

Moog Inc. (MOG.A)

Industrials – Aerospace and Defense



April 21, 2026

Stock Rating

No Action

Investment Thesis

We recommend a No Action rating on Moog Inc with a target price of \$263. In our view, the current valuation already reflects the company’s strong exposure to aerospace and defense tailwinds, limiting near-term upside. While Moog is well-positioned to benefit from elevated defense spending and commercial aircraft recovery, our valuation suggests the stock is fairly valued at current levels.

Drivers of Thesis

- **Aerospace and Defense Industry tailwinds:** Elevated global defense budgets and geopolitical tensions support sustained demand for Moog’s critical components across military aircraft, missile systems, and space platforms underpinning our 6.54% revenue CAGR and TV ROIC of 27.3%
- **Commercial aircraft Recovery & Aftermarket Demand:** Continued production ramp-up at Boeing and Airbus, combined with strong aftermarket activity, provides revenue visibility through multi-year backlogs and increased maintenance demand.
- **Valuation Reflects Fundamentals:** Moog’s discount to higher-margin peers is justified by its lower margin profile and fixed-price contract exposure; we see no near-term catalyst for multiple expansion.

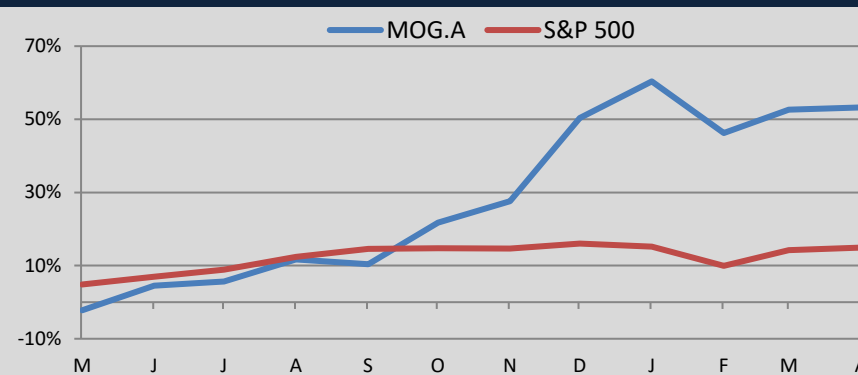
Risks to Thesis

- **Sustained supply chain constraints:** Ongoing bottlenecks and tariff pressures could delay production and further pressure input costs.
- **Fixed-price contract risk:** Moog cannot automatically pass through cost increases on existing contracts, leaving margins vulnerable to sustained inflation.
- **Upside risk:** Faster margin expansion – if tariffs ease, simplification accelerates, or pricing power strengthens, margins could outpace our forecast, driving the stock above our target and challenging our No Action

Earnings Estimates

Year	2023	2024	2025	2026E	2027E	2028E
EPS	\$5.37	\$6.48	\$7.42	\$9.68	\$10.83	\$11.78
HF est.				\$10.80	\$11.62	\$12.55
growth	10.7%	20.7%	14.5%	45.6%	7.6%	8.0%

12 Month Performance



Target Price

\$263

Henry Fund DCF	\$263
Henry Fund DDM	\$138
Relative Multiple	\$406 - \$460

Price Data

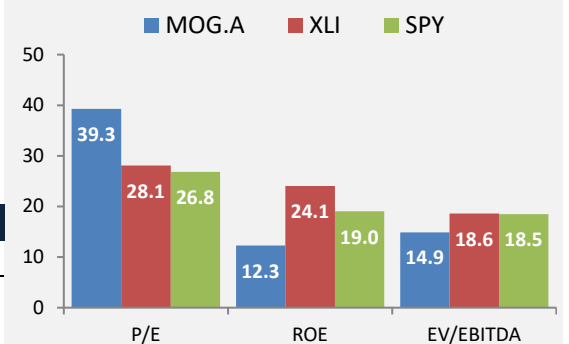
Current Price	\$308
52wk Range	\$157 – 354
Consensus 1yr Target	\$325

Key Statistics

Market Cap (M)	\$9,228.97
Shares Outstanding (M)	\$31.7
Institutional Ownership	88.3%
Beta	1.04
Dividend Yield	0.42%
Est. 5yr Growth	4.31%
Price/Earnings (TTM)	39.3
Price/Earnings (FY1)	31.2
Price/Sales (TTM)	2.5
Price/Book (mrq)	3.9

Profitability

Operating Margin	10.63%
Profit Margin	6.09%
Return on Assets (TTM)	5.5%
Return on Equity (TTM)	13.3%



Company Description

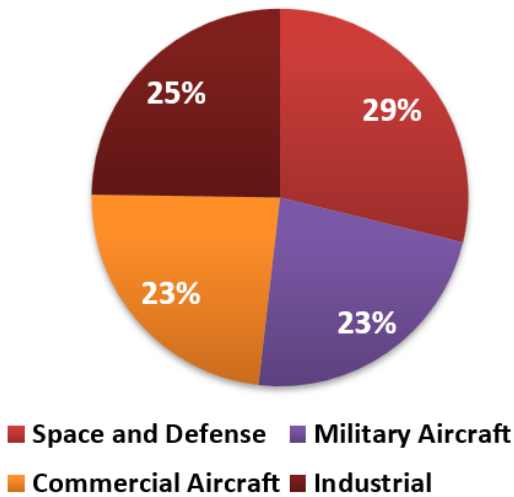
Moog Inc. is a leading designer, manufacturer, and systems integrator of precision motion and fluid control systems, operating in over 20 countries. Key products include servo valves, actuation systems, control electronics, and flight control systems, which are integrated into the Aerospace, Defense, and Industrials markets. The company operates under four business segments: Space and Defense, Military Aircraft, Commercial Aircraft, and Industrial.

COMPANY DESCRIPTION

Moog Inc is a leading designer, manufacturer and systems integrator of high-performance precision motion and fluid control systems for applications used in the aerospace & defense and industrials markets. The company has four business segments: Space and Defense, Military Aircraft, Commercial Aircraft, and Industrial.

In 2025, total revenue amounted to \$3.81B, representing a 7% YoY increase. The chart below shows the revenue exposure relative to each segment.

Moog Revenue Decomposition (2025)



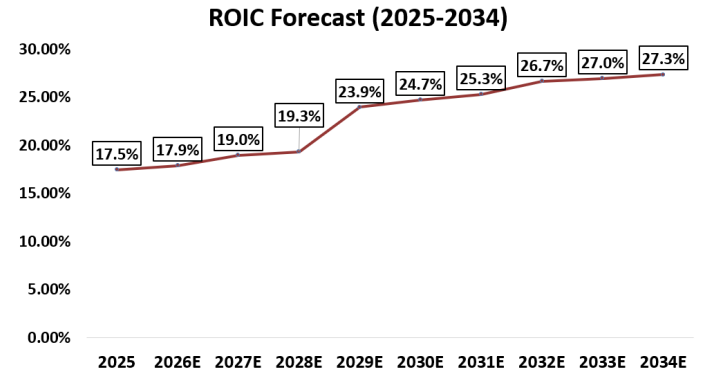
Source: MOG.A 10k

Moog differentiates itself through its engineering expertise and long-term, sole-source relationships on mission-critical platforms competing on “product quality, reliability, design and engineering capabilities” rather than price. Key advantages include high switching costs from long-term OEM agreements, recurring aftermarket activity from proprietary repair services, and a disciplined 80/20 simplification program to improve margins.¹ With over 13,500 employees globally, Moog is a well-managed defensible business, though our valuation indicates these strengths are already reflected in the current stock price.

ROIC Analysis

We project ROIC to rise from a historical 14-17% to 27.3% by 2034. This improvement is driven by two factors: NOPAT margin expands from 10% to 14%, reflecting gross margin gains and operating leverage, and invested capital

turnover increasing from 1.63x to 2.0x as revenue scales faster than capital implemented. This forecast reflects the continued efficiency in working capital and fixed assets, consistent with management’s 80/20 simplification initiatives. While optimistic, this ROIC growth is supported by our margin forecasts and revenue growth assumptions outline further in this report.



Source: Henry Fund Model

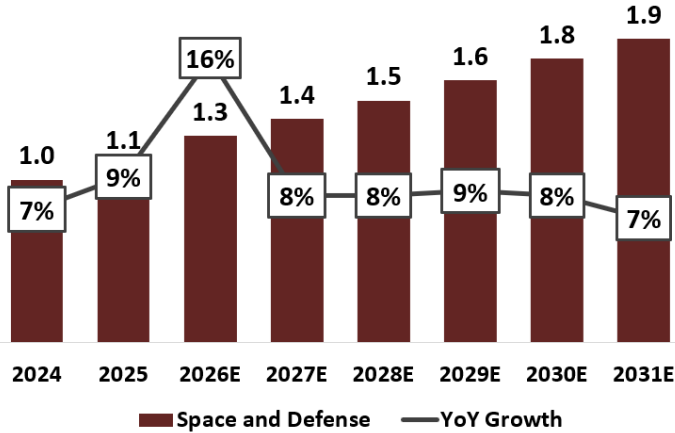
Invested Capital Analysis

Moog’s invested capital is heavily tied to three operating assets: receivables (including unbilled), inventories, and property, plant & equipment which together represent the three largest total invested capital allocations. Receivables are large due to over-time revenue recognition on long-term contracts; inventories reflect extended production cycles; and PPE reflects the company’s global manufacturing landscape.¹ Improving turnover in these areas such as faster billing, efficient inventory management, and higher revenue per facility is a key factor to leading to our forecasted ROIC of 27% by 2034.

