

AVIATION AFTERMARKET OVERVIEW AND PERSPECTIVES

APRIL 2025

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MAJOR THEMES IMPACTING THE AVIATION AFTERMARKET

OEM CHALLENGES AND PRODUCTION STRUGGLES

- OEMs are facing unprecedented demand as order books grow, driven by an optimistic global economic outlook, particularly in regions like the U.S. and India
- In anticipation of subsiding OEM backlogs and older aircraft being retired, MRO providers are increasingly looking to boost vertical integration and recycling capabilities

INFLATION, RISING COSTS, AND DEMAND UNCERTAINTY IN END MARKETS

- Inflation and rising operating costs are putting financial strain on low-cost carriers, leading to consolidation and financial stress
- Supply chain disruptions are causing some industry players to reconsider production plans or pursue vertical integration for stability

MRO MARKET RESILIENCE AND GROWTH

- The MRO sector is experiencing strong growth, fueled by rising air travel demand, a post-pandemic return to profitability, and the introduction of more fuel-efficient aircraft that currently require more shop visits
- MRO providers will continue looking to expand tight hangar capacity to meet elevated demand

SHIFTING GLOBAL FLEET DYNAMICS

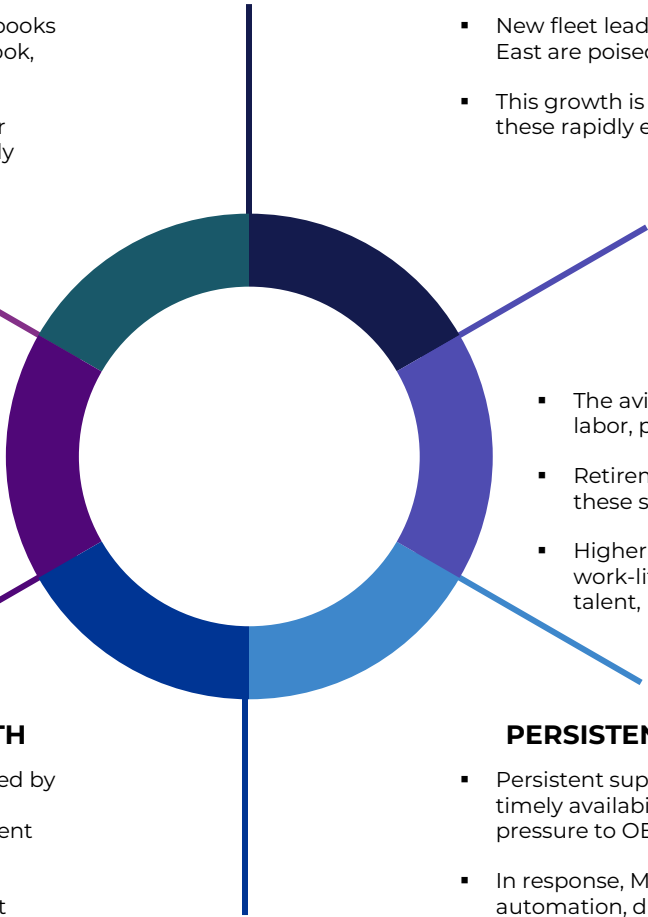
- New fleet leaders such as China, India, and the Middle East are poised to capture a larger share of the market
- This growth is increasing demand for MRO facilities in these rapidly expanding regions

LABOR SHORTAGES AND WORKFORCE TRANSITIONS

- The aviation sector faces significant shortages in skilled labor, particularly in pilots and maintenance technicians
- Retirement of baby boomers during COVID intensified these shortages
- Higher salaries, faster career progression, and better work-life balance initiatives are helping attract new talent, particularly in the United States

PERSISTENT SUPPLY CHAIN CHALLENGES

- Persistent supply chain issues continue to disrupt the timely availability of key components and materials, adding pressure to OEMs and MRO providers
- In response, MRO providers are increasing efficiency using automation, digital tools, and artificial intelligence

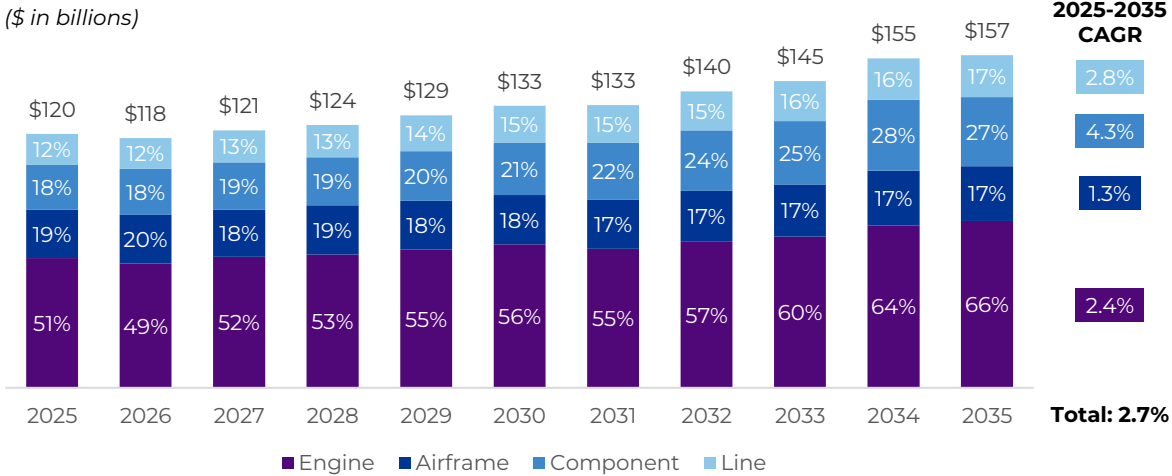


STATE OF THE AVIATION AFTERMARKET

STATE OF THE AVIATION AFTERMARKET SECTOR

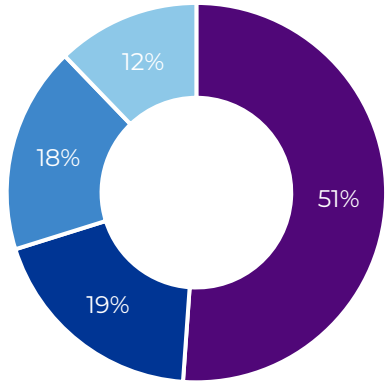
- In 2024, the aviation aftermarket exceeded pre-pandemic levels, driven by strong fundamentals:
 - Global air traffic has largely recovered, with demand for international air travel slightly trailing behind domestic air travel demand
 - As Boeing and Airbus struggle with supply chain constraints to ramp up their production targets, fleet age and utilization are surging
 - Higher labor, parts, and production costs additionally fuel commercial MRO demand
 - Business aviation is normalizing from its pandemic heights, but its increased growth trajectory persists
- The global aviation aftermarket is forecast to grow at 2.7% annually over the next 10 years
 - North America and Western Europe remain the largest markets but are growing slower than China and India
 - The Indian market, while small, is expected to grow at 5% annually over the next five years and 11% annually over the next 10 years
 - Narrowbody aircraft will dominate the global fleet, with its share expected to grow to 68% by 2035, up from 62% today

