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Gabelli 31st Annual Aerospace & Defense Symposium September 4, 2025

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31st Annual Aerospace & Defense Symposium

Our team hosted the 31st Annual Aerospace & Defense Symposium on September 4, 2025 where a number of aerospace & defense suppliers presented their company outlooks and reactions to the current macro environment.

Lieutenant Colonel Tony Bancroft, USMCR joined GAMCO in 2009 as a research analyst covering companies in the aerospace sectors and environmental services, focusing on suppliers to the commercial, military and regional aircraft industry and waste services. He hosts two annual conferences for the firm: the Aerospace & Defense Conference, and the Environmental Services Symposium. Tony graduated from the United States Naval Academy with a B.S. in Systems Engineering and an M.B.A. in Finance and Economics from Columbia Business School. Previously, Tony served in the United States Marine Corps as an F/A-18 pilot.

Daniel Gleim is a research analyst covering global Industrials and European Aerospace & Defense. Before joining Gabelli in Zurich in 2025, he covered European Industrials for fifteen years on the sell-side, including at UBS, Commerzbank and Stifel. Daniel Gleim holds a Diploma in International Business from ESB Business School Reutlingen, Germany, and an MBA from The Chinese University of Hong Kong. He is a CFA charterholder.

Michael Burgio is a research analyst and covers the Aerospace & Defense and Environmental Services sectors. He joined GAMCO Investors in 2022 after graduating from Boston College, where he earned a B.S. in Finance at the Carroll School of Management.

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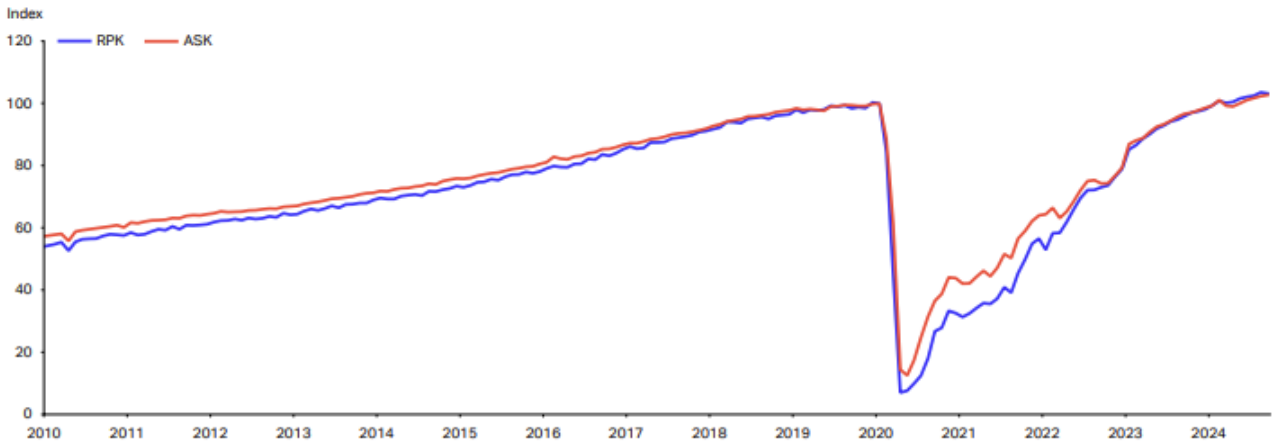
Introduction

At our 31st Annual Aerospace & Defense Symposium, the commercial aerospace presenters reaffirmed our view that the commercial aerospace market will return to a healthy state over the long-term. The International Air Transport Association (IATA) indicates world air travel has grown at a 5% CAGR since 1980 and is expected to grow almost 4% annually to 2045. Additionally, the industry recovered quickly from Covid and is back to growth, which is driving long-term demand for repair and overhaul services and replacement parts.

Exhibit 1 **Recovery in Revenue Passenger Kilometers**



Source: IATA Sustainability and Economics using data from IATA Information and Data – Monthly Statistics

China remains a large part of the of the commercial aviation growth story. The country alone accounts for almost 21% of the global commercial deliveries expected over the next 20 years, more than any region except for North America (23%) and Europe (21%). Boeing has frequently noted China as a substantial market for commercial aircraft. China accounts for roughly half of the almost 1,300 Unidentified/Other Leasing Companies or approximately 18% of the 737 MAX backlog.

The industry continues to believe the fundamentals that have driven air travel for the past five decades and doubled air traffic over the past two decades remain intact. In its 2025 CMO, Boeing projected delivery of 43,600 new airplanes for replacement and growth over the next 20 years. Narrow body aircraft will make up approximately 76% of the demand, or 33,285 airplanes. Wide body airplanes make up 18%, or 7,815 aircraft, and regional jets make up 4%, or 1,545 jets. The demand for these airplanes is driven, in part, by global economic growth, and roughly two billion new passengers since 2005, who are willing to spend on travel and tourism. In addition, industry deregulation facilitating low cost carriers' expansion into new markets and the removal of visa restrictions increases the ease of global travel.

Further, Boeing and Airbus have strong backlogs of 6,531 and 8,716 airplanes, respectively, or about 12 years of current production. Despite COVID-19 and the continued Boeing 737 MAX halt on deliveries in China, unprecedented backlog support continued top-line growth for the OEMs and suppliers. The demand for narrow body aircraft is heavily driven by the replacement of older, less efficient jets with new, fuel-efficient aircraft including the Boeing 737 MAX, Airbus A320neo, A220, Embraer E Jets and the COMAC C919. All of the commercial aerospace companies presenting at the conference have content on these re-engined aircraft that should help them drive original equipment and aftermarket growth as the commercial aerospace industry returns to growth.

Strong demand, inflation and the impact of supply chains on Commercial OEM and AM were the key topics at this year's conference. Most companies expect a continued recovery in global commercial air travel. Increasing flight hours should drive the need for replacement parts, followed by OEM suppliers who have been burning down inventory as Airbus and Boeing produce and deliver more aircraft. Most suppliers have been able to preserve margins with targeted price increases. There is some lag effect with longer-term contracts rolling over and taking effect. The supply chain has slowed growth in almost all aspects of commercial aerospace. While companies have adjusted to the near-term new normal, few are altering long-term strategy.

Defense

In 2024, the U.S. defense budget grew 5.7% to $997 billion, after increasing 2.0% in 2023 Over the last five years the defense budget has grown at 4.9% CAGR. Going forward, the budget is projected to modestly increase at about 1.4% CAGR. We believe this presents an appealing investment opportunity, which was reiterated by presenters at the conference. Programs like the JSF, B-21, THAAD, GBSD and GMD are driving growth for many suppliers across the industry.

After the invasion of Ukraine by Russia in February 2022, NATO members have said they will increase defense spending in the face of what NATO has described as the most serious security crisis in a generation. APAC NATO Partners as well as other NATO Ally countries have committed to stepping up defense spending. In recent years, most NATO members have begun spending more on defense. We estimate if NATO, members Ex-US, were to increase defense spending to the 2% target rate, it would be an additional $82 billion of defense spending or about 5% growth to the collective NATO defense spending.

However, faster foreign growth combined with sequestration has reduced the United States' share of global defense spending to ~40% versus 43% in 2010. Meanwhile, over the last decade, contentious countries like China and Russia have increased their investment in defense spending. While the U.S. footprint in the Middle East has decreased significantly, geopolitical instability has continued to grow. Tensions persist with Iran and North Korea's nuclear weapons program remaining opaque. In addition, China has carried out repeated military exercises in the South China Sea near the Paracel Islands and continues to assert claim on Spratly Islands.