Space and Defense

The Space and Defense segment manufactures critical defense components and motion-control systems used in defense vehicle platforms, missile systems, naval ships and submarines. This segment also creates components and systems used for space launch vehicles, satellites and spacecraft vehicles. According to most recent quarter earnings of 2026, revenue grew 31% with operating margins improving from 11.6% to 13.2%. Key drivers included rising defense demand, more specifically with missile controls and satellite components, which margins partially offset by investments in business capture and product development.¹

Space and Defense Revenue (\$B)



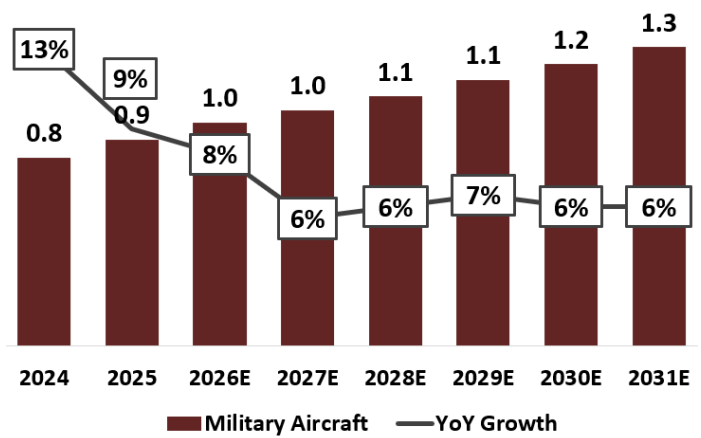
Source: MOG.A 10k, Henry Fund Model

We forecast Space and Defense to grow at a 7.98% CAGR through 2034, reaching \$2.22 billion in revenue. Our growth is supported by Moog’s twelve-month backlog increase across its entire defense and space portfolio, driven by higher orders for missile components and satellite systems.¹ With U.S. defense budgets approaching \$1 trillion and NATO allies accelerating spending, we see continued demand for Moog’s content on programs such as missile steering controls and space vehicle systems.²

Military Aircraft

The Military Aircraft segment designs, manufactures and integrates primary and secondary flight controls, mission-critical actuation systems, and products used for military fixed-wing aircraft and rotorcraft for both aftermarket and OEM customers. Major military production programs include the F-35 Joint Strike Fighter along with the current development of the Textron Bell M-75 and other classified funded development military programs. This segment has been benefitting from the surge in aftermarkets, as a significant V-22 spares order drove \$23M increase, with OEM sales up \$11M on MV-75 ramp-up, leading to their recent 16% revenue increase. Margins also benefited from this aftermarket activity, partially offset by a less favorable OEM mix, rising margins to 11.4% from 11.1%.¹

Military Aircraft Revenue (\$B)



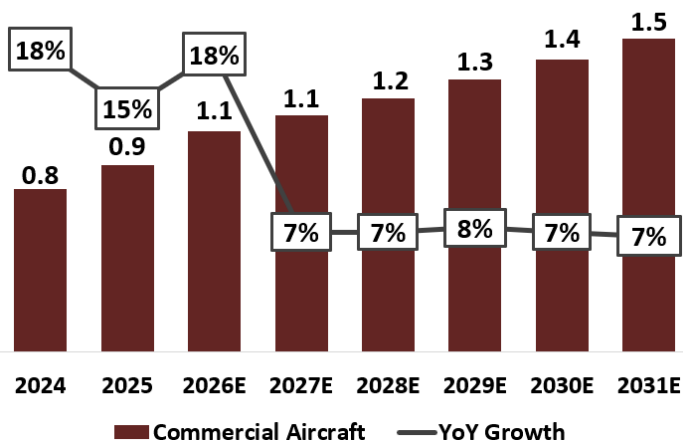
Source: MOG.A 10k, Henry Fund Model

We forecast the segment to grow at a 6.25% CAGR through 2034, reaching \$1.52 billion in revenue. The segment’s twelve-month backlog has increase orders for the F-35 and new production programs, providing multi-year visibility. The developmental MV-75 program is ramping toward production and the global military aircraft aftermarket is expected to grow at an 8% CAGR through 2032⁶, supporting recurring revenue from maintenance and repairs. With Moog’s flight control systems implemented on thousands of existing military aircraft, we see sustained demand for fleet sustainment, which should offset any near-term OEM mix pressure.

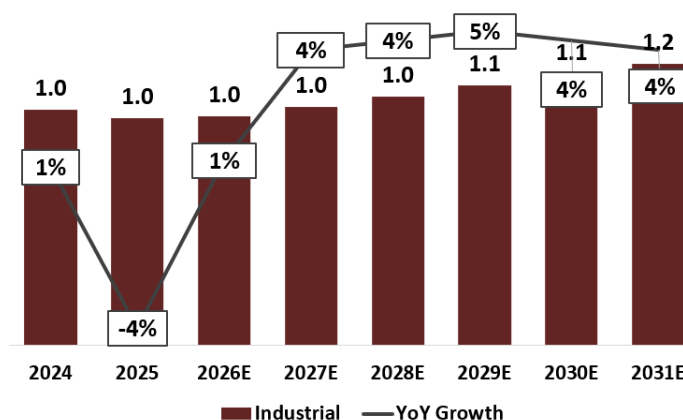
Commercial Aircraft

The Commercial Aircraft segment designs, manufactures, and integrates primary and secondary flight-critical control systems and products for aircraft including narrowbody, widebody, business jets and regional jets for both aftermarket and OEM customers. Large commercial production programs for this segment include the Boeing 787 and Airbus 350. Additional programs include the 737 MAX, Airbus A320 and A330, the Embraer E195-E2 and Gulfstream business jets. Revenue increased 23% as OEM production ramps on widebody and narrowbody, with aftermarket experienced higher repair volumes. Margins declined to 10.6% from 11.6% due to tariff pressure, partially mitigated by higher volume and pricing.¹

Commercial Aircraft Revenue (\$B)



Industrial Revenue (\$B)



Source: MOG.A 10k, Henry Fund Model

Source: MOG.A 10k, Henry Fund Model

We forecast Commercial Aircraft to grow at 7.80% CAGR through 2034, reaching \$1.77 billion in revenue. As industry backlog remains at 15,00 aircraft, we expect multi-year demand for Moog’s flight control systems on the 787, A350, 737 MAX, and A320. Aftermarket growth should continue as global flight hours rise with air travel demand expected to more than double by 2050, thereby driving maintenance, repair, and overhaul services (MRO).¹⁴

We forecast Industrial to grow at a 3.44% CAGR through 2034, reaching \$1.29 billion in revenue. The most visible driver is data center cooling pumps, where McKinsey projects the liquid cooling market to reach \$15-20 billion by 2030.³ Moog has already captured demand from AI-related data center buildouts, as we expected this to continue. Additionally, demand for external feeding and IV sets are expected to rise driven by the prevalence of chronic diseases, a shift toward adopting of home-based care programs and an aging population.¹³

Industrial

The Industrial segment provides customized, high-performance motion control components and systems for industrial automation, medical, simulation and test and energy applications. The segments offerings include components used in medical devices, heavy machinery, power generation products, as well as simulation platforms for flight training and material testing applications. Industrial has benefited from strong demand for data center cooling pumps, industrial automation, and enteral feeding/IV sets, leading to their 14% revenue increase. Margins increased to 13.9% from 11.2% driven by business optimization and revenue growth, partially offset by tariffs.¹

Cost Structure & Margin Analysis

Moog’s cost structure primarily consists of raw materials, direct and indirect labor, overhead, shipping, inventory write-downs, and contract loss reserves. In 2025, cost of sales excluding D&A represented 69% of revenue, consistent with historical ranges of 69-70%. The largest costs account for the Space & Defense and Commercial Aircraft segments.¹ Going forward, we forecast a gradual improvement in margins based on input improvements and from management’s own disclosures.

Gross Margin

2026-2028: Stable at roughly 30%; reflecting tariff and supply chain constraints, directly cited in the Commercial Aircraft and Industrial segments, along with keeping cost of sales at historical levels. This is also a reflection of management’s limited pricing power to overcome these headwinds in the near term due to high exposure of locked-in contracts.

