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# Zacks Top Stocks: In Highly-Rated Aerospace & Defense

(And the sad tale of Boeing (BA) and its suppliers)

Part One: [Top Stocks by Market Capitalization](#)

Part Two: [Top Stocks by the Maximum Number of Analysts](#)

Part Three: [By Largest 1 Month % Change in Current Fiscal Year F1 EPS Estimates](#)

Presented by:

**John Blank, PhD**

Zacks Chief Equity Strategist and Economist

10/07/2024



# Review Table for the Computers & Technology Sector: With Stock Tickers, Company Names, & Market Capitalizations

In July 2023, Raytheon Technologies was renamed as **RTX Corp (RTX)**. On Apr 3<sup>rd</sup>, 2020, Raytheon Technologies was formed following the completion of merger between United Technologies and Raytheon.

**The Aerospace Zacks Industry Rank on Oct. 6<sup>th</sup> 2024?**

**50/252  
(Top 20%)**

Market Cap (in \$Millions) for Zacks Industry Code 38 – Aerospace & Defense

Tables with Tickers, Company Name, Market Cap., in \$Millions and Zacks Industry Codes

|                    |                |
|--------------------|----------------|
| Sector : Aerospace |                |
| Industry Names     | Industry Codes |
| Aerospace-Defense  | 38             |

Source : Zacks Investment Research

| Tickers | Company Name    | Market Cap., in \$Mil | Industry Code | Tickers | Company Name    | Market Cap., in \$Mil | Industry Code | Tickers | Company Name    | Market Cap., in \$Mil | Industry Code |
|---------|-----------------|-----------------------|---------------|---------|-----------------|-----------------------|---------------|---------|-----------------|-----------------------|---------------|
| RTX     | Rtx Corp        | 165002.89             | 38            | ASLE    | Aersale Corp    | 269.23                | 38            | HII     | Huntington Ingl | 10255.57              | 38            |
| LMT     | Lockheed Martin | 143777.55             | 38            | ERJ     | Embraer Air-Adr | 6351.00               | 38            | HXL     | Hexcel Corp     | 4998.89               | 38            |
| EADSY   | Airbus Group Nv | 111077.38             | 38            | EVTL    | Verticl Aerosp  | 136.07                | 38            | BA      | Boeing Co       | 94205.80              | 38            |
| SAFRY   | Safran Sa       | 98765.55              | 38            | TGI     | Triumph Grp Inc | 1017.62               | 38            | GD      | Genl Dynamics   | 83510.40              | 38            |
| BA      | Boeing Co       | 94205.80              | 38            | SAFRY   | Safran Sa       | 98765.55              | 38            | HEI     | Heico Corp      | 36815.76              | 38            |
| GD      | Genl Dynamics   | 83510.40              | 38            | DRS     | Leonardo Drs    | 7831.97               | 38            | SPR     | Spirit Aerosys  | 3825.24               | 38            |
| TDG     | Transdigm Group | 80942.37              | 38            | TDG     | Transdigm Group | 80942.37              | 38            | LHX     | L3Harris Tech   | 46413.27              | 38            |
| NOC     | Northrop Grumm  | 78807.19              | 38            | HEI     | Heico Corp      | 36815.76              | 38            | LDOS    | Leidos Holdings | 22254.70              | 38            |
| RYCEY   | Rolls Royce Plc | 58428.64              | 38            | HII     | Huntington Ingl | 10255.57              | 38            | LMT     | Lockheed Martin | 143777.55             | 38            |
| BAESY   | Bae Systems-Adr | 52299.26              | 38            | RKLB    | Rocket Lab Usa  | 4822.38               | 38            | NOC     | Northrop Grumm  | 78807.19              | 38            |
| LHX     | L3Harris Tech   | 46413.27              | 38            | TDY     | Teledyne Tech   | 20733.36              | 38            | RTX     | Rtx Corp        | 165002.89             | 38            |
| HEI     | Heico Corp      | 36815.76              | 38            | CW      | Curtiss Wright  | 12964.71              | 38            | CAE     | Cae Inc         | 6009.64               | 38            |
| HEI.A   | Heico Corp-A    | 28497.11              | 38            | EVEX    | Eve Holding Inc | 916.86                | 38            | KTOS    | Kratos Defense  | 3826.32               | 38            |
| LDOS    | Leidos Holdings | 22254.70              | 38            | AIRI    | Air Industries  | 19.19                 | 38            | TXT     | Textron Inc     | 16296.79              | 38            |
| TDY     | Teledyne Tech   | 20733.36              | 38            | EADSY   | Airbus Group Nv | 111077.38             | 38            | CW      | Curtiss Wright  | 12964.71              | 38            |
| MTUAY   | Mtu Aero Engine | 16794.32              | 38            | ATRO    | Astronics Corp  | 686.73                | 38            | EVEX    | Eve Holding Inc | 916.86                | 38            |
| TXT     | Textron Inc     | 16296.79              | 38            | BAESY   | Bae Systems-Adr | 52299.26              | 38            | RKLB    | Rocket Lab Usa  | 4822.38               | 38            |
| FTAI    | Ftai Aviation   | 13759.70              | 38            | CAE     | Cae Inc         | 6009.64               | 38            | TDY     | Teledyne Tech   | 20733.36              | 38            |
| CW      | Curtiss Wright  | 12964.71              | 38            | DCO     | Ducommun Inc De | 983.11                | 38            | ERJ     | Embraer Air-Adr | 6351.00               | 38            |
| HII     | Huntington Ingl | 10255.57              | 38            | EH      | Ehang Holdings  | 922.10                | 38            | FTAI    | Ftai Aviation   | 13759.70              | 38            |
| ESLT    | Elbit Systems   | 8993.90               | 38            | ESLT    | Elbit Systems   | 8993.90               | 38            | SPCE    | Virgin Galactic | 171.76                | 38            |
| DRS     | Leonardo Drs    | 7831.97               | 38            | FTAI    | Ftai Aviation   | 13759.70              | 38            | AIR     | Aar Corp        | 2348.36               | 38            |
| LOAR    | Loar Hldgs Inc  | 6568.10               | 38            | GD      | Genl Dynamics   | 83510.40              | 38            | ASLE    | Aersale Corp    | 269.23                | 38            |
| MOG.A   | Moog Inc A      | 6479.38               | 38            | LUNR    | Intuitive Machn | 944.85                | 38            | EADSY   | Airbus Group Nv | 111077.38             | 38            |
| MOG.B   | Moog Inc B      | 6341.50               | 38            | LOAR    | Loar Hldgs Inc  | 6568.10               | 38            | ACHR    | Archer Aviation | 1137.77               | 38            |
| CAE     | Cae Inc         | 6009.64               | 38            | LMT     | Lockheed Martin | 143777.55             | 38            | DRS     | Leonardo Drs    | 7831.97               | 38            |
| AVAV    | Aerovirement    | 5754.03               | 38            | MOG.A   | Moog Inc A      | 6479.38               | 38            | RDW     | Redwire Corp    | 452.44                | 38            |
| HXL     | Hexcel Corp     | 4998.89               | 38            | MTUAY   | Mtu Aero Engine | 16794.32              | 38            | RYCEY   | Rolls Royce Plc | 58428.64              | 38            |
| RKLB    | Rocket Lab Usa  | 4822.38               | 38            | RDW     | Redwire Corp    | 452.44                | 38            | SAFRY   | Safran Sa       | 98765.55              | 38            |
| KTOS    | Kratos Defense  | 3826.32               | 38            | RYCEY   | Rolls Royce Plc | 58428.64              | 38            | TGI     | Triumph Grp Inc | 1017.62               | 38            |

