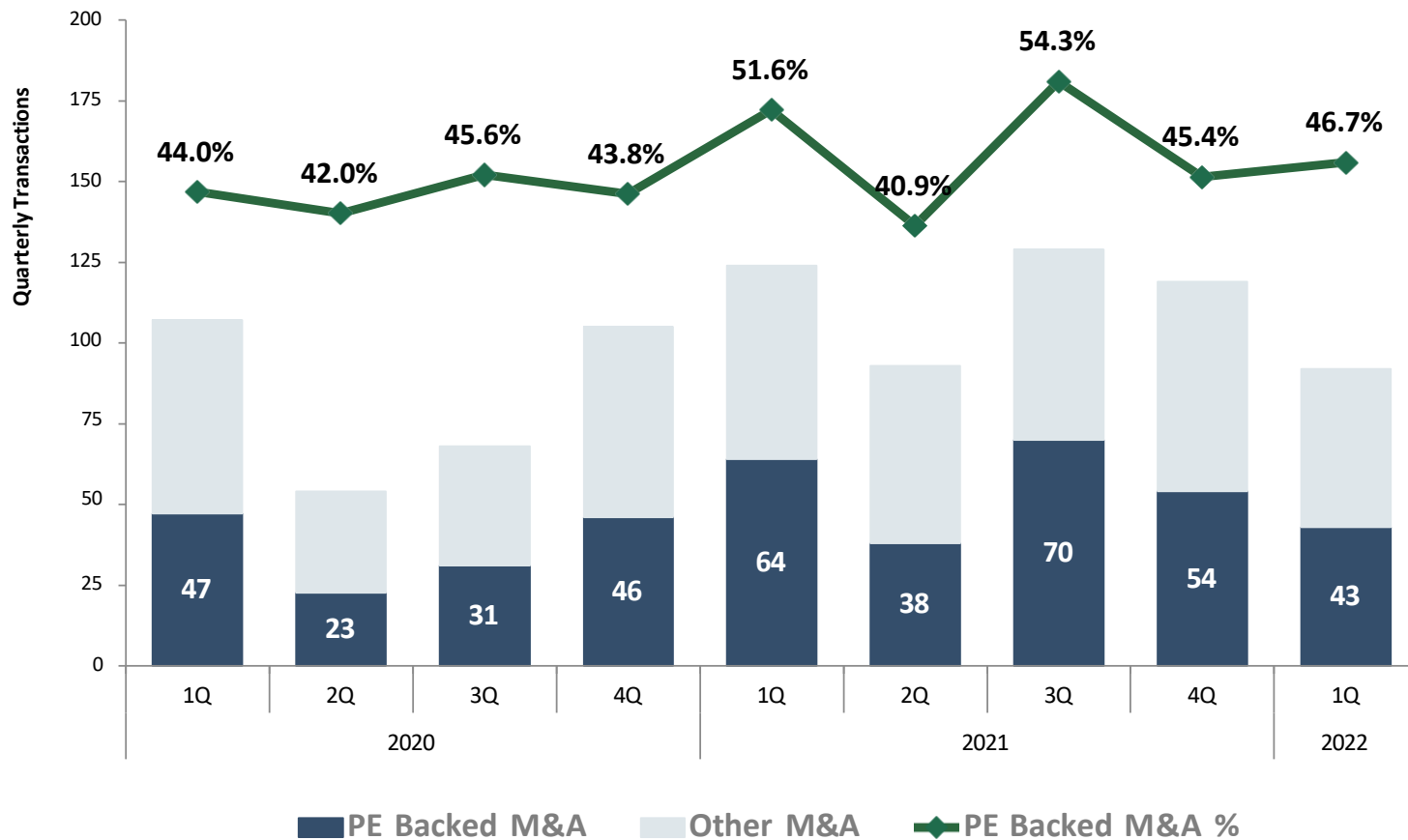
- Last 13 Quarters Average = 95 versus Q1 2022 = 92