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Albany International (AIN - $52.73 - NYSE) Aerospace Conference Highlights

COMPANY OVERVIEW
Albany International Corp. is a developer and manufacturer of engineered components. It is engaged in advanced textiles and materials processing, specializing in designing and manufacturing high-performance engineered fabrics and composite components and assemblies that serve industries, such as paper, industrial manufacturing, and aerospace. Its Machine Clothing segment is a producer of custom-designed fabrics and high-speed process belts critical in the manufacture of all grades of paper products characterized primarily as paper machine clothing. The segment supplies highly engineered consumable permeable, and impermeable belts. Its Albany Engineered Composites segment provides composite technology solutions and is a manufacturer of engineered components, structures and assemblies for aerospace and defense applications. The segment provides highly engineered, advanced composite structures and assembly solutions to customers and platforms in the commercial and defense markets.

Reason For Comment
The following are key takeaways from AIN's CEO, Gunnar Kleveland 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Strategic Shift.** Albany International (AIN) has roots in weaving with more than 150 years of experience and entered aerospace and defense about 20 years ago. Its recent transformation centers on producing complex aerospace components, with 3D weaving as the core growth strategy. This technology offers a lighter, faster-to-produce alternative to titanium and metals, though industry adoption remains a challenge.

- **Growth Drivers & Operational Execution.** The LEAP engine program is AIN's biggest growth catalyst, representing 20–30% of revenue and driving production ramp-up over the next 18 months. AIN is delivering 100% on time for key programs (98.6% across all aerospace), underscoring scalability and efficiency. Management is expanding capacity, hiring, and training to meet demand while leveraging 3D woven materials that are easier to source and manufacture than metals.

- **Innovation & Engineering Capabilities.** AIN uses proprietary software to re-engineer titanium and aluminum parts into 3D woven alternatives tailored for customer needs. Its solutions reduce aircraft weight, shorten lead times, and offer competitive advantages in design flexibility. The company also has high production capacity and a proven ability to adapt parts by complexity and specification.

- **Long-Term Technology Outlook.** Industry adoption of 3D weaving is gaining traction, highlighted by exposure at events like the Paris Air Show. While short-term focus is on scaling aerospace adoption, AIN is also investing in next-generation ceramic-based composites to meet future high-temperature performance needs. These advancements position the company to address evolving aerospace engineering challenges and broaden market opportunities over time.

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AIRO Group Holdings (AIRO - $19.56 - NASDAQ) Aerospace Conference Highlights

COMPANY OVERVIEW
Airo Group Holdings, Inc. is an aerospace and defense company. The Company operates through four segments: Drones, Avionics, Training, and Electric Air Mobility. The Drones segment develops, manufactures, and sells drones. Military drones are sold through the Sky-Watch brand. The Avionics segment develops, manufactures, and sells avionics for military and general aviation aircraft, drones, and electric vertical take-off and landing aircraft (eVTOLs). Its advanced avionics products include flight displays, Connected Panels, and GPS/GNSS sensors, which are sold through its Aspen Avionics brand. The Training segment provides military pilot training and offers professional training and consulting services to the United States (U.S.) military, select NATO countries, and other U.S. allies under its CDI brand. Electric Air Mobility segment is developing a rotorcraft eVTOL for cargo and passenger use through its Jaunt brand for fixed route flights, on-demand trips, and cargo operations.

Reason For Comment
The following are key takeaways from AIRO's Executive Chairman Dr. Chirinjeev Kathuria, CFO Dr. Mariya Pylypiv, and head of IR Dan Johnson at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Market Opportunity.** The company went public two months ago, positioning itself as a growth-oriented air mobility, automation, and aerospace platform. Its differentiated technologies span drones, avionics, and electric air mobility, dynamically addressing high-growth markets across the aerospace and defense ecosystem. Management is targeting a $315 billion total addressable market by 2030, with a composite CAGR of 14% from 2024–2030.

- **Products, Brands & Expansion.** Core brands include Sky-Watch (ISR and dual-use drones), Aspen Avionics (navigation and communications), and Jaunt (next-gen eVTOL aircraft and cargo transport). The company recently introduced a new middle-mile cargo drone capable of transporting 250–500 lbs. over 200 miles. It is expanding operations into Quebec's YMX innovation zone and has announced plans for a new U.S. manufacturing and engineering facility to enhance capacity and innovation, all under AS9100 aerospace quality standards.

- **Execution, Contracts & Strategic Positioning.** The company has concluded a 90-day training mission for naval special warfare, launched multi-year IDIQ contracts, and continues to support JTAC programs with ISR aircraft and CAS operations. Strong relationships with U.S. government and regulatory agencies are expected to streamline certification, including for the RQ-35 Heidrun drone, which is preparing for U.S. deployment with Blue UAS approval. NATO countries' increasing defense spending provides a supportive backdrop, and management sees ISR drones as the near-term driver, with cargo drones and eVTOLs offering longer-term upside.

- **Financial Performance & Outlook.** Revenue reached $24 million, up 151% year-over-year, while net income grew to $5.9 million, a swing of $11 million. Adjusted EBITDA rose more than 700% to $4.7 million, with margins improving from 5.9% to 19.1%. Cash has grown to $40 million from $5.1 million, reflecting strong balance sheet momentum. With $200 million in drone bookings providing 12–18 months of visibility and $1.6 billion in available CAS IDIQ contracts supporting the training segment, the company is executing against both commercial and defense opportunities.

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APEX Aerospace (Private) — Aerospace Conference Highlights

COMPANY OVERVIEW
Apex Aerospace is a widely accredited engineering lab that provides customers with a variety of solutions to their tooling needs.

Reason For Comment
The following are key takeaways from Apex's CEO Dilip Sanklecha, at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Market Position.** APEX Aero has been active in the UAE aerospace sector for 25 years, operating in a region that hosts 13 airlines and ~250 million passengers annually. The company benefits from proximity to some of the world's leading carriers, including those in the UAE, Qatar, and Saudi Arabia. Its geographic position in Dubai provides a strong strategic advantage in one of aviation's fastest-growing markets.

- **Regional Industry Dynamics.** Compared with the U.S., EU, or Asia, the Middle East stands out for the scale of its aerospace spending, investing about $18 billion annually. Growth is closely tied to fleet expansion and government-backed budgets, which continue to rise. This investment environment creates fertile ground for both operators and suppliers.

- **Strategic Growth Priorities.** APEX is prioritizing the development of MRO (Maintenance, Repair, and Overhaul) operations in the region, supported by strong profit margins and geographic centrality. GCC carriers are increasingly shifting from merely purchasing aircraft to building sustainable domestic aerospace industries. This positions APEX to capture value from long-term regional industrialization.

- **Government Policy & Partnerships.** Licensing requirements are evolving from MRO-only to include technology transfer, local job creation, and in-house aerospace activity targets of 50% by 2030. Governments in Saudi Arabia and the UAE are creating platforms to enable this transition, supporting companies like APEX. While locally owned, APEX remains open to global partnerships, as the Middle East solidifies its role as a central aviation hub for the next decade.

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AstraNav (Private) Aerospace Conference Highlights

COMPANY OVERVIEW
AstraNav is a technology company that delivers universal positioning and navigation capabilities to billions of devices, from everyday smartphones to highly complex navigation systems. Founded by a team of experts from NASA, Intel and Caltech, AstraNav's core M-GPS® software technology harnesses the Earth's magnetic field to produce highly accurate and robust positioning and navigation under all conditions, environments, and domains, without requiring any external connectivity (e.g., satellites, Wi-Fi, BLE), additional hardware or infrastructure.