GLOBAL COMMERCIAL AEROSPACE MRO DEMAND (2025-2035)

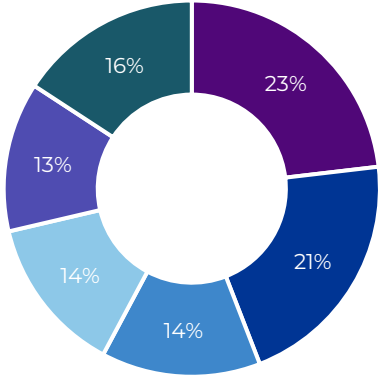


2025 GLOBAL MRO DEMAND BREAKDOWN

By Segment



By Geography



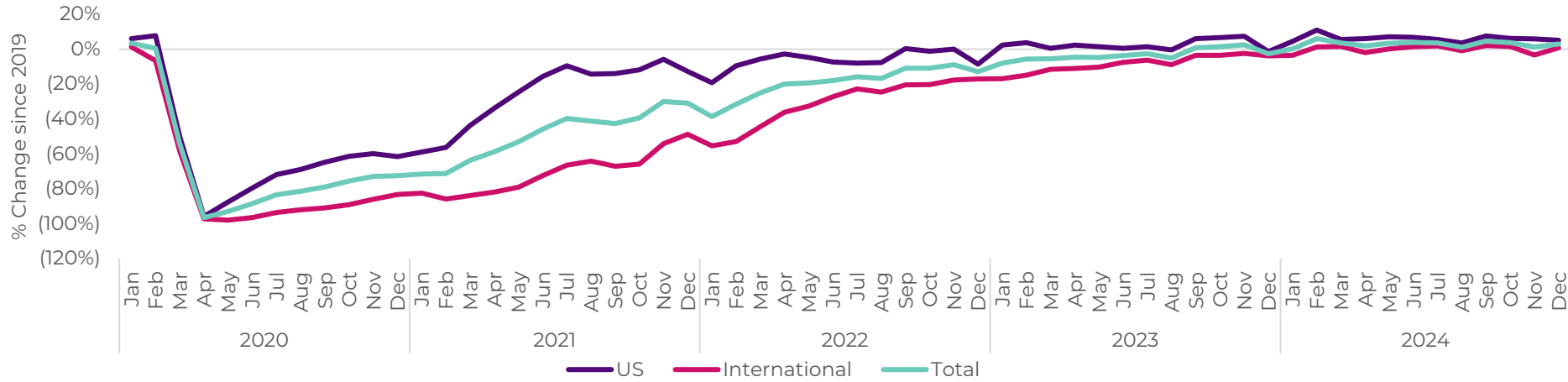
Source: Oliver Wyman Global Fleet and MRO Market Forecast

a) "All Others" includes Latin America, Eastern Europe, Russia, Africa, India, and Oceania