Note : List of Top Stocks by Market Capitalisation

Note : List of Top Stocks by Largest 1 Month Change in F1 Estimate

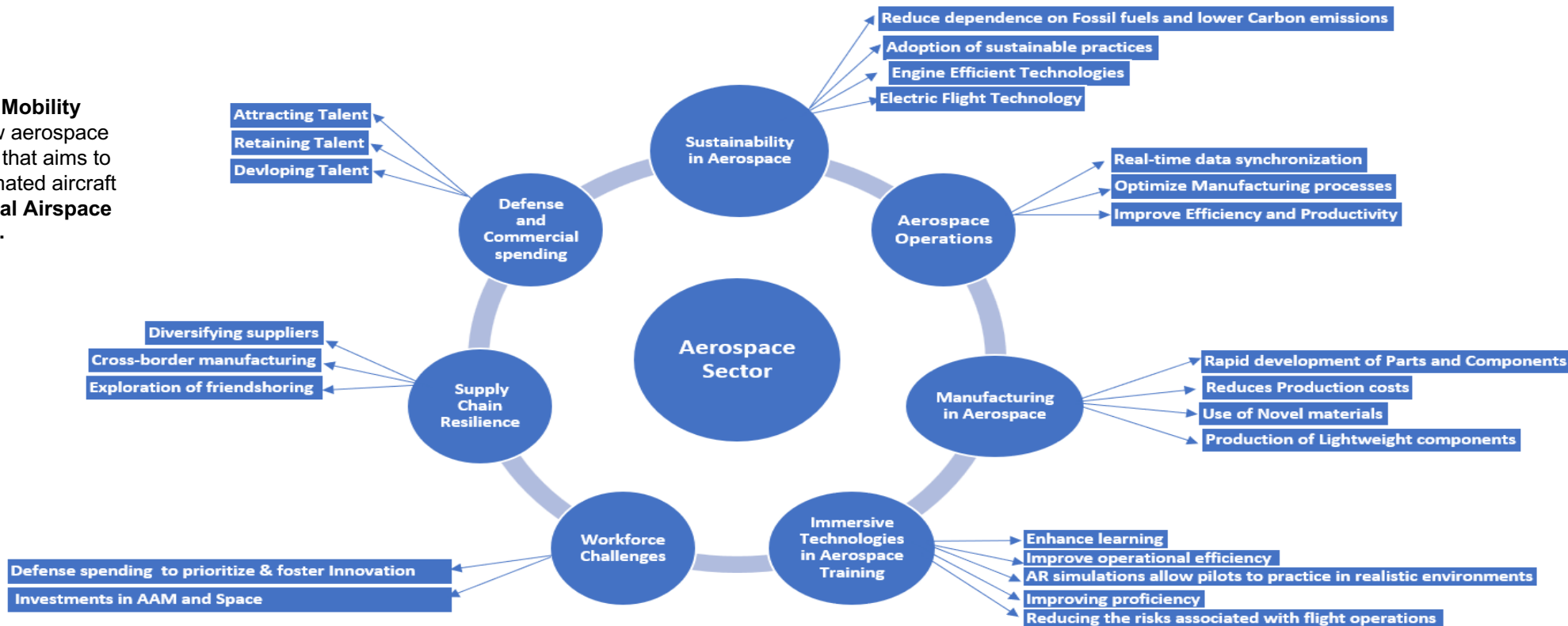
Note : List of Top Stocks by Max., # of Analysts following these Stocks

# The Latest Trends and Developments in the Aerospace Sector

*In the Age of Artificial Intelligence (AI)*

## Latest Trends and Developments in Aerospace (Defence) Sector in the Age of AI & ML

**Advanced Air Mobility (AAM)** is a new aerospace industry sector that aims to integrate automated aircraft into the **National Airspace System (NAS)**.



Source 1 : <https://saabrds.com/top-technology-trends-in-aerospace-and-defense-for-2024/>

Source 2 : <https://www2.deloitte.com/us/en/insights/industry/aerospace-defense/aerospace-and-defense-industry-outlook.html>

& Zacks Investment Research

# Part One: Top Stocks by Market Capitalization

*What broad current conditions should traders and investors be made aware of?*

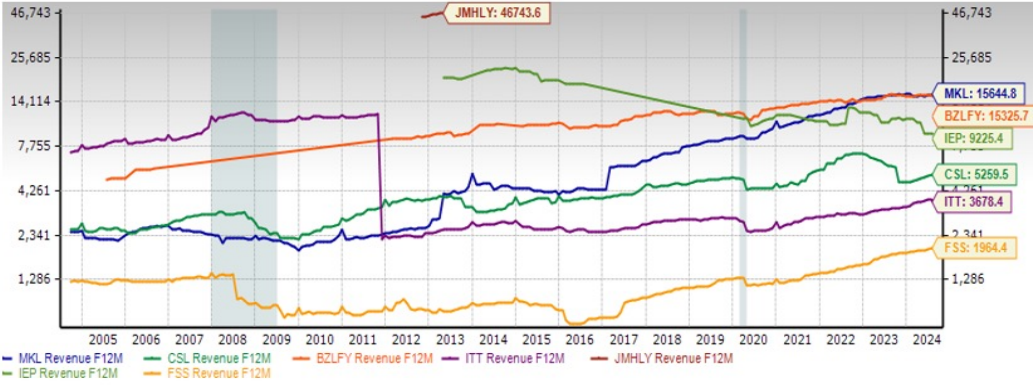


# Revenue F12M Charts for Top Stocks by Market Cap.

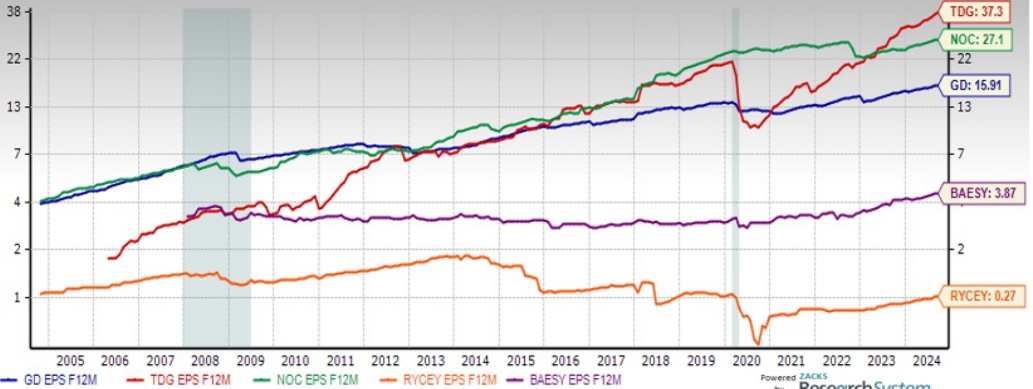
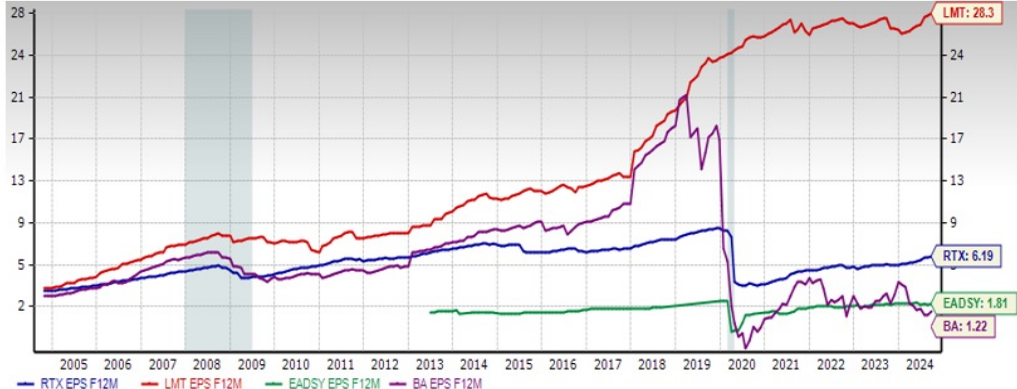
From the "Aerospace" Sector

Revenue F12M & EPS F12M Charts for Top 10 Stocks by Market Cap., from the "Aerospace" Sector

