

ACG[®] 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.

Securities offered through Fallbrook Capital Securities Corp., a licensed Broker/Dealer and Member of FINRA and SIPC. Calabasas Capital is a DBA of Fallbrook Capital.

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- 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

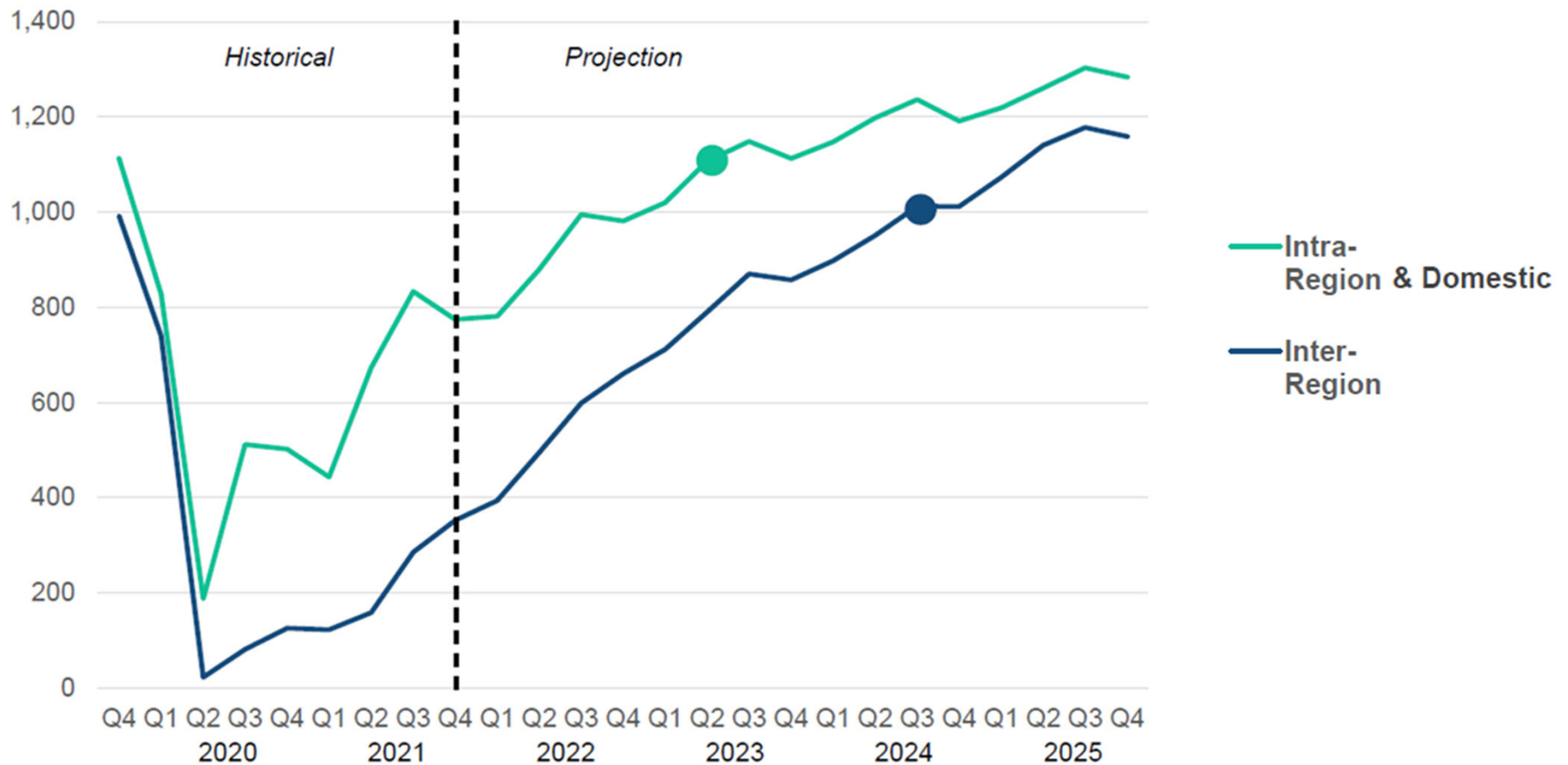
- Private Equity
- Subordinated Debt
- Senior Debt
- Venture Capital