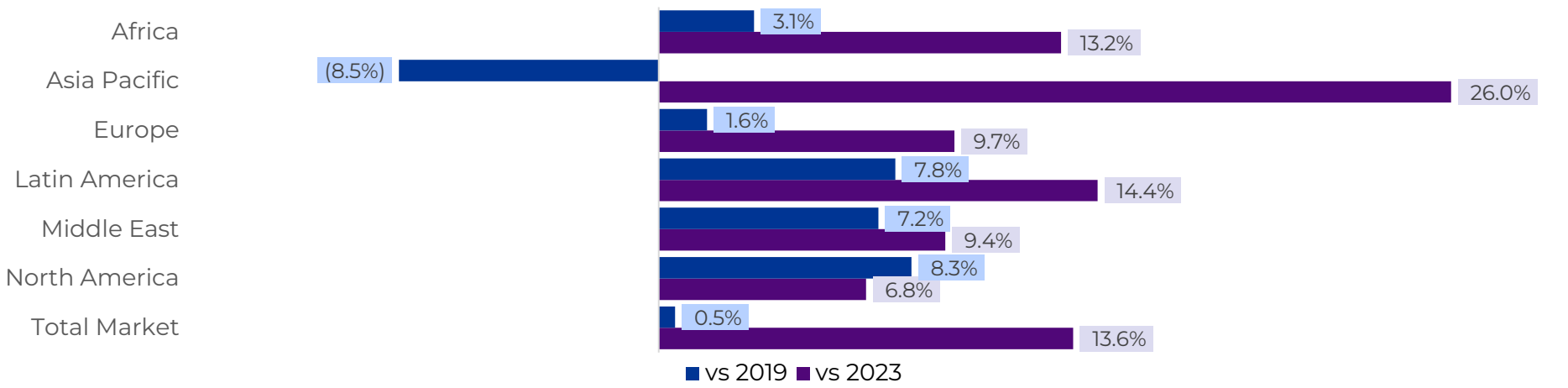
FLIGHT ACTIVITY HAS BOUNCED BACK FROM PANDEMIC LOWS

FLIGHT ACTIVITY HAS RETURNED TO PRE-COVID LEVELS, WITH INTERNATIONAL TRAVEL LAGGING SLIGHTLY BEHIND DOMESTIC TRAVEL

GEOGRAPHIC MARKET REVENUE PASSENGER KILOMETERS (RPK) RELATIVE TO CORRESPONDING MONTH IN 2019



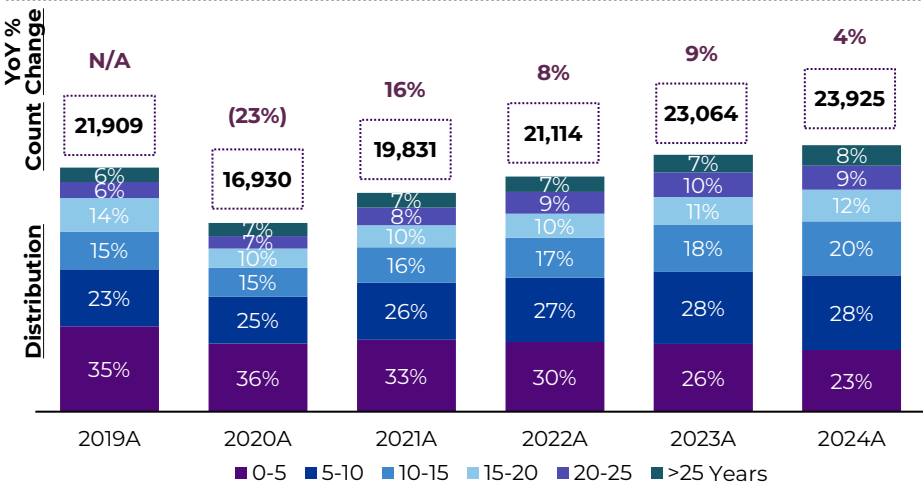
2024 INTERNATIONAL RPK CHANGE BY REGION



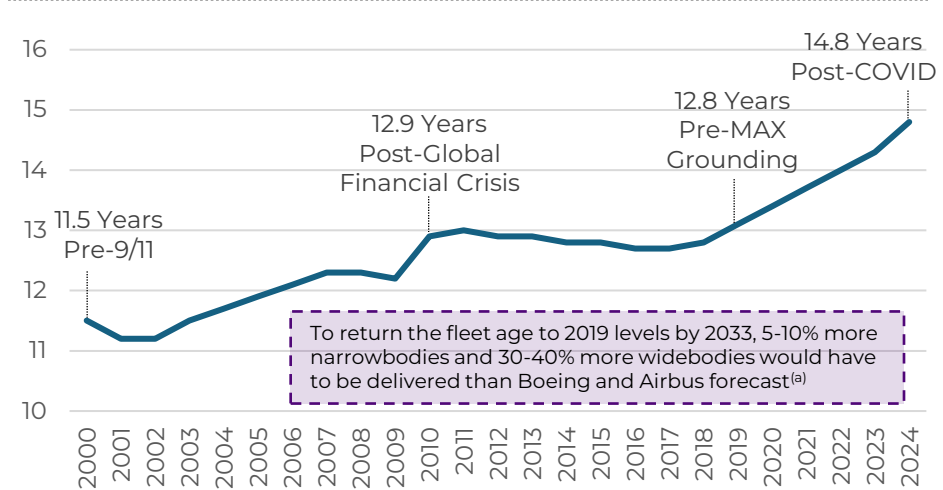
FLEET AGE IS RISING AS UNDERSUPPLY OF NEW AIRCRAFT DRIVES UP UTILIZATION AND SLOWS RETIREMENTS

AS THE GLOBAL FLEET AGE INCREASES AND NEW AIRCRAFT INTRODUCTIONS REMAIN STAGNANT, THE DEMAND FOR MRO SERVICES WILL CONTINUE TO INCREASE

GLOBAL IN-SERVICE FLEET COUNT AND AGE DISTRIBUTION



AVERAGE AGE OF THE GLOBAL COMMERCIAL FLEET



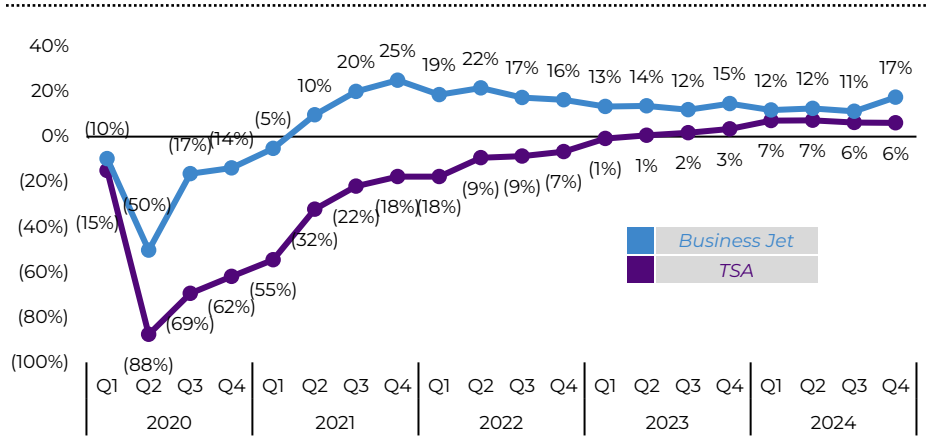
2025 GLOBAL FLEET SUMMARY BY REGION

Region	North America	Western Europe	Middle East	China	Latin Am, Caribbean	Eastern Europe	Russia	Africa	India	Asia ex. China	Oceania	World
Narrowbody	4,976	3,645	679	3,491	1,251	516	437	488	577	1,732	356	18,148
Widebody	1,417	1,133	801	750	175	51	64	179	66	1,038	103	5,777
Regional jet	1,616	367	57	244	212	77	197	223	7	88	106	3,194
Turboprop	494	330	25	1	170	55	32	248	74	328	203	1,960
Total	8,503	5,475	1,562	4,486	1,808	699	730	1,138	724	3,186	768	29,079

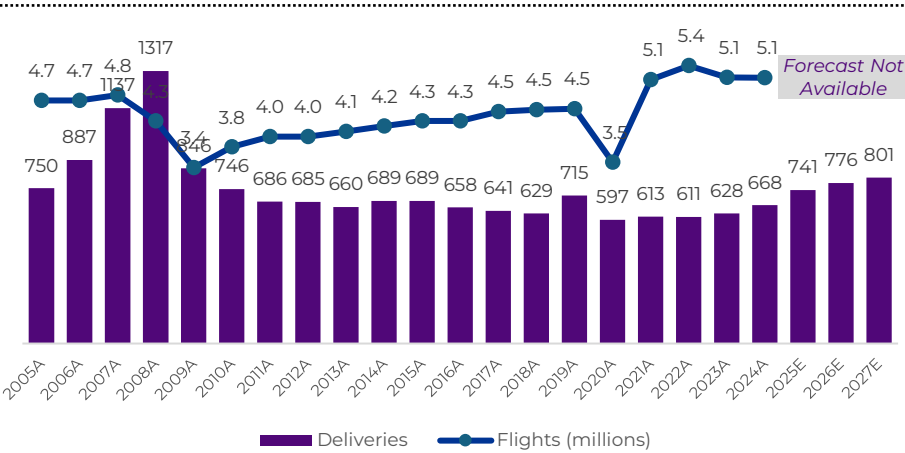
BIZJET TRAVEL NORMALIZING FROM THE PANDEMIC SURGE BUT STILL POISED TO GROW

HEIGHTENED UTILIZATION AND AGE OF THE GLOBAL BIZJET FLEET WILL DRIVE SUSTAINED DEMAND FOR MRO SERVICES

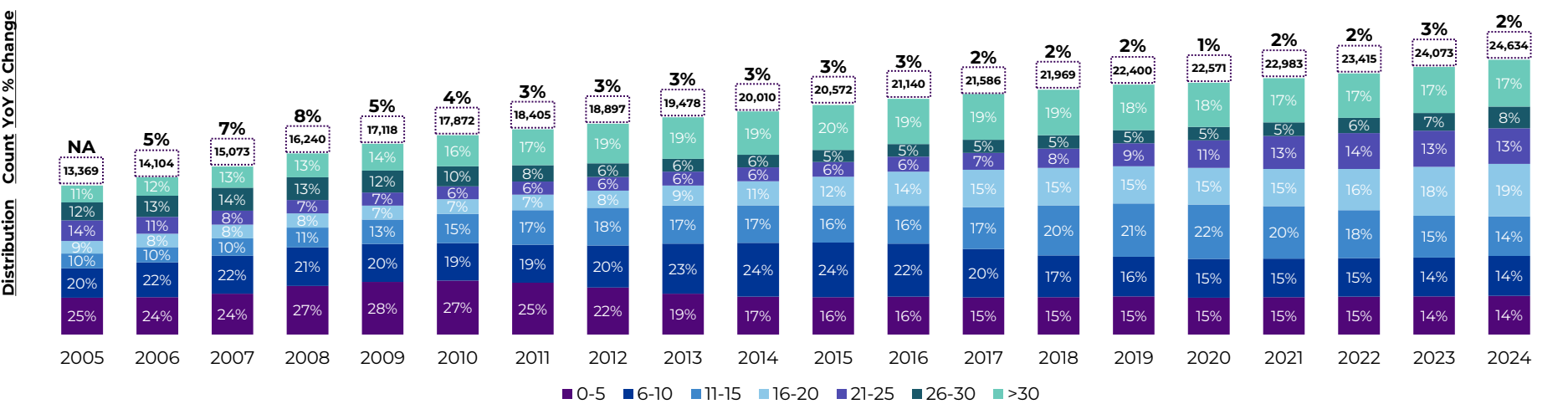
TSA CHECKPOINT DATA AND BUSINESS JET VOLUMES RELATIVE TO CORRESPONDING QUARTER IN 2019