Reason For Comment
The following are key takeaways from AstraNav's CEO, Anton Toutov at our 31st Annual Aerospace & Defense Symposium:

- **Company Origins & Core Technology.** Founded about 10 years ago, AstraNav anticipated the limitations of GPS in combat zones, industrial sites, indoor spaces, and other constrained environments. Its solution is a software-based geolocation system designed to operate where GPS struggles. The flagship product, magnetic GPS (mGPS), uses Earth's magnetic field as its data source, delivering GPS-like functionality without dependence on satellites.

- **How mGPS Works.** mGPS is software-driven rather than hardware-heavy, converting magnetic field sensor data into usable map information. It leverages magnetometers—the same sensors used in smartphone compasses—but applies them in a new way. Inspired by animals that navigate using the Earth's magnetic field, mGPS provides a scalable solution that works across land, sea, and air.

- **Differentiation & Use Cases.** Unlike many geolocation systems, AstraNav requires no new hardware, is non-emitting, always on in real time, and functions in environments where GPS fails. Current and emerging applications span healthcare, airlines, warehousing and industrial operations, and defense and government use. After a decade of development, the company is moving into broad deployment across both commercial and government markets.

- **Business Model & Growth Outlook.** AstraNav's primary model is licensing, integrating its software directly into existing systems. While margins and unit-level economics are still evolving, management expects growth to be driven by a balanced mix of commercial and government contracts. This dual-market approach provides scalability and resilience as adoption accelerates.

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Astronics (ATRO - $45.18 - NASDAQ) Aerospace Conference Highlights

COMPANY OVERVIEW
Astronics Corporation, headquartered in East Aurora, NY, is a provider of advanced technologies to the global aerospace, defense, and electronics industries. Its products and services include advanced electrical power generation, distribution and motion systems, lighting and safety systems, avionics products, systems and certification, aircraft structures and automated test systems. The Company operates through two segments: Aerospace, and Test Systems. The Aerospace segment designs and manufactures products for the global aerospace industry. Its product lines include lighting and safety systems, electrical power generation, distribution and seat motion systems, aircraft structures, avionics products, systems certification, and other products. The Test Systems segment designs, develops, manufactures and maintains automated test systems that support the aerospace and defense, communications and mass transit industries as well as training and simulation devices for both commercial and military applications.

Reason For Comment
The following are key takeaways from Astronics' CEO, Peter Gundermann, at our 31st Annual Aerospace & Defense Symposium:

- **Business Mix & Core Capabilities.** Astronics generates about 90% of its revenue from aerospace, with heavy exposure to commercial transport and a smaller portion from military programs. Its portfolio spans power systems, connectivity, lighting, and flight-critical electrical power for smaller aircraft, including advanced circuit breakers and magnet-based systems. The company is also active in drones and provides the full electrical distribution system for the Bell V-280, one of the largest programs in its history.

- **Commercial Transport & Retrofit Opportunities.** Roughly 70% of exposure is to commercial transport, supported by strong aircraft production trends from Boeing and Airbus (737, A320 families). Retrofit work has been a key growth driver, fueled by evolving passenger electronics and the growing demand for in-flight connectivity. Partnerships with Panasonic and SCS highlight Astronics' position as a trusted supplier, with line-fit status at Boeing and Airbus creating barriers to entry and stable long-term revenue opportunities.

- **Military, Test & Strategic Expansion.** Astronics' technologies for commercial aircraft—lighting, electrical systems, connectivity—are increasingly relevant for military platforms, though shipset content remains relatively modest. The test segment has faced headwinds but is positioned to rebound with new contracts, including a $215M U.S. Army radio testing program. The Envoy Aerospace acquisition enhances cabin modification and certification capabilities, allowing Astronics to manage FAA approvals internally and reduce program friction.

- **Backlog, Financial Position & Outlook.** Backlog has reached record highs at $650M versus ~$420M pre-pandemic, with bookings of $850M this year signaling strong demand momentum. Growth is underpinned by both rising aircraft production rates and steady retrofit activity, with further upside from small aircraft programs not yet reflected in backlog. A past patent dispute has largely been resolved, and the company has strengthened its balance sheet with $200M in available liquidity, leaving management comfortable about financial flexibility.

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Bridger Aerospace (BAER - $1.64 - NASDAQ) Aerospace Conference Highlights

COMPANY OVERVIEW

Bridger Aerospace Group Holdings, Inc., headquartered in Bozeman, MT and founded in 2014 by a former Navy SEAL, Bridger Aerospace operates the largest private fleet of fixed-wing firefighting aircraft in the U.S. It is an aerial firefighting company providing aerial firefighting and wildfire management services to federal and state government agencies, including the United States Forest Service, across the nation, as well as internationally. It provides various services using technology and environmentally friendly and sustainable firefighting methods throughout the United States. Its portfolio is organized across three core offerings: Fire Suppression, Aerial Surveillance, and Maintenance, Repair and Overhaul (MRO). Fire Suppression consists of deploying specialized Super Scooper aircraft to drop large amounts of water quickly and directly on wildfires. Aerial Surveillance consists of providing aerial surveillance for fire suppression aircraft over an incident and providing tactical coordination with the incident commander. MRO consists of maintenance and repair services for return-to-service upgrades of certain Canadair CL-215T Amphibious aircraft.

Reason For Comment

The following are key takeaways from Bridger's CEO, Sam Davis and CFO Eric Gerratt at our 31st Annual Aerospace & Defense Symposium:

- **Market Need.** Its six Super Scoopers, with 1,600-gallon tanks, can deliver large volumes of water quickly, making them among the most effective tools for wildfire suppression. With wildfires now a year-round threat, demand for Bridger's services continues to increase as agencies move from ad-hoc contracting to guaranteed multi-year agreements.

- **Industry Dynamics & Regulation.** The rise in wildfire frequency and intensity, driven by climate change, has made proactive aviation-based firefighting a national priority. Recent executive orders and pending legislation point to greater centralization of wildfire response, minimum response-time standards, and a mandated mix of aerial assets. These policy shifts are creating stronger, more consistent demand for companies like Bridger.

- **Financial Performance & Outlook.** Bridger doubled revenue year-over-year in 2Q and generated positive EBITDA for the first time, reflecting improved utilization and contract structure. For 2025, management is guiding to $105–111 million in revenue and $42–48 million in EBITDA, with most earnings generated in 3Q during peak fire season. As fire activity expands throughout the year, seasonality is decreasing, supporting more balanced cash flow generation.

- **Capital Strategy & Growth Initiatives.** The company recently entered into a $46 million sale-leaseback of Bozeman land and assets, unlocking value from real estate appreciation. Proceeds will be used to reduce debt and strengthen the balance sheet through a 10-year leaseback structure. Ongoing fleet expansion, including the addition of Super Scoopers, positions Bridger to scale with rising demand and secure long-term growth in aerial firefighting.

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Crane Company (CR - $181.38 - NYSE) Aerospace Conference Highlights

COMPANY OVERVIEW
Crane Company is an industrial manufacturing and technology company. The Company is a manufacturer of engineered components for mission-critical applications focused on the aerospace, defense, space and process flow industry end markets. Its segments include Aerospace & Electronics, and Process Flow Technologies. The Aerospace & Electronics segment supplies critical components and systems, including original equipment and aftermarket parts, primarily for the commercial aerospace, and the military aerospace, defense and space markets. The Process Flow Technologies segment is a provider of engineered fluid handling equipment for critical applications. The segment is comprised of Process Valves and Related Products, Pumps and Systems and Commercial Valves. The Company also designs and manufacturers multi-stage lubrication pumps and lubrication system components technology for critical aerospace and defense applications.

