



2022-2023 Case Study

Background Information

To: Dallas XPX Members and Guests
From: Programming Committee
Re: Case Study for 2022-2023 Dallas XPX program year

Welcome to the 2022-2023 Exit Planning Exchange (Dallas Chapter) Case Study!

As an association of seasoned advisory professionals for business owners and their companies, we are all focused on delivering the highest level of subject matter expertise to our business owner clients. However, none of us can work in a vacuum; each of us is part of a collective team effort that must encompass a holistic approach to our clients and their needs. We embrace a strategic partnership working together with a variety of talented middle-market exit professionals who serve the community. Each engagement is unique, as are the facts and circumstances surrounding each of our client's unique needs, goals and objectives, from preparing their businesses for sale, to planning their legacy, to selling their business and beyond. As a result, there are no standardized answers or 'cookie-cutter' solutions.

With this in mind, Dallas XPX has attempted to create a '*typical*' business case of a business owner and some (but certainly not all) of the issues that the owner is facing when considering selling their business, and through the selling process. We will be using this as our 'client' for the year and will be building upon this case for each Dallas XPX event this year. Each event will focus on our 'client' so that there is consistency and continuity in the preparation process throughout the year. Below is our tentative schedule of events, each of which build upon the prior event, each with a focus on our 'client'.

May 24, 2022:	Strategic Options Overview / Case Setup
June 28, 2022:	Managing Family Dynamics – How Can the Family Prepare for Success?
September 8, 2022:	Wealth Management Planning – How Much Do I Really Need?
October 11, 2022:	Estate Planning Options – Focus on After-Tax Proceeds
November 8, 2022:	Business valuations – What Is the Business Really Worth?
December 6, 2022:	Year-End Holiday Party: Celebrating Our Go to Market Decision!
January 10, 2022:	Tax Minimization Strategies: Tax Favorable Deal Structures
February 7, 2022:	Due Diligence – War Stories & Pitfalls
March 7, 2022:	Investment Banking Process & Negotiation Strategies - The Journey to a Successful Closing
April 4, 2022:	Legal Documents: What Are They and What Do They Mean?
May 2, 2022:	Bank Loan Strategies: Is Your Business Bankable and Why? And How are Loans Used to Buy a Business
June 6, 2022:	Our Closing Cocktail Party! Mimosas & Bloody Mary's - A classic Celebration for a Successful Exit

While we hope you will attend the entire series of our meetings, you will learn something at each meeting, whether or not you have participated in prior sessions. We look forward to seeing you soon!



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To: Advisory Team
From: Bobby Ewing, CEO
SouthforkCo Manufacturing
RE: Planning for the Future

Thank you again for your time this morning to talk to us. I am glad that our mutual friend connected us.

Based on our conversation, I think we are prepared to move forward with you in helping us plan for a transition here at SouthforkCo, and we are glad to have you on the team. As promised, here is some information and background that will help you understand our situation and our goals.

Business Overview:

The SouthforkCo Manufacturing Company ("SouthforkCo") was founded in 1937 by Jim Davis, my grandfather. My father, J.R. Ewing, started in the company in 1946 as a machinist after high school. Jim was so impressed with my father's skill, dedication, and tenacity that he continued to promote him over the years. When Jim passed away in 1954, my father bought the company from the estate and continued to grow the company until 1982, when I took over for him as President and CEO. I, too, had gotten my start on the factory floor and worked my way up through the ranks. My dad, magically in retirement, struck gold in the oil business and grew his empire, residing at his famed Southfork Ranch with his wife, Sue Ellen, bless her heart, but that's a story for another day.

My dad J.R. passed away a few years later in 1998. In 2008, during the low point of the last economic cycle, I bought out my brother's share of the business, so now I own 100% of the company. However, as part of the settlement, he kept the real estate, and we now have a long-term lease with him. That may be a good thing, because we suspect there may have been some issues on the site many years ago—nothing serious, but as they say, "not our problem."