GLOBAL BUSINESS JET FLIGHTS VERSUS DELIVERIES 2005 – 2027



HISTORICAL BUSINESS JET FLEET – BY AGE (YEARS)



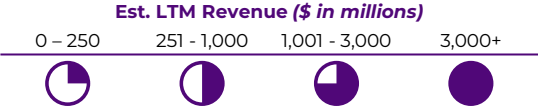
OVERVIEW OF THE AFTERMARKET ECOSYSTEM

SELECT MARKET PARTICIPANTS

Company	Backing (Year of Investment)	Business Sizing (Revenue Based)	Markets			MRO Capabilities			Asset Management		
			Commercial	Business Jet	Military	Engine	Airframe	Components & Avionics	USM	Parts Distribution	PMA

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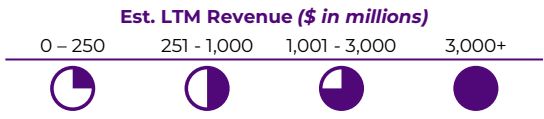


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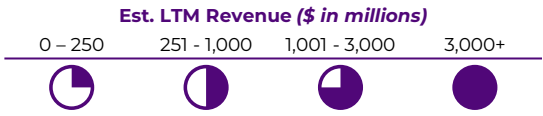


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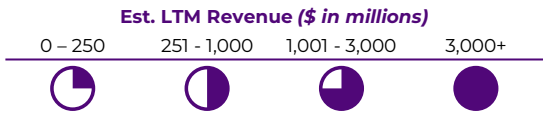


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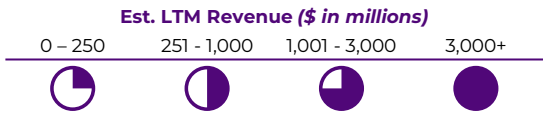


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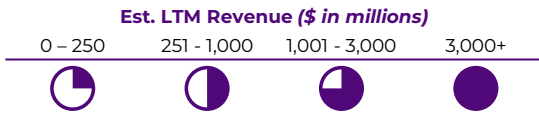


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ENGINE MRO

OVERVIEW

- Engines are the most valuable part of an aircraft from an MRO perspective
- Popular engine manufacturers include CFM International, GE Aviation, Pratt & Whitney, and Rolls-Royce
- StandardAero, a leading engine MRO provider, generated ~\$4.8bn LTM revenue, with about half from commercial airlines
- For a complete aircraft overhaul, engine maintenance typically takes three to six weeks (or more)
- As an aircraft reaches the end of its useful life, the engines are typically stripped and resold before the plane is recycled
- Engine overhaul shop visits are expected to reach ~8,800 and ~9,000 in 2024 and 2025, respectively
- ~60%-70% of commercial aircraft engine maintenance is handled by third-party providers, while the remaining ~30%-40% is managed in-house by airlines with the necessary technical capabilities

CURRENT THEMES

- As next-generation engines begin their maintenance cycles, the cost per visit will increase because of the new advanced materials they require; costs will also be higher while repairs are developed for these engines
- Next-generation engines also have yet to match the on-wing performance of their predecessors; they currently experience shorter cycles between shop visits, which make them more expensive to service over the forecast period
- Pratt & Whitney's 2023 engine complications with its GTF platform have significantly impacted airlines globally, necessitating the extended grounding of aircraft and thus reducing fleet utilization rates
- Constraints are expected to persist through 2030

SAMPLE SOLUTIONS



Aircraft on Ground Support



On-Site Services



Engine Leasing



Parts Repair



Engine Trend Monitoring



Engine Fleet Management

SELECT MARKET PARTICIPANTS

Public

Private Companies

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AIRFRAME MRO

OVERVIEW

- Airframe maintenance is calendar-driven, offering predictable revenue visibility and creating consistent demand for maintenance providers, especially when regulatory requirements are considered
- Airframe MRO is the slowest-growing segment, with an annual growth rate of 0.6% over the 10-year forecast period
 - Despite fleet expansion, demand for airframe services is expected to remain stable due to next-generation composite structures requiring less frequent maintenance compared to predecessors
- In 2025, global annual costs for airframe MRO are expected to reach \$22.8 billion, positioning it as the second-most costly maintenance category, following engines
 - Airframe MRO costs are anticipated to increase to \$23.3 billion by 2030

CURRENT THEMES

- With so many new entries into service over the forecast, coupled with retiring older fleets that once required larger work packages at each visit, base maintenance will essentially be flat moving forward
- Being driven by a calendar-based maintenance schedule, airframe maintenance is less adversely affected by the GTF engine issues; operators may take advantage of an aircraft's downtime to conduct more comprehensive inspections, thereby reducing overall maintenance needed once the aircraft is back in service
- There is an upward trend in airlines outsourcing airframe MRO activities to third-party providers to reduce costs and focus on their core operations
- Use of composite materials in airframe construction is increasing
 - As use of composite materials grows, MRO providers are investing in training and equipment to repair these new composite airframes

SAMPLE SOLUTIONS



Airframe Corrosion Removal and Repair



Heavy Airframe Maintenance



Complete Interior Removal / Installation



Airframe Crack Repair



Protective Airframe Coating



Control Surface Balancing and Alignment

SELECT MARKET PARTICIPANTS

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Private Companies

COMPONENT MRO & AVIONICS

OVERVIEW

- Component maintenance can be considered a hybrid of maintenance philosophies — with some components such as auxiliary power units, thrust reversers, and landing gear managed like engines, while other parts are highly utilization-based and treated more like line maintenance
- The component MRO market is primarily influenced by utilization rates and is distinguished by its elevated profit margins
- In 2025, global annual costs for component MRO are projected to reach \$21.1 billion, with a ten-year forecast anticipating growth to \$32.5 billion, representing a CAGR of 4.3%
- Parts manufacturers compete with large OEMs (e.g., General Electric, RTX, TransDigm) to manufacture components that uphold FAA specifications by pricing replacement components at a 30%-40% discount to OEM list prices