Reason For Comment
The following are key takeaways from Crane's COO Alex Alcala and SVP of Aerospace Jay Higgs at our 31st Annual Aerospace & Defense Symposium:

- **Strategic Shift.** Crane Company (CR) is pursuing a balanced strategy of organic growth and M&A, underpinned by 4–6% core growth and 35–40% operating leverage. With a net cash position and $3–4 billion available for M&A or buybacks, management is targeting a 10% ROIC within five years. Growth is fueled by innovation and concentration on high-growth verticals, with market share gains allowing CR to outpace industry growth at roughly 2x the market.

- **Aerospace & Electronics Segment.** The company's modular and scalable design technologies support a 7–9% sales CAGR through the end of the decade. CR is diversified across aerospace and defense platforms, with notable content on COMAC's C919 and bids on the C929. The company is seeing major ramp-ups in F-16 and radar power supply programs, alongside opportunities in vehicle electrification for military land vehicles. Additionally, CR is engaged in emerging platforms like Next-Gen Single Aisle (NGSA) and Collaborative Combat Aircraft (CCA), where it has participated in multiple demonstrations.

- **Growth Opportunities & Outlook.** Missile program demand remains strong, particularly in navigation systems, and customers are pushing for faster ramp-ups. CR maintains close relationships with key defense primes and integrators such as Anduril in unmanned systems. The acquisition of PSI is expected to roughly double margins over time, though initial EBITDA contribution will be modest. Consistent capex plans reinforce both maintenance and growth priorities, while management highlights the optionality of deploying capital to accelerate both growth and shareholder returns.

- **Financial Position & Capital Strategy.** CR's robust financial position, including a net cash balance and disciplined capital allocation, provides flexibility to fund M&A, share repurchases, and organic investments. Management expects growth to be supported by continued innovation and high-margin verticals, with EBITDA expansion over the medium term. Shareholder returns and operational efficiency are central priorities, underpinned by a strategy that balances risk and high-growth opportunities across its diversified aerospace and electronics portfolio.

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Curtiss-Wright (CW - $532.23 - NYSE) Aerospace Conference Highlights

COMPANY OVERVIEW
Curtiss-Wright Corporation is a global integrated business that provides engineered products, solutions, and services mainly to the Aerospace & Defense markets, as well as critical technologies in demanding commercial power, process, and industrial markets. The Company's segments include Aerospace & Industrial, Defense Electronics, and Naval & Power. The Aerospace & Industrial segment consists of businesses that provide a diversified offering of engineered products and services supporting applications primarily across the commercial aerospace and general industrial markets. The Defense Electronics segment comprises businesses that primarily provide products for the defense market and, to a lesser extent, the commercial aerospace market. The Naval & Power segment comprises businesses that provide products for naval defense and, to a lesser extent, the power and process and aerospace defense markets. The products offered include main coolant pumps, seals, valves, and others.

Reason For Comment
The following are key takeaways from Curtiss-Wright's CEO Lynn Bamford and CFO Chris Farkas at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Strategic Shift.** Curtiss-Wright (CW) is a diversified aerospace and defense company with roughly two-thirds of its business in defense, supported by a $1 trillion U.S. defense budget and growing NATO spending. The company leverages core engineering technologies across multiple end markets, including shipbuilding, aircraft upgrades, and new aircraft systems. A pivot to a growth-focused strategy emphasizes top-line performance while maintaining compliance across defense programs, positioning CW to capture long-term secular tailwinds.

- **Defense & Aerospace Capabilities.** CW's portfolio includes the Golden Dome initiative—hypersonics, communications, and networking equipment—and a broad electronics suite serving both U.S. and international defense markets. Order activity has increased globally, with mid-teens growth rates over the past few years. Key programs include FMS-driven NATO contracts, partnerships with Boeing and Airbus, and upgraded commercial aircraft solutions such as certified flight recorders for the A320 fleet to meet new FAA mandates.

- **Nuclear & Commercial Opportunities.** The nuclear business contributes about 12% of revenue, primarily aftermarket, driven by life extensions at U.S. power plants and new-build projects. CW is positioned for growth through small modular reactors and strategic partnerships, including Rolls-Royce, with prototyping over the next 12–18 months and large water reactor projects exceeding $100M per plant. Integration of recent nuclear acquisitions is on track, supporting $80M in revenue this year and doubling the business by 2028.

- **Financial Position & Capital Strategy.** CW maintains disciplined capex, averaging ~2% of sales, while scaling investment to accommodate strong demand. The company has a full M&A pipeline, prioritizing strategic and financial fits, while returning capital to shareholders through share repurchases and dividends (14% increase recently). Strong working capital management and higher conversion margins (108%) provide robust cash flow generation, supporting growth initiatives, acquisitions, and shareholder returns.

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Ducommun (DCO - $94.40 - NYSE) Aerospace Conference Highlights

COMPANY OVERVIEW
Ducommun Incorporated provides value-added manufacturing solutions to customers in the aerospace, defense and industrial markets. It specializes in two core areas-Electronic Systems and Structural Systems to produce complex products and components for commercial aircraft platforms, mission-critical military and space programs, and sophisticated industrial applications. Electronic Systems designs, engineers and manufactures high-reliability electronic and electromechanical products used in worldwide technology-driven markets, including aerospace and defense and industrial end-use markets. Electronic Systems product offerings primarily range from prototype development to complex assemblies. Structural Systems designs, engineers and manufactures large, complex contoured aerostructure components and assemblies and supplies composite and metal bonded structures and assemblies. Structural Systems products are primarily used on commercial aircraft, military fixed-wing aircraft, and others.

Reason For Comment
The following are key takeaways from Ducommun's CEO Steve Oswald at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Strategic Shift.** The company has a strong presence in both narrow-body and wide-body commercial aerospace, with over 50% of its business tied to tier-1 OEMs and significant exposure in tier-2. Engineered products now comprise 23% of revenue, driving higher margins, and management is targeting 25% by 2027 with potential to exceed that. The strategy combines organic growth with targeted M&A in the aerospace & defense (A&D) sector, focusing on high-complexity, high-volume components that are difficult to manufacture.

- **Growth & Market Outlook.** Revenue is projected to track toward $950 million by 2027 despite challenges in Boeing production rates. The company is navigating commercial aerospace headwinds, including inventory destocking, while defense programs provide a strong counterbalance. EBITDA margins are expected to reach 18% by 2027, supported by disciplined pricing, operational efficiency, and acquisitions that expand the engineered products portfolio.

- **Operational Execution & Supply Chain Management.** Management has invested in flow lines and production scaling to meet rising demand, including ambitious missile production ramps. Supply chain risks are mitigated through commodity management and flexible program sourcing, avoiding long-term agreements that can constrain operations. Revenue per employee has improved in recent years, reflecting operational efficiency and a strong corporate culture.

- **Financial Strategy & M&A Approach.** The company maintains disciplined capital allocation, selectively pursuing acquisitions within the $30–40 million revenue range while avoiding overly aggressive multiples. Its M&A approach targets high-fit companies that strengthen both engineered and aftermarket capabilities, with five acquisitions already completed within the engineered products segment. This strategy balances growth, margin expansion, and shareholder value creation.

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DroneShield Limited (DRO-AU – A$4.40 – ASX) Aerospace Conference Highlights

COMPANY OVERVIEW
DroneShield Limited is an Australia-based company focusing on radio frequency (RF) sensing, artificial intelligence and machine learning, sensor fusion, electronic warfare, rapid prototyping, and MIL-SPEC manufacturing. It provides artificial intelligence-based platforms for protection against advanced threats, such as drones and autonomous systems. It offers customers bespoke counter-drone (or counter-UAS) and electronic warfare solutions and off-the-shelf products designed to suit a variety of terrestrial, maritime, or airborne platforms. The Company's products include DroneGun Tactical, DroneGun MKIII, DroneSentry, DroneSentry-C2, DroneSentry-X, RfPatrol and DroneSim among others. The DroneGun Tactical is an unmanned aerial systems (UAS) countermeasure designed for two-hand operation and long-range defeat. RfPatrol is a passive/non-emitting wearable UAS detection device. The Company's capabilities include C-UAS, C-UxS Training, and Electronic Warfare.