Growth – Stability – Threats – Turbulence



Progress ... Q4 2019 Recovery Still A Way Off

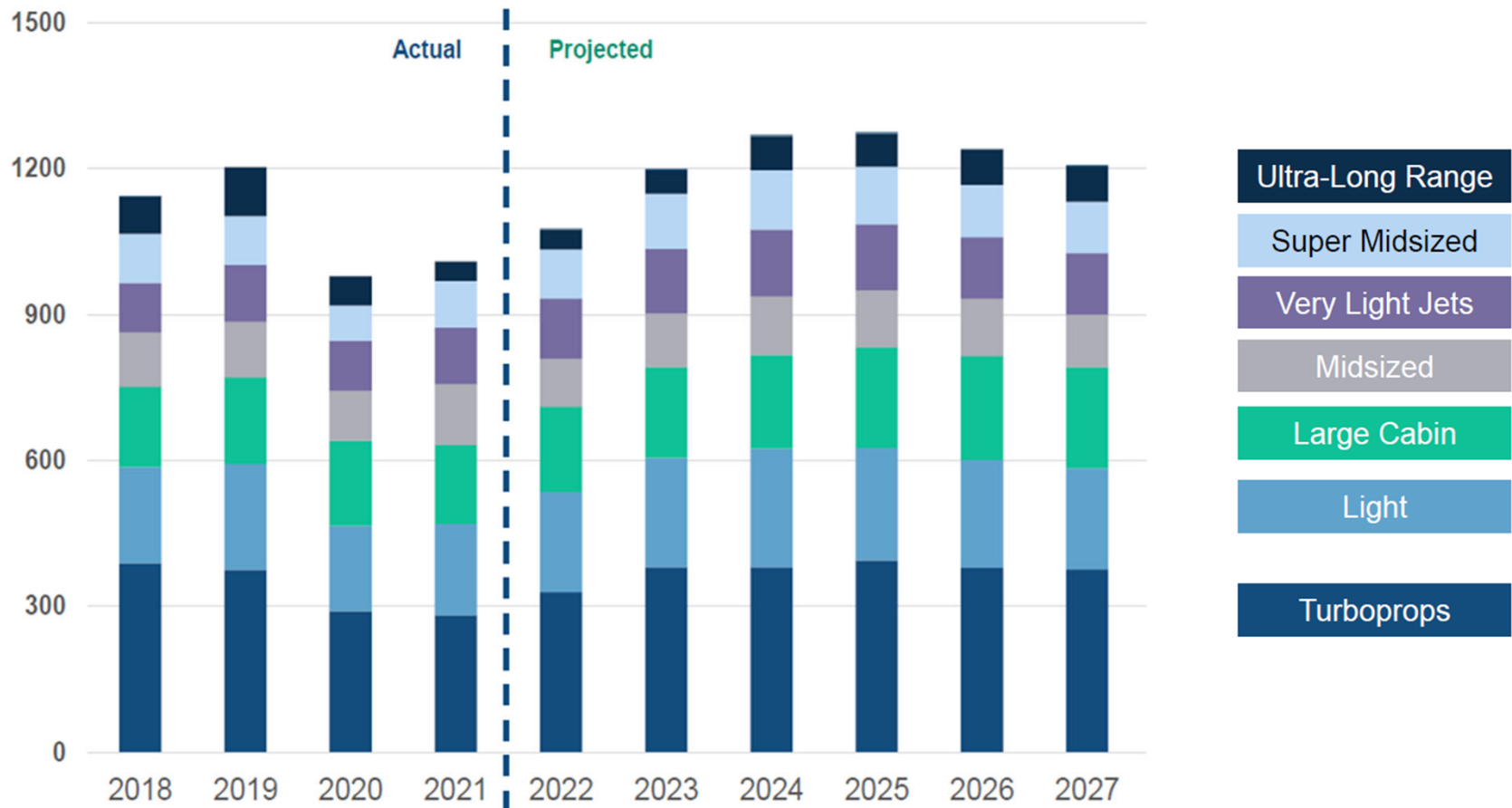
- Airline RPK Forecast – Domestic on Track for 2023