CURRENT THEMES

- Due to GTF engine issues, component maintenance costs have decreased by over \$500 million in 2024, primarily attributed to the number of parked aircraft
 - By 2026, with the most affected aircraft returning to market, the annual impact will drop to approximately \$250 million
- The component MRO sector is projected to experience significant consolidation and M&A activity due to rising costs
- Advancements in AI and technology are significantly enhancing component MRO efficiency
 - The use of digital twins – advanced data sensors strategically placed throughout the aircraft – enables real-time performance monitoring; this innovative approach allows MRO providers to track physical components in flight, facilitating early detection of maintenance issues and enhancing operational safety

SAMPLE SOLUTIONS



Engine Mount Repair



Cockpit Tray Table Repair



Avionics Maintenance



Accessories Repair



Hydraulic / Pneumatic Repair



Landing Gear Repair

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Private Companies

USED SERVICEABLE MATERIAL (“USM”)

OVERVIEW

- USM provides a sustainable option for replacing aircraft parts without manufacturing new components
- As USM may wear out sooner than new parts, it is often ideal for older aircraft nearing the end of their service lives. Since these planes are already close to retirement, investing in new parts is often unnecessary and less cost-effective
- Primary methods that operators use to acquire USM:
 - Source replacement parts from their own retired aircraft
 - Purchase USM from retired aircraft of other operators
- The USM market is influenced by various factors, including the availability of retired aircraft, demand for MRO services, and competitive pricing; the presence of numerous USM providers intensifies competition, leading to better pricing options for airlines and MRO providers

CURRENT THEMES

- Supply chain issues are driving an ultra-competitive market for USM
 - “We’ve seen a 50% year-over-year increase in demand from this time last year, so the USM market is definitely hot”
 - David Greenwell, SVP at AerFin (September 2024)
- Despite growing demand, the USM market has faced challenges as parts such as green-time engines for popular models like the Airbus A320 and Boeing 737NG have become scarce. Operators are choosing to reuse these engines instead of parting them out, which limits the availability of used parts. This scarcity has increased demand and competition among USM providers, driving bid prices higher
- Increased demand due to cost efficiency: Airlines and MRO providers are increasingly turning to USM to reduce maintenance costs. The cost savings from using USM parts instead of new ones is a significant driver

SAMPLE SOLUTIONS



Expendable and Standard Parts



Components and Line Replaceable Units



Batteries and Chargers



Engine Parts



Interior Parts



Avionics and Instruments

SELECT MARKET PARTICIPANTS

Public

Private Companies

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PARTS DISTRIBUTION

OVERVIEW

- Aircraft parts distribution businesses support a variety of aircraft makes and models across various aviation markets. Some key aspects include:
 - Extensive inventory:** For example, Boeing's Distribution Services business manages an inventory of over 15 million parts, including OEM parts, USM, and Boeing proprietary parts. This extensive inventory supports commercial, general, business, and military aviation needs
 - Global network:** Distribution networks are positioned with locations worldwide, sometimes utilizing a hub-and-spoke model to ensure that parts can be delivered quickly and efficiently
 - Diverse offerings:** Firms offer a wide range of products and services, including parts, kits, and customized packages
 - E-commerce and B2B Integration:** Many businesses also have an e-commerce platform that allows customers to purchase parts online, streamlining the procurement process
- The goal of a successful parts distribution business can be to maximize parts availability while minimizing inventory costs and operational complexity. Managed inventory and repair programs are designed to help customers achieve these objectives

CURRENT THEMES

- Firms like Proponent utilize predictive analytics and AI to share insights about demand, sales, and distribution with customers, helping them make informed decisions; the same tools can also be used to optimize inventory levels and reduce operational complexity
- Collaborative supply chain models, where firms share data and offer integrated material management and repair programs, are also gaining popularity
- Airlines continue to update their fleets to enhance fuel efficiency and lower maintenance expenses; this process includes swapping out older aircraft for newer models, which can temporarily decrease the average fleet age. Distribution companies are essential in this fleet transition, supplying parts for both the decommissioned older aircraft and the newly acquired models
- As the MRO market expands due to the ongoing need for regular maintenance and repairs, the demand for aircraft parts increases accordingly, this growth provides a consistent flow of business for parts distribution companies, and older aircraft fleets require more frequent maintenance, which further boosts the demand for replacement parts and components

SAMPLE SOLUTIONS



Part Kits



Parts Packages



Rotables and Exchange



Custom Engineered Parts



OEM Parts



Tailored Parts Packages

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Private Companies

PARTS MANUFACTURER APPROVAL (“PMA”)

OVERVIEW

- PMA is a combined design and production approval for modification and replacement articles; it allows a manufacturer to produce and sell these articles for installation on type-certificated products
- This approval ensures that the parts meet stringent safety and quality standards, making them eligible for installation on certified aircraft
- While PMA had been utilized minimally since the 1950s, utilization began to expand rapidly in the early 1990s when the FAA began an "Enhanced Enforcement" program targeting unapproved parts; prior to 1990, the FAA had issued fewer than 2,000 PMAs annually but has issued ~30,000 approvals each year since. Even with its significant growth, it is estimated that PMA still only represents 1.5%-2.5% of total industry commercial aftermarket dollars

CURRENT THEMES

- Companies with exposure to the manufacture of PMA non-OE aerospace parts have benefitted from strong aero aftermarket growth over the last several years driven by the slow ramp of new aircraft deliveries and increased utilization of older aircraft
- High PMA penetration is an idiosyncratic growth driver above and beyond long-term commercial aerospace aftermarket growth drivers
- Firms stand to benefit from the increase in the global fleet age post-pandemic, as well as sharp increases in prices of new parts and airline maintenance expense. The PMA penetration trend is expected to continue, but a declining fleet age could be more of a headwind on average (though each aftermarket company has nuances to their exposure); however, in some instances, this may not pose a headwind, as replacement aircraft like 737 MAX and A320neo have a high level of similarity outside of the engines

SAMPLE SOLUTIONS



Engine Components



Filtration Products



Fluid Controls



Control Sensors



Thermal Insulation



Sealing Systems

SELECT MARKET PARTICIPANTS

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BUSINESS AVIATION

OVERVIEW

- Business jets are segmented into light, midsize, super midsize, large cabin, ultra-long-range, and executive airliners
- Over the last 30 years, ~720 new business jets have been delivered annually on average
- The U.S. has remained a global leader in the business jet fleet
 - From 2000 through 2024, the global business jet fleet has grown at a 3.2% CAGR, with non-U.S. markets growing at 4.4% and the U.S. market growing at 2.6%
 - There were approximately 24,000 business jets worldwide in 2024, of which 66% were in the United States
- Gulfstream (General Dynamics) leads in revenue and backlog, followed by Bombardier, both benefiting from their focus on the business jet market within the OEM segment

CURRENT THEMES

- The COVID-19 pandemic catalyzed a shift towards private aviation, leading to structural changes that will support sustained operations in the long term as individuals who initially turned to private aviation out of necessity increasingly recognize its value proposition
- Labor shortages and capacity constraints faced by commercial aviation have positively contributed to a heightened reliance on private aviation
- Trend towards private aviation MRO consolidation:
 - As private aviation continues to grow, major business-jet MRO providers are seizing the opportunity to acquire smaller service firms, thereby enhancing their service offerings and expanding their geographic reach
 - Firms like West Star Aviation (Sterling Group) illustrate this trend, as evidenced by its October 2023 acquisition of Jet East
- Wealth creation in Asia Pacific and LATAM are key drivers for bizjet delivery growth long-term