Reason For Comment
The following are key takeaways from DroneShield's CEO Oleg Vornik at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Market Position.** DroneShield is a pure-play counter-drone company addressing the growing need for drone detection and mitigation, highlighted by military lessons from Ukraine. Its product portfolio includes devices like RIPatrol, which provides real-time drone alarms, and DroneGun Mk4, which disables drones, as well as proprietary AI-based software solutions. The company serves U.S., European, and Asian markets and expects to exceed AUD $200 million in revenue while achieving positive cash flow.

- **Product Differentiation & Technology.** DroneShield differentiates itself through a combination of commercial intelligence from Tier-1 users and proprietary AI solutions. Gross margins on software-based offerings are approximately 70%, and the company continues to invest heavily in R&D. Hardware and software integration, along with AI fusion technologies, positions DroneShield to provide both military-grade solutions and civilian applications, including training and certification packages.

- **Market Dynamics & Growth Outlook.** While counter-drone hardware is commoditized, military planners are increasingly stockpiling due to evolving threats, creating sustained demand. The company sees current market saturation as limited, with replacement cycles over the next five years offering a substantial growth runway. DroneShield is actively scaling its U.S. and European manufacturing to meet sovereign production requirements, ensuring compliance and market access.

- **Financial & Strategic Vision.** DroneShield aims to expand its pipeline and grow revenue exponentially, targeting long-term annual revenue in the billion-dollar range over the next 5–10 years. Its strategy balances hardware and AI-driven software products, leveraging Tier-1 intelligence relationships to stay ahead of emerging threats. Continued R&D investment and international expansion provide both scale and defensibility in a rapidly evolving counter-drone market.

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October 1, 2025

Elbit Systems (ESLT - $501.22 - NASDAQ) A&D Symposium Highlights

COMPANY OVERVIEW
Elbit Systems, headquartered in Haifa, Israel, ranks among the top 25 defense contractors globally. Its offering includes turnkey solutions, components, and ammunition across all land, air and sea domains. In 2024, Elbit generated approximately 30% of sales in Israel, 25% in Europe, 25% in the Americas, and 20% in RoW. Alongside new systems and products, Elbit also performs comprehensive platform modernization programs. In addition, Elbit provides a range of training and support services. A key growth driver within Elbit in recent years has been the Land segment, which provides products and systems for ground forces.

Reason For Comment
The following are our key takeaways from our fireside chat with Elbit Systems CFO Dr. Yaacov (Kobi) Kagan at our 31st Annual Aerospace & Defense Symposium:

- **Regional growth opportunities for Elbit.** Outside of Israel, the largest growth opportunity rests within the European market. This mainly includes the UK, Germany, and the Nordic countries, e.g., Sweden. Note, Germany is spearheading European defense spending, aiming to reach the new NATO spending targets with 3.5% of GDP six years early, by 2029. Within Europe, Germany also has the largest defense budget. We, therefore, conclude that Germany represents the most imminent opportunity outside of Israel. Elbit addresses the German market from its subsidiary in Ulm.

- **Short- and medium-term perspective.** Elbit does not provide official guidance but has shared its internal goal to grow sales in the mid-teens in 2025 and to surpass the total sales mark of $7bn. After >20% sales growth in 1H (2024: 14%), Elbit expects growth to moderate on a tougher 2H 2024 comparison base. For 2026, the internal target is low double-digit sales growth. In terms of margins, Elbit aims to reach a 10% non-GAAP operating profit margin in 2026 (2024: 7.2%).

- **Share offer to fund growth and M&A.** During Q2 2025, Elbit carried out a share offering with net proceeds of approximately $575m. Demand for the shares offered reached three times the initial amount. We understand the main intent for the proceeds is to fund expansion capex to support Elbit's organic growth. That said, the funds could also enable inorganic measures. Potential targets could include both new technologies and regional expansion.

- **ESA sales growth and margin normalization.** Most of the Elbit Systems of America (ESA) segment sales are derived from the U.S. government, its allies, or large prime U.S. defense contractors. In 2024, ESA generated more than $1.5bn in sales. We understand ESA is likely to grow at a mid-single-digit growth rate in the medium-term. The business' profitability is currently held back by legacy backlog contracts. These are currently being converted into revenue. Current mid- to high-single-digit margins are likely to evolve into double digit margins in the medium-term.

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October 1, 2025

Graham Corp (GHM - $53.35- NYSE) Aerospace Conference Highlights

COMPANY OVERVIEW
Graham Corporation is engaged in the design and manufacture of mission-critical fluid, power, heat transfer and vacuum technologies for the defense, energy and process, and space industries. It designs and manufactures custom-engineered vacuum, heat transfer, cryogenic pump and turbomachinery technologies. For the defense industry, its equipment is used in nuclear and non-nuclear propulsion, power, fluid transfer, and thermal management systems. For the energy and process industries, the Company supplies equipment for vacuum, heat transfer, and fluid transfer applications used in oil refining, downstream chemical facilities, fertilizers, ethylene, methanol, edible oil, food and beverage, pulp and paper, and multiple alternative energy applications such as hydrogen, small modular nuclear, concentrated solar and geothermal processes. For the space industry, its equipment is used in propulsion, power and thermal management systems, and for life support systems.

Reason For Comment
The following are key takeaways from Graham's CEO Matthew Malone and CFO Christopher Thome at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Strategic Shift.** The company operates across defense (58% of 2025 revenue), energy and process (35%), and space (7%), leveraging over 90 years of experience in mission-critical vacuum, heat, and rotating machinery. Its strategy emphasizes operational excellence, R&D investment, and targeting underserved areas of the business to drive margin expansion. Recent investments include fully automated welders and infrastructure to support accelerated growth over the next five years, with stabilization expected through 2025 and harvesting returns from R&D and capital deployment by 2027.

- **Defense & Space Capabilities.** The defense segment spans aircraft carriers, military aircraft, nuclear submarines, torpedoes, and unmanned underwater vehicles, supported by a $500 million backlog that allows ongoing reinvestment. The company has developed a strong pedigree in space applications, including turbomachinery for SpaceX, which enhances credibility in the rapidly expanding commercial and governmental space markets. Operational readiness and technical expertise position the company to capture long-term growth opportunities in mission-critical systems.

- **Energy & Nuclear Opportunities.** The energy and process business benefits from strong demand for nuclear and data center applications, including small modular reactors (SMRs) and large-scale power plants. Strategic initiatives include advanced rotating machines for reactor temperature control and integration of next-generation technologies to support clients in the U.S., India, and China. Aftermarket demand remains robust, while long-term growth is supported by executive order-driven infrastructure programs and new reactor development.

- **Financial Position & Capital Strategy.** The company maintains disciplined capital allocation, prioritizing organic growth with high-ROI investments (~20%) while strategically considering M&A opportunities in the $10–80 million range. Adjusted EBITDA margins are improving through ongoing operational initiatives, and a strong backlog and pipeline support near-term revenue growth. Capital investment in R&D, equipment, and international expansion positions the company for sustainable long-term growth across defense, energy, and space markets.