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

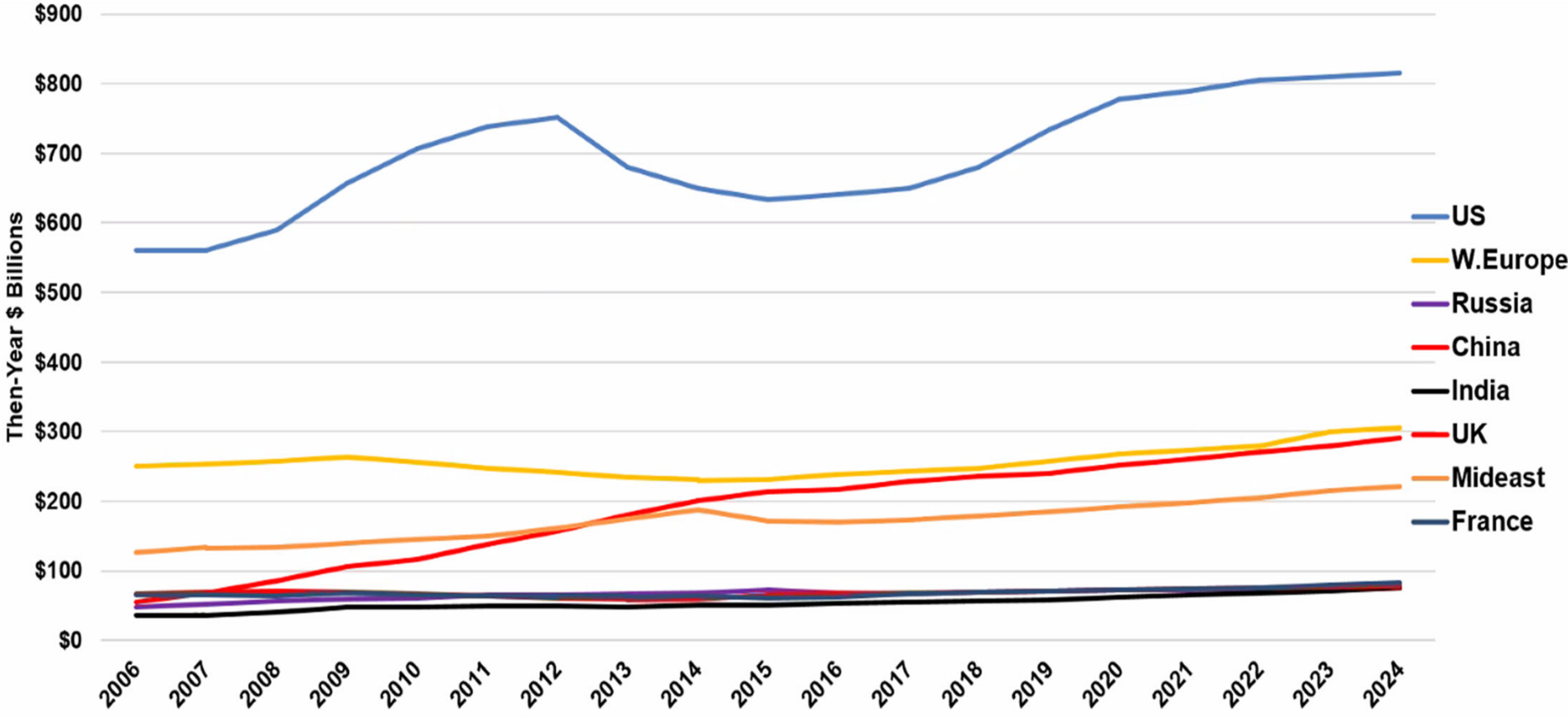
- **Global Cargo Ton-Kms (CTK): Dec 2021 8.9% Above Dec 2019**
- **2,000+ freight fleet operating at 10 - 20% higher utilization**



Source: IATA Air Cargo Market Analysis (Dec 2021)