SouthforkCo is a machine shop that focuses on high-value-added manufacturing for highly technical aerospace components. We are a key supplier to the large aerospace manufacturers (Lockheed Martin, Boeing, Airbus, Raytheon Technologies, and Northrop Grumman) who rely on us for our unwavering commitment to quality and a high degree of personal service. I maintain strong personal relationships with each of our core clients, and I see them all socially as well. Most of these relationships go back to when my father ran the business.

Attached are our summary financial statements that were prepared by our controller and blessed by my accountant (who happens to be my brother-in-law). My accountant suggested that we convert to an S Corp a couple of years ago to prevent "double taxation." Not sure if this changes anything.....

Operations Overview:

We are in a competitive industry where price and service matter. We try to be price-competitive but end up winning on our long-standing relationships and reputation for quality and service. We just do things better than our competitors.

We have a good management team, most of whom have been with me for 20+ years. They know their stuff cold. While I still make most of the big decisions, and step in when there is a problem, they manage most of operations and manufacturing, where I tend to focus on the financials and customer relationships. I still get my hands dirty on the factory floor when I need to, as that is where I grew up.

My son Robert (Bobby “Robert” Ewing II) is being groomed to take over the business, and he is exceptionally smart and talented. He is a bit of risk taker, but he has really driven our top-line growth over the last couple of years. In a few years, I will start to transition the business to him, but would like to stay involved – just not the same amount that I am today.

We aren’t perfect, but we are in good shape. We had a couple of glitches over the years:

- One of our employees lost two of his fingers on the floor last year through his own carelessness. He is out on disability, and he claims he may never be able to work again, but we know better.
- Also, in the normal course of business, we are being sued by one of our former employees who claims that we are infringing on one of his new patents, but he is just trying to be a nuisance. We are not worried about it.

Human Resources & Benefit Strategies

We’ve always believed in giving back to our employees, and we haven’t changed much since when my father J.R. took over the business from my grandfather. We used to run payroll manually and “graduated” to spreadsheets in the late 90’s, but we’ve stepped up our game of late and use Gusto payroll to run our bi-monthly payroll management payroll. Our manufacturing and shop floor employees are paid weekly, which creates a lot of work, and we’d like to get them on the same payroll cycle as our management employees. However, we just haven’t set aside the time to get this done. We also have payroll that seems too high in some months, and lower in others, and I think it has something to do with how it’s booked, but we’ll have to ask our CPAs.

We pay annual bonuses based on performance across the board, and while we have a formal process, we don’t leverage any software. It’s done largely “by hand” using MS Word documents, and each employee fills out a self-input form that gives their manager an idea of what they’ve done throughout the year, and what they’ve accomplished. The managers complete a performance review, and we get together in January to discuss bonus payouts, which are paid in February for the previous year’s work. It seems to work well.

We’re concerned that we’re not doing enough to retain our employees, especially the really critical ones that would need to stay if we sold the company. How do we keep them after the sale since they’ll be a valuable part of the company? With that said, I’m concerned a buyer may fire a bunch and use their employees, which I would not be happy about. We need to do something about this, but I’m not sure how we manage that situation.

The only other thing I can think of is we’ve had such long-term employees, and I’m pretty sure we don’t have anything legally set up with them, like an employment agreement, confidentiality agreements, and more. We do have an employee handbook, but it’s outdated, and we wrote it back in the late 1990’s since we worried about the Y2K bug, which amounted to nothing for us but at least got us our handbook.

We have a 401(k) retirement savings plan that we match 50 cents on the dollar, which has been really nice, but we don’t have a pension plan or anything other than that for our employees. We have holidays and vacation based on tenure, which is good, and a vacation accrual for days/hours not used throughout the year. Some employees have a pretty sizable amount owed to them if they quit, some 225+ hours of accrued vacation. I’m not sure what would happen to that if there was a sale, so it’s something to think about.

