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AEROSPACE & DEFENSE

MARKET INTELLIGENCE

Q2 2024



Member of  Mergers Alliance

Aurignac Finance's quarterly Aerospace & Defense Market Report

- Delivered every quarter to hundreds of seasoned professionals, offering dozens of appealing focuses every year, a constant follow-up of M&A operations (industrial, financial and fundraising), an update of the indicators of major aerospace and defense players, our report aims at providing a market intelligence on the recent events of aerospace and defense market
- This market report is a testimony to the daily work carried out by a dedicated team of 5 people. Focusing on Aerospace and Defense markets, our team with our international partners from Mergers Alliance are closely interacting on a very regular basis with investors and corporates at a global level. These interactions and its deep involvement within these sectors allow us to better understand the global trends of the industry and to provide high-end quality advisory services to its clients that are benefitting from this knowledge

Global coverage



16
MEMBERS



+\$5BN
OF TRANSACTION ADVISED
IN 2023



128
OPERATIONS IN 2023



\$40-60
AVERAGE ENTERPRISE
VALUE



This quarter at a glance

- This quarter has been marked by a numerous M&A transactions (including fundraising) involving major players such as Thales, Leonardo and Safran
- The revision of the objectives of Airbus and the continuation of Boeing's difficulties regarding the quality control
- The IPO of Exosens and the release of Larsonneur Thiériot Report on the EU Defense industry

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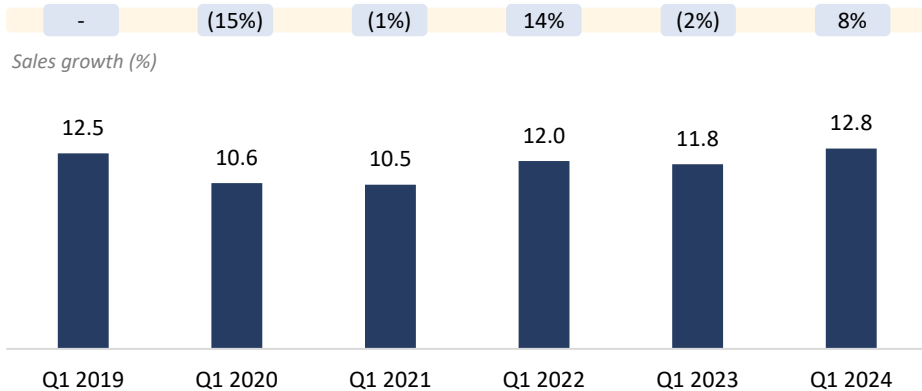
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Summary

Q2 2024 selected EU M&A transactions completed in Aerospace & Defense	4
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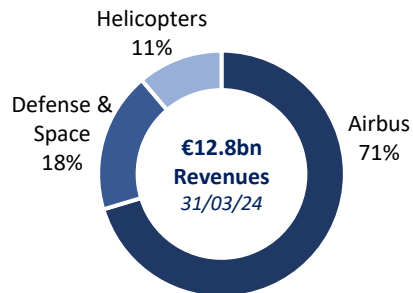
Q1 19 – Q1 24 Revenues - €bn



