KAL Capital: Composites M&A Update

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Leading A&D Practice

KAL Capital Leading Aerospace and Defense Franchise

- KAL Capital has successfully closed defense systems, aerostructures and services transactions in all regions of the United States
- The firm's typical mandates are family-held, private-equity owned or strategic divestitures with EBITDA between $5-15mm

Representative Closed Transactions

Defense

Florida Turbine Technologies HAS BEEN ACQUIRED BY Kratos SALE OF COMPANY	TJC The Jordan Company HAS ACQUIRED VT Group ACQUISITION ADVISORY	Merlin RAMCo Inc. HAS BEEN ACQUIRED BY Trive Capital SALE OF COMPANY	Beaver Aerospace & Defense, Inc. HAS BEEN ACQUIRED BY Héroux Devtek SALE OF COMPANY	Mountain Secure Systems HAS BEEN ACQUIRED BY Cache Creek Industries SALE OF COMPANY	Kazak Composites HAS BEEN ACQUIRED BY Plasan SALE OF COMPANY	CAPCO HAS BEEN RECAPITALIZED BY Capco Growth Partners, LLC RECAPITALIZATION

A&D Manufacturing

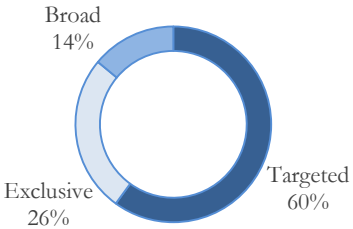
California Brazing HAS BEEN ACQUIRED BY Trive Capital SALE OF COMPANY	Mayday Manufacturing Hi-Tech Metal Finishing HAS BEEN ACQUIRED BY ESCO Technologies SALE OF COMPANY	Dynamic Paint Solutions HAS BEEN ACQUIRED BY Valence Surface Technologies SALE OF COMPANY	Chem-Tek HAS BEEN ACQUIRED BY Valence Surface Technologies SALE OF COMPANY	Coast Plating, Inc. "Premier Metal Finishing" HAS BEEN ACQUIRED BY Trive Capital SALE OF COMPANY	Southwest Vented Industries, Inc. A PORTFOLIO COMPANY OF Argonaut Private Equity HAS BEEN ACQUIRED BY PCC Precision Castparts Corp. SALE OF COMPANY	Stapco Industries Inc. HAS BEEN ACQUIRED BY Senior SALE OF COMPANY
Triumph Processing Embee Division HAS BEEN ACQUIRED BY AMP SALE OF COMPANY	AMP HAS BEEN RECAPITALIZED BY Watson Family Investments RECAPITALIZATION	Sheffield Manufacturing HAS BEEN RECAPITALIZED BY Hancock Park Associates AND next point Capital RECAPITALIZATION	Heucomb International HAS BEEN ACQUIRED BY Synchronous A PORTFOLIO COMPANY OF Littlejohn & Co. SALE OF COMPANY	Impresa Aerospace A PORTFOLIO COMPANY OF Graycliff Partners HAS BEEN ACQUIRED BY Twin Haven SALE OF COMPANY	Process Fab Inc. A PORTFOLIO COMPANY OF Vance Street Capital LLC HAS BEEN ACQUIRED BY Burtek A PORTFOLIO COMPANY OF Wynnchurch Capital SALE OF COMPANY	CSI HAS BEEN ACQUIRED BY Trive Capital SALE OF COMPANY

Services

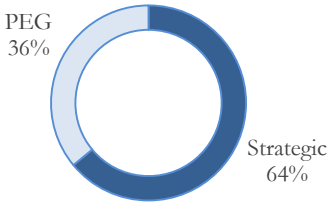
Triumph Aviation Services - NAAS Division HAS BEEN ACQUIRED BY STS Aviation Group SALE OF COMPANY	STS Aviation Group EQUITY INVESTMENT FROM Greenbriar Equity Group LLC EQUITY PARTNERSHIP	Air Transport Consultants A PORTFOLIO COMPANY OF GenCap America HAS BEEN ACQUIRED BY Holder Family Investments SALE OF COMPANY	PrimeFlight HAS BEEN ACQUIRED BY The Carlyle Group SALE OF COMPANY	DAS HAS BEEN ACQUIRED BY West Star Aviation SALE OF COMPANY	NAAS HAS BEEN RECAPITALIZED BY Mangrove Equity Partners RECAPITALIZATION	Ascent Aviation Services A PORTFOLIO COMPANY OF Victory Park Capital HAS BEEN ACQUIRED BY LVC Longwave Capital SALE OF COMPANY