Strategic Objectives:

As we discussed, we have been approached by a large strategic player who wants to acquire us. We have not discussed valuation yet, but they seem really interested, and there are some potential cost savings

that could be realized if we put our companies together. They have approached us before, but they seem more serious this time.

They told me that they would be willing to pay an above market multiple and can close quickly because they would be buying only the assets of the business, but I don't really understand what that all means. I'm not sure I'd be getting the best price if we sold, even though it sounds like it might be a good deal. I am also a little worried that they might fire many of my long-term employees, who helped me build the company's value. Ideally, I would like to see them get a bit of a bonus when the deal closes for helping us get here. The good news is I haven't signed anything with them, so we're not contractually obligated to sell, but they seem hard pressed to advance the needle since they want to close quickly. I'm not sure that's the best strategy, because Jerry at the Cowboys Club said you want them competing for your business, but his son Stephen said you should strike while the iron's hot. Not sure what that all means either.

I was not contemplating selling, as I wanted to hand this down to my kids (two of whom are working their way through the management ranks, whereas one is more of an artist than a businessperson), as my father did for me. However, all my friends at church tell me now is a good time to sell and that valuations are sky-high. My wife and I think we should at least explore this in more detail. I also attached some of the information that a friend of mine gave me for valuation guidance (comparable public companies in my space). In looking at the spreadsheet, it looks more like benchmarking data, so we could compare SouthforkCo with companies like me, and see how I'm doing compared to them. I'm not sure this gives me any comparable sales information, but it's a start. Are we best-in-class, or do we have more work to do? Your advice would be greatly appreciated.

I was also asked to consider a private equity investor, but I honestly don't trust them. They don't know the business like I do, and I don't need some kid with an MBA telling me how to run my business.

Family Dynamics:

Your questions this morning were very thought-provoking, so I thought I would try to summarize some of our family dynamics:

- Bobby Ewing, President and CEO (me).
 - o Age: 67
 - o Married nearly 40 years to my lovely wife Victoria (39 years young, but officially 64)
 - o Three Children – see Below
- Bobby "Robert" Ewing II (Robert)
 - o Age: 45
 - o Currently my EVP of Manufacturing at SouthforkCo
 - o Married to Libby who is a marketing executive at a large CPG company
 - o One child – Bobby Ewing III (16) – Captain of his hockey team

- Ruth (Jones) Smalls
 - o Age: 44
 - o Divorced – Works part-time in the business in our marketing department
 - o Ex-Husband is paying child support and a small alimony, but not enough for her to live
 - o Three kids – Reece (15), Grace (13), Tommy Lee (11)
- Frederick (Rick) Jones
 - o Age: 41
 - o Fred is in construction working for a local contractor and musician
 - o Married to Janet who is a stay-at-home mom taking care of Sarah who has special needs
 - o Two kids – Freddy (12) and Sarah (11)

Wealth Management:

We have done well over the last few years since the housing crash of 2008. I have a couple million in the bank, but the business is the real asset of our family. We have our house here in University Park, and a modest vacation house on Lake Rockwall (we love having the kids every summer!). Clearly, Victoria and I have to support the kids a bit more than we expected, but we are happy to do it.

I have been using my college roommate as my stockbroker forever. He is a good guy and knows all of the family well. While performance could be better, I think he does a good job. In the past, we dabbled in real estate, but when the housing bubble crashed in 2008, we got out, but I wonder if we need to consider more investment strategies than just the stock market.

A few years ago, about the same time as I bought out my brother, I did some estate planning with a lawyer / friend from the Cowboy Club to make sure the kids are taken care of should something happen to me or Victoria, but we should probably update it now that the business has been doing so much better (since removing my brother). I don't remember what we set up, but it seemed pretty straight forward.