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October 1, 2025

HEICO (HEI - $254.10 - NYSE) Aerospace Conference Highlights

COMPANY OVERVIEW
HEICO Corporation is a manufacturer of jet engines and aircraft component replacement parts. Its segments include Flight Support Group (FSG) and Electronic Technologies Group (ETG). The FSG segment consists of HEICO Aerospace Holdings Corp. and HEICO Flight Support Corp. and their subsidiaries. FSG uses technology to design and manufacture jet engines and aircraft component replacement parts. FSG repairs, overhauls and distributes jet engine and aircraft components, avionics and instruments for domestic and foreign commercial air carriers and aircraft repair companies, as well as military and business aircraft operators. ETG segment consists of HEICO Electronic Technologies Corp. and its subsidiaries. The ETG designs, manufactures and sells various types of electronic, data and microwave, and electro-optical products, including infrared simulation and test equipment. It also designs and manufactures avionics controls, including navigation, audio, surveillance, and communication panels.

Reason For Comment

The following are key takeaways from HEICO's Co-CEO Victor Mendelson at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Strategic Shift.** HEICO is best known for its commercial aftermarket parts business, where it competes against OEMs by offering FAA-approved PMA parts at ~30% lower cost. Over time, it has expanded into accessory component repair and overhaul — now the largest independent player — and built a growing distribution business. With a long track record of acquiring entrepreneurial companies (~100 to date), HEICO has built a diversified platform with strong aftermarket, distribution, and defense exposure.

- **ETG (Electronic Technologies Group) Growth.** ETG represents a key growth driver, with a record backlog that is broad-based but weighted toward defense. The portfolio spans niche, lower-volume components including space tracking systems, golden dome products, and fuel systems. Roughly 90% of ETG's backlog is OE, with 10% aftermarket. Margins in ETG remain strong, with EBITA margins typically in the 24–26% range, though quarterly volatility occurs due to mix shifts and acquisitions.

- **R&D, Partnerships & Market Position.** HEICO invests selectively in R&D — ~6% of sales at ETG and ~2% at the Flight Support Group, with distribution requiring none — balancing innovation with its aftermarket and repair focus. Flight Support continues to provide steady growth through distribution and repair while ETG captures defense-driven demand. Management views ETG's margin structure as sustainable but sensitive to exogenous events and program execution. Overall, HEICO's niche focus and entrepreneurial culture give it an edge over larger competitors.

- **M&A & Financial Strategy.** Acquisitions remain the cornerstone of HEICO's growth model, with a robust pipeline of deals from both entrepreneurial sellers and private equity divestitures. Management is highly selective, targeting businesses with niche products, high margins, and long-term growth potential. Recent deals, including Wencore, have exceeded expectations, driving new products and repair introductions that enhance organic growth and margin expansion. With discipline around valuation and integration, HEICO maintains a strong track record of accretive M&A while sustaining industry-leading returns.

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October 1, 2025

Moog (MOG'A - $201.26 - NYSE) Aerospace Conference Highlights

COMPANY OVERVIEW
Moog Inc. is a designer, manufacturer, and systems integrator of high-performance precision motion and fluid controls and control systems. The Company's high-performance systems control military and commercial aircraft, satellites, and space vehicles, launch vehicles, defense systems, missiles, automated industrial machinery, marine, and medical equipment. Its segments include Space and Defense, Military Aircraft, Commercial Aircraft and Industrial. The Company also specializes in designing and manufacturing ruggedized fiber optic transceivers and assemblies used in major aerospace and defense programs across both United States and international markets. These mission-critical components deliver high-bandwidth speeds with compact signal density, enabling enhanced digitalization solutions across space, air, land and sea domains. Its product categories include actuation, motos and servomotors, slip rings, satellite buses, turreted weapon systems, and weapon stores management.

Reason For Comment

The following are key takeaways from Moog's CEO Pat Roche and CFO Jennifer Walter at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Strategic Shift.** Moog Inc. is a diversified aerospace and defense supplier with strong positions in flight controls, missile systems, and industrial automation. The company benefits from both commercial aerospace recovery and rising defense budgets, with a balanced portfolio across military, commercial, and industrial markets. Moog's 80-20 strategy, originally a simplification tool, has become a central driver of productivity and profitability, delivering a 10% production increase with the same workforce.

- **Defense Growth Opportunities.** Rising U.S. defense budgets and accelerating demand from European and NATO countries are expanding Moog's pipeline. The depletion of NATO and U.S. missile stockpiles has created urgency around replenishment, positioning Moog to benefit from accelerated missile production programs. Military aftermarket demand is also rising as defense planners prioritize readiness, creating sustained demand for Moog's maintenance and support capabilities.

- **Commercial & Aftermarket Momentum.** Commercial aerospace production is stabilizing as supply chains improve, giving Moog greater confidence in supporting rate increases from major OEMs. At the same time, global air traffic has reached record highs, driving aftermarket sales to all-time levels. Management expects this momentum to continue, while pursuing repricing opportunities on legacy aftermarket contracts to enhance margins.

- **Operational & Strategic Priorities.** Moog is mitigating tariff headwinds through strategic pricing and regional production shifts, reducing an operating margin impact of $15–20M that is expected to ease going forward. Industrial automation, particularly in Europe, has remained resilient with strong site quality and efficiency. Management is also actively evaluating acquisitions that align with Moog's core businesses and is open to taking on additional debt for the right strategic fit, reinforcing a disciplined but opportunistic growth strategy.

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New Horizon Aircraft (HOVR - $2.76 - NASDAQ) Aerospace Conference Highlights

COMPANY OVERVIEW
New Horizon Aircraft Ltd. is a Canada-based advanced aerospace engineering company. The Company is engaged in developing hybrid Electric Vertical Takeoff and Landing (eVTOL) aircraft. The Company's Cavorite X7 prototype can take off vertically, but once in flight its patented HOVR wing system reverts to the configuration of a conventional airplane. It operates with up to 30% less hydrocarbon emissions. It is designed to operate in bad weather, with flight in known icing conditions. It is designed with 14 redundant lift fans in hover, through which multiple failures can be tolerated. The Company's Cavorite X7 range opens up a wide spectrum of uses, such as critical medical supplies to remote areas, delivery of supplies and rescue of people from post-hurricane zones, business travel/inter-city and regional shuttle, transportation to underserved remote regions, evacuation, and special events control.

Reason For Comment

The following are key takeaways from New Horizon's CEO Brandon Robinson at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Technology Breakthrough.** New Horizon Aircraft (HOVR) is developing a hybrid-electric aircraft capable of both vertical and conventional takeoff and landing, blending helicopter flexibility with airplane efficiency. Its design integrates electrically powered wing fans supported by hybrid turbo-generators, while keeping batteries relatively small versus competitors. A rear fan connected to a PT-6 engine provides propulsion, enabling seamless transition from vertical lift to horizontal flight once above stall speed. The aircraft has successfully completed flight tests and is targeting full-scale prototypes within 18–24 months.

- **Strategic Advantages.** Unlike all-electric rivals, HOVR's hybrid design enables mid-air recharging of batteries within minutes, overcoming one of the biggest bottlenecks in advanced air mobility. The lighter battery load — only ~40% of total aircraft weight versus higher ratios at competitors — allows greater payload flexibility, extended range, and reduced engineering constraints. This technology positions the aircraft as a superior replacement option for helicopters, with the ability to fly twice as fast at roughly 75% lower operating cost.

- **Market Applications.** Configured to seat seven passengers, the aircraft targets both defense and civilian markets. On the military side, applications include special forces, disaster relief, and medical evacuation, where its hybrid design offers stealth, endurance, and versatility. Civilian use cases extend across urban air mobility, emergency response, and commercial transport. With ~70,000 helicopters deployed daily worldwide, even modest substitution represents a large market opportunity.