Revenue F12M



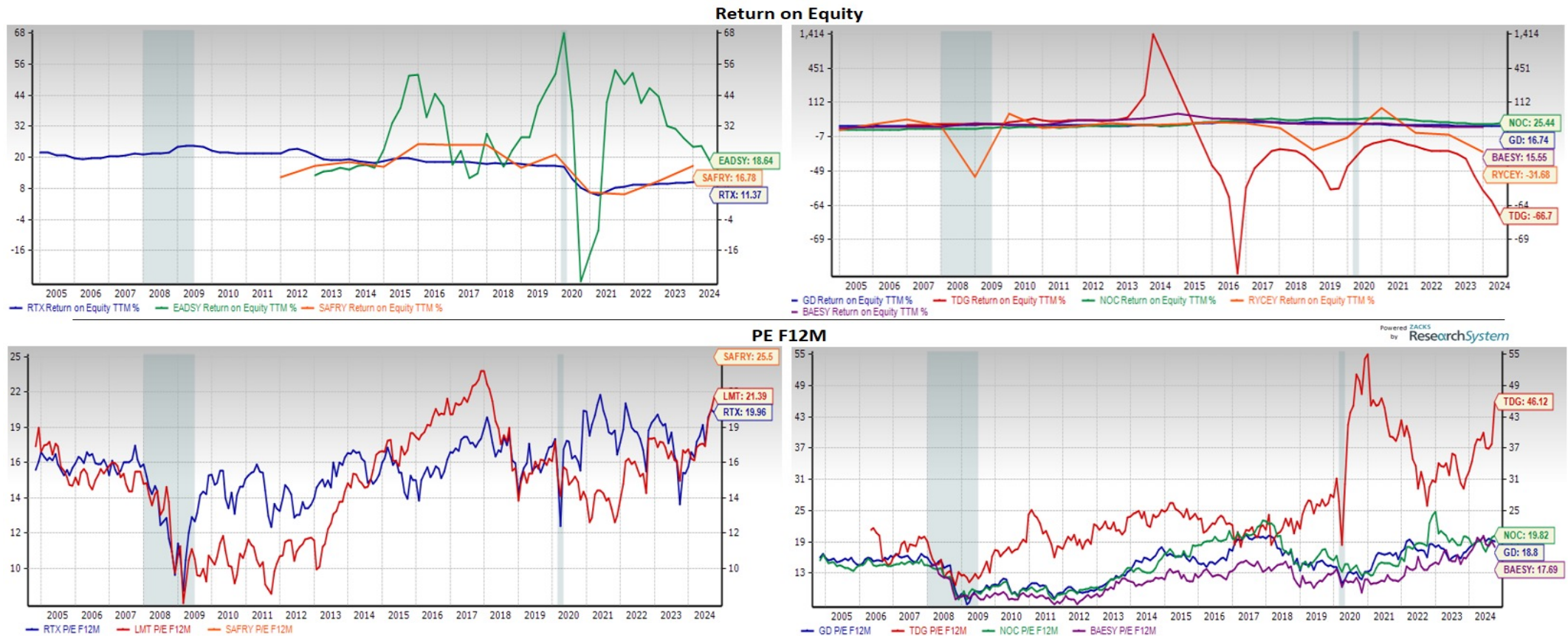
EPS F12M



# Return on Equity & PE F12M Charts for Top 10 Stocks by Market Cap

From the "Aerospace" Sector

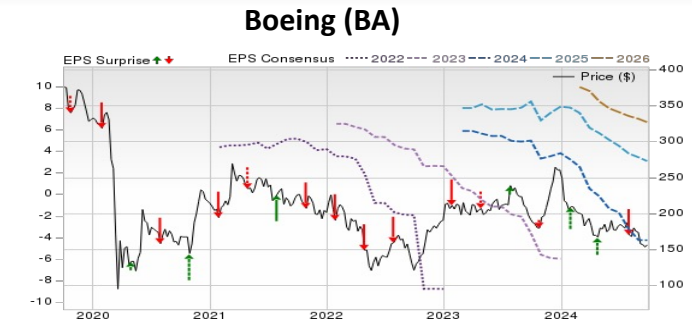
Return on Equity & PE F12M Charts for Top 10 Stocks by Market Cap., from the "Aerospace" Sector





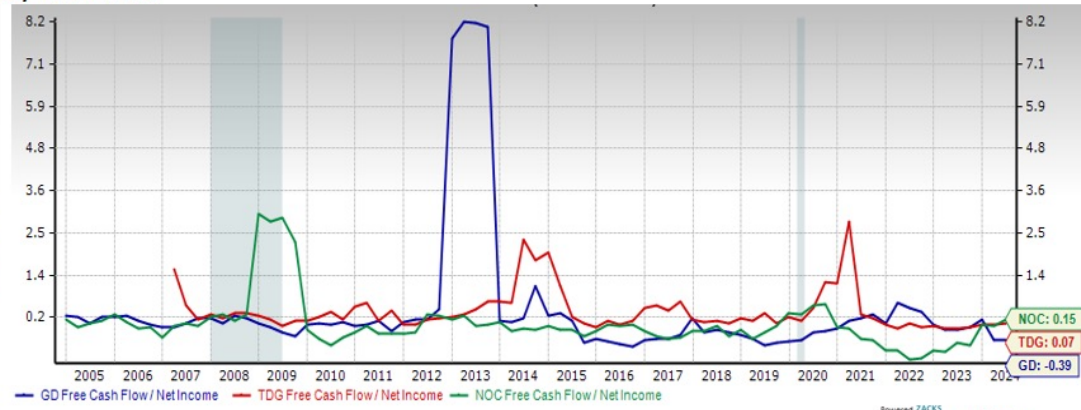
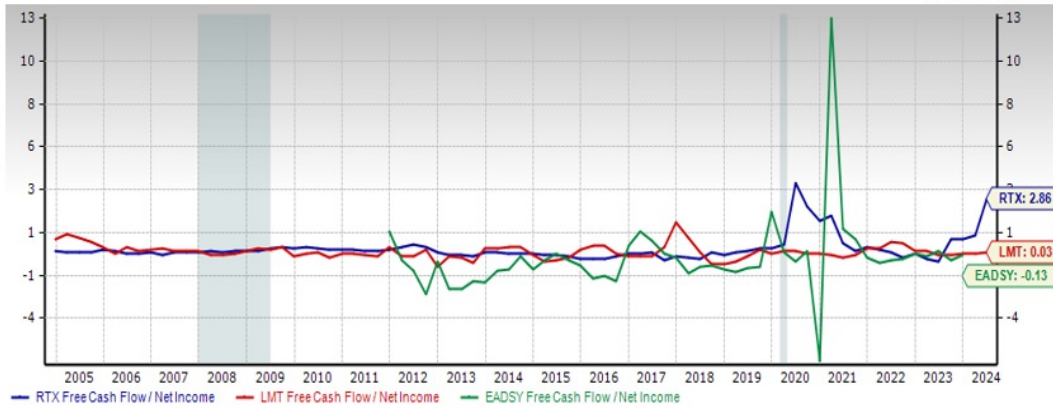
# Free Cash Flow/Net Income Charts for Top 10 Stocks by Market Cap.

From the "Aerospace" Sector

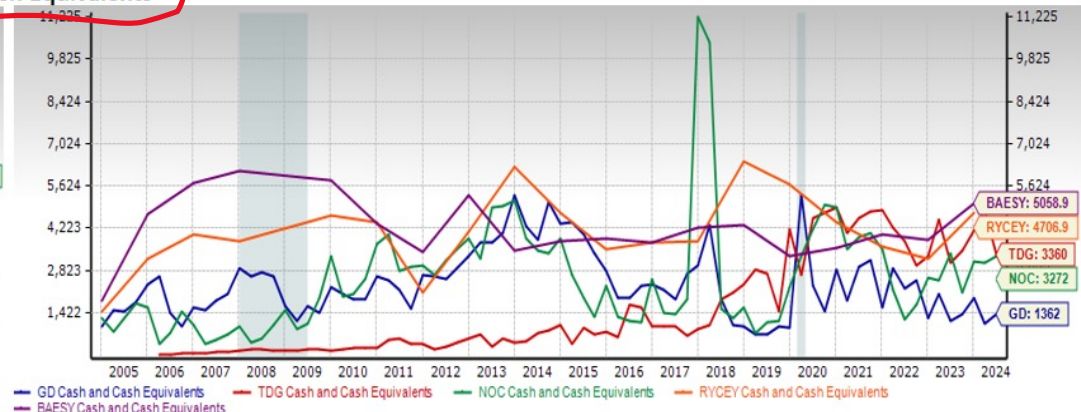
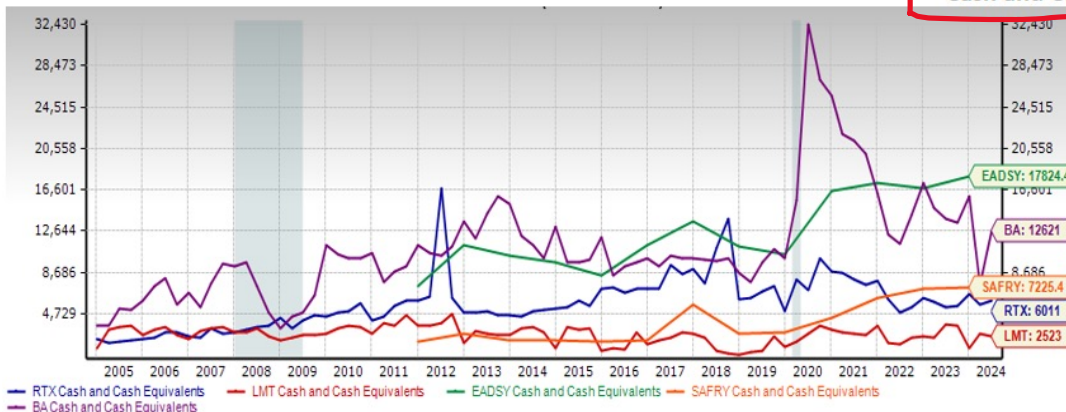