SAMPLE SOLUTIONS



Light Jet
(~6-8 Passengers)



Midsize Jet
(up to 10 Passengers)



Super Midsize Jet
(up to 14 Passengers)



Heavy Jet
(up to 19 Passengers)



Ultra-Long Range Heavy Jet
(up to 19 Passengers)



Executive Airliners
(~20-50 Passengers)

SELECT MARKET PARTICIPANTS

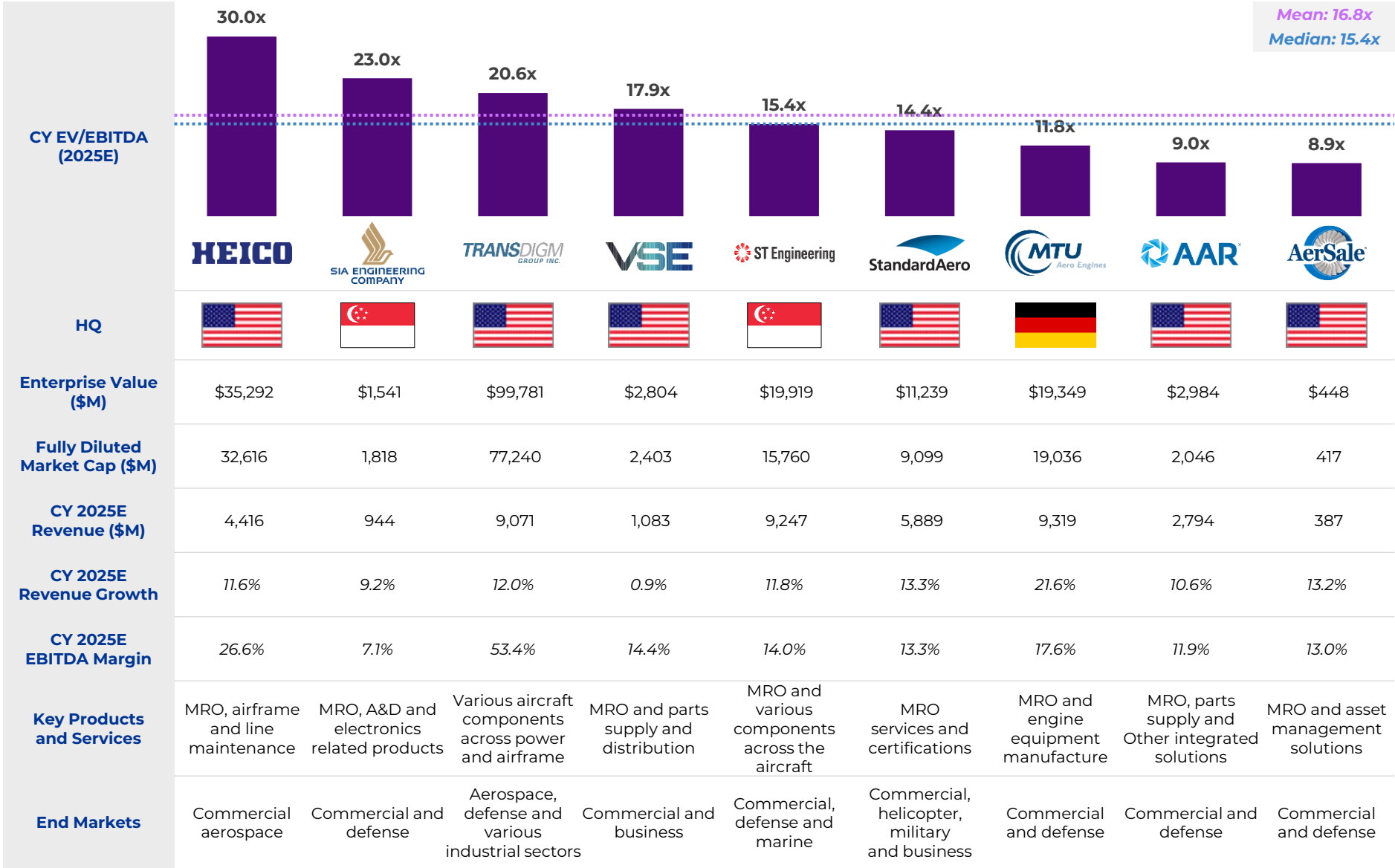
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Private Companies

SECTOR VALUATION AND M&A DYNAMICS

SELECT PUBLICLY TRADED COMPARABLE COMPANIES



Mean: 16.8x
Median: 15.4x

STANDARD AERO

STANDARD AERO'S OCTOBER 2024 IPO RESULTED IN A PREMIUM VALUATION

COMPANY OVERVIEW

- Aftermarket maintenance provider focused on engine and component repair services for fixed and rotary wing aircraft, serving the commercial, military, and business aviation end-markets
- Maintains a highly diversified customer base among major engine OEMs, ranking as the #1 or #2 provider on platforms that accounted for 80% of engine services in 2023
- Headquartered in Scottsdale, Arizona, with 49 primary facilities worldwide, and additional strategically located regional service and support centers
- Driving continuous growth through broad capabilities and strategic investments in both LEAP and CFM56 engines, as the exclusive independent LEAP CFM-branded service agreement license holder in the Americas

DEAL COMMENTARY

"There's a lot of public equity investor appetite for (aerospace aftermarket) sector exposure and investors appreciate the quality of StandardAero's business, so as we evaluated alternatives, particularly given our conviction in the long-term outlook for the business, we concluded that the IPO was the best path for us and for the company."

"The company will continue to generate additional growth from strategic mergers and acquisitions"

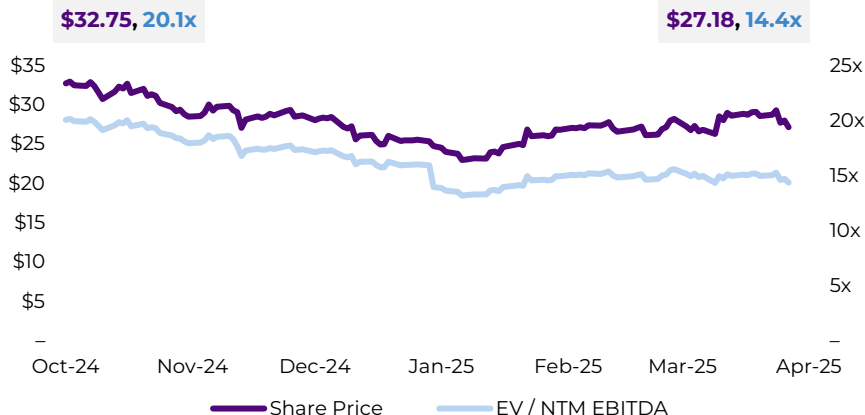
- Doug Brandely, Partner, Carlyle

"Well positioned for current A&D trends, but valuation appears full"