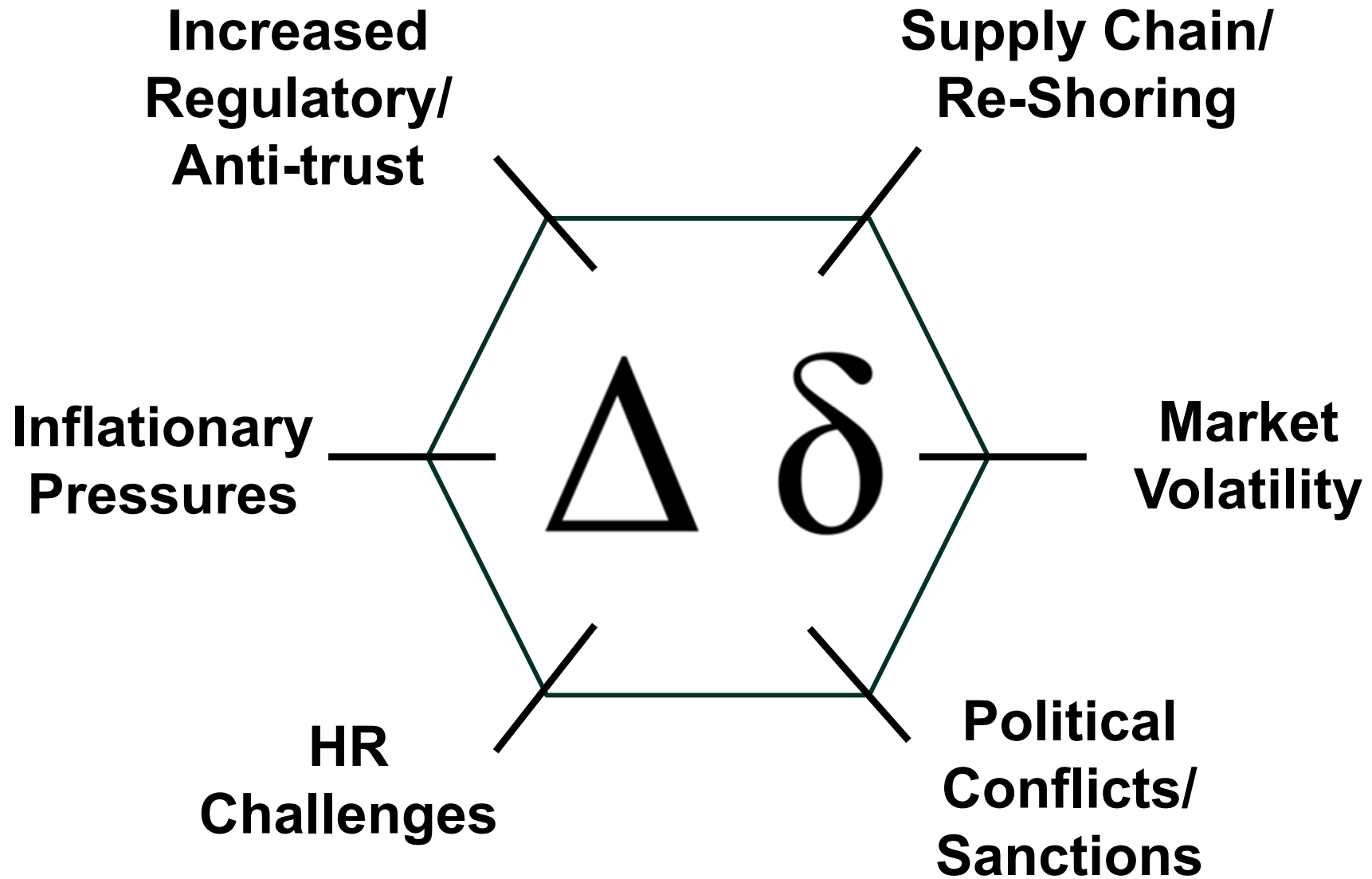
Global Defense Spending Trending Higher

- Countries and Regions Allocating Higher % of GDP



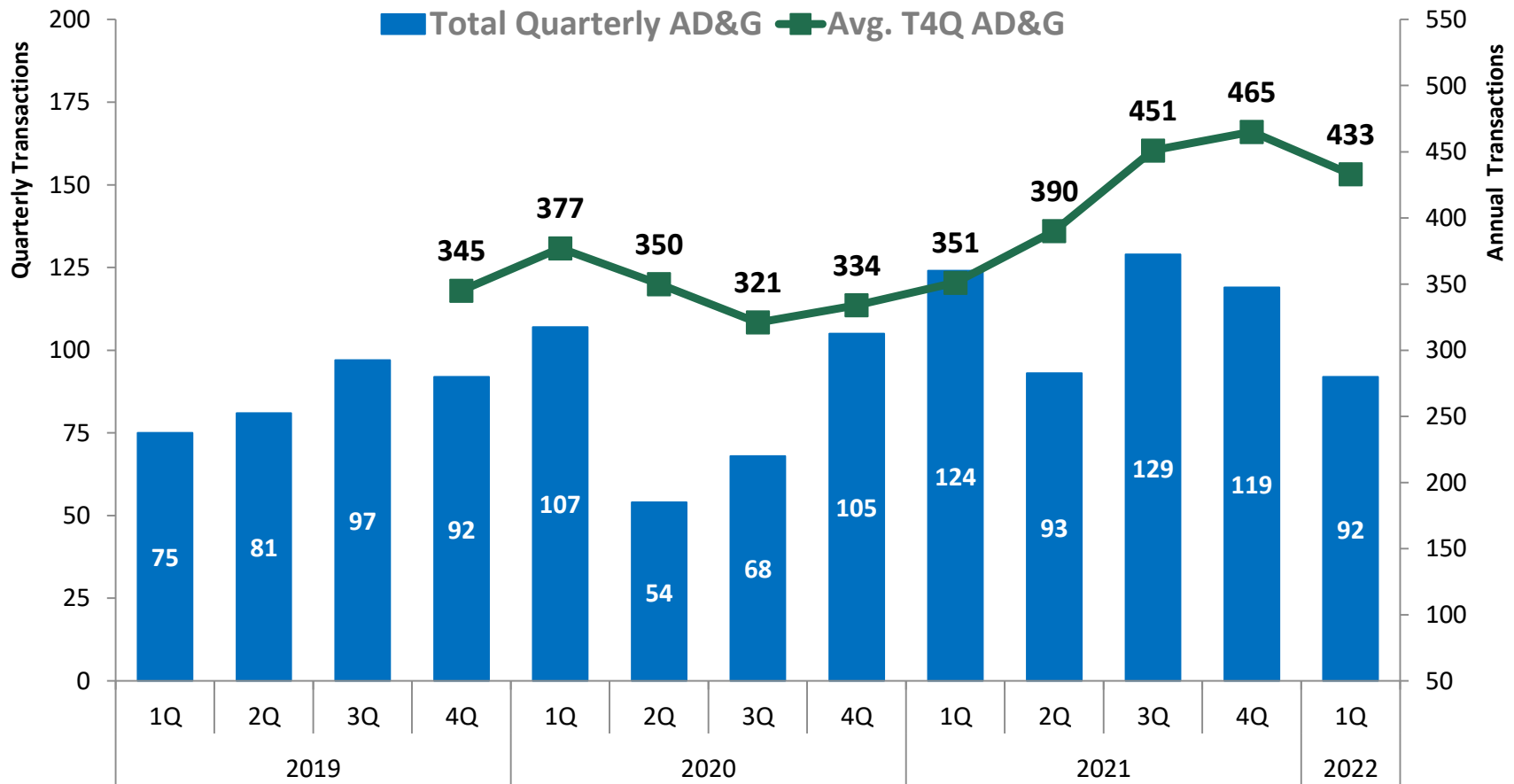
Source: AeroDynamic Advisory (Feb 2022)

