





TRACKING AEROSPACE + DEFENSE MARKET TRENDS

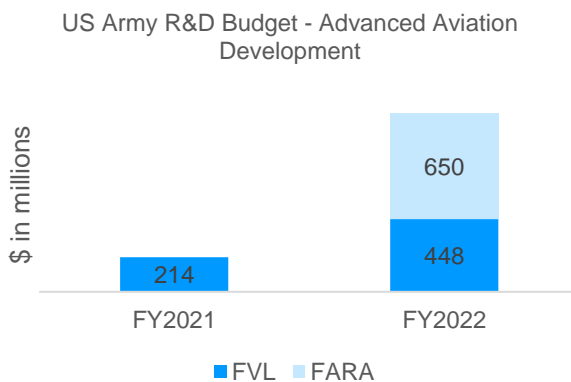
FINANCIAL AND STRATEGIC BUYERS VIEW DIFFERENTIATED COMPONENT MANUFACTURERS FAVORABLY IN THE NEAR TERM

Three recent transactions in rotorcraft, fixed-wing platforms, and highly engineered component manufacturing illustrate efforts by private equity buyers and leading industry players to invest in AD+S manufacturing ahead of a commercial aviation recovery and rising geopolitical tensions.



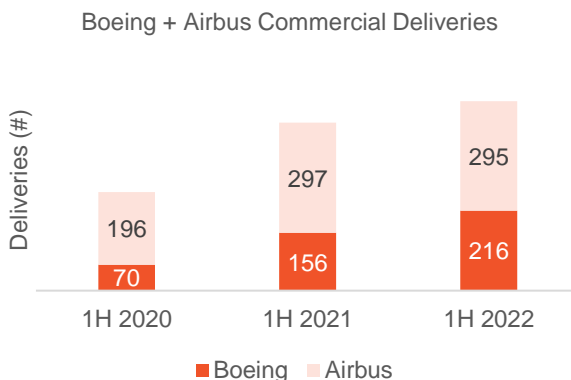
TRANSDIGM ACQUIRES DART AEROSPACE

- Leading component manufacturer acquires strategic rotorcraft part provider
- Proprietary aftermarket position drives revenue sightline
- Desire to capture benefit from manned and unmanned industry growth trends related to the US Army's Future Vertical Lift program



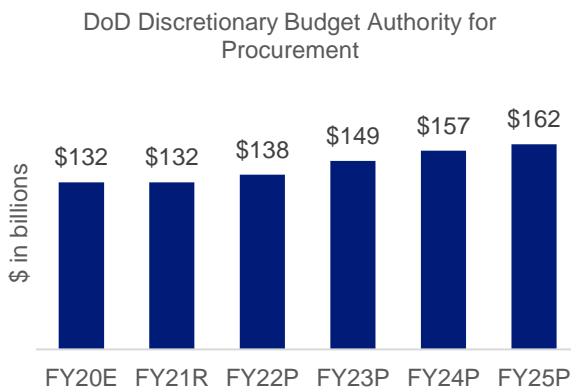
KAMAN ACQUIRES PARKER WHEEL & BRAKE UNIT

- Divestiture of Parker's Wheel & Brake unit presents opportunity for leading highly engineered components manufacturer
- High sole-source revenue concentration offers pricing power and accretion
- Opportunity to diversify aftermarket offerings as OEMs ramp commercial production



ANGELES EQUITY ACQUIRES PRIMUS AEROSPACE

- Financial sponsor acquires precision manufacturer serving commercial and defense customers
- Target-rich acquisition environment paves way for successful inorganic growth strategy
- Bolt-on acquisition soon after investment multiplies growth opportunities in space + defense



Sources: Congressional Research Service, Boeing, Airbus, FY21 DoD PBR, Tables 1-2 + 2-1.





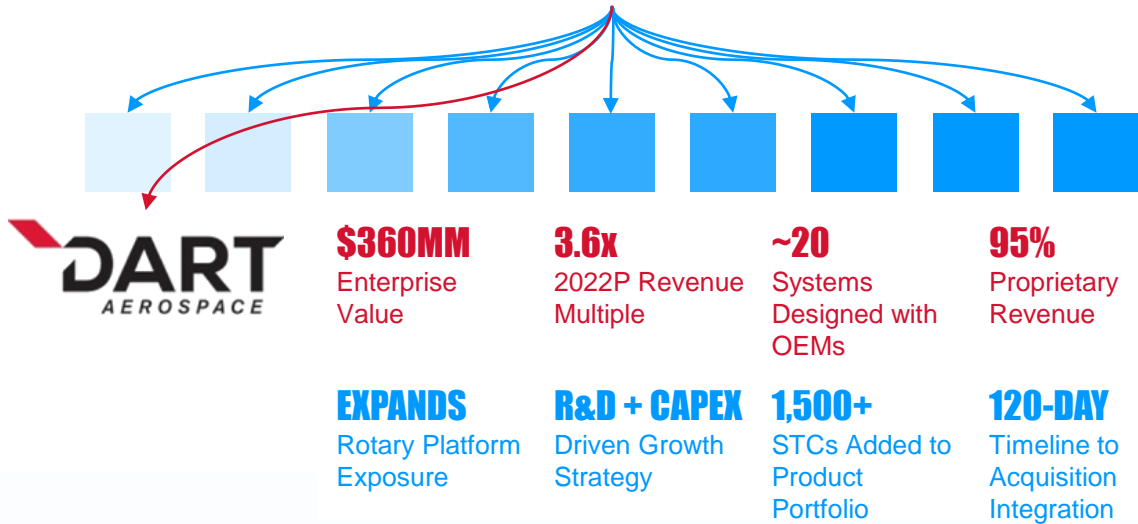
TRANSDIGM ACQUIRES DART AEROSPACE

PUBLIC INDUSTRY LEADER STRATEGICALLY INCREASES ROTARY-WING DENSITY VIA PROVEN M&A PLAYBOOK

TransDigm is committed to growing its portfolio of highly engineered aerospace components via M&A and has completed **~80 acquisitions** since its founding in 1993.