I'm not sure if our company agreement covers what will happen to the business if we pass away, from a buttoned-up legal perspective. I know I'd like Robert to run the company when I pass, but what happens to my ownership? Does it automatically transfer to Victoria? And if so, what ownership strategy makes the best sense for Robert. The reason I ask is because of the tax implications, which my CPA mentioned, but I'm not sure if she's strong enough in M&A transactions to know.

Another thought, and God forbid, but what if I'm incapacitated and cannot work anymore? I know Victoria doesn't want to be involved in the day-to-day decision-making, but if my ownership passes to her, does that mean she becomes the CEO even though I'm grooming Robert for the role? These are questions that are on my mind, so I've started doing some research on "succession" and planning for things like this beyond just life insurance for the kids, but we'll need some direction here. I've recently learned I need to consider how buy/sell arrangements work, so again, we'll need our advisors help on this.

Our lawyer and accountant have both been with us for years. They each have small local practices, where they do a little bit of everything. While they are not M&A specialists, they are good friends and have never steered me wrong.

If we were going to sell the business, we would need enough for us to live on for the rest of our lives, and make sure the kids (and grandkids) are taken care of. Ideally, we would like to retire to our lake house on Lake Rockwall (for the summers) and buy a place in Colorado (Victoria does not love these hot Texas summers as much as I do), and to travel a bit more. We have most of the toys we need, but I would love



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to have a bigger boat, too. I am not sure how much we need, but more is always better.

Lastly, my father passed away from lung cancer many years ago, and our family is very dedicated to the American Lung Association. We have a fundraiser every year in his memory, a casino night with a fantastic silent and live auction, and we all donate to the organization each year. I would love to be able to give a sizable donation there as well if we sell, or at least when we pass as part of our estate, but the estate tax laws, as well as taxes when you sell, are confusing. I'm not sure my CPA and wealth planner has all the answers here, so I'm looking to you as my advisors to help close the gap.

Is this something where you can help? Where do we go from here? What are the next steps?

I look forward to working with you and your team in helping us think about our strategic options.

INCOME STATEMENT (\$10k = \$10mm)

	2019	2020	2021	2022e	Comments
Revenue	\$32,563	\$36,568	\$40,115	\$47,095	
% Growth		12.3%	9.7%	17.4%	
Cost of Goods	\$22,045	\$26,000	\$27,359	\$30,141	
Gross Profit	\$10,518	\$10,568	\$12,757	\$16,954	
% Margin	32.3%	28.9%	31.8%	36.0%	
Operating Expenses	\$8,108	\$8,082	\$9,026	\$10,361	
Operating Profit	\$2,410	\$2,487	\$3,731	\$6,593	
% Margin	7.4%	6.8%	9.3%	14.0%	
Depreciation	\$549	\$720	\$913	\$1,020	
Interest	\$497	\$502	\$448	\$394	
EBITDA	\$3,456	\$3,709	\$5,092	\$8,008	
% Margin	10.6%	10.1%	12.7%	17.0%	
Owners Salary	\$850	\$850	\$850	\$850	
Private Company Expenses	\$150	\$150	\$150	\$150	
Adjusted EBTIDA	\$4,456	\$4,709	\$6,092	\$9,008	
% Margin	13.7%	12.9%	15.2%	19.1%	