Auto-Pilot is Not a Strategy



M&A Returning to Sustainable Levels

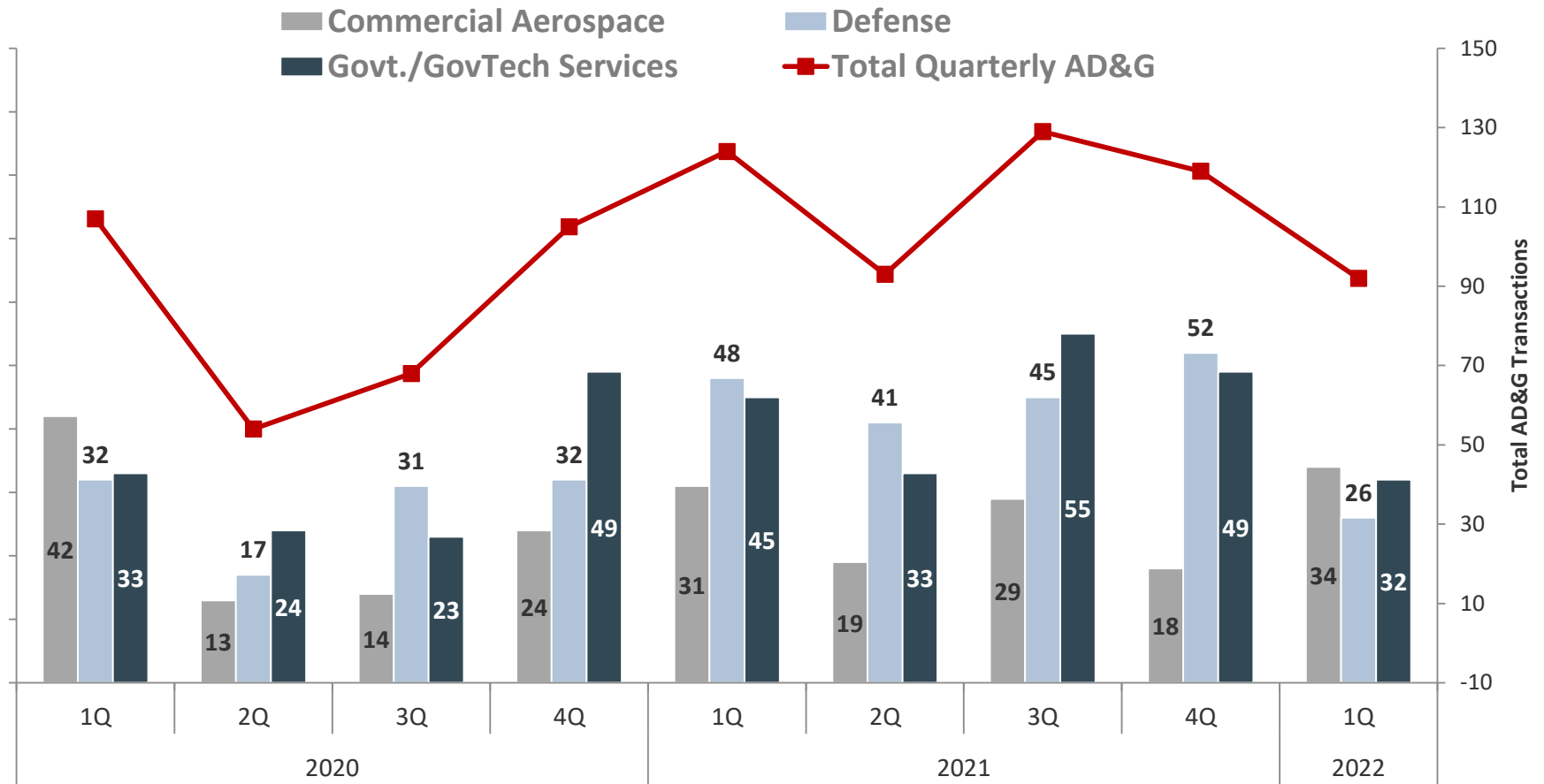
- T10Q M&A: 4Q Average = 382 | 4Q Median = 364