- **Growth Outlook & Capital Strategy.** Management sees the next five years as critical, with plans to scale through strategic partnerships, regulatory certification milestones, and continued hiring of top global talent in electrification and aerospace engineering. The company has no debt on its balance sheet but anticipates raising capital strategically to support growth. Near-term focus is on defense markets where cost effectiveness and operational readiness are paramount, while long-term plans call for broader commercial adoption once certification and operating networks mature.

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Redwire Corp. (RDW - $9.15- NYSE) Aerospace Conference Highlights

COMPANY OVERVIEW
Redwire Corporation is an integrated aerospace and defense company focused on advanced technologies. The Company is focused on aerospace infrastructure, autonomous systems and multi-domain operations leveraging digital engineering and AI automation. Its capabilities include avionics, sensors, power solutions, critical structures, mechanisms, radio frequency systems, platforms, missions, microgravity payloads and uncrewed airborne system (UAS) technology. It specializes in core avionics, such as scalable power distribution and on-board computing capabilities. These specialized avionics and sensors can be applied across multiple space environments, including Low Earth Orbit, Geostationary Orbit, Cis-lunar and deep space missions. It provides a range of sensors, including star trackers and sun sensors, which are critical for navigation and control of spacecraft. It offers a variety of solar array solutions for spacecraft spanning the spectrum of size, power needs, and orbital location.

Reason For Comment

The following are key takeaways from Redwire's CFO Jonathan Baliff at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Technology Breakthrough**. Redwire (RDW) is a diversified space and UAS technology company providing critical infrastructure, AI-enabled autonomous uncrewed systems, and commercial microgravity capabilities. Its portfolio spans multi-orbit space vehicles, the Stalker and Penguin autonomous drones, and advanced power, avionics, and sensor systems for NASA and other clients. In commercial biotech, RDW's "Space MD" program leverages protein crystal growth in microgravity to accelerate drug development, including cancer therapies. Recent M&A, notably Edge Autonomy, expands capabilities into defense technologies and UAS operations, supporting multi-domain platforms and global growth.

- **Strategic Advantages.** RDW differentiates itself through multi-domain, non-competing technologies that enable customers to operate in space without conflict. Its "picks and shovels" approach provides essential systems to the ISS and commercial microgravity labs, with contract values ranging from <$20M to >$100M. The company's global footprint—19 U.S. locations and 4 in Europe—supports local presence in critical markets, while roughly half of revenue comes from fixed-price contracts, providing cash flow stability and predictable execution. RDW's dual focus on civil space and defense UAS systems allows it to capture growth opportunities across both commercial and military sectors.

- **Market Applications.** RDW operates in civil space, defense, and UAS markets. Civil applications include ISS support, commercial microgravity research, and space exploration platforms targeting the Moon and Mars. Military applications include autonomous Group 2 UAS platforms for the U.S. Army and allied nations, as well as missile defense integrations through programs like Golden Dome. Its technology enables long-range, stealthy, and high-endurance missions, with diversified applications across air, space, and planetary exploration.

- **Growth Outlook & Capital Strategy.** Management targets ~20% organic growth over the next five years while diversifying revenue streams to reduce volatility. The company maintains $114M in liquidity and a $329M backlog, with half of its revenue derived from fixed-price contracts. RDW plans to leverage M&A opportunistically, integrate acquired technologies, and focus on high-value contracts in defense and space. Capital allocation prioritizes revenue growth and operational scaling, with consistent efforts to reduce cash burn and move toward sustainable free cash flow.

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October 1, 2025

Rheinmetall (RHM - €1,992.00 - XETR) A&D Symposium Highlights

COMPANY OVERVIEW
Rheinmetall, headquartered in Düsseldorf, Germany, is Europe's largest defense contractor by market cap and ranks fifth by 2024 defense sales. Rheinmetall's defense revenue (2024: 80%) are mainly generated with European NATO members, and its civil sales (20%) mainly with the automotive industry. Germany is the largest customer, accounting for €2.55bn in sales. The defense offerings include new armored tracked vehicles, wheeled tactical and logistics vehicles and their maintenance (Vehicle Systems segment, about 45% of 2024 defense sales), artillery and tank ammunition (Weapon and Ammunition, 35%) and air defense systems and defense electronics (Electronic Solutions, 20%).

Reason For Comment
The following are our key takeaways from our fireside chat with Rheinmetall IRs Carl-Philip Schniewind and Anika Marker at our 31st Annual Aerospace & Defense Symposium:

- **European NATO purchasing decision process.** The German government is making plans for two time periods, from today to 2029, to achieve combat readiness, and from 2029 to 2035, to achieve the NATO capability targets. Rheinmetall expects an overview of all expected deliveries until 2035 from the government this fall. The German 2025 and 2026 defense equipment budget approvals are also due in the coming weeks. Outside Germany, visibility in some cases is even higher, with the expectation that, e.g., Italy will provide the defense contractors with a delivery overview for the coming fifteen years.

- **Short- and medium-term perspective.** Rheinmetall guides for more than €80bn in order nomination in the next twelve months. For 2025, Rheinmetall expect their backlog to rise beyond €80bn and sales to approximately €12.2-12.7bn (2024: €9.8bn) with an operating margin of 15.5%. The company continues to reiterate their oral guidance of sales of €25-30bn for 2027 and €40-50bn for 2030. Note that the company projects a 2027 operating margin of 18% in their written outlook.

- **Portfolio pruning and M&A.** Rheinmetall intends to divest their civilian business (2024 sales: approximately €2.0bn, mainly from the automotive industry) and comment that they are currently in talks with several interested parties. The guided timeline is a decision by the end of 2025, with a closing of the deal targeted for 1H 2026. Rheinmetall also aims for bolt-on M&A of around €1bn in sales per annum, providing rough guidance of €6-7bn inorganic growth by 2030.

- **Capital Markets Day expectations.** Rheinmetall will host its CMD on November 18, 2025, which will be accessible both in person and virtually. Rheinmetall expects that, by the time of the event, they will have a clear picture, with many of the defense contracts already signed. Based on that higher visibility, Rheinmetall plans to provide updated financial targets for 2027 and 2030, and potentially also for the period beyond. There could also be updated guidance on the M&A pipeline.

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October 1, 2025

StandardAero (SARO - $26.64 - NYSE) Aerospace Conference Highlights

COMPANY OVERVIEW
StandardAero, Inc. is an independent, pure-play provider of aerospace engine aftermarket services for fixed and rotary wing aircraft, serving the commercial, military and business aviation end markets. The Company provides a comprehensive suite of critical, value-added aftermarket solutions, including engine maintenance, repair and overhaul, engine component repair, on-wing and field service support, asset management and engineering solutions. The Company's segments include Engine Services and Component Repair Services. The Engine Services segment provides engine and airframe maintenance, repair, overhaul and related services to customers in the commercial aerospace, military & helicopter, and business aviation end markets. The Component Repair Services segment supports the commercial aerospace, military and helicopter and other end markets, including marine and land, and oil and gas with engine piece part repair, accessory repair and engine new part manufacturing.

Reason For Comment

The following are key takeaways from StandardAero's CFO Dan Satterfield and CSO Alex Trapp at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Technology Breakthrough**. StandardAero is a leading independent provider of aerospace engine aftermarket services, specializing in maintenance, repair, and overhaul (MRO) for fixed- and rotary-wing aircraft across commercial, military, and business aviation sectors. Founded in 1911 and headquartered in Scottsdale, Arizona, the company operates over 50 global facilities. In 2025, StandardAero celebrated the grand opening of a major expansion to its business aviation MRO facility in Augusta, Georgia, adding 80,500 square feet of hangar space, engine shop, advanced avionics, and customer amenities.