DART Aerospace provides highly engineered products and MRO solutions for rotary-wing aircraft with a particular **focus on the proprietary aftermarket** and represented an ideal strategic acquisition target.

TRANSDIGM GROUP INC.



DART's significant Tier 1 OEM experience and position as a sole-source manufacturer to leading OEMs including Airbus, Bell Helicopter, Leonardo, and Sikorsky were key considerations for TransDigm.

TransDigm seeks to drive "private equity-like" returns on capital in the public market by realizing revenue and cost synergies, integrating operations, and implementing value generation strategies based on a market pricing model that leverages sole-source dynamics for growth.



TRANSDIGM GENERALLY ACQUIRES COMPANIES IN THE 9X-12X EBITDA RANGE





KAMAN ACQUIRES PARKER WHEEL & BRAKE UNIT

PUBLIC STRATEGIC ADDS COMPLEMENTARY BUSINESS SEGMENT WITH HIGH-MARGIN AFTERMARKET FOCUS

~13.5%

2021 EBITDA Margin

13

Manufacturing Sites

14%

Aftermarket Revenue

~\$709MM

Kaman 2021 Revenue

26%

Comm / Bus / GA Customers



Kaman develops highly-engineered components & subassemblies for **A&D, Medical, and Industrial customers.**

The acquisition of Parker's Wheel & Brake unit achieves multiple strong outcomes for Kaman:

- Robust accretion to EBITDA margins due to favorable economics driven by **sole-source contracts**
- Product portfolio diversification into **proprietary aftermarket components**

TRANSACTION COMPLETED AT

\$440MM

Enterprise Value

14.0x

FY2021 EBITDA Multiple

Strategic value and multiple avenues for accretion (including a robust free cash flow profile) informed Kaman's acquisition thesis.

Increased density in the **commercial, business, and general aviation** verticals was particularly attractive for the acquirer in view of near-term market tailwinds.



Parker's Aircraft Wheel & Brake Unit **manufactures proprietary wheels, brakes, and related components.**

~40%

2021 EBITDA Margin

80%

Sole-Source Revenue

67%

Aftermarket Revenue

~\$70MM

Parker 2021 Revenue

75+

Customers to Cross-Sell Into

KAMAN ACQUIRED A HIGHLY STRATEGIC BUSINESS UNIT FOR ~14X FY2021 EBITDA





ANGELES EQUITY ACQUIRES PRIMUS AEROSPACE

FINANCIAL SPONSOR SEEKS PLATFORM INVESTMENT WITH MISSION-CRITICAL CUSTOMER DYNAMICS

Primus Aerospace provides turnkey machining solutions for prime A&D contractors and OEMs, including **Lockheed Martin, Northrup Grumman, Boeing, Raytheon, NASA, SpaceX**, and others.

Angeles Equity Partners, a middle market private equity fund that seeks to grow its portfolio companies by employing a **transformative add-on acquisition strategy**, viewed Primus's strong market position and growth trajectory favorably.



MISSION CRITICAL

End Market Exposure

LEAN SIX SIGMA

Operating & Discipline Plan

500+

Components Manufactured

24 / 7

Dark Facility Capabilities

HIGH PROFILE

Defense Platforms Served

16+

Tier 1 OEM Customers

VERTICALLY

Integrated Operations

TARGET-RICH

Acquisition Environment

60+

Primary Multi-Axis Machines

EXOTIC METALS

Expertise + Comfortability

RALOID CORP.

Acquisition Completed in Y1 of Investment

HIGH TEMP

Metals and Superalloys Familiarity


ANGELES ACQUIRES COMPANIES WITH ENTERPRISE VALUES UP TO \$250MM




Pinecrest Capital Partners is a premier investment banking firm located in Dallas, TX. With **more than 75 years of combined experience** in investment banking, our team of sophisticated professionals operates across a variety of industries and is highly experienced in managing complex transaction processes.

PINECREST'S SELECTED AEROSPACE, DEFENSE, & SPACE EXPERIENCE

Multiple completed transactions in Aerospace & Defense and active engagements in Government Technology



*majority recapitalization
of the company by*



CAPSTREET

Recapitalization of a leading provider of aviation parts and service solutions including advanced exchanges, overhauls, rentals, and repairs



*pre-transaction
strategic advisory*



Strategic advisory engagement with an aerospace metal finishing, testing, and inspection industry leader*



*majority recapitalization
of the company by*



Recapitalization of supplier of aftermarket aviation parts and related MRO solutions by Red Aviation



*pre-transaction
strategic advisory*



Sell-side advisory engagement with a provider of AI / ML-based solutions and software products to government + commercial clients

PINECREST'S SELECTED MANUFACTURING EXPERIENCE

The Pinecrest team is committed to serving the middle market – typically companies with \$25 to \$500 million in revenue – and enjoys **the creativity, values, and legacies often associated with middle market companies**.

We partner with family or founder-owned, closely-held and sponsor-backed businesses, individually tailoring our investment banking services for each client and circumstance.



*acquisition
of the company by*



SCF PARTNERS
HOUSTON | CALGARY | ABERDEEN | SINGAPORE



*acquisition
of the company by*




*acquisition
of the company by*




*ongoing strategic
advisory*



PINECREST HAS COMPLETED TRANSACTIONS WORTH MORE THAN \$1.25B SINCE 2014

* Engagement completed by Pinecrest principals while at prior firm.