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

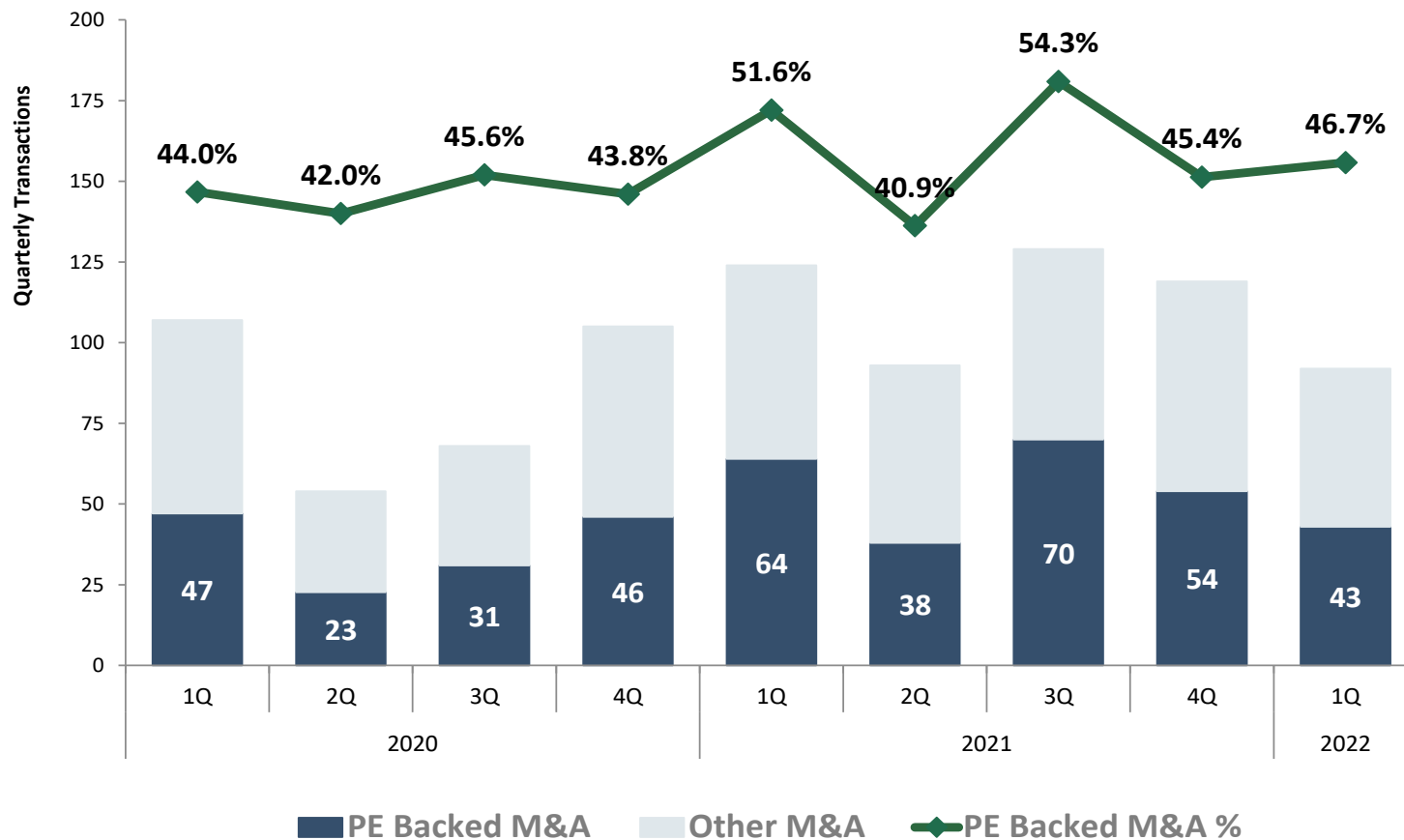
- Last 13 Quarters Average = 95 versus Q1 2022 = 92