- **Strategic Advantages.** StandardAero's strategic positioning is enhanced by its extensive global footprint and strong relationships with major aerospace OEMs, including Rolls-Royce, GE Aerospace, and Pratt & Whitney. The company's focus on operational efficiency and capital discipline has led to consistent revenue growth, outperforming aerospace MRO peers. In the second quarter of 2025, StandardAero reported revenue of $1.53 billion, an 11.5% increase compared to the previous year.

- **Market Applications.** StandardAero's services cater to a diverse range of markets. In commercial aviation, it provides MRO services for a wide array of aircraft engines, ensuring fleet readiness and operational efficiency. In military aviation, it supports defense operations with specialized MRO solutions tailored to military aircraft and engines. In business aviation, it offers comprehensive services for business jets, enhancing performance and reliability. The company also delivers MRO services for industrial gas turbines, contributing to energy production efficiency. A recent partnership with Green Taxi Solutions to certify the first electric aircraft taxiing system demonstrates StandardAero's commitment to innovation and sustainability in aviation.

- **Growth Outlook & Capital Strategy.** StandardAero's growth strategy focuses on expanding its service offerings and global presence. The company has made significant investments in facility expansions and technological advancements to meet the evolving needs of the aerospace industry. The Augusta, Georgia business aviation MRO facility expansion strengthens StandardAero's market position and enhances its ability to support increasing demand in both commercial and defense markets.

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October 1, 2025

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TAT Technologies (TATT - $41.55 - NASDAQ) Aerospace Conference Highlights

COMPANY OVERVIEW
TAT Technologies Ltd. provides a range of services and products to the commercial and military aerospace, and ground defense sectors through its Gedera facility in Israel, and through its subsidiary in the United States, Limco-Piedmont Inc. (Limco-Piedmont), which operates through Limco Airepair Inc. (Limco). It operates in four segments: original equipment manufacturing (OEM) of heat transfer products and aviation accessories components, which it operates through its Gedera facility; heat transfer services and products, which it operates through its Limco subsidiary; maintenance, repair and overhaul (MRO) services for aviation components, especially in the area of landing gear and auxiliary power units maintenance, repair and overhaul (MRO) services for aviation components, which it operates through its Piedmont Aviation Component Services LLC (Piedmont) subsidiary, and overhaul and coating of jet engine components, which it operates through its subsidiary, Turbochrome Ltd.

Reason For Comment

The following are key takeaways from TAT's CFO Ehud Ben-Yair at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Technology Breakthrough.** TAT Technologies is a global provider of thermal management, Auxiliary Power Unit (APU), and landing gear solutions, offering both OEM products and maintenance, repair, and overhaul (MRO) services. The firm has four main operational units: OEM heat-transfer and aviation accessories from its Gedera facility, heat-transfer MRO through its Limco subsidiary, aviation component MRO through Piedmont (APU and landing gear), and jet-engine component overhaul and coating via Turbochrome. They serve commercial aerospace, military aerospace, and ground defense sectors, working with customers globally. Recently in April 2025, they unified their disparate operations (Limco, Piedmont, Israel, Charlotte) under a single brand ("one TAT") to improve consistency, scale, and market presence.

- **Strategic Advantages.** TAT's diversified service mix (OEM, MRO, coatings) gives it flexibility versus companies focused on just parts or just repair. Their thermal management capabilities (heat exchangers, oil/fuel coolers, etc.) are core technical strengths in high-demand aircraft systems. The company has growing "long-term agreement" (LTA) value and backlog, which increased by approximately $85 million in Q2 2025 to about $524 million, providing forward revenue visibility.

- **Market Applications.** TAT supports major commercial platforms such as the Boeing 777 via APU and thermal component MRO, in addition to offerings in landing gear and engine component overhaul and coatings. It also has defense exposure, given its work for military aircraft and ground defense, and its thermal and cooling systems are critical in many environments. The company is leveraging its global facilities to serve international customers, especially airlines and OEMs needing high reliability and quick turnaround.

- **Growth Outlook & Capital Strategy.** TAT is seeing organic revenue growth of 18% year-over-year in Q2 2025 and improving profitability with adjusted EBITDA up roughly 39% for that time period. They are relying on both backlog and LTA growth and rising MRO intake to sustain momentum into 2026. They also aim to deepen their OEM/MRO synergies by combining component services with heat-transfer solutions and improve operational efficiencies through unification under the "one brand" model. Overall, the company looks positioned to convert its backlog, LTAs, and operational scale into stronger margins and higher free cash flow.

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October 1, 2025

Textron (TXT - $83.99- NYSE) Aerospace Conference Highlights

COMPANY OVERVIEW
Textron Inc. is a multi-industry company that leverages its global network of aircraft, defense, industrial and finance businesses to provide customers with various solutions and services. The Company's segments include Textron Aviation, Bell, Textron Systems, Industrial, Textron eAviation, and Finance. Textron Aviation segment manufactures, sells and services Cessna and Beechcraft aircraft, and services the Hawker brand of business jets. Bell segment supplies military and commercial helicopters, tiltrotor aircraft, and related spare parts and services in the world. Textron Systems segment offers electronic systems and solutions, advanced marine craft, piston aircraft engines, and others. Industrial segment designs and manufactures a variety of products within the Kautex and Specialized Vehicles product lines. Textron eAviation segment includes Pipistrel, a manufacturer of light aircraft, along with other research and development initiatives related to sustainable aviation solutions.

Reason For Comment

The following are key takeaways from Textron's CFO David Rosenberg at our 31st Annual Aerospace & Defense Symposium:

- **Company Overview & Key Programs.** Textron (TXT) is a diversified aerospace and defense company with strong positions across helicopters, business jets, and defense systems. A major focus is the Bell Helicopter program, valued at $80–100B and currently in development. The company is booking roughly $300M per quarter from the program and has received funding under the BBB initiative, supported by strong government backing for acceleration. TXT is working to close production gaps to improve efficiency, which strengthens its ability to negotiate lead times and pricing with suppliers.

- **Systems & Aftermarket Strength.** The Systems business generates approximately $1.25B in annual revenue with margins of 12–13%. It has a robust aftermarket profile with healthy forward bookings and strong growth prospects in ATAC, weapons, electronics, and simulation. Management's focus remains on winning smaller programs and driving profitability, even if revenue growth is modest. Legacy helicopter programs, including the H-1 and B-22, continue to provide steady aftermarket revenue streams, though B-22 production is expected to wind down by 2027.

- **Aviation Segment & Market Dynamics.** TXT holds about two years of backlog across its aviation segment, supported by strong special mission sales and steady demand. Turboprops and light jets remain the strongest demand signals, with light jets forming the core of the Cessna franchise and enjoying over two years of backlog. Supply chain conditions and workforce retention are improving, though skilled labor remains a constraint, with training cycles taking 3–5 years. Demand is outpacing production, but workforce expansion is being managed gradually to preserve quality. Pricing dynamics have shifted meaningfully post-COVID, stabilizing above inflation and cost increases, reversing more than a decade of stagnant pricing.

- **Growth Outlook, Capital Allocation & M&A.** With international orders expected to grow significantly, TXT will need to ramp production to meet rising global demand. Recently passed tax legislation provides a cash flow tailwind, lowering effective cash tax obligations and offsetting higher capex as equipment spending accelerates. The company remains disciplined in M&A, noting that aerospace and defense valuations are elevated while industrial businesses are undervalued. Management is not actively seeking to divest industrial units unless valuations provide a compelling return to shareholders.

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As of June 30, 2025, affiliates of GAMCO Investors, Inc. beneficially owned 5.61% of Ducommun, 2.98% of Graham Corporation, 2.41% of Astronics Class A and less than 1% of Class B, 2.37% of Moog Class A and less than 1% of Class B, 1.38% of Textron, and less than 1% of all other companies mentioned.