KAL Capital Process Details

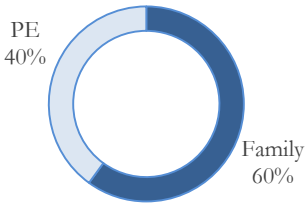
Process Type



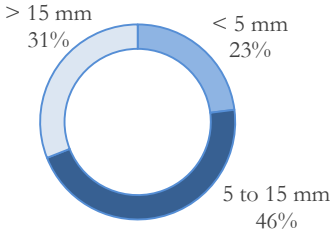
Buyer Type



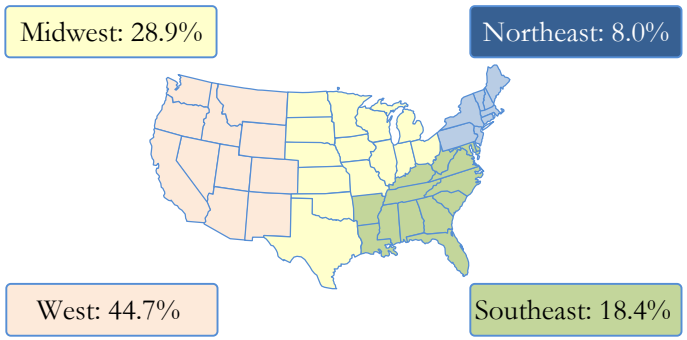
Client Type



Deal Size



Clientele Geographic Coverage



KAL Capital

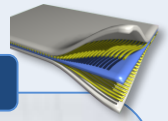
Composites M&A

Select 2019 Transactions

Buyer	Target	Description
ARCLINE INVESTMENT MANAGEMENT	INTEGRATED POLYMER SOLUTIONS	IPS and its subsidiaries manufacture elastomeric components including seals, gaskets and tooling for composites with a global manufacturing footprint.
ESCO TECHNOLOGIES	Globe Composite Solutions, LLC	Globe manufactures composite products for acoustic, signature-reduction, communications, and hydrodynamic-related applications, supplying 140+ parts on the Virginia and Columbia class submarines.
ITT	Matrix Composites, Inc.	Matrix manufactures composite components for A&D applications including fuselage components, spars, radomes, antennas, munitions housings, ducting, and fixed & rotating engine components.
SEKISUI	AIM AEROSPACE	AIM Aerospace designs and manufactures advanced composite structures, systems, engine components and thermoplastic technology for global aerospace customers.
HEICO	DECAVO	Decavo designs and manufactures complex composite assemblies with unique structural and electromagnetic interference characteristics for cameras, sensor assemblies, and UAV airframe applications.
HEXCEL	ARC TECHNOLOGIES, INC.	ARC produces RF / EMI and microwave absorbing composite materials, combining metallic filler compounds with a proprietary blend of polymer resins for various structural composites and thermoplastics applications.

Analysis

Commercial and defense platform backlogs have driven optimistic forecasts for composite suppliers in the A&D supply chain. Defense has buoyed much of the supplier momentum and increased M&A appetite in 2019. DoD spending highlights for 2020 include 14 battleships and 96 F-35s. As the supply chain prepares for significant increases to associated advanced materials production, in-sourcing from blue-chip OEMs and platform growth within private equity are expected to drive an increase in deal flow towards key tier II & III suppliers.



Active Buyers

Private Equity

- ae Industrial Partners
- IGP
- the edgewater funds
- LIBERTY HALL Capital Partners
- J.F. Lehman & Company

Strategic

- HEICO
- Nasmyth Group
- ITT
- sonaca Group
- ESCO Technologies
- ALBANY INTERNATIONAL
- HEXCEL

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