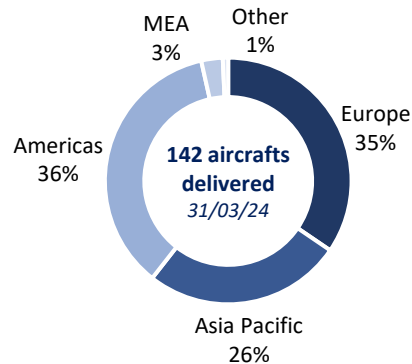
Revised FY24 objectives



Q1 24 Revenues by Division



Q1 24 Deliveries by Geography



Q2 main headlines

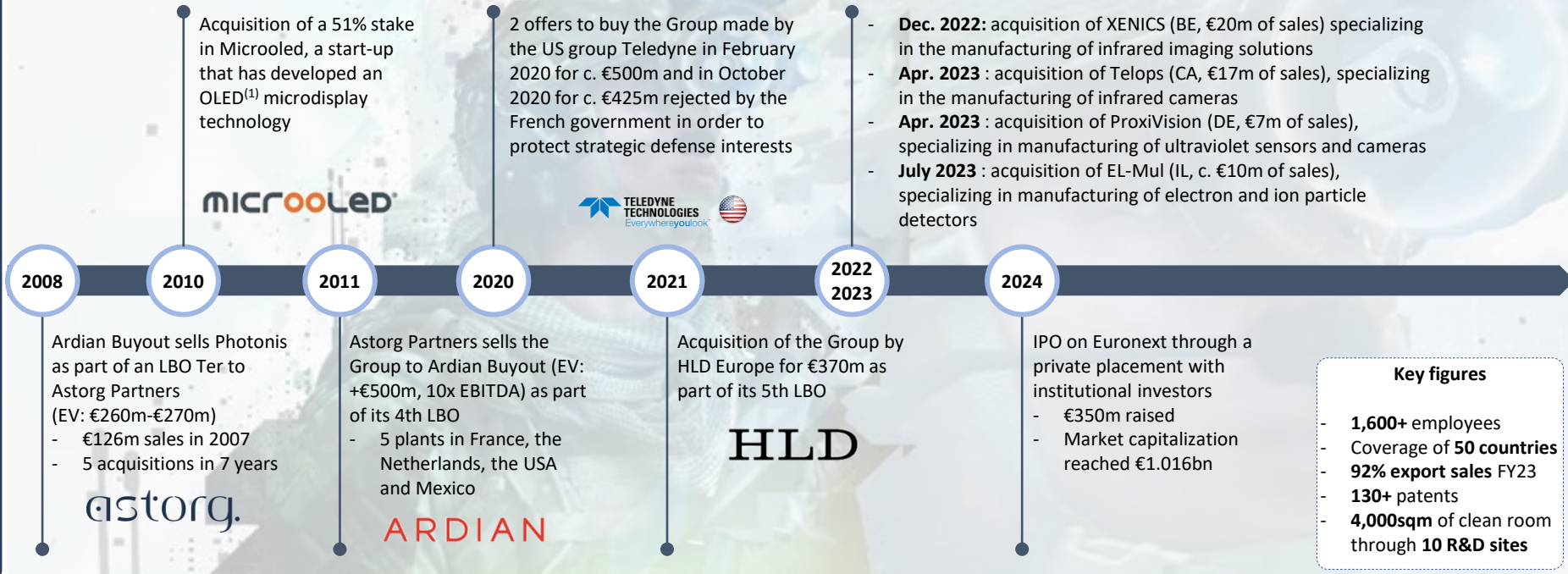
- 24.06.2024:** Airbus has cut its 2024 guidance for commercial aircraft deliveries from 800 to 770, mentioning persistent supply chain issues mainly in engines, aerostructures and cabin equipment. The Adjusted EBIT should land at €5.5bn (vs. €6.5-7bn planned) and FCF at €3.5bn (vs. €4bn)
- 20.05.2024:** With Saudi Arabia ambitioning to become a tourism and aeronautics country, Saudi Arabia Airlines has ordered 105 single-aisle A320 family aircrafts, worth \$19bn. 54 A321neo will be for the country's historic flag carrier while the rest will go to its low-cost subsidiary Flyadeal
- 07.05.2024:** Airbus has finalized its acquisition of US company Aerovel and its Flexrotor unmanned aerial system (UAS) designed for intelligence, surveillance, target acquisition and reconnaissance (ISTAR) missions at sea and on land, to strengthen its portfolio of tactical unmanned solutions
- 04.04.2024:** Following rumors of a potential acquisition of Spirit AeroSystems by Boeing, Airbus (1/5 of Spirit Aero's sales) and its US competitor have started to explore a potential framework to take over the plants needed to support their own respective major jet programs