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



THE JORDAN COMPANY



ARCLINE
INVESTMENT MANAGEMENT



KKR

A|C|P
ARLINGTON
CAPITAL PARTNERS

SAGEWIND CAPITAL



ENLIGHTENMENT
CAPITAL

AMERICAN
INDUSTRIAL
PARTNERS

WARBURG PINCUS

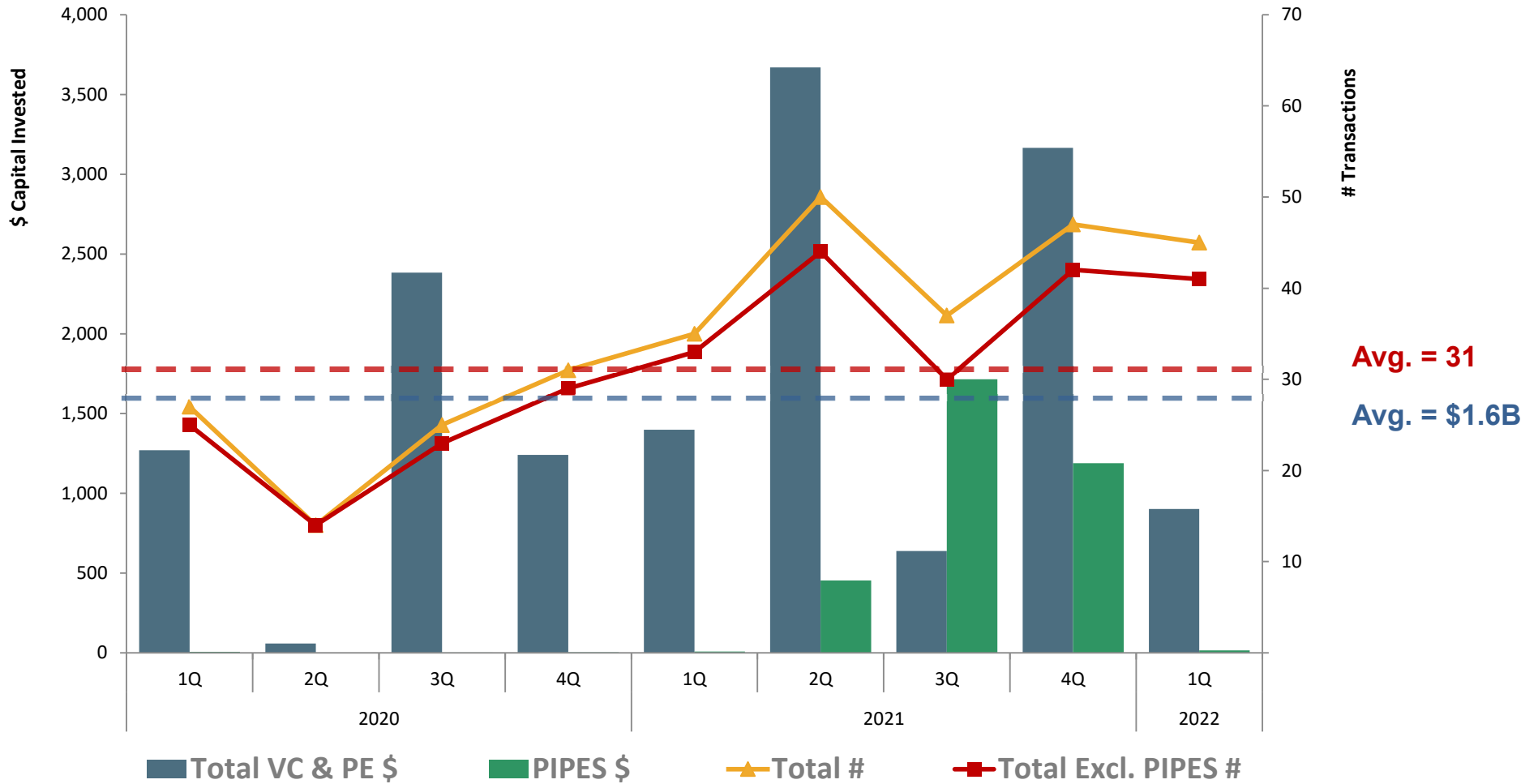
THE CARLYLE GROUP



TRIVE CAPITAL

VC & PE Continue to Target A&D Growth

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



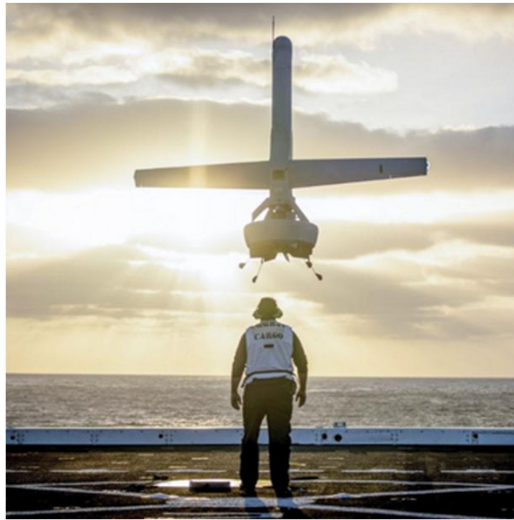
Source: PitchBook (June 2022) | Notes: Aerospace & Defense Industry Segment, VC and PE only, US HQ