BALANCE SHEET

	2019	2020	2021	2022e	Comments
Assets					
<i>Cash</i>	\$578	\$2,467	\$2,758	\$11,796	
<i>Accounts receivable</i>	\$3,889	\$3,657	\$5,237	\$3,925	
<i>Inventory</i>	\$8,683	\$8,837	\$9,472	\$9,812	
<i>Prepaid & Other Assets</i>	\$52	\$52	\$52	\$52	Rent Deposit and Loan to employee.
Total Current Assets	\$13,203	\$15,013	\$17,519	\$25,584	
PP&E (net)	\$8,235	\$8,715	\$9,151	\$8,881	Per CapEx schedule below.
Other Assets	\$117	\$117	\$117	\$117	Includes 1967 Shelby Cobra.
Total Assets	\$21,555	\$23,845	\$26,787	\$34,582	
Liabilities & Shareholder Equity					
<i>Equity</i>	\$1,715	\$2,167	\$2,204	\$2,512	
<i>Accounts Payable</i>	\$225	\$269	\$276	\$288	
<i>Accrued Expenses</i>	\$4,251	\$5,181	\$6,129	\$7,849	
<i>Deferred Revenue</i>	\$1,750	\$950	\$0	\$0	
Total Current Liabilities	\$7,941	\$8,567	\$8,608	\$10,649	
<i>Term Loan</i>	\$2,975	\$2,275	\$1,575	\$875	\$3.5m CapEx loan - Per schedule.
<i>Mortgage</i>	\$5,177	\$5,055	\$4,925	\$4,786	\$6m Mortgage 12 years into 30 yr. loan - Proceeds used to buy out brother
Long Term Debt	\$8,152	\$7,330	\$6,500	\$5,661	
<i>Common Equity</i>	\$1	\$1	\$1	\$1	
<i>Retained Earnings</i>	\$5,460	\$7,947	\$11,678	\$18,271	
Shareholder Equity	\$5,461	\$7,948	\$11,679	\$18,272	
Total Liabilities and Equity	\$21,555	\$23,845	\$26,787	\$34,582	

Assumptions

<i>AR Days</i>	43	36	47	30
<i>Inventory Days</i>	96	87	85	75
<i>AP Days</i>	28	30	29	30
<i>Accrued Expenses</i>	10	12	11	10
<i>Deferred Revenue</i>	47	51	55	60
<i>CapEx per Year</i>	\$950	\$1,200	\$1,350	\$750

CASH FLOW STATEMENT

	2019	2020	2021	2022e	Comments
Cash Flow from Operations					
Net Income		2,487	3,731	6,593	
Non-Cash Items		720	913	1,020	
Changes in Working Capital					
Accounts receivable		233	(1,580)	1,313	
Inventory		(154)	(634)	(340)	
Prepaid & Other Assets		0	0	0	
Accounts Payable		452	37	308	
Accrued Expenses		44	6	12	
Deferred Revenue		929	948	1,721	
Change in Working Capital		1,504	(1,223)	3,013	
Total Operating Cash Flow		\$4,711	\$3,421	\$10,627	
Cash Flow from Investing					
Capital Investment		(1,200)	(1,350)	(750)	
Cash Flow from Investing		(1,200)	(1,350)	(750)	
Cash Flow from Financing					
Other Assets		0	0	0	
Bank Line of Credit		(800)	(950)	0	
Term Loan		(700)	(700)	(700)	
Mortgage		(122)	(130)	(139)	
Cash Flow from Financing		(1,622)	(1,780)	(839)	
Beginning Cash Balance		578	2,467	2,758	
Net Free Cash Flow		1,889	291	9,038	
Ending Cash Balance		578	2,467	2,758	11,796