Order intake

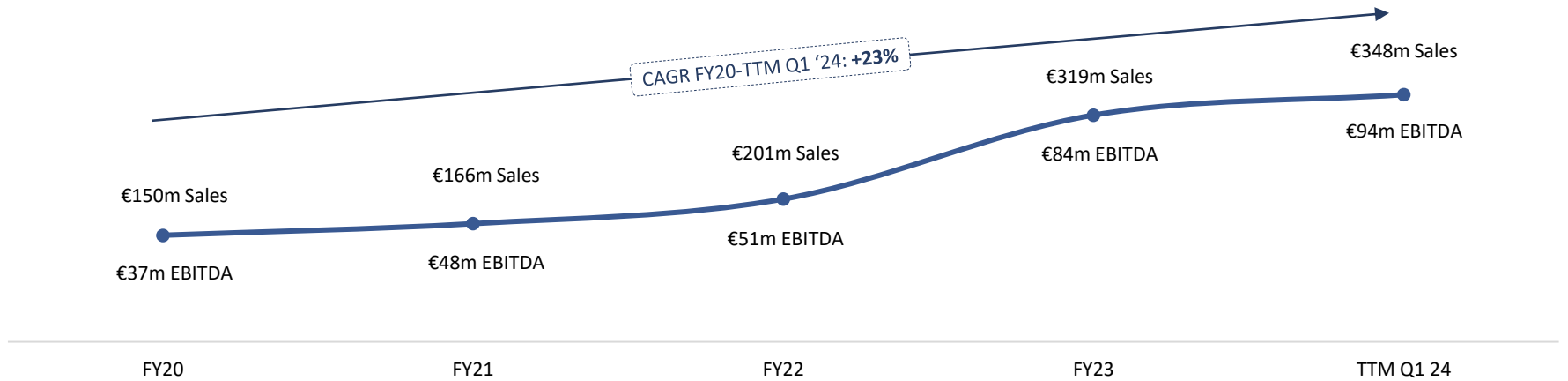
		Q1 2024	Q1 2023	Var.
Airbus (in units)	Order Intake (net)	170	142	19.7%
	Order Book	8,626	7,254	18.9%
Helicopters (in units)	Order Intake (net)	63	39	61.5%
	Order Book	817	725	12.7%
Defence & Space (in €m)	Order Intake (net)	1,994	2,521	-20.9%

In-depth #1 – From Photonis to Exosens: the success story of the midcap specialist of night vision systems (1/2)