2029-2031: Improvement to 31.8% as tariffs normalize and supply chains stabilize, combined with benefits from the

company’s footprint rationalization and factory automation

2032-2034: Further expansion to 32.3% as older fixed-price contracts taper off, replaced by new business with improved pricing, reflecting the full effect of the company’s 80/20 initiatives.

Operating Margin: Operating margin rises from 8.10% to 14.22% by 2034 due to our gradual increase in gross margins and operational efficiencies. Other expenses such as SG&A, R&D and depreciation rise with historical averages with revenue with amortization following the company’s amortization schedule.

Net Margin: Profit margin expands from 6.09% to 10.6% by 2024, reflecting our operating forecasts partially offset by income taxes.

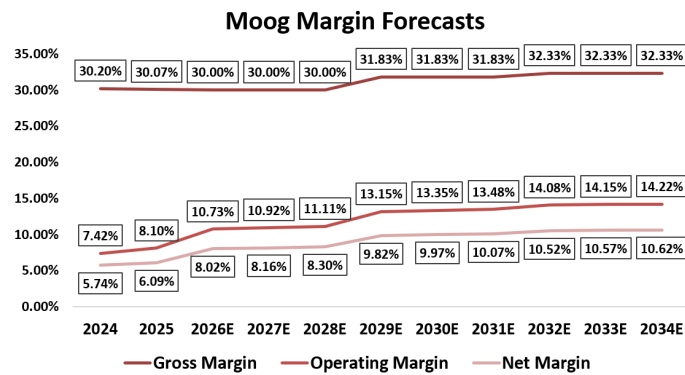
14% of 2025’s revenue.¹ Aftermarket activity includes providing maintenance, upgrades, spares, repairs and overhauls for military depots and existing fleets. This revenue stream provides a balance to the cyclical nature of OEM production.

Contract Mix Breakdown

Moog operates under the following contracts: Over-time revenue (cost-to-cost method), Point-in-time revenue, and U.S. Government contracts (including subcontracts). Over-time revenue contracts are predominantly used in Space & Defense, Military Aircraft, and Commercial Aircraft, representing 64% of total sales in FY 25. These contracts are recognized as work progresses, which are used where the customer controls the asset as it’s built or there’s no alternative use and the company has a right to payment for work completed. Point-in-time comprises 36% of total sales, most frequently used in Industrial. Point-in-time revenue is recognized when control transfers to a single point (usually delivery). Lastly, U.S. Government contracts account 38% of total sales.¹ These contracts are not a specific contract type like the rest, but represent a key mix of the total contracts.

In relation to the pricing exposure relative to each contract, 90% of over-time revenue is from fixed-priced contracts, with the remaining 10% likely a mix of cost-plus and other arrangements. Point-in-time also typically operates under fixed-pricing, but these are short-term transactions where pricing can be adjusted more frequently. U.S. Government contracts include both include fixed-price and cost-plus pricing structures, but the majority are fixed-priced.¹

Under fixed-priced contracts, this means that if costs overrun budget, Moog bears the risk of paying the price. Also, input cost inflations (raw material increases, tariffs), cannot be passed through as well, directly impacting margins. The company is also exposed to cost-reimbursable contracts, which are typically used for R&D or developmental work where scope is uncertain. Although this provides protection against heightened costs, it still represents a small portion of the contract exposure. While fixed-price contracts limit repricing flexibility, the company is actively pursuing “pricing for value” on new businesses and aftermarket exposure.¹ The aim is to pass increased costs to customers, particularly in niche markets where their high performance, precision



Source: MOG.A 10k, Henry Fund Model

Customer Exposure

Moog’s customer base is highly concentrated in aerospace and defense with the U.S. Government, which includes direct contracts and subcontracts with prime contractors, thereby accounting for 38 % of sales in FY 25. Boeing accounted for 10% of 2025 revenue, as Moog supplies flight controls for commercial programs (787, 737 MAX) and military programs (F-15, F-18, CH-47). Other OEMs include Airbus (A320, A330, A350), Embraer (E195-E2), Gulfstream, and various defense contractors. Lockheed Martin is also another key partner, as Moog provides primary flight controls for the F-35 Lightning II and other defense platforms. In 2025, OEM sales represented 61% of total sales, with the top five customers presenting approximately 30% of 2025 FY sales.¹

Outside of Aerospace and Defense production programs, Moog has exposure to the Aftermarket sphere, comprising

motion controls are critical, thereby improving operating margins.

Debt Maturity Analysis

Five-Year Debt Maturity Schedule

Fiscal Year	Coupon (%)	Payment (\$mil)
2026	Variable	\$3,125
2027	Variable	\$10,375
2028	4.25%	\$932,500
2029	-	0
2030	-	0
Thereafter	-	3,250
Total		\$946,000

Source: Moog.A 10K

As of the end of FY 25, Moog had \$946 million in total debt. The near-term maturities for 2026 and 2027 are manageable. Based on our projected 2026 operating cash flow of approximately \$300 million (after \$145 million in capex and \$40 million in share repurchases), the company can easily cover these obligations. The larger obstacle is the \$932.5 million due in 2028, which consists of \$500 million 4.25% senior notes (maturing in December 2027) and the remaining term loan balance.¹ However, as of January 2026, the company had \$815 million in unused borrowing capacity under its credit facility, along with its demonstrated ability to refinance debt with its 2025 term loan addition and recent extension of the receivables purchase agreement.¹ Therefore, we expect Moog to refinance 2028 obligations, which should not pressure liquidity nor current credit rating of BB+.

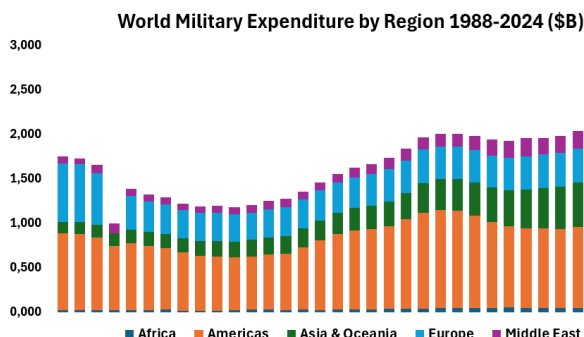
INDUSTRY TRENDS

Rising Global Defense Spending

Global defense spending has reached record levels in recent years, exceeding \$2.5 trillion, driven by continued geopolitical tensions across Europe, Asia-Pacific, and the Middle East. These ongoing conflicts along with strategic competition amongst major nations have pushed NATO and other major countries to focus on military modernization, leading to sustained increases in defense budgets worldwide.⁵

While the United States remains the largest contributor with a FY2026 defense budget exceeding \$950B⁴, growth is increasingly coming from international areas, particularly in Europe, where countries have accelerated

spending in response to heightened security concerns. These investments are primarily directed toward advanced buildouts such as air and missile defense systems, next-generation aircraft, and space-based technologies.²



Source: SIPRI Fact Sheet April 2025

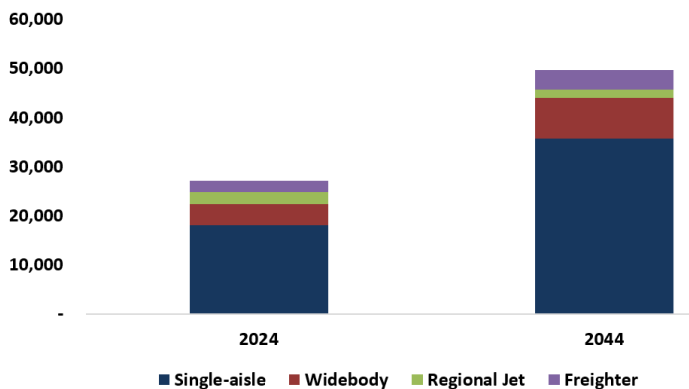
Moog is directly exposed to these trends. 52% of its 2025 sales came from its defense markets (Space & Defense and Military Aircraft). The company's twelve-month backlog for defense programs increase 20% in 2025, with higher orders for the F-35 and new production programs.¹ For our thesis, this rising defense spending supports revenue visibility and reduces the cyclical risk in nearly half of Moog's business. However, as reflected in our DCF, this positive trajectory is already priced into the stock, reinforcing our view that Moog is currently fairly valued.

Commercial Aerospace Ramp-Up

The commercial aerospace industry is experiencing a strong ramp-up from Boeing and Airbus dominating global narrow-body and wide-body aircraft production. Following the COVID-19 pandemic, the sector has entered a multi-year recovery phase driven by rising air travel demand and sustained backlog levels across major OEMs.²

Combined industry backlog levels remain substantial at approximately 15,000 aircraft, providing strong multi-year visibility for production growth and supplier demand.² Airbus continues to ramp production of its A320 family, while Boeing is gradually increasing rates across key programs such as the 737 MAX and 787, supporting recovery in commercial aircraft manufacturing.^{9/10}

Global Aircraft Fleet Forecast



Source: Commercial Market Outlook 2025-2044

In addition to OEM production growth, increased flight activity is expected to rise. The International Airport Transport Association (IATA) released its Long-Term Demand Projections (LTDP) for air travel, revealing that global passenger demand is expected more than double by 2050.¹⁴ Meanwhile, aircraft are staying in service due to these backlogs as the average fleet age has reached a record of 15 years.¹⁵ These catalysts creates continuing demand in aftermarket maintenance, repair, and overhaul (MRO)s, as more aircraft requires to be maintained.