"We initiate coverage of StandardAero with a Neutral rating and \$34 12-month price target. We see many favorable aspects, from SARO's pureplay engine aftermarket exposure with end-market tailwinds like an older fleet amidst depressed new aircraft deliveries, to outgrowth potential from key engine platforms like LEAP and CFM56 which alone drive 15% revenue growth by 2028E. That said, at 16.5X our 2025 EBITDA, valuation already appears to reflect robust multi-year growth"

- UBS Equity Research, October 28, 2024

SHARE PRICE AND EV / NTM EBITDA^(a)



Source: CapitalIQ as of 3/28/2025

Note: Enterprise value includes financial lease liabilities for GAAP reporting companies and all lease liabilities for IFRS reporting companies

a) NTM EBITDA estimates became available on 10/28; therefore, the 10/28 estimate is used for the trading days between 10/2 and 10/27

INDUSTRY THEMES AT PLAY

- ✓ Aging aircraft fleets require more frequent maintenance, which further boosts the demand for MRO services
- ✓ Increased investor interest in companies specializing in aftermarket services, as these businesses are poised for significant long-term growth
- ✓ StandardAero's growth strategy has included multiple acquisitions in adjacent areas, positioning the company as a more diversified player in the aftermarket industry
- ✓ Becoming a public company gives StandardAero broader financing and business partnership options, supporting its strategic initiatives and market share expansion

SELECT RELEVANT PRECEDENT TRANSACTIONS

AERO AFTERMARKET ASSETS HAVE RECENTLY TRADED FOR ~12X EBITDA ON AVERAGE, THOUGH THE RANGE IS WIDE (BASED ON PUBLICLY AVAILABLE MULTIPLES ONLY)

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Target	Acquiror	Ann. Date	Product Focus Area	Key End Markets
Kellstrom Aerospace	VSE Corp	Oct-24	MRO services and aircraft parts and replacement components	Commercial aerospace
Triumph Product Support ^(a)	AAR	Dec-23	Specialized maintenance, repair and overhaul	Commercial and defense
MB Aero-space ^(b)	Barnes Group	Jun-23	Aero-engine components and repair services	Commercial and defense
Wencor ^(c)	Heico	May-23	Aircraft parts and replacement components	Commercial and military
West Star Aviation	Sterling Group	Mar-22	MRO services and airframes	Business
Dart Aerospace	Transdigm	Mar-22	Aftermarket helicopter and aircraft parts	Helicopter, civil and military
ITP Aero	Bain Capital	Sep-21	Engine components and gas turbines	Commercial and defense
Signature Aviation (ERO) ^(d)	Standard-Aero (Carlyle)	Feb-21	Aftermarket engine MRO	Commercial aerospace
Bombardier Aero-Structure	Spirit Aero-Systems	Oct-20	Repairs aero-structures and components	Commercial and defense
Wesco Aircraft Holdings	Pattonair	Aug-19	Supply chain mgmt and various components	Commercial and defense
Ontic	CVC	Jul-19	Supplier of spare aircraft parts	Airframe, commercial and military
Standard Aero	Carlyle	Dec-18	MRO services and certifications	Commercial, helicopter, military and business
KLX	Boeing	Dec-17	Fasteners, consumables and logistics services	Business, commercial and defense
Pattonair	Platinum Equity	Aug-17	Sources and distributes components	Commercial and defense
Herndon	KLX	May-16	Aftermarket consumable hardware	Aftermarket commercial and defense
Standard-Aero	Veritas	May-15	MRO services and certifications	Commercial, helicopter, military and business

Source: Company filings, investor presentations and other disclosures

Note: Some multiples are estimates based on news articles

a) Pre-synergies but includes tax benefit for FY Mar-24; 9.9x incl. synergies and 13.2x excl. synergies and tax benefits

b) Reflects metrics for CY2023E

c) Based on 2023E; includes tax benefits expected to be realized through FY 2038 but excludes expected synergies

d) Reflects CY2019A EBITDA

SELECT PRIVATE EQUITY ACTIVITY IN 2024

Solomon Advisory Role

Announcement Date	Target	Acquirer	Target Description
Nov-24			Stocking distributor of aerospace replacement parts, specializing in high-precision bearings
Nov-24			Provider of testing and MRO services for avionics, electronics, electro-mechanical components, and indicators
Oct-24			Provider of maintenance, repair, and overhaul services focused on aircraft auxiliary power units and other aeroengine components
Oct-24			Wide range of aftermarket, MRO, and distribution solutions to the aviation and defense industries
Oct-24			Provider of manufacturing and engineering capabilities, automation solutions, and applied technologies for several industries, including aerospace
Sep-24			Aircraft maintenance provider based in Wichita, Kansas
Sep-24			Icon is a repair station specializing in avionics, accessories and electronics; TAG is a repair station offering APU repair and overhaul, outright sales, leasing, and exchange services to the aerospace industry
Sep-24			Provider of aircraft storage, disassembly, and transition services
Aug-24			England-based global supply chain solutions provider for the aerospace engine maintenance, repair, and overhaul market
Aug-24			Provider of maintenance, repair, and overhaul services and consultative repair solutions for military engines and accessories
Jul-24			Provider of aircraft maintenance solutions for the global commercial airline industry
Jun-24			Maintenance, repair, and overhaul services provider
May-24			Provider of aircraft MRO, modification, flight training, logistics support, and supply chain management services to the U.S. Government
May-24			Supplier of hardware, electrical, chemical, and consumable products and services to global OEM and aftermarket aerospace customers
May-24			Provider of OEM licensed parts and repair services for established aerospace technologies
Apr-24			Segers provides maintenance, repair, and overhaul services on mission-critical military platforms
Feb-24			Provider of MRO services for pneumatic, fuel, power generation, electromechanical, hydraulic, oxygen, and galley components

BAIN CAPITAL / MRO HOLDINGS



strategic investment in



BAIN INVESTED IN MRO HOLDINGS IN 2024 TO FORM A WORLD-CLASS PARTNERSHIP

OVERVIEW OF MROH

- MROH is a leading aircraft maintenance solutions provider for the global commercial airline industry
- Focus on airframe maintenance, modifications, conversions, and technical solutions
- Headquartered in Dallas with four customer maintenance facilities in El Salvador, Mexico, and the United States
- Performs approximately 10 million hours of aircraft maintenance and modifications for commercial airline customers annually

DEAL COMMENTARY

"This investment represents a major milestone in the Company's development and recognition of MROH's Americas strategy for aircraft maintenance. Bain Capital's aerospace and operational expertise will help further scale our platform, expand our capabilities through a mix of organic and strategic growth initiatives and continue MROH's track record of delivering exceptional service for our customers."

- Roberto Kriete, Chairman, MROH

"MROH has established itself as a world-class aircraft maintenance provider and is recognized across the industry for its dedicated partnership with customers and commitment to creating long-term value through its comprehensive services and solutions offering. We believe the Company is well-positioned to continue its upward trajectory and capitalize on attractive market opportunities and look forward to partnering with MROH and leveraging our global aviation industry experience to support the next phase of its growth strategy."