Free Cash Flow / Net Income, Cash and Cash Equivalents Charts for Top 10 Stocks by Market Cap., from the "Aerospace" Sector

## Free Cash Flow / Net Income



## Cash and Cash Equivalents

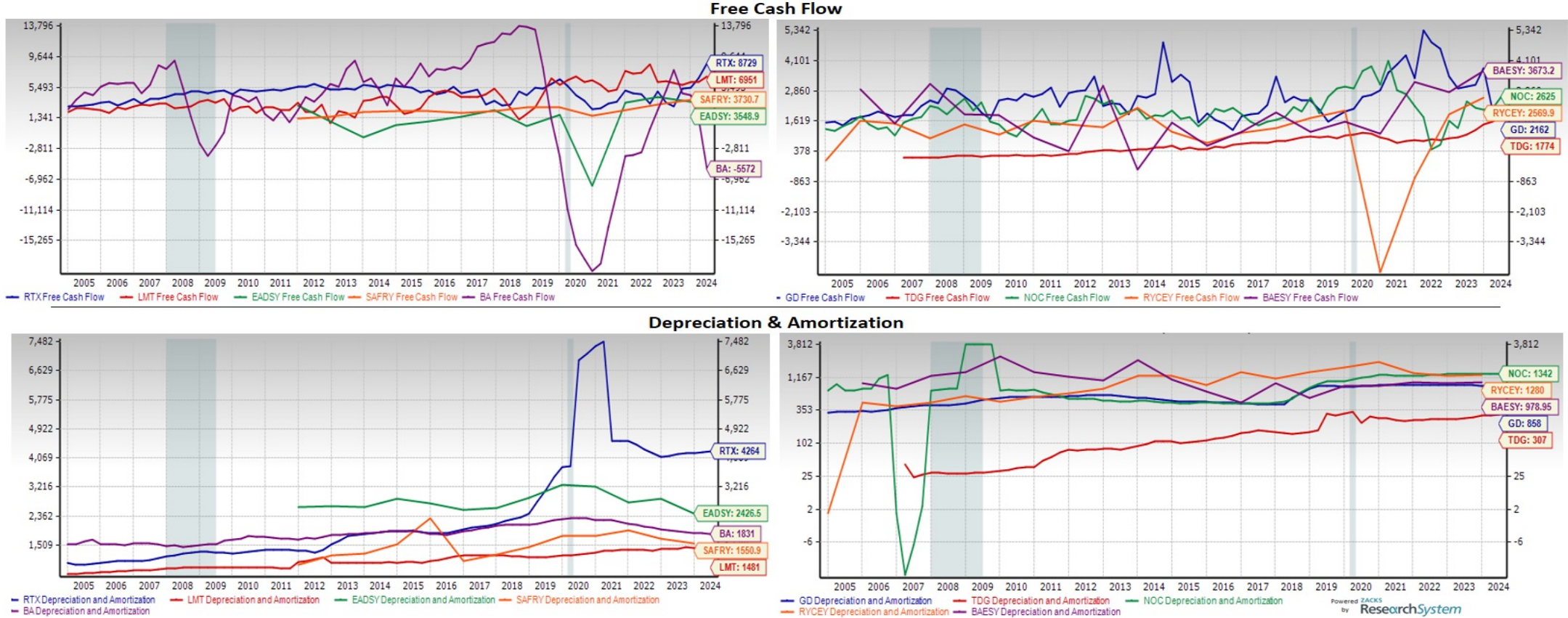




# Free Cash Flow & Depreciation and Amortization Charts for Top 10 Stocks by Market Cap.

From the "Aerospace" Sector

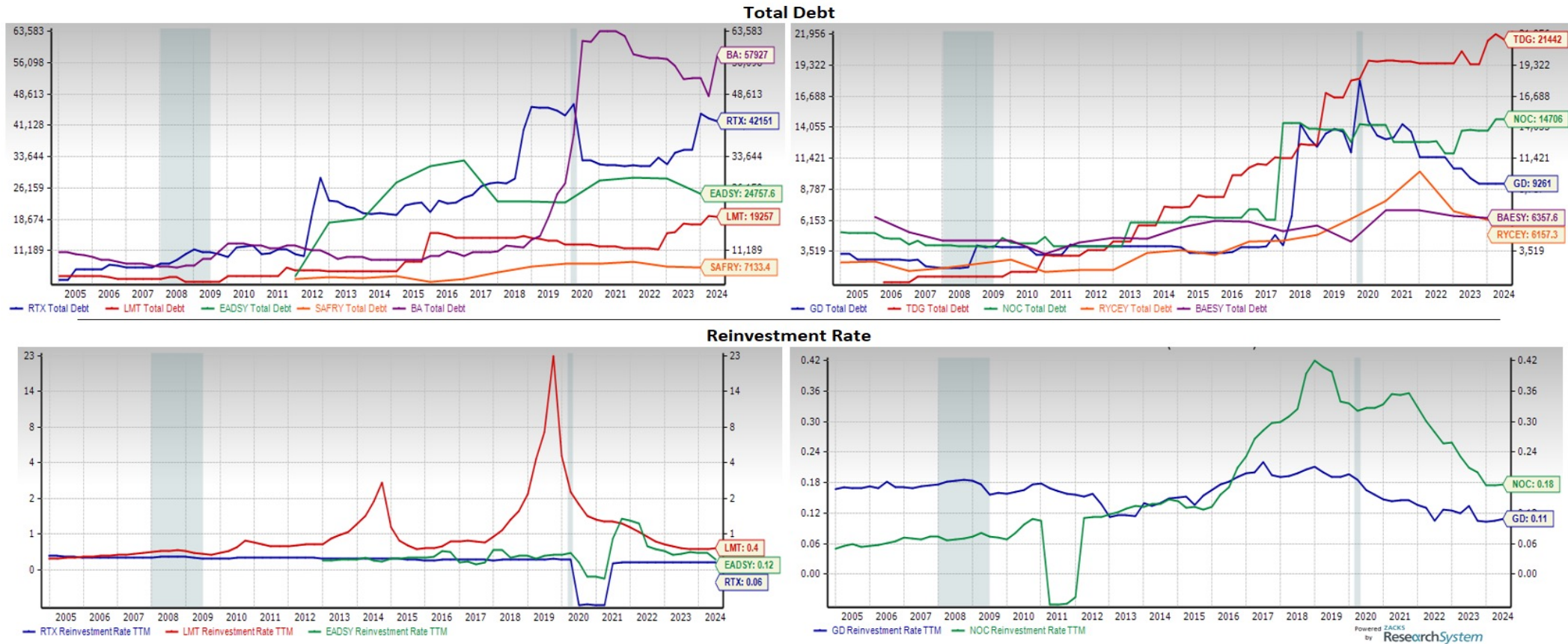
Free Cash Flow & Depreciation and Amortization Charts for Top 10 Stocks by Market Cap., from the "Aerospace" Sector



# Total Debt Reinvestment Rate Charts for Top 10 Stocks by Market Cap.

From the "Aerospace" Sector

Total Debt & Reinvestment Rate Charts for Top 10 Stocks by Market Cap., from the "Aerospace" Sector



# Part Two: Top Stocks by Max. Number of Analysts

*What broad current conditions should traders and investors be made aware of?*



# Price, EPS Consensus, and EPS Surprise Charts for Top 8 Stocks

By the maximum # of analysts covering these stocks in the "Aerospace" Sector

Founded in 1969, Delaware-based **Leidos Holdings (LDOS)** is a global science and tech leader that serves the defense, intelligence, civil and health markets. Its core capabilities include providing solutions in the fields of cybersecurity; data analytics; enterprise IT modernization; operations and logistics; sensors, collection and phenomenology; software development; and systems engineering.