Moog is directly exposed to these trends. Its Commercial Aircraft segment is driven by production ramps on the 787, A350, 737 MAX, and A320, with aftermarket repair volumes up \$20 million in Q1 2026 alone.¹ We incorporated this into our forecasts that lead to the company’s future growth. However, as with defense, we believe this optimism is already reflected in the current stock price.

Supply Chain and Labor Shortages

Supply chain constraints and raw material shortages have been persistent challenges across the aerospace and defense industry, exacerbated by geopolitical tensions and the industry’s post-pandemic production ramp-ups.. Shortages of key inputs like semiconductors and composite materials have led to extended lead times and increased input costs for many suppliers. These pressures have been further complicated by tariff policies, which have raised costs on steel, aluminum, and certain components. combined with geographically concentrated

supplier bases, have contributed to bottlenecks and increase input components.⁸

Moog has faced direct pressure from these factors, particularly in its Commercial Aircraft and Industrial segments. In Q1 2026, management explicitly cited “higher tariffs, primarily in Commercial Aircraft and Industrial” as the main driver of gross margins declining from 27.0% to 26.7%. The company has responded by making supplier changes, internalizing production, and delaying material receipts. On the other hand, the company states labor shortages are not a significant issue as voluntary attrition is 7%.¹

For our investment view, we expect these pressures to persist through 2028, keeping costs steady before making a gradual improvement to 68%.

MARKETS AND COMPETITION

Peer Comparisons

For our analysis, we selected six peers with similar business operations and market exposure to Moog: Woodward Inc. (WWD), Curtiss-Wright (CW), Parker-Hannifin (PH), Hexcel Corporation (HXL), Howmet Aerospace (HWM), and TransDigm Group (TDG). While not all peers directly compete as some peers have differing product lines, the selected companies operate as Tier 1/Tier 2 aerospace and defense manufacturers within the component and systems markets, making them the closest and appropriate for valuation comparison.

Company	Mkt Cap	Revenue	NI
MOG.A	10,005	3,860	235
WWD	23,800	3,567	442
CW	27,062	3,498	484
PH	124.8 (B)	19,850	3,532
HXL	6,386	1,893	109
HWM	102.7 (B)	8,252	1,508
TDG	69,638	8,831	2,074

Source: FactSet

Woodward Inc. (WWD): Designs and manufactures control systems and components such as fuel systems, actuators, and electronic controls for aircraft engines and industrial turbines. Its focus on precision motion control and energy management makes it very similar to Moog’s core actuation and control systems business.

Curtiss-Wright (CW): Provides highly engineered products including sensors, actuators, valves, and embedded systems for aerospace, defense, and power markets. The company’s exposure to defense programs and mission-critical subsystems aligns closely with Moog’s mix of military and aerospace markets.

Parker-Hannifin (PH): A diversified industrial manufacturer specializing in motion and control technologies, including hydraulics, fluid systems, and flight control components for aerospace platforms. While broader than Moog, its aerospace segment overlaps largely in flight control systems and engineered components.

Hexcel Corporation (HXL): Produces advanced composite materials such as carbon fiber, prepregs, and honeycomb structures used in commercial and military aircraft. Although it focuses on materials rather than systems, it has overlap in the same aerospace demand drivers and aircraft production cycle exposure as Moog.

Howmet Aerospace (HWM): Manufactures high-performance metal components such as turbine blades, structural casting, and aerospace fasteners for jet engines and airframes. Its products are mission-critical and often sole-sourced, giving it similar characteristics in aftermarket exposure to Moog.

TransDigm Group (TDG): Owns and operates a portfolio of aerospace component business focused on proprietary, engineered parts with strong pricing power. It’s aftermarket-heavy profile and emphasis on nicher components makes it one of the closest comps to Moog.

Company	P/E 26E	P/E 27E	EV/EBITDA 26E	EV/EBITDA 27E
MOG.A	28.6	26.6	18.2	16.6
WWD	43.5	37.2	27.5	24.2
CW	47.9	42.8	31.9	29.1
PH	35.5	31.2	22.1	20.2
HXL	36.8	26.7	18.4	15.4
HWM	54.3	45.5	34.3	30.0
TDG	36.2	29.5	18.2	16.6

Source: FactSet

As shown in the table above, Moog trades at a discount to peers across both P/E and EV/EBITDA. The company trades at 26-28x forward P/E to peer ranges of 31-54x, with a similar discount across EV/EBITDA. At first, we considered this discount as one potential reason to add the company

to the portfolio. However, our closer look at the company’s fundamentals explains why the valuation is appropriate.

Company	Revenue CAGR (25-27E)	EBITDA Margin
MOG.A	8.68%	13.9
WWD	12.47%	18.3
CW	7.52%	21.1
PH	7.36%	26.4
HXL	9.81%	17.5
HWM	12.91%	30.4
TDG	11.34%	53.9

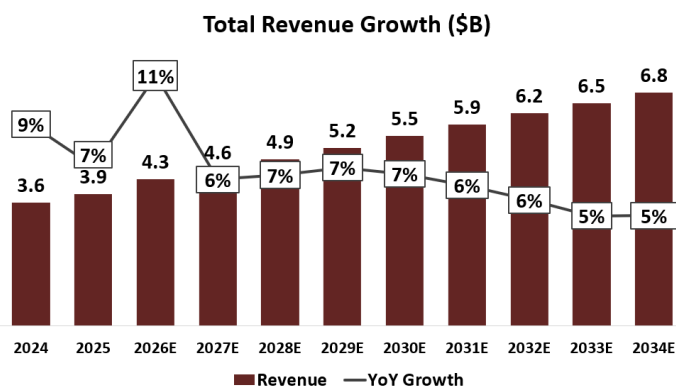
Source: FactSet

Moog’s projected revenue CAGR 8.7% (2025-2027E) trails behind three peers but is within a modest range of the others. More notably, Moog’s EBITDA margin of 13.9% is meaningfully below peers such Hexcel and Woodward and significantly below manufacturers like Howmet and TransDigm. This reflects the difference in end-market exposures, contract structures, and pricing power. Whereas Moog total revenue is primarily tied to fixed-price contracts and aftermarket represents 14% of sales, many peers benefit from more flexible contract structures such as cost-plus pricing or higher aftermarket activity exposure with peers ranging between 20-40% in comparison.

We acknowledge that many A&D companies have rallied within the past year, reflecting the industry’s tailwinds and catalysts discussed earlier. Initially, we considered that Moog’s discount to peers on initial valuation metrics might make it an attractive addition to the portfolio. However, after analyzing the company’s cost structure, contract exposure, and lower aftermarket mix, we concluded that this discount is justified. We do believe Moog is a high-quality company with strong competitive advantages with a defensible position in the market – but at current levels, we see no margin of safety. Therefore, while we proposed Moog as a potential buying opportunity, we believe the stock is appropriately priced, especially given its recent run-up.

VALUATION

Revenue Growth



Source: Henry Fund Model

We forecast revenue to reach approximately \$6.8 billion by the terminal year of 2034, representing a total revenue CAGR of 6.54% from 2025 throughout the horizon. For fiscal years 2026 and 2027, our revenue projections align with consensus estimates. Beyond 2027, where no consensus data is available, we forecast using growth rates derived from our outlook on Moog benefitting from industry trends catalysts in relation to major programs, aftermarket services, and its multi-year backlog visibilities. Growth moderates to 4.84% in the final year before tapering to a 3% terminal growth rate, consistent with long-term economic expectations for a mature industrial company.

Cost Assumptions

		COGS % of Revenue 2026E							
		262.96	66.73%	67.83%	68.83%	69.83%	70.83%	71.83%	72.83%
SG&A of Revenue 2026E	11.07%	344.97	341.17	337.72	334.26	330.81	327.36	323.91	
	12.07%	321.22	317.42	313.97	310.52	307.07	303.61	300.16	
	13.07%	297.48	293.68	290.23	286.77	283.32	279.87	276.42	
	14.07%	273.73	269.93	266.48	263.03	259.58	256.12	252.67	
	15.07%	249.99	246.19	242.74	239.28	235.83	232.38	228.93	
	16.07%	226.24	222.45	218.99	215.54	212.09	208.63	205.18	
	17.07%	202.50	198.70	195.25	191.80	188.34	184.89	181.44	

Source: Henry Fund Model

Our cost projections reflect Moog's heavy fixed-priced contract nature, with cost of sales representing approximately 70% of revenue. We forecast cost of sales to gradually improve from its historical 70% to 68% of revenue by the terminal period. This improvement reflects our expectation of lower input costs as supply chains normalize, tariffs ease, and the company's 80/20 pricing initiative enhances its ability to pass costs through on new contracts. Management has not indicated any shift away

from fixed-price contracts, reinforcing our assumption that cost improvements will come from external factors and internal efficiencies, not contract reconstruction. Our cost of sales trajectory is broadly in line with consensus estimates.