SouthforkCo Manufacturing

Comparable Company Coverage Universe

As of: 4/1/2022

US\$ millions

		<u>Market Information</u>		<u>LTM Financials</u>		<u>Operating Metrics</u>			<u>TEV to LTM</u>		<u>Debt / EBITDA</u>	<u>Current Ratio</u>
<u>Ticker</u>	<u>Company</u>	<u>\$ / Share</u>	<u>TEV</u>	<u>Revenue</u>	<u>EBITDA</u>	<u>Growth</u>	<u>GM%</u>	<u>EBITDA%</u>	<u>Revenue</u>	<u>EBITDA</u>		
4/1/2022												
Diversified Aerospace Cos												
UTX	United Technologies Corporation	\$89.72	\$98,109	\$64,038	\$12,358	-0.2%	28.3%	19.3%	1.66x	8.61x	1.8x	1.29
BA	The Boeing Company	\$127.44	\$86,067	\$94,944	\$9,479	7.4%	15.1%	10.0%	1.01x	10.11x	1.0x	1.17
HON	Honeywell International Inc.	\$95.96	\$75,330	\$39,362	\$7,111	-1.5%	29.2%	18.1%	2.08x	11.60x	1.4x	1.49
NOC	Northrop Grumman Corporation	\$159.37	\$34,485	\$23,945	\$3,585	-0.8%	23.7%	15.0%	1.47x	9.89x	1.8x	1.25
RTN	Raytheon Company	\$100.04	\$33,748	\$22,753	\$3,336	-0.7%	23.6%	14.7%	1.55x	10.56x	1.6x	1.54
SAF	Safran SA	\$76.56	\$34,137	\$18,956	\$3,454	17.3%	50.0%	18.2%	1.81x	11.90x	1.3x	0.83
RR.	Rolls Royce Holdings plc	\$11.15	\$21,630	\$21,791	\$2,647	2.3%	23.0%	12.1%	0.94x	6.94x	1.4x	1.34
TXT	Textron Inc.	\$37.17	\$13,498	\$13,846	\$1,606	8.5%	17.9%	11.6%	1.11x	9.84x	2.4x	1.99
FNC	Finmeccanica SpA	\$13.34	\$14,222	\$16,784	\$1,692	17.0%	36.5%	10.1%	0.89x	8.40x	4.0x	1.02
ZC	Zodiac Aerospace	\$30.18	\$9,901	\$5,047	\$652	10.9%	60.2%	12.9%	1.97x	15.30x	2.6x	1.48
	Mean	\$74.09	\$42,113	\$32,147	\$4,592	6.0%	30.8%	14.2%	1.45x	10.32x	1.9x	1.34
	Median	\$83.14	\$33,943	\$22,272	\$3,395	4.8%	26.0%	13.8%	1.51x	10.00x	1.7x	1.32
Defense Primes												
LMT	Lockheed Martin Corporation	\$197.62	\$66,568	\$45,398	\$6,146	1.3%	11.7%	13.5%	1.51x	10.61x	1.4x	1.21
GD	General Dynamics Corporation	\$138.89	\$44,205	\$31,779	\$4,632	4.1%	19.4%	14.6%	1.48x	10.30x	0.7x	1.24
LSE:BA.	BAE Systems plc	\$6.82	\$24,502	\$25,647	\$2,493	2.0%	57.0%	9.7%	1.01x	9.04x	2.1x	0.69
SAAB B	SAAB AB (publ.)	\$25.58	\$3,070	\$2,876	\$188	4.0%	24.5%	6.5%	1.03x	15.39x	3.7x	1.44
	Mean	\$92.23	\$34,586	\$26,425	\$3,365	2.8%	28.1%	11.1%	1.26x	11.34x	2.0x	1.15
	Median	\$82.23	\$34,353	\$28,713	\$3,562	3.0%	21.9%	11.6%	1.26x	10.45x	1.7x	1.23
Engines / Equipment												
MGGT	Meggitt PLC	\$7.50	\$6,900	\$2,561	\$562	5.3%	40.6%	21.9%	2.66x	11.70x	2.3x	1.82
ATI	Allegheny Technologies Inc.	\$18.58	\$3,428	\$4,265	\$314	6.8%	9.5%	7.4%	0.89x	12.07x	4.8x	2.68