## Price, EPS Consensus and EPS Surprise Charts for Top 8 Stocks by Max., # of Analysts covering these Stocks from the "Aerospace" Sector



**CAE** is a world leader in providing simulation and modelling technologies, and integrated training services to the civil aviation industry and defence forces around the globe

**Kratos Defense & Security Solutions (KTOS)** offers high performance, jet powered, unmanned aerial target drone systems which are designed to replicate state of the art adversarial fighter aircraft, missiles and other threats. The company also specializes in space and satellite communications, cyber security/warfare, microwave electronics, missile defense, hypersonic systems, (The Combat Capabilities Development Command **C5ISR** Center), training and combat systems.

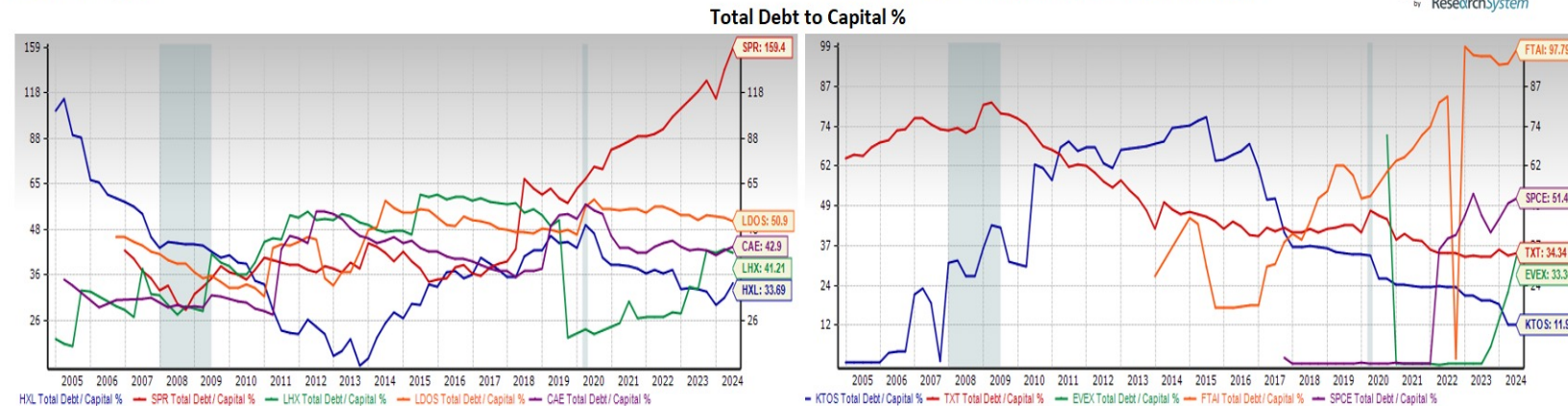
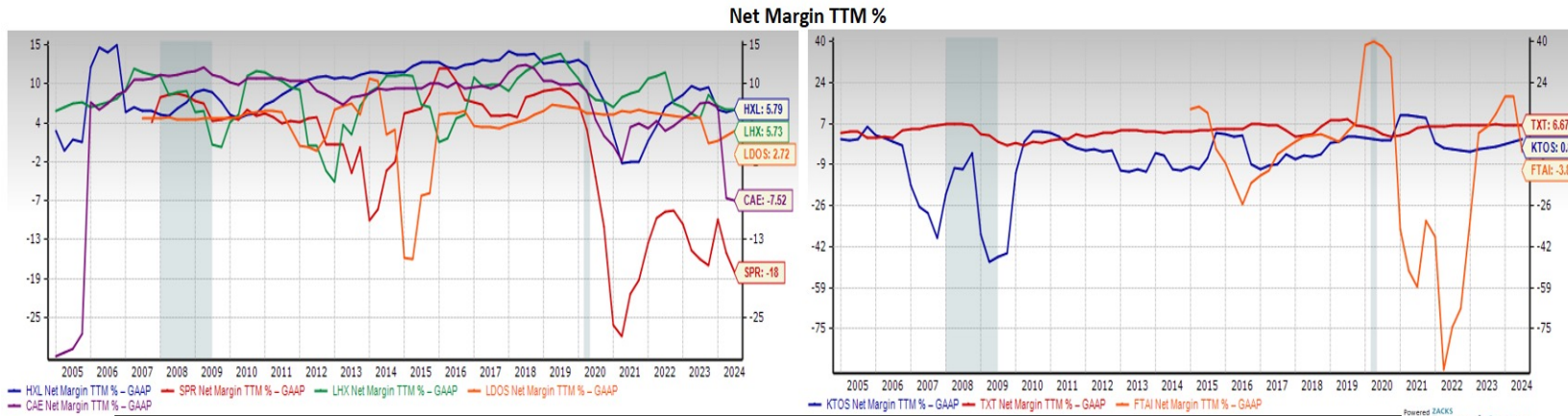
**Eve Holding Inc. (EVE)** is dedicated to accelerating the **UAM (Urban Air Mobility)** ecosystem



# Net Margin TTM % and Total Debt Charts

For Top 10 Stocks by Max. # of Analysts Covering These Stocks from the "Aerospace" Sector

Net Margin TTM % & Total Debt to Capital % Charts for Top 10 Stocks by Max., # of Analysts covering these Stocks from the "Aerospace" Sector



**Spirit AeroSystems Holdings (SPR)** is one of the largest independent non-OEM aircraft parts designers and manufacturers of commercial aerostructures in the world.

The company's core products include fuselages, pylons, nacelles and wing components. It has long-term agreements in place with our largest customers, **Boeing** and **Airbus**. Other major customers include Bell Helicopter, Bombardier, Mitsubishi, Northrop Grumman, Rolls-Royce, and Sikorsky.

It is also the largest independent supplier of aerostructures to Boeing and Airbus the two largest aircraft OEMs globally.

**Aerostructures** are structural components such as fuselages, propulsion systems and wing systems for commercial and military aircraft. The company also provides aftermarket services, including MRO services, through its Global Customer Support & Services organization.

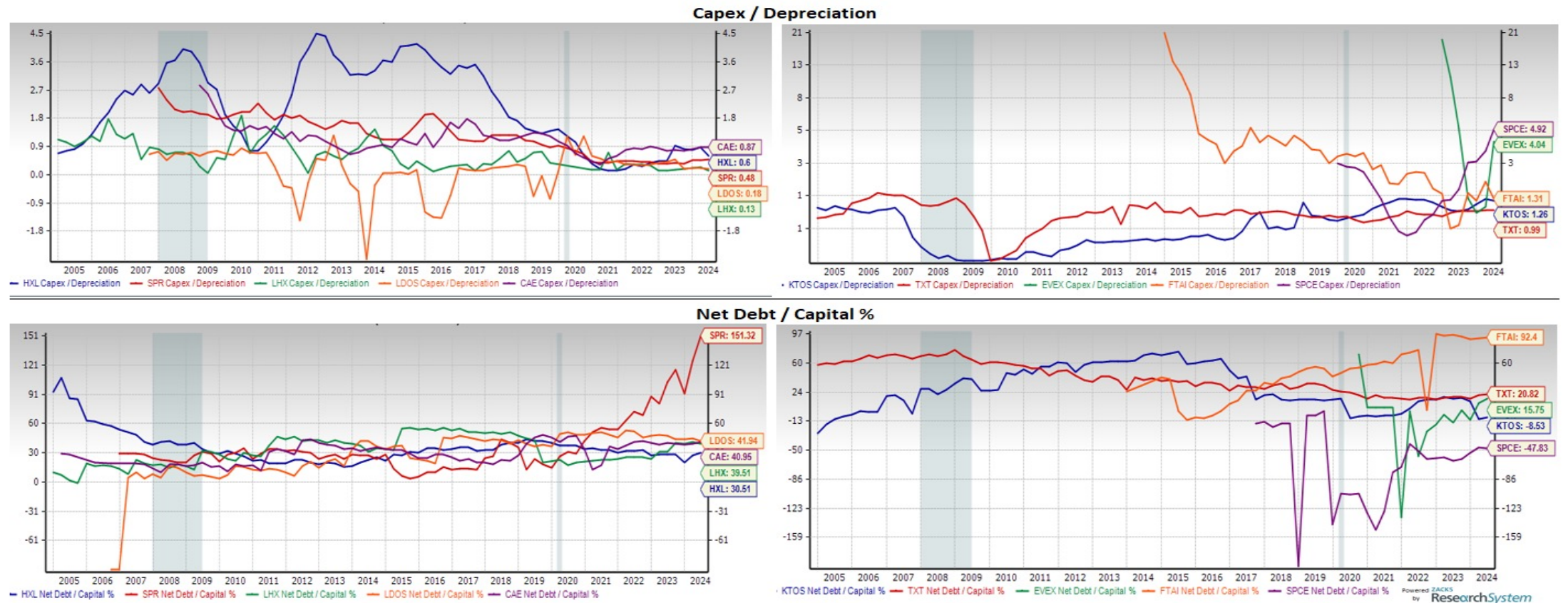
The company reports under three segments: Commercial, Defense & Space, Aftermarket.