Key Group facts



Historical sales and EBITDA

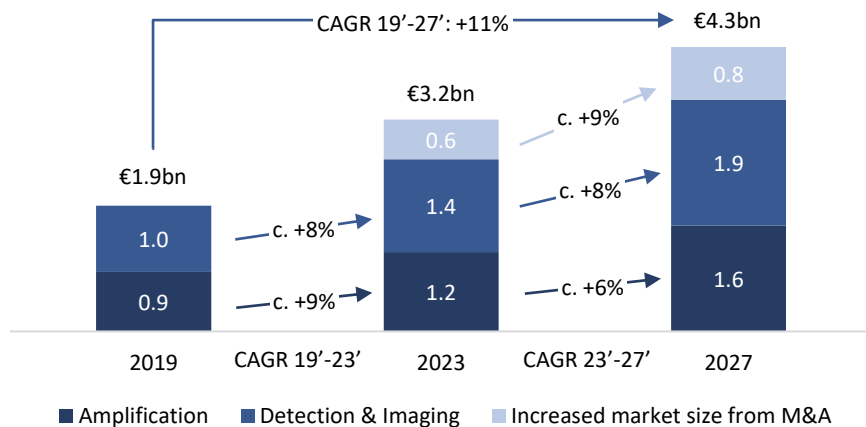


(1): Organic Light-Emitting Diode

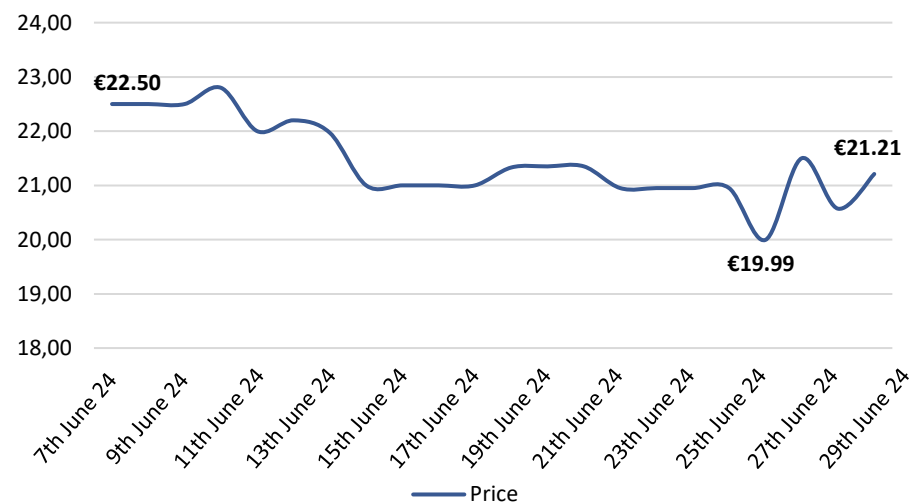
In-depth #1 – From Photonis to Exosens: the success story of the midcap specialist of night vision systems (2/2)

- Exosens, a high-tech group with over 85 years of experience in the innovation, development, manufacture and sale of high-end electro-optical technologies in the field of amplification, detection and imaging announced on Monday 03 June 2024 the launch of its initial public offering (IPO) on Euronext Paris through a private placement at a price of **€20** per share bringing the Group's market capitalization to €1.016bn
 - ◆ Following this IPO, HLD Europe will remain the Group's majority shareholder
- The €350m offering for 29,96%⁽¹⁾ of the capital was structured as follows:
 - ◆ The sale of 8.5m existing shares, representing €170m, by HLD Europe, Invest Prince Henri, Invest Gamma and others minority shareholders
 - ◆ The issue of 6.7m new shares, representing c. €134m
 - ◆ The issue of 2.3m new shares reserved for Bpifrance Participations, representing c. €46m (for 4.5% of the capital)
 - ◆ An over-allotment option may be exercised for a maximum of 2.6m shares, which would bring the offer to €402.5m for 35.13% of the capital
- The Group is counting on this IPO to reduce its debt⁽²⁾ and finance its strategy of innovation, development and external growth in fast-growing high-tech markets
 - ◆ The Group's strategy is to address a growing share of the total addressable market for Amplification and Detection & Imaging
 - ◆ The Group is also finalizing the acquisition of a European player in the Nuclear market (subject to the necessary authorizations)

Group's total addressable market (€bn)



Exosens stock price since IPO (€)



Exosens financials and valuation multiples

€m	FY20	FY21	FY22	FY23	TTM Q1 24
Sales	149.9	166.2	200.8	318.8	347.5
% evolution	-	10.9%	20.8%	58.8%	9.0%
EBITDA	36.5	47.5	51.2	83.9	93.8
% of sales	24.4%	28.6%	25.5%	26.3%	27.0%
Net Income	(15.8)	(149.0)	11.2	17.1	21.0
% of sales	10.5%	89.7%	5.6%	5.4%	6.1%
Total Equity	97.1	172.1	183.1	204.1	208.1
Total Assets	598.1	460.52	529.25	656.41	656.30

	07/06/2024	01/07/2024
EV/Sales	4.16x	3.97x
EV/EBITDA	15.40x	14.70x

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