Other operating expenses including inventory write-downs, D&A, R&D, and SG&A are forecasted as a percentage of revenue based on historical averages. We assume modest operating leverage as revenue grows, consistent with management's simplification actions.

Capital Expenditures

Moog does not provide capex guidance for 2026, therefore we calculated our forecasted capital expenditure allocations based on its most recent fiscal year amount of 144.7 million. We use a modest growth of 3% from 2026 to our perpetuity year of 2034 to reflect the company's plan to expand its geographic footprint, keep up with future operations, and to account for the cost of inflation.

WACC

Our calculated weighed average cost of capital (WACC) for Moog Inc is 9.05%. We made the following assumptions in our calculation:

Risk-Free Rate: We used the 10-Year Treasury bond yield as of March 27, 2026.

Beta: We obtained an adjusted beta of 1.04 using the 3-year weekly beta from the Bloomberg Terminal.

Equity Risk Premium: We used the Henry Fund consensus estimate of 5.00%.

Pre-Cost of Debt: We obtained 5.44% from the yield to maturity for a MOG.A 10-year corporate bond from the Bloomberg Terminal.

		CV Growth of NOPLAT							
		262.96	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%
WACC	7.55%	335.20	346.04	358.01	371.30	386.13	402.80	421.65	
	8.05%	300.01	308.48	317.75	327.93	339.18	351.66	365.59	
	8.55%	270.50	277.22	284.51	292.46	301.16	310.72	321.27	
	9.05%	245.45	250.84	256.66	262.96	269.81	277.27	285.43	
	9.55%	223.84	228.21	232.91	237.97	243.42	249.33	255.74	
	10.55%	188.67	191.63	194.77	198.13	201.71	205.55	209.67	
	11.05%	174.16	176.62	179.23	181.99	184.94	188.08	191.43	

Source: Henry Fund Model

Our WACC is about 0.50-0.60% above consensus standing at 8.44%. It is important to note that if we implement this lower range of WACC into our valuation as shown in this

table, this would still yield a price between \$292-327, implying the stock is currently priced to near-perfection as the range has been within this range.

DCF and EP

The Henry Fund DCF and Economic Profit resulted in an implied share price of \$263. Our terminal values used in this valuation method are 3.00% for CV of NOPLAT, TV ROIC of 27.3%, cost of equity of 9.56%, and discounted all future cash flows using a 9.05% WACC. We relied on our DCF price to arrive at our target price.

Dividend Discount Model (DDM)

The Dividend Discount Model was calculated by pricing the expected future dividends per share to present value using the cost of equity and EPS in the terminal year, obtaining a price of \$138. Although Moog has been consistent with increasing dividends per share by 3% annually, it is a relatively small portion of payments, therefore we will reference this number as a checkpoint more than a valuation method for our target price.

Relative Valuation

For our relative valuation, we performed an analysis using our selection of peers. Our implied P/E (EPS) ratios for years 2026 and 2027 were \$460 and \$416. As for our EV/EBITDA (EBITDA) metrics, we obtained prices of \$429 and \$406 for 2026 and 2027. These prices represent the premium that has been rising throughout the Aerospace and Defense Industry.

While these peer values suggest significant upside, we do not believe it's practical to incorporate them into our target price for following reasons. First, Moog's margins are materially lower than the peer average, reflecting its higher exposure to fixed-price contracts and a smaller aftermarket base (14% of sales vs 20-40% for many peers). Second, even incorporating this range of metrics to our target price only yields a target price range of approximately \$310-315, just within current price ranges, further indicating the company is fairly priced. Therefore,

we base out target price solely on the DCF method, which better reflects Moog's operational and market exposure.

KEYS TO MONITOR

Catalysts for Growth

Margin expansion: If Moog's gross margins reaches 32% before 2029 (our forecast is 2029-2031) driven by earlier tariff relief, shift away from fixed-price contracting, or strong simplifications benefits, we would revisit our margin assumptions.

Defense Growth: Sustained 20% + annual increases in twelve-month backlog growth (2025 was +20%) would signal strong than expected revenue growth.

Commercial aftermarket surge: If aftermarket exposure consistently exceeds 14% annually, it would indicate higher business activity, thus driving higher pricing power and margin upside.

Risks to Thesis

Tariff escalation: Additional tariffs on aerospace components could push gross margins even lower than 30%, pressuring our cost assumptions.

Fixed-price contract loss: A loss on a major development program or a material cost overrun on existing contracts would challenge our margin stability assumptions.

Defense budget cuts: A sustained reduction in U.S. defense allocations would directly impact 38% of sales and our long-term growth forecasts, potentially hindering growth.

REFERENCES

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Moog Inc
Sensitivity Tables

		CV Growth of NOPLAT						
		2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%
WACC	262.97							
	7.55%	335.20	346.04	358.02	371.30	386.14	402.80	421.66
	8.05%	300.01	308.48	317.75	327.93	339.18	351.66	365.59
	8.55%	270.51	277.22	284.51	292.46	301.16	310.72	321.28
	9.05%	245.45	250.84	256.66	262.97	269.81	277.27	285.44
	9.55%	223.84	228.22	232.91	237.97	243.42	249.33	255.75
	10.55%	188.67	191.63	194.77	198.13	201.72	205.55	209.68
	11.05%	174.16	176.62	179.23	182.00	184.94	188.08	191.44

		COGS % of Revenue 2026E						
		66.73%	67.83%	68.83%	69.83%	70.83%	71.83%	72.83%
SG&A of Revenue 2026E	262.97							
	11.07%	344.97	341.17	337.72	334.27	330.82	327.36	323.91
	12.07%	321.23	317.43	313.98	310.52	307.07	303.62	300.17
	13.07%	297.48	293.68	290.23	286.78	283.33	279.87	276.42
	14.07%	273.74	269.94	266.49	263.03	259.58	256.13	252.68
	15.07%	249.99	246.19	242.74	239.29	235.84	232.38	228.93
	16.07%	226.25	222.45	219.00	215.54	212.09	208.64	205.19
	17.07%	202.50	198.70	195.25	191.80	188.35	184.89	181.44

		R&D Growth Rate						
		1.50%	2.00%	2.50%	3.00%	3.50%	4.00%	4.50%
Beta	262.97							
	0.74	365.05	363.15	361.19	359.16	357.06	354.87	352.61
	0.84	327.04	325.33	323.57	321.74	319.85	317.88	315.85
	0.94	295.27	293.72	292.12	290.46	288.75	286.97	285.12
	1.04	268.33	266.92	265.46	263.94	262.37	260.75	259.07
	1.14	245.21	243.92	242.57	241.18	239.74	238.25	236.71
	1.24	225.16	223.96	222.72	221.44	220.11	218.73	217.31
	1.34	207.61	206.50	205.34	204.15	202.92	201.64	200.33

		Pre-Tax Cost of Debt						
		4.69%	4.94%	5.19%	5.44%	5.69%	5.94%	6.19%
Marginal Tax Rate	262.97							
	20.80%	264.58	263.63	262.68	261.74	260.81	259.88	258.95
	22.30%	264.94	264.00	263.07	262.15	261.23	260.32	259.41
	23.80%	265.30	264.38	263.46	262.56	261.65	260.76	259.87
	25.30%	265.66	264.75	263.86	262.97	262.08	261.20	260.32
	26.80%	266.02	265.13	264.25	263.38	262.51	261.64	260.78
	28.30%	266.38	265.51	264.65	263.79	262.94	262.09	261.25
	29.80%	266.74	265.89	265.04	264.20	263.37	262.53	261.71

		Space & Defense Revenue Growth 2026E						
		11.50%	13.00%	14.50%	16.00%	17.50%	19.00%	20.50%
ROIC Terminal Year	262.97							
	21.54%	251.44	252.94	254.45	255.95	257.46	258.96	260.47
	23.54%	254.20	255.72	257.24	258.76	260.28	261.80	263.32
	25.34%	256.31	257.84	259.38	260.91	262.44	263.97	265.50
	27.34%	258.33	259.88	261.42	262.96	264.51	266.05	267.59
	29.34%	260.08	261.63	263.19	264.74	266.29	267.84	269.40
	31.34%	261.60	263.16	264.73	266.29	267.85	269.41	270.97
	33.34%	262.94	264.51	266.08	267.65	269.22	270.79	272.36