A&D Growth Segments

Defense Technologies



Drones / Unmanned



Advanced Manufacturing



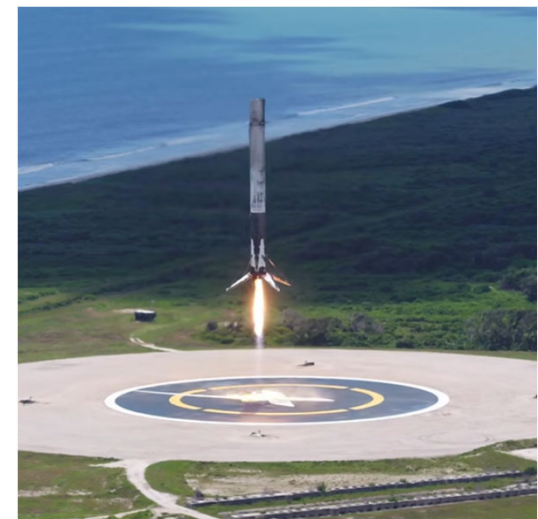
eVTOL



Cybersecurity

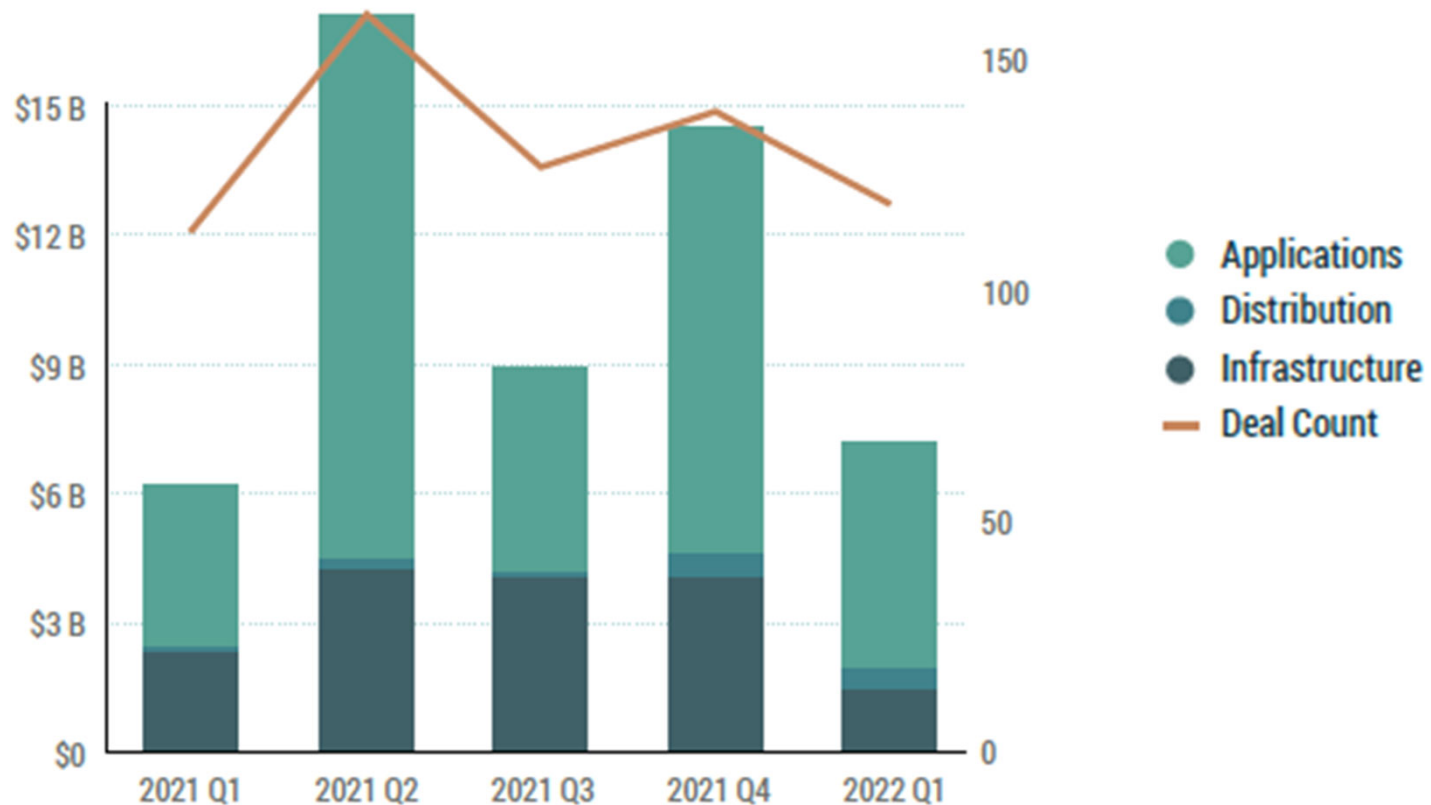


Space Tech



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



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ACG[®] 101 Corridor

Take Flight on June 15th

AEROSPACE & DEFENSE SUMMIT

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