- Matt Evans, Partner, Bain Capital

TRANSACTION DETAILS AND SOLOMON'S ROLE

- On July 9, 2024, MROH announced that it had agreed to a strategic investment from Bain Capital to support the company's ongoing development and expansion of customer-centric initiatives
- Solomon Partners served as MROH's long-term financial advisor, guiding the company and its shareholders through a highly tailored process to find the right partner from a financial, operational, and cultural perspective
- Solomon's deep connections to financial and strategic participants in the aviation aftermarket and services ecosystem were integral to MROH selecting us as its trusted advisor and helping the company achieve a successful outcome

INDUSTRY THEMES AT PLAY

- ✓ Capitalizing on the aftermarket, repairs, and parts industry, which has an attractive profile and predictable trends
- ✓ Aviation maintenance is an attractive, predictable industry, as regulation dictates a time-based maintenance schedule
- ✓ Value proposition based on faster turnaround time by increasing aircraft availability for clients
- ✓ MROH stands to benefit from strong MRO market growth

SOLOMON PARTNERS OVERVIEW

SOLOMON IS ANCHORED IN A LEGACY OF INTEGRITY AND WISDOM

CULTURE OF GROWTH AND EXCELLENCE WITH SECTOR EXPERTS PROVIDING PREMIER SERVICE

WE ARE

the go-to advisors in the sectors we cover, bringing unmatched expertise to every transaction

180+
Investment Bankers

35+
Partners & MDs

\$300B+
Transaction Volume^(a)

5x+
Growth Since 2016^(b)

OUR PEOPLE

live and breathe the services and sectors they advise on, providing unparalleled analysis, understanding, and access

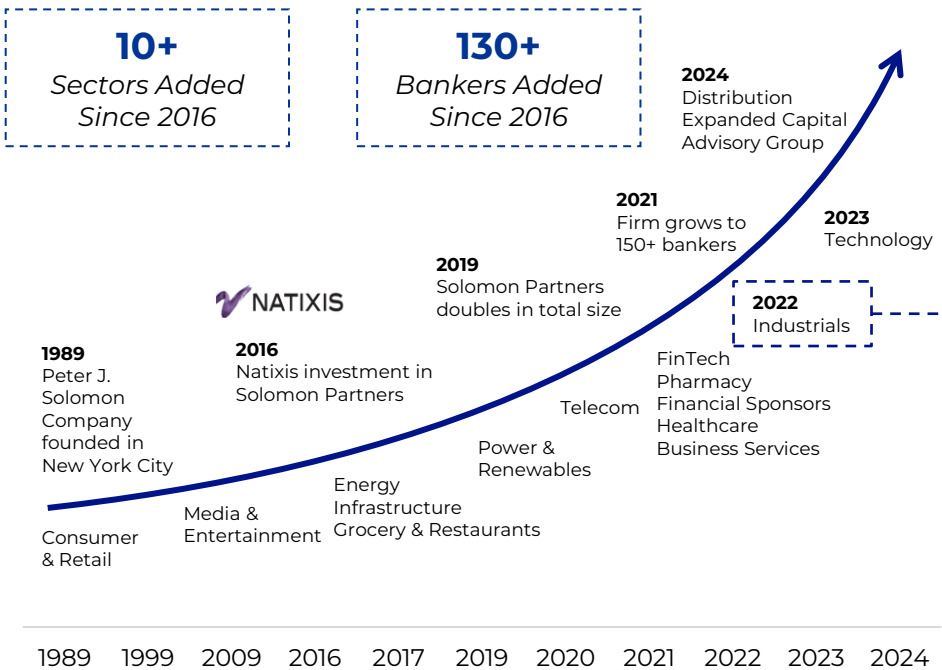
OUR PRIORITY

is tailored client service rooted in honesty and integrity

OUR REACH

is global through our partnership with Natixis, with access to coverage in Europe, the Americas, the Middle East, Asia, and Australia

STRATEGIC EVOLUTION WITH INVESTMENT IN DEEP SECTOR EXPERTISE



OUR INDUSTRIALS CORE FOCUS AREAS

- Aerospace and Aviation Services
- Capital Goods, Automation and Electrical Equipment
- Defense and Space
- Government Services
- Industrial Services
- Industrial Technology and Software
- Motion and Flow Control
- Transportation

a) Includes transaction volume completed by Solomon Partners bankers at their prior firms
b) Growth since 2016 measured by Solomon Partners banker headcount

OUR AEROSPACE & DEFENSE AND MISSION-CRITICAL INDUSTRIALS TEAM

AEROSPACE & DEFENSE AND MISSION-CRITICAL INDUSTRIALS ADVISORY



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SELECT RECENT SOLOMON PARTNERS CLIENT DEAL ACTIVITY IN AERO SERVICES

Acquisition of

- August 29, 2024 – Onex (TSX: ONEX) announced its acquisition of Farsound. The investment was made in partnership with Farsound's management team, led by Chief Executive Officer Chris Knott
- Headquartered in Brentwood, England, Farsound is focused on the procurement, supply, and inventory management of high-volume consumable hardware components for aerospace engine overhauls. Farsound operates out of four facilities in the UK, U.S., Canada, and Spain
- *"We are excited to partner with Onex for Farsound's next phase of growth. Onex shares our vision for growth of the business, and we have been impressed by both Onex' experience and track record of helping businesses realize their growth ambitions. We look forward to working together and amplifying Farsound's growth opportunity through our partnership."* - Chris Knott, Chief Executive Officer of Farsound

Investment in

- July 9, 2024 – Bain Capital announced its strategic minority investment in MRO Holdings to support the company's ongoing development and expansion of customer-centric initiatives
- Based in Panama with customer maintenance facilities in El Salvador, Mexico, and the United States, MROH is one of the leading MRO providers in the Americas, performing ~10 million hours of aircraft maintenance and modifications for commercial airline customers annually
- *"This investment represents a major milestone in the Company's development and recognition of MROH's Americas strategy for aircraft maintenance. Bain Capital's aerospace and operational expertise will help further scale our platform, expand our capabilities through a mix of organic and strategic growth initiatives and continue MROH's track record of delivering exceptional service for our customers."* - Roberto Kriete, Chairman of MROH

Acquisition of

- June 10, 2024 – Cognizant (NASDAQ: CTSI) announced its acquisition of Belcan, a portfolio company of AE Industrial Partners, for ~\$1.3 billion in cash and stock
- Belcan is an established player in engineering research & development (ER&D) that provides mission-critical digital engineering services for a long-standing customer base across the commercial aerospace, defense, space, marine, and industrial verticals, primarily in North America and the United Kingdom
- *"We believe that acquiring Belcan will strengthen Cognizant's position in the sizable and fast-growing ER&D services market. Belcan's deep engineering capabilities and domain expertise across the A&D market will be complemented by Cognizant's scale and own multi-decade digital engineering expertise, providing Belcan's blue-chip client roster access to our advanced AI, Cloud and Data technologies."* - Ravi Kumar S, Cognizant CEO

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