		Commercial Aircraft Revenue Growth 2026E						
		12.00%	14.00%	16.00%	18.00%	20.00%	22.00%	24.00%
Equity Risk Premium	262.97							
	4.25%	300.64	302.51	304.38	306.25	308.11	309.98	311.85
	4.50%	285.24	287.02	288.80	290.58	292.36	294.14	295.92
	4.75%	271.11	272.81	274.51	276.20	277.90	279.60	281.30
	5.00%	258.10	259.72	261.34	262.97	264.59	266.21	267.83
	5.25%	246.08	247.64	249.19	250.74	252.29	253.84	255.40
	5.50%	234.95	236.44	237.93	239.41	240.90	242.39	243.88
	5.75%	224.61	226.04	227.47	228.89	230.32	231.75	233.18

Moog Inc
Revenue Decomposition

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenue by Segment															
Space and Defense	770	799	872	947	1018	1113	1291	1398	1513	1641	1777	1901	2015	2116	2222
% Growth		3.77%	9.14%	8.60%	7.50%	9.33%	16.00%	8.25%	8.25%	8.50%	8.25%	7.00%	6.00%	5.00%	5.00%
Military Aircraft	721	782	745	720	812	888	961	1014	1075	1145	1214	1286	1364	1445	1532
% Growth		8.46%	-4.73%	-3.36%	12.78%	9.36%	8.25%	5.50%	6.00%	6.50%	6.00%	6.00%	6.00%	6.00%	6.00%
Commercial Aircraft	485	379	511	666	788	904	1067	1144	1227	1319	1415	1514	1612	1693	1777
% Growth		-21.86%	34.83%	30.33%	18.32%	14.72%	18.00%	7.25%	7.25%	7.50%	7.25%	7.00%	6.50%	5.00%	5.00%
Industrial	909	892	907	983	991	956	966	1004	1047	1094	1140	1186	1222	1258	1296
% Growth		-1.87%	1.68%	8.38%	0.81%	-3.53%	1.00%	4.00%	4.25%	4.50%	4.25%	4.00%	3.00%	3.00%	3.00%
Total Revenue	2885	2852	3035	3316	3609	3861	4285	4560	4862	5199	5546	5887	6213	6512	6827
% Growth		-1.14%	6.42%	9.26%	8.84%	6.98%	10.97%	6.43%	6.62%	6.94%	6.66%	6.16%	5.52%	4.83%	4.84%

Moog Inc
Income Statement

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Net sales	2,884,554	2,851,993	3,035,783	3,319,122	3,609,160	3,860,624	4,284,620	4,559,963	4,861,734	5,199,338	5,545,575	5,887,416	6,212,647	6,512,481	6,827,392
Cost of sales	2,031,178	1,986,111	2,122,995	2,333,012	2,512,108	2,691,074	2,992,130	3,184,414	3,395,153	3,535,550	3,770,991	4,003,443	4,193,537	4,395,925	4,608,490
Inventory write-down	22,708	-	3,598	4,345	7,027	8,474	7,108	7,565	8,066	8,626	9,200	9,768	10,307	10,805	11,327
Gross profit	830,668	865,882	909,190	981,765	1,090,025	1,161,076	1,285,381	1,367,984	1,458,515	1,655,162	1,765,383	1,874,205	2,008,803	2,105,752	2,207,575
Depreciation	74,243	76,671	75,238	78,692	82,957	94,013	115,211	119,033	122,928	126,903	130,965	135,120	139,374	143,733	148,203
Amortization	12,729	13,488	13,151	11,541	10,149	9,715	10,900	9,900	9,000	7,400	5,300	5,300	5,300	5,300	5,300
Research and development	110,865	125,528	109,527	106,551	112,773	93,671	96,481	99,376	102,357	105,428	108,590	111,848	115,204	118,660	122,219
Selling, general and administrative	397,947	412,028	448,531	469,836	494,887	553,968	602,940	641,687	684,153	731,661	780,384	828,489	874,256	916,449	960,764
Interest	38,897	33,892	36,757	63,578	62,112	72,075	56,475	59,118	109,074	63,815	66,669	69,505	72,238	74,806	77,493
Goodwill impairment	37,839	1,500	18,053	-	-	-	-	-	-	-	-	-	-	-	-
Asset impairment and fair value adjustment	-	-	-	14,628	22,149	5,374	-	-	-	-	-	-	-	-	-
Restructuring	10,700	-	9,509	7,997	23,788	10,015	-	-	-	-	-	-	-	-	-
Loss on sale of businesses	-	1,536	3,346	900	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of building	-	-	(9,075)	(10,030)	(979)	-	-	-	-	-	-	-	-	-	-
Pension settlement	121,324	-	-	12,542	-	-	-	-	-	-	-	-	-	-	-
Other	20,707	(2,535)	1,174	9,478	14,376	9,597	-	-	-	-	-	-	-	-	-
Earnings before income taxes	5,417	203,774	202,979	216,052	267,813	312,648	459,849	497,988	540,078	683,770	740,144	793,449	874,669	921,610	971,089
Income taxes	(3,788)	46,554	47,802	45,054	60,593	77,620	116,342	125,991	136,640	172,994	187,256	200,742	221,291	233,167	245,685
Net earnings	9,205	157,220	155,177	170,998	207,220	235,028	343,507	371,997	403,438	510,776	552,887	592,706	653,378	688,442	725,403

Moog Inc
Balance Sheet

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Assets															
Current assets															
Cash and cash equivalents	84,583	99,599	103,895	68,959	61,694	62,013	451,460	705,742	1,903,371	1,344,461	1,755,552	2,204,638	2,713,694	3,257,882	3,834,912
Restricted cash	489	1,315	15,338	185	123	200	200	200	200	200	200	200	200	200	200
Receivables, net	855,535	945,929	990,262	1,141,324	1,128,985	1,251,120	1,328,232	1,413,589	1,507,138	1,611,795	1,719,128	1,825,099	1,925,920	2,018,869	2,116,492
Inventories, net	623,043	613,095	588,466	724,002	863,702	914,302	927,402	987,000	1,052,318	1,125,392	1,200,335	1,274,326	1,344,722	1,409,621	1,477,783
Prepaid expenses and other current assets	49,837	58,842	60,349	50,862	86,245	142,345	83,129	88,471	94,326	100,876	107,593	114,226	120,536	126,353	132,463
Total current assets	1,613,487	1,718,780	1,758,310	1,985,332	2,140,749	2,369,980	2,790,423	3,195,002	4,557,353	4,182,724	4,782,809	5,418,489	6,105,072	6,812,925	7,561,849
Property, plant and equipment, net	600,498	645,778	668,908	814,696	929,357	1,019,906	1,053,736	1,088,215	1,123,405	1,159,363	1,196,145	1,233,804	1,272,393	1,311,962	1,352,560
Operating lease right-of-use assets	68,393	60,355	69,072	56,067	52,591	52,799	54,550	56,335	58,157	60,018	61,923	63,872	65,870	67,918	70,020
Goodwill	821,856	851,605	805,320	821,301	833,764	842,313	842,313	842,313	842,313	842,313	842,313	842,313	842,313	842,313	842,313
Intangible assets, net	85,046	106,095	85,410	71,637	63,479	66,101	55,201	45,301	36,301	28,901	23,601	18,301	13,001	7,701	2,401
Deferred income taxes	18,924	17,769	8,630	8,749	20,991	22,459	21,743	20,994	19,611	18,802	17,957	17,076	16,161	15,213	14,230
Other assets	17,627	32,787	36,191	50,254	52,695	52,497	53,022	53,552	54,088	54,629	55,175	55,727	56,284	56,847	57,415
Total assets	3,225,831	3,433,169	3,431,841	3,808,036	4,093,626	4,426,055	4,870,988	5,301,712	6,691,227	6,346,750	6,979,923	7,649,582	8,371,094	9,114,879	9,900,788
Liabilities and Shareholders' Equity															
Current liabilities															
Current installments of long-term debt	350	80,365	916	-	-	1,563	3,125	10,375	932,500	-	-	-	-	-	-
Accounts payable	176,868	200,602	232,104	264,573	292,988	318,402	316,205	336,525	358,796	383,711	409,263	434,491	458,493	480,621	503,861
Accrued compensation	109,510	112,703	93,141	111,154	101,127	106,040	119,969	127,679	136,129	145,581	155,276	164,848	173,954	182,349	191,167
Customer advances and progress billings	203,338	263,686	296,899	377,977	299,732	372,988	392,192	417,396	445,019	475,921	507,614	538,904	568,674	596,120	624,945
Accrued liabilities and other	220,488	212,005	215,376	211,769	305,180	320,075	317,129	337,509	359,845	384,833	410,460	435,762	459,834	482,026	505,335
Total current liabilities	710,554	869,361	838,436	965,473	999,027	1,119,068	1,148,621	1,229,484	2,232,288	1,390,046	1,482,613	1,574,005	1,660,955	1,741,116	1,825,308
Long-term debt, excluding current installments	929,982	823,355	836,872	863,092	874,139	944,123	1,093,655	1,137,721	1,185,786	1,239,316	1,294,756	1,349,831	1,402,895	1,452,769	1,504,961
Long-term pension and retirement obligations	183,366	162,728	140,602	157,455	167,161	157,218	157,218	157,218	157,218	157,218	157,218	157,218	157,218	157,218	157,218
Deferred income taxes	40,474	64,642	63,527	37,626	27,738	32,600	34,674	36,845	40,851	43,195	45,643	48,196	50,849	53,596	56,442
Other long term liabilities	118,372	112,939	115,591	148,303	164,928	180,491	179,175	190,690	203,309	217,427	231,906	246,201	259,802	273,240	285,509
Total liabilities	1,982,748	2,033,025	1,995,028	2,171,949	2,232,993	2,433,500	2,613,343	2,751,958	3,819,452	3,047,202	3,212,136	3,375,450	3,531,718	3,677,040	3,829,438
Common Equity															
Retained earnings	523,925	560,902	567,403	659,550	835,789	890,608	901,414	912,221	923,027	933,833	944,639	955,446	966,252	977,058	987,865
Treasury shares	(990,783)	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####
Stock employee compensation trust	(64,242)	(79,776)	(73,602)	(114,769)	(194,049)	(195,491)	(195,491)	(195,491)	(195,491)	(195,491)	(195,491)	(195,491)	(195,491)	(195,491)	(195,491)
Supplemental retirement plan trust	(53,098)	(63,764)	(58,989)	(93,126)	(163,821)	(170,191)	(170,191)	(170,191)	(170,191)	(170,191)	(170,191)	(170,191)	(170,191)	(170,191)	(170,191)
Accumulated other comprehensive loss / income	(285,453)	(247,560)	(311,042)	(254,609)	(203,769)	(157,719)	(157,719)	(157,719)	(157,719)	(157,719)	(157,719)	(157,719)	(157,719)	(157,719)	(157,719)
Total shareholders equity	1,243,083	1,400,144	1,436,813	1,636,087	1,860,633	1,992,555	2,257,645	2,549,754	2,871,775	3,299,549	3,767,786	4,274,132	4,839,375	5,437,839	6,071,350
Total liabilities and shareholders' equity	3,225,831	3,433,169	3,431,841	3,808,036	4,093,626	4,426,055	4,870,988	5,301,712	6,691,227	6,346,750	6,979,923	7,649,582	8,371,094	9,114,879	9,900,788