Source(s): CapIQ, DACiS, Kipps DeSanto, Janes Capital, company and investor reports | Notes: US Buyer and/or Seller only

# Private Equity's Increased Role in A&D

- Platform and Add-On Transactions Represented 46% of All A&D Transactions on Average for 2020 – Q1 2022 (versus 33% for 2017-2018)



Source(s): CapIQ, DACiS, Kipps DeSanto, Janes Capital, company and investor reports | Notes: US Buyer and/or Seller only

# Most Active A&D PE Acquirers 2021 – Q1 22

- Top 15 PE Firms Completed 4+ Platform and/or Add-on Acquisitions



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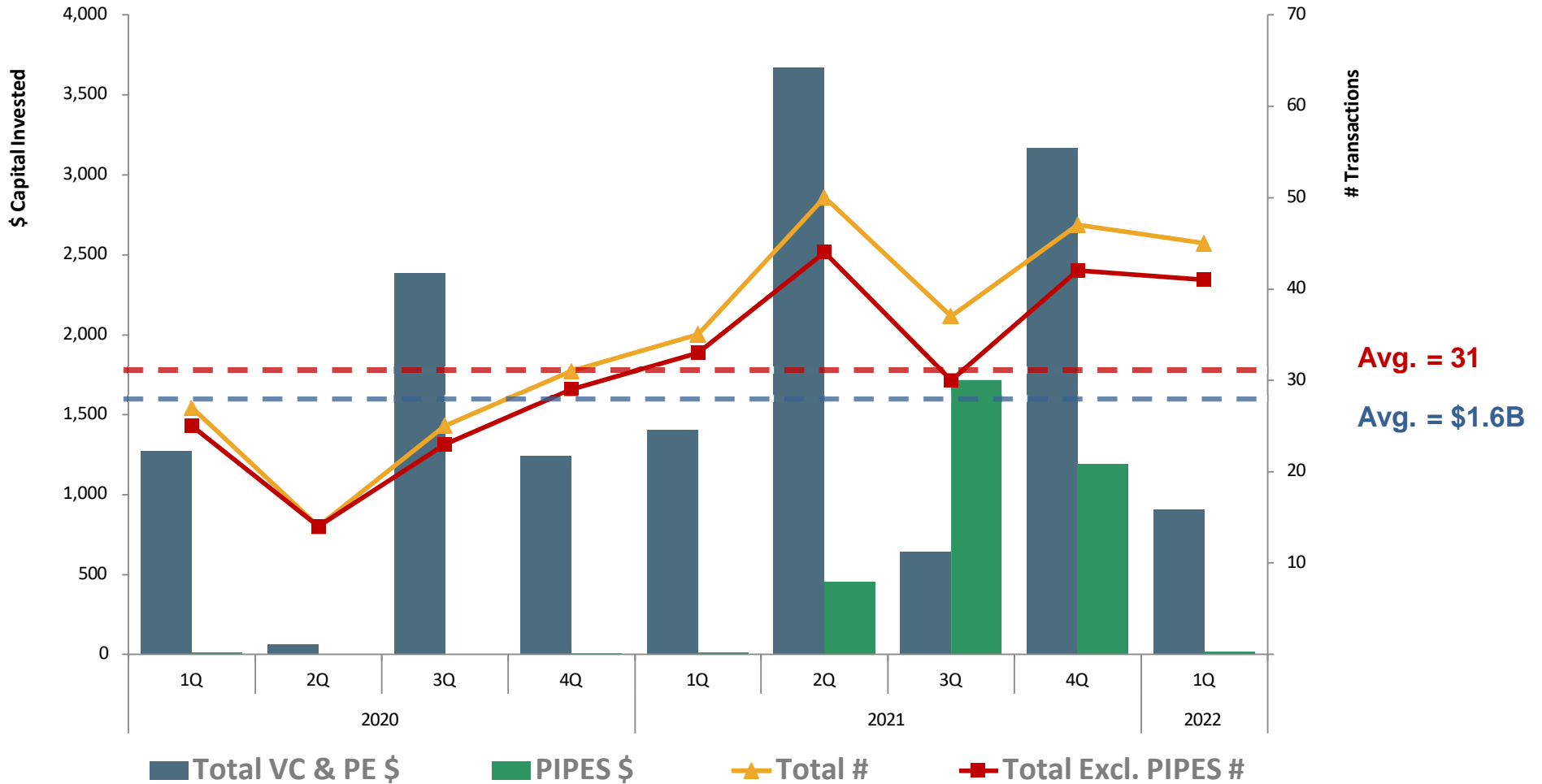
THE CARLYLE GROUP