# Capex to Depreciation, Net Debt/Capital (%) Charts

For Top 10 Stocks by Max. # of Analysts Covering These Stocks from the "Aerospace" Sector

Capex / Depreciation, Net Debt / Capital % Charts for Top 10 Stocks by Max., # of Analysts covering these Stocks from the "Aerospace" Sector





**Part Three:**  
**By Largest 1 Month % Change**  
**in Current Fiscal Year F1 EPS Estimates**

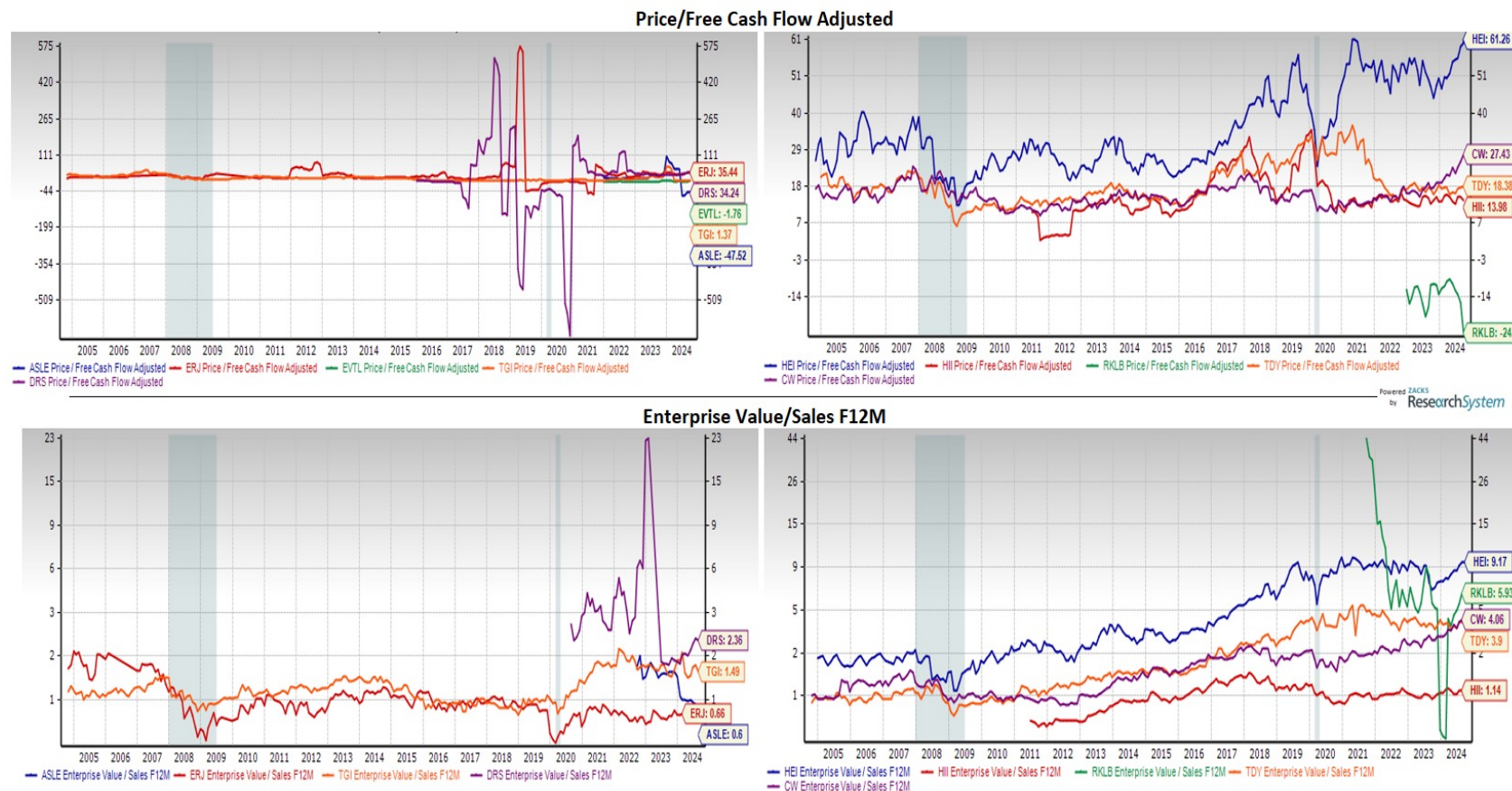
*What broad current conditions should traders and investors be made aware of?*



# Price/FCF and Enterprise Value/Sales F12M Ratios Charts for Top 10 Stocks

By Largest 1 Month % Change in Current Fiscal Year F1 EPS Estimates, from the "Aerospace" Sector

Price/FCF Adjusted & EV/Sales F12M Charts for Top 10 Stocks by Largest 1 Month % Change in Current Fiscal Year F1 EPS Est from the "Aerospace" Sector



Note - Free Cash Flow (FCF), Enterprise Value (EV)

Florida-based **HEICO (HEI)**, incorporated in 1957, is one of the world's leading manufacturers of Federal Aviation Administration ("FAA")-approved **jet engine and aircraft component replacement parts**.

It also manufactures various types of electronic equipment for the aviation, defense, space, medical, telecommunications and electronics industries.

The company's products are found on large commercial aircraft, regional, business and military aircraft, as well as on a large variety of industrial turbines, targeting systems, missiles and electro-optical devices.