Moog Inc

Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Operating Activities:									
Net Income	343,507	371,997	403,438	510,776	552,887	592,706	653,378	688,442	725,403
Depreciation	115,211	119,033	122,928	126,903	130,965	135,120	139,374	143,733	148,203
Receivables, net	(77,112)	(85,356)	(93,549)	(104,657)	(107,334)	(105,971)	(100,822)	(92,949)	(97,622)
Inventories, net	(13,100)	(59,598)	(65,318)	(73,074)	(74,943)	(73,991)	(70,396)	(64,899)	(68,162)
Prepaid expenses and other current assets	59,216	(5,342)	(5,855)	(6,550)	(6,718)	(6,632)	(6,310)	(5,817)	(6,110)
Operating lease right-of-use assets	(1,751)	(1,785)	(1,822)	(1,862)	(1,904)	(1,950)	(1,998)	(2,048)	(2,102)
Deferred income taxes (assets)	716	749	1,383	809	845	881	916	948	982
Accounts payable	(2,197)	20,320	22,271	24,915	25,552	25,228	24,002	22,128	23,240
Accrued compensation	13,929	7,710	8,450	9,453	9,695	9,572	9,106	8,395	8,818
Customer advances and progress billings	19,204	25,204	27,623	30,903	31,693	31,290	29,770	27,445	28,825
Accrued liabilities and other	(2,946)	20,380	22,336	24,988	25,627	25,302	24,072	22,192	23,308
Deferred income taxes (liabilities)	2,074	2,171	4,006	2,344	2,448	2,553	2,653	2,747	2,846
Other long-term liabilities	(1,316)	11,514	12,620	14,118	14,479	14,295	13,601	12,539	13,169
Net Cash From Operating Activities	455,436	426,997	458,509	559,066	603,294	648,402	717,347	762,857	800,799
Investing Activities:									
Capital Expenditures	(149,041)	(153,512)	(158,118)	(162,861)	(167,747)	(172,779)	(177,963)	(183,302)	(188,801)
Intangible assets, net	10,900	9,900	9,000	7,400	5,300	5,300	5,300	5,300	5,300
Other assets	(525)	(530)	(536)	(541)	(546)	(552)	(557)	(563)	(568)
Net Cash From Investing Activities	(138,666)	(144,142)	(149,653)	(156,002)	(162,993)	(168,031)	(173,220)	(178,564)	(184,069)
Financing Activities:									
Current installments of long-term debt	1,562	7,250	922,125	(932,500)	-	-	-	-	-
Long-term debt, excluding current installments	149,532	44,066	48,065	53,529	55,441	55,075	53,064	49,874	52,192
Common Equity	10,806	10,806	10,806	10,806	10,806	10,806	10,806	10,806	10,806
Share Repurchases	(51,238)	(51,238)	(51,238)	(51,238)	(51,238)	(51,238)	(51,238)	(51,238)	(51,238)
Dividends Paid	(37,986)	(39,457)	(40,985)	(42,572)	(44,219)	(45,929)	(47,704)	(49,547)	(51,461)
Net Cash From Financing Activities	72,677	(28,572)	888,773	(961,974)	(29,209)	(31,285)	(35,071)	(40,104)	(39,700)
Net Cash	389,447	254,282	1,197,629	(558,910)	411,091	449,086	509,056	544,189	577,030
Beginning Cash	62,013	451,460	705,742	1,903,371	1,344,461	1,755,552	2,204,638	2,713,694	3,257,882
Ending Cash	451,460	705,742	1,903,371	1,344,461	1,755,552	2,204,638	2,713,694	3,257,882	3,834,912

Moog Inc

Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025
Cash Flows From Operating Activities						
Net earnings	9,205	157,220	155,177	170,998	207,220	235,028
Depreciation	74,243	76,671	75,238	78,692	82,957	94,013
Amortization	12,729	13,488	13,151	11,541	10,149	9,715
Deferred income taxes	(40,845)	8,162	11,739	(35,531)	(31,735)	(6,545)
Equity-based compensation expense	5,661	7,461	8,882	10,582	14,959	16,708
Loss on sale of business	-	-	3,346	900	-	-
Asset impairment and inventory write-down	60,547	1,500	21,651	18,973	29,176	13,848
Gain on sale of buildings	-	-	-	(10,030)	(979)	-
Pension settlement	121,324	-	-	12,542	-	-
Other	9,636	-	-	6,244	6,512	4,432
Receivables	-	-	-	(56,575)	23,262	(87,070)
Unbilled receivables	-	-	-	(87,915)	2,856	(64,588)
Inventories	(99,015)	19,576	(28,677)	(130,378)	(126,978)	(51,772)
Accounts payable	(84,065)	20,520	43,349	28,641	26,446	24,711
Customer advances and progress billings	65,680	59,298	42,097	79,983	(84,296)	81,597
Accrued expenses	(3,516)	2,290	(4,445)	(1,692)	26,493	3,743
Accrued income taxes	(17,964)	4,653	3,070	22,869	16,219	(20,214)
Net pension and post retirement liabilities	33,305	12,503	18,093	13,940	11,791	18,194
Other assets and liabilities	20,727	(17,402)	(26,745)	2,151	(11,708)	1,286
Net cash provided (used) by operating activities	279,177	293,226	246,802	135,935	202,344	273,086
Cash Flows From Investing Activities						
Acquisitions of businesses, net of cash acquired	(54,265)	(77,600)	(11,832)	-	(5,911)	(41,179)
Purchase of property, plant and equipment	(88,284)	(128,734)	(139,431)	(173,286)	(156,018)	(144,731)
Net proceeds from businesses sold	-	-	-	1,892	1,627	13,487
Net proceeds from buildings sold	-	-	-	19,702	1,453	-
Other investing transactions	-	-	(2,668)	(11,455)	(766)	(2,833)
Net cash used by investing activities	(146,193)	(191,157)	(83,319)	(163,147)	(159,615)	(175,256)
Cash Flows From Financing Activities						
Proceeds from revolving lines of credit	1,151,550	799,950	840,475	1,044,101	1,038,500	1,229,500
Payments on revolving lines of credit	(1,187,159)	(838,936)	(827,801)	(1,017,420)	(1,029,500)	(1,410,000)
Proceeds from long-term debt	15,128	78,700	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-	250,000
Payments on long-term debt	-	-	-	(916)	-	-
Proceeds from senior notes, net of issuance costs	491,769	-	-	-	-	-
Payments on senior subordinated notes	(300,000)	-	-	-	-	-
Payments on finance lease obligations	(1,167)	(2,156)	(2,524)	(4,620)	(6,496)	(10,159)
Payment of dividends	(25,210)	(32,106)	(32,970)	(34,074)	(35,476)	(36,430)
Proceeds from sale of treasury stock	7,014	10,866	18,414	19,785	15,685	19,568
Purchase of outstanding shares for treasury	(232,290)	(31,673)	(48,558)	(29,306)	(36,738)	(142,707)
Proceeds from sale of stock held by SECT	24,721	679	13,250	15,713	28,202	32,664
Purchase of stock held by SECT	(6,774)	(4,239)	(14,830)	(14,251)	(22,837)	(28,985)
Other financing transactions	(5,878)	-	-	(2,027)	-	(1,742)
Net cash used / provided by financing activities	(142,766)	(86,995)	(134,908)	(23,015)	(48,660)	(98,291)
Effect of exchange rate changes on cash	2,306	768	(10,256)	2,043	1,324	(1,863)
Increase / decrease in cash and cash equivalents and restricted cash	(7,476)	15,842	18,319	(48,184)	(4,607)	(2,324)
Cash and cash equivalents at beginning of period	92,548	85,072	100,914	117,328	69,144	64,537
Cash and cash equivalents at end of period	85,072	100,914	119,233	69,144	64,537	62,213