TRIVE CAPITAL

# VC & PE Continue to Target A&D Growth

- \$14.7B in VC & PE and \$3.4B in PIPES since Q1 2020



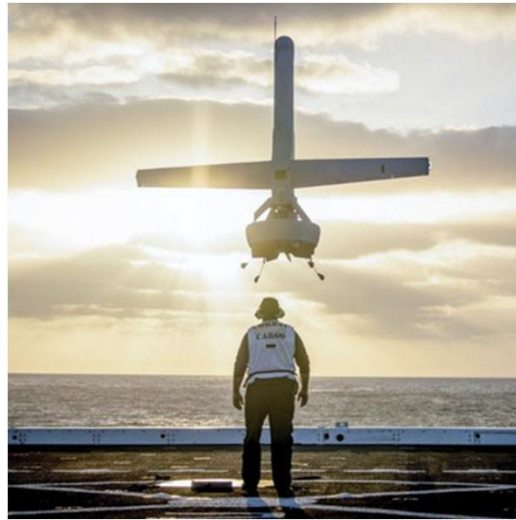
Source: PitchBook (June 2022) | Notes: Aerospace & Defense Industry Segment, VC and PE only, US HQ

# A&D Growth Segments

**Defense Technologies**



**Drones / Unmanned**



**Advanced Manufacturing**



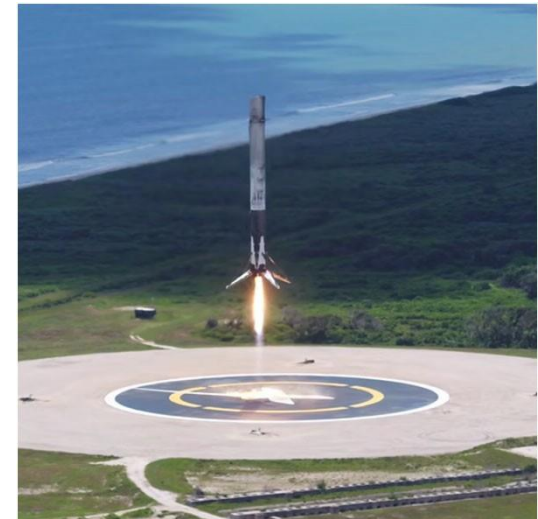
**eVTOL**



**Cybersecurity**



**Space Tech**



# Broad Global Interest in Space Tech Vertical

- Q1 2022: \$7.2B invested in 118 space related companies
- Top 10 financing rounds accounted for \$4.4B or 61%



Source: Space Capital (April 2022) | Notes: Space and Space Related, Global Investment incl. Seed, Angel, VC, PE, Corporate, Other



# CALABASAS CAPITAL



David Bonrouhi  
Managing Director  
Mobile: (213) 500-4135  
[david@calabasascapital.com](mailto:david@calabasascapital.com)



Andrew D. Williamson  
Managing Director  
Mobile: (310) 892-6209  
[andrew@calabasascapital.com](mailto:andrew@calabasascapital.com)

ACC **ACG**® 101 Corridor Chapter

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**ACG's mission is to drive middle-market growth.**

# ACCG<sup>®</sup> 101 Corridor

**For more information about membership in ACCG 101 please contact:**

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**Michele Henderson**  
**Chapter Executive**  
**[mhenderson@acg.org](mailto:mhenderson@acg.org)**