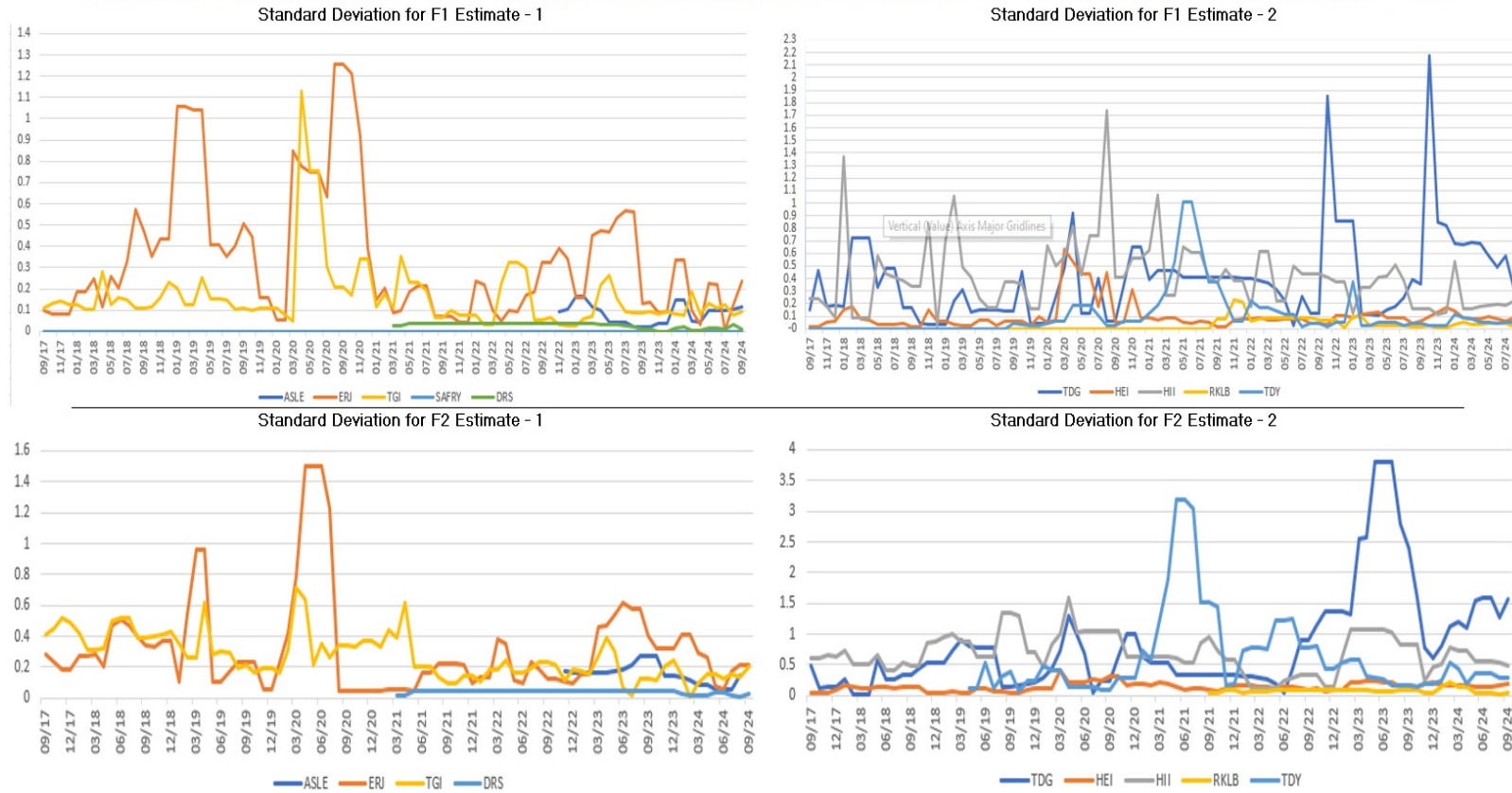




# Standard Deviation Charts for Top 10 Stocks

By Largest 1 Month % Change in Current Fiscal Year F1 EPS Estimates, from the "Aerospace" Sector

Standard Deviation Charts for Top 10 Stocks by Largest 1 Month % Change in Current and Next Fiscal Year EPS Estimate from the "Aerospace" Sector



Source : Zacks Investment Research

**TransDigm Group (TDG)**, through its wholly-owned subsidiaries, is a leading global designer, producer and supplier of **highly engineered aircraft components** for use on nearly all commercial and military aircraft in service today.

Major product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include:

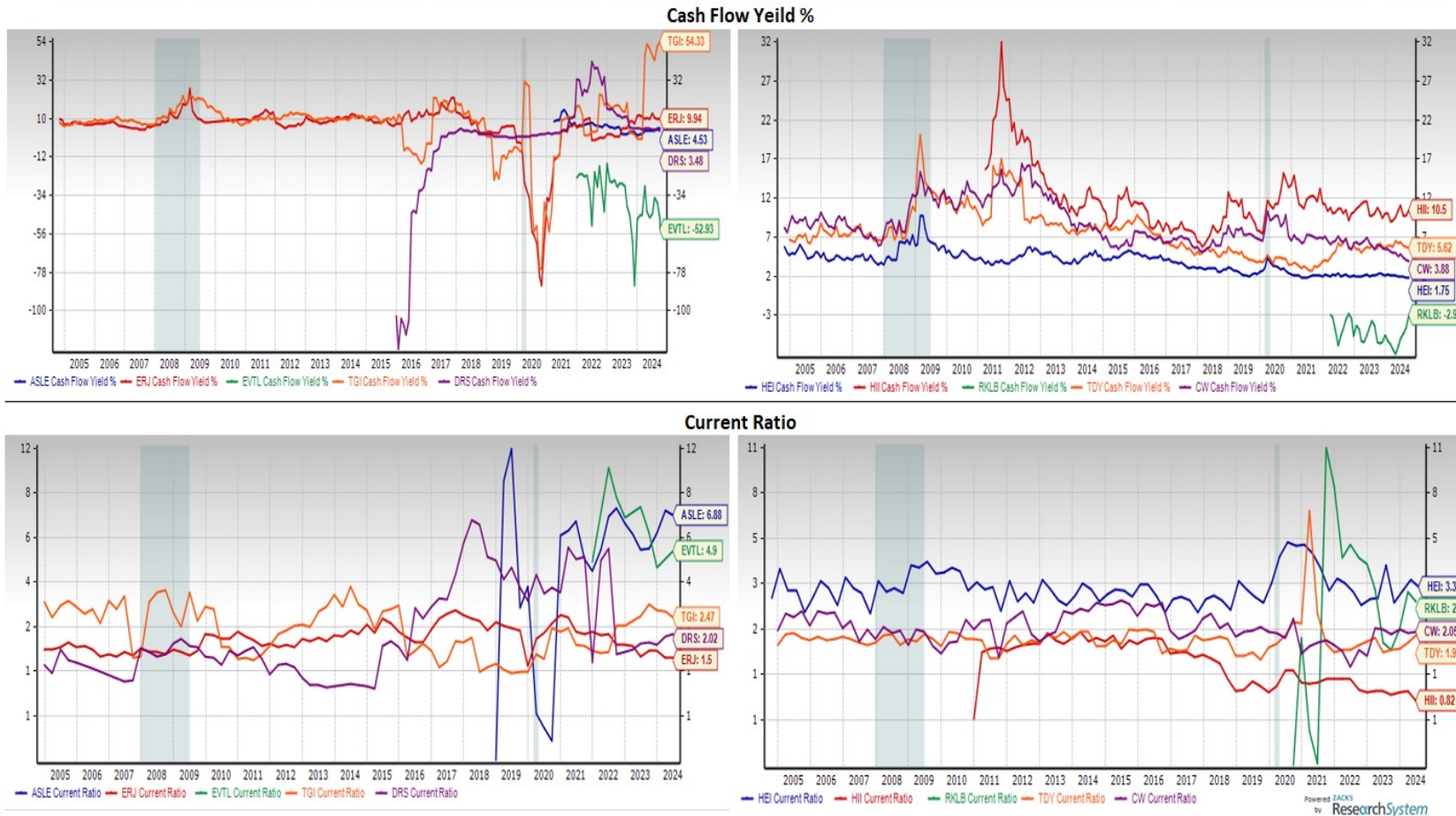
Mechanical/electro-mechanical actuators and controls, ignition systems and engine technology, specialized pumps and valves, power conditioning devices, specialized AC/DC electric motors and generators, batteries and chargers, engineered latching and locking devices, engineered rods, engineered connectors and elastomer sealing solutions, databus and power controls, cockpit security components and systems, specialized and advanced cockpit displays, engineered audio, radio and antenna systems, specialized lavatory components, seat belts and safety restraints, engineered and customized interior surfaces, advanced sensor products, and switches and relay panels.



# Cash Flow Yield (%), Current Ratio Charts for Top 10 Stocks

By Largest 1 Month % Change in Current Fiscal Year F1 EPS Estimates, from the "Aerospace" Sector

Cash Flow Yield %, Current Ratio Charts for Top 10 Stocks by Largest 1 Month % Change in Current Fiscal Year F1 EPS Estimate from the "Aerospace" Sector