HEI	HEICO Corporation	\$49.78	\$3,473	\$1,152	\$286	2.2%	35.8%	24.8%	3.20x	13.24x	1.0x	3.15
MAL	Magellan Aerospace Corp.	\$12.63	\$901	\$701	\$103	8.1%	17.1%	14.7%	1.50x	10.39x	1.8x	2.02
HRX	Heroux-Devtek Inc.	\$8.75	\$403	\$302	\$38	27.5%	16.3%	12.5%	1.31x	10.78x	2.8x	1.99
BZC	Breeze-Eastern Corporation	\$14.31	\$117	\$92	\$19	8.7%	41.8%	20.3%	1.05x	6.20x	0.0x	4.75
SIF	SIFCO Industries Inc.	\$12.98	\$87	\$106	\$5	-10.3%	17.9%	4.8%	0.79x	9.25x	7.6x	3.90
	Mean	\$17.79	\$2,187	\$1,311	\$190	6.9%	25.6%	15.2%	1.63x	10.52x	2.9x	2.90
	Median	\$12.98	\$901	\$701	\$103	6.8%	17.9%	14.7%	1.31x	10.78x	2.3x	2.68
Aerostructures & Components												
PCP	Precision Castparts Corp.	\$229.60	\$35,827	\$9,897	\$2,832	1.9%	31.9%	28.6%	3.19x	11.51x	1.9x	2.99
COL	Rockwell Collins Inc.	\$79.25	\$12,567	\$5,262	\$1,195	9.7%	30.6%	22.7%	2.53x	11.09x	2.0x	1.44
SPR	Spirit AeroSystems Holdings, Inc.	\$49.97	\$7,053	\$6,708	\$1,052	2.7%	17.1%	15.7%	1.13x	7.45x	1.1x	2.53
BEAV	B/E Aerospace Inc.	\$47.63	\$6,889	\$2,682	\$474	47.5%	39.1%	17.7%	2.68x	15.14x	4.5x	2.19
HXL	Hexcel Corp.	\$46.77	\$4,982	\$1,871	\$397	5.7%	28.4%	21.2%	2.76x	12.94x	1.3x	2.68
TGI	Triumph Group, Inc.	\$48.08	\$3,881	\$3,951	\$372	6.3%	19.2%	9.4%	1.10x	10.88x	4.2x	2.64
CW	Curtiss-Wright Corporation	\$63.91	\$3,713	\$2,222	\$397	0.6%	34.5%	17.8%	1.76x	9.67x	2.4x	2.87
WWD	Woodward, Inc.	\$44.06	\$3,592	\$2,041	\$361	2.4%	29.6%	17.7%	1.87x	10.59x	2.4x	3.08
MOG.a	Moog Inc.	\$61.23	\$3,085	\$2,574	\$346	-3.0%	29.0%	13.4%	1.27x	9.52x	3.1x	2.83
B	Barnes Group Inc.	\$37.07	\$2,443	\$1,243	\$274	4.1%	35.3%	22.0%	1.98x	8.86x	1.8x	2.52
AJRD	Aerojet Rocketdyne Holdings, Inc.	\$20.02	\$1,734	\$1,636	\$172	3.0%	14.2%	10.5%	1.18x	11.27x	4.2x	1.27
DCO	Ducommun Inc.	\$23.20	\$495	\$724	\$62	-1.6%	17.2%	8.6%	0.69x	7.36x	4.3x	3.03
LMIA	LMI Aerospace Inc.	\$11.83	\$425	\$376	\$43	-6.6%	20.2%	11.4%	1.05x	9.54x	6.4x	3.88
	Mean	\$58.66	\$6,668	\$3,168	\$614	5.6%	26.6%	16.7%	1.78x	10.45x	3.0x	2.61
	Median	\$47.63	\$3,713	\$2,222	\$372	2.7%	29.0%	17.7%	1.76x	10.59x	2.4x	2.68

SouthforkCo Manufacturing

Comparable Company Coverage Universe

As of: 4/1/2022

US\$ millions

Ticker	Company	Market Information		LTM Financials		Operating Metrics			TEV to LTM		Debt / Current	
		\$ / Share	TEV	Revenue	EBITDA	Growth	GM%	EBITDA%	Revenue	EBITDA	EBITDA	Ratio
											4/1/2022	