**Triumph Group (TGI)** offers a variety of products and services to the aerospace industry.

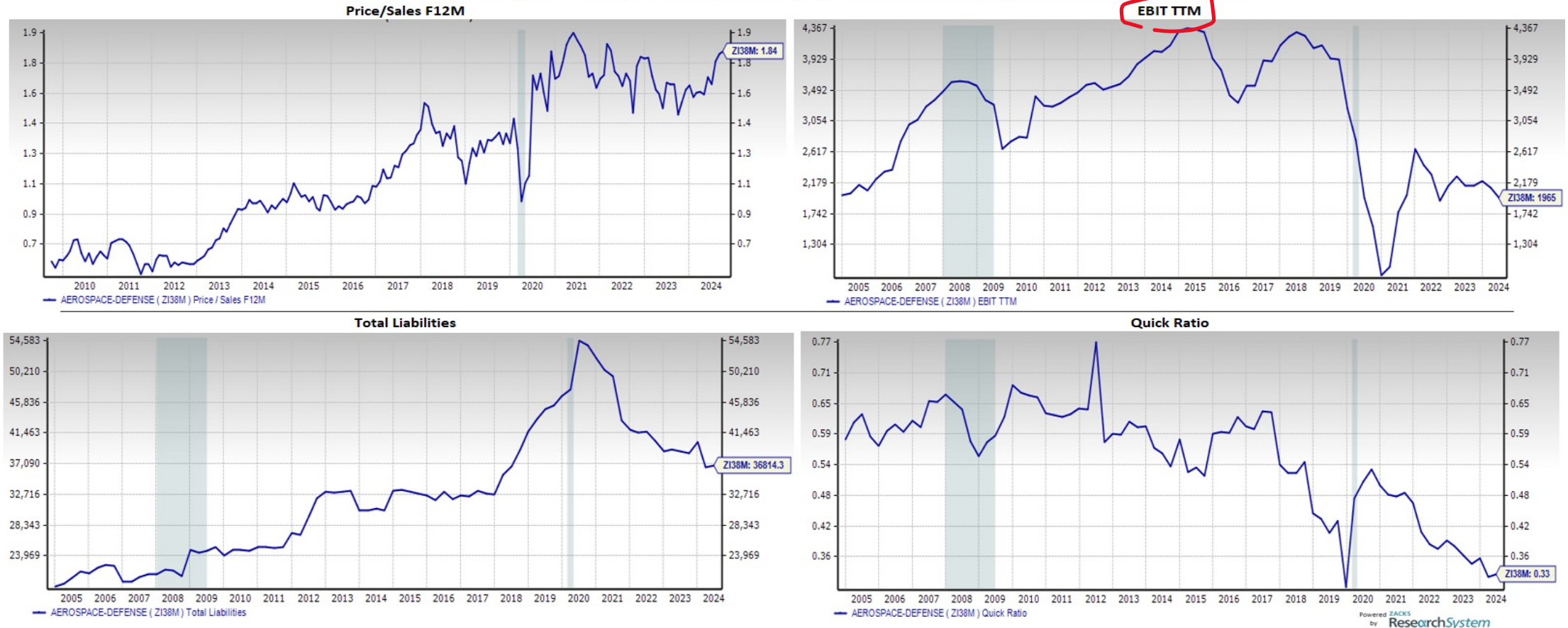
Uneven production rates, particularly the Boeing MAX program



# Price/Sales F12M, EBIT TTM, Total Liabilities, and the Quick Ratio

From the Overall "Aerospace" Zacks Stock Market Group

Price/Sales F12M, EBIT TTM, Total Liabilities, Quick Ratio - Aerospace Industry Charts 2

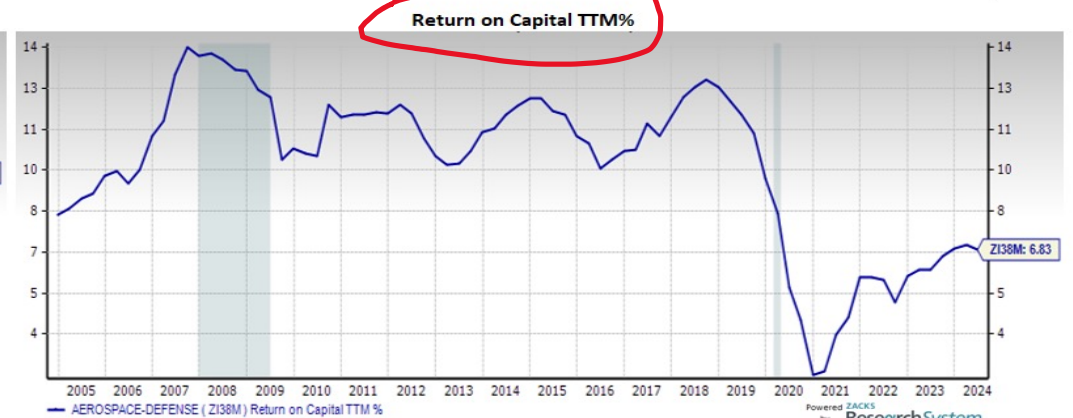
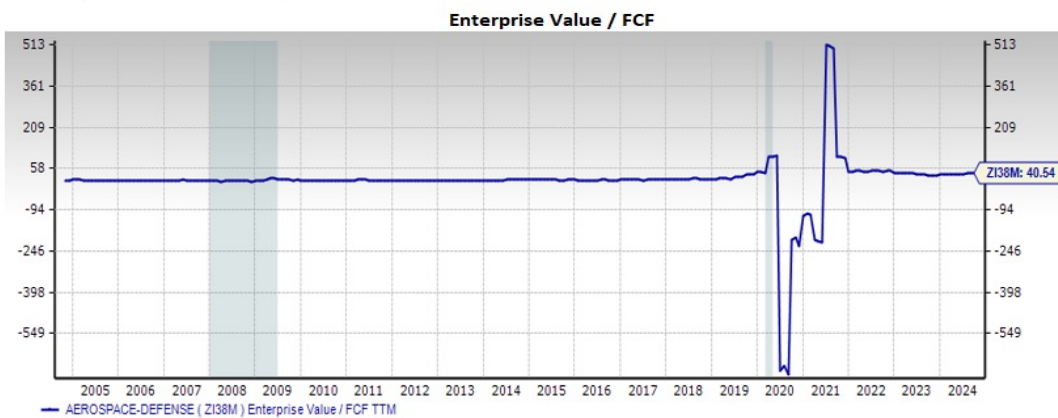
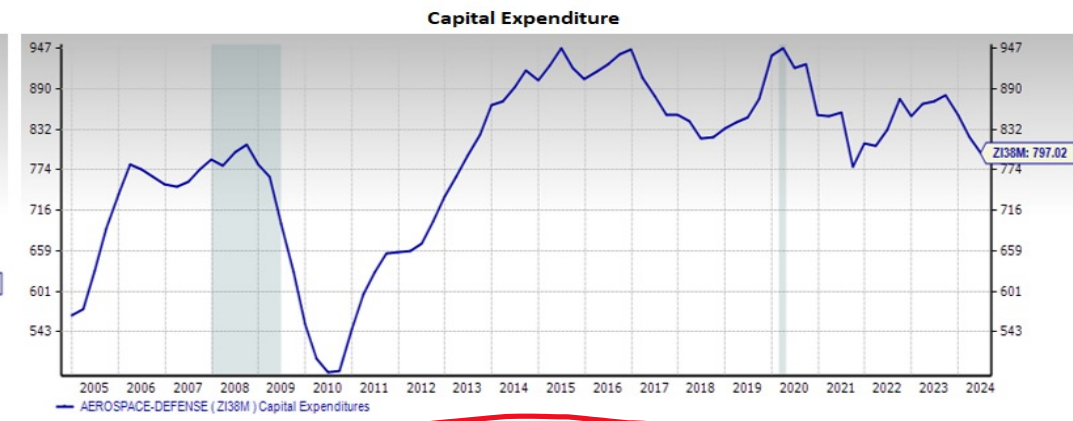
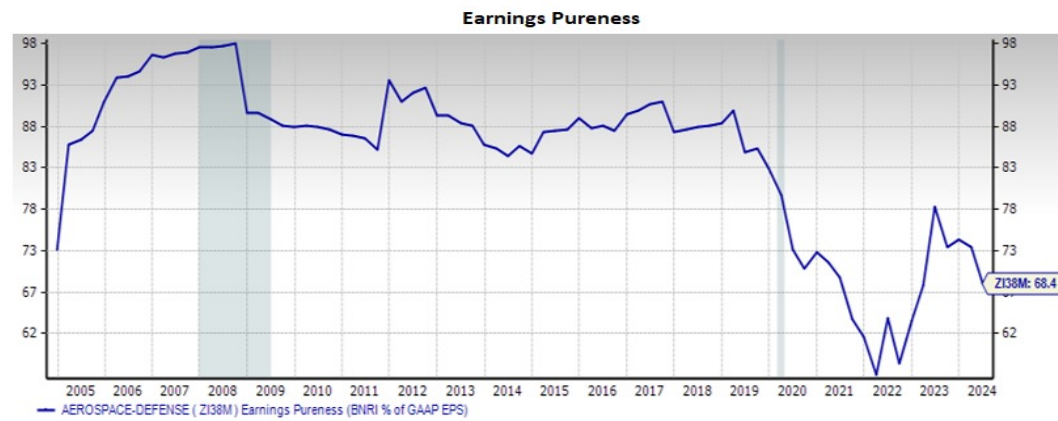




# Earnings Purity, Capital Expenditure, Enterprise Value/FCF and Return on Capital (TTM %) Ratios

From the Overall "Aerospace" Zacks Stock Market Group

**Earnings Purity, Capital Expenditure, Enterprise Value / FCF, Return on Capital TTM% - Aerospace Industry Charts 1**





# Thank You for Attending!

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