Moog Inc

Common Size Income Statement

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Net sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of sales	70.42%	69.64%	69.93%	70.29%	69.60%	69.71%	69.83%	69.83%	69.83%	68.00%	68.00%	68.00%	67.50%	67.50%	67.50%
Inventory write-down	0.79%	0.00%	0.12%	0.13%	0.19%	0.22%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%
Gross profit	28.80%	30.36%	29.95%	29.58%	30.20%	30.07%	30.00%	30.00%	30.00%	31.83%	31.83%	31.83%	32.33%	32.33%	32.33%
Depreciation	2.57%	2.69%	2.48%	2.37%	2.30%	2.44%	2.69%	2.61%	2.53%	2.44%	2.36%	2.30%	2.24%	2.21%	2.17%
Amortization	0.44%	0.47%	0.43%	0.35%	0.28%	0.25%	0.25%	0.22%	0.19%	0.14%	0.10%	0.09%	0.09%	0.08%	0.08%
Research and development	3.84%	4.40%	3.61%	3.21%	3.12%	2.43%	2.25%	2.18%	2.11%	2.03%	1.96%	1.90%	1.85%	1.82%	1.79%
Selling, general and administrative	13.80%	14.45%	14.77%	14.16%	13.71%	14.35%	14.07%	14.07%	14.07%	14.07%	14.07%	14.07%	14.07%	14.07%	14.07%
Interest	1.35%	1.19%	1.21%	1.92%	1.72%	1.87%	1.32%	1.30%	2.24%	1.23%	1.20%	1.18%	1.16%	1.15%	1.14%
Goodwill impairment	1.31%	0.05%	0.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Asset impairment and fair value adjustment	0.00%	0.00%	0.00%	0.44%	0.61%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Restructuring	0.37%	0.00%	0.31%	0.24%	0.66%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loss on sale of businesses	0.00%	0.05%	0.11%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gain on sale of building	0.00%	0.00%	-0.30%	-0.30%	-0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pension settlement	4.21%	0.00%	0.00%	0.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.72%	-0.09%	0.04%	0.29%	0.40%	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Earnings before income taxes	0.19%	7.14%	6.69%	6.51%	7.42%	8.10%	10.73%	10.92%	11.11%	13.15%	13.35%	13.48%	14.08%	14.15%	14.22%
Income taxes	-0.13%	1.63%	1.57%	1.36%	1.68%	2.01%	2.72%	2.76%	2.81%	3.33%	3.38%	3.41%	3.56%	3.58%	3.60%
Net earnings	0.32%	5.51%	5.11%	5.15%	5.74%	6.09%	8.02%	8.16%	8.30%	9.82%	9.97%	10.07%	10.52%	10.57%	10.62%

Moog Inc
Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Assets															
Current assets															
Cash and cash equivalents	2.93%	3.49%	3.42%	2.08%	1.71%	1.61%	10.54%	15.48%	39.15%	25.86%	31.66%	37.45%	43.68%	50.03%	56.17%
Restricted cash	0.02%	0.05%	0.51%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Receivables, net	29.66%	33.17%	32.62%	34.39%	31.28%	32.41%	31.00%	31.00%	31.00%	31.00%	31.00%	31.00%	31.00%	31.00%	31.00%
Inventories, net	21.60%	21.50%	19.38%	21.81%	23.93%	23.68%	21.64%	21.64%	21.64%	21.64%	21.64%	21.64%	21.64%	21.64%	21.64%
Prepaid expenses and other current assets	1.73%	2.06%	1.99%	1.53%	2.39%	3.69%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%
Total current assets	55.94%	60.27%	57.92%	59.81%	59.31%	61.39%	65.13%	70.07%	93.74%	80.45%	86.25%	92.04%	98.27%	104.61%	110.76%
Property, plant and equipment, net	20.82%	22.64%	22.03%	24.55%	25.75%	26.42%	24.59%	23.86%	23.11%	22.30%	21.57%	20.96%	20.48%	20.15%	19.81%
Operating lease right-of-use assets	2.37%	2.12%	2.28%	1.69%	1.46%	1.37%	1.27%	1.24%	1.20%	1.15%	1.12%	1.08%	1.06%	1.04%	1.03%
Goodwill	28.49%	29.86%	26.53%	24.74%	23.10%	21.82%	19.66%	18.47%	17.33%	16.20%	15.19%	14.31%	13.56%	12.93%	12.34%
Intangible assets, net	2.95%	3.72%	2.81%	2.16%	1.76%	1.71%	1.29%	0.99%	0.75%	0.56%	0.43%	0.31%	0.21%	0.12%	0.04%
Deferred income taxes	0.66%	0.62%	0.28%	0.26%	0.58%	0.58%	0.51%	0.46%	0.40%	0.36%	0.32%	0.29%	0.26%	0.23%	0.21%
Other assets	0.61%	1.15%	1.19%	1.51%	1.46%	1.36%	1.24%	1.17%	1.11%	1.05%	0.99%	0.95%	0.91%	0.87%	0.84%
Total assets	111.83%	120.38%	113.05%	114.73%	113.42%	114.65%	113.69%	116.27%	137.63%	122.07%	125.86%	129.93%	134.74%	139.96%	145.02%
Liabilities and Shareholders' Equity															
Current liabilities															
Current installments of long-term debt	0.01%	2.82%	0.03%	0.00%	0.00%	0.04%	0.07%	0.23%	19.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Accounts payable	6.13%	7.03%	7.65%	7.97%	8.12%	8.25%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%
Accrued compensation	3.80%	3.95%	3.07%	3.35%	2.80%	2.75%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Customer advances and progress billings	7.05%	9.25%	9.78%	11.39%	8.30%	9.66%	9.15%	9.15%	9.15%	9.15%	9.15%	9.15%	9.15%	9.15%	9.15%
Accrued liabilities and other	7.64%	7.43%	7.09%	6.38%	8.46%	8.29%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%
Total current liabilities	24.63%	30.48%	27.62%	29.09%	27.68%	28.99%	26.81%	26.96%	45.92%	26.74%	26.74%	26.74%	26.74%	26.74%	26.74%
Long-term debt, excluding current installments	32.24%	28.87%	27.57%	26.00%	24.22%	24.46%	25.53%	24.95%	24.39%	23.84%	23.35%	22.93%	22.58%	22.31%	22.04%
Long-term pension and retirement obligations	6.36%	5.71%	4.63%	4.74%	4.63%	4.07%	3.67%	3.45%	3.23%	3.02%	2.84%	2.67%	2.53%	2.41%	2.30%
Deferred income taxes	1.40%	2.27%	2.09%	1.13%	0.77%	0.84%	0.81%	0.81%	0.84%	0.83%	0.82%	0.82%	0.82%	0.82%	0.83%
Other long-term liabilities	4.10%	3.96%	3.81%	4.47%	4.57%	4.68%	4.18%	4.18%	4.18%	4.18%	4.18%	4.18%	4.18%	4.18%	4.18%
Total liabilities	68.74%	71.28%	65.72%	65.44%	61.87%	63.03%	60.99%	60.35%	78.56%	58.61%	57.92%	57.33%	56.85%	56.46%	56.09%
Common Equity	18.16%	19.67%	18.69%	19.87%	23.16%	23.07%	21.04%	20.00%	18.99%	17.96%	17.03%	16.23%	15.55%	15.00%	14.47%
Retained earnings	73.24%	78.47%	77.74%	75.23%	73.94%	73.42%	73.29%	76.15%	78.88%	82.77%	86.77%	91.02%	96.00%	101.39%	106.59%
Treasury shares	-34.35%	-35.33%	-34.49%	-31.87%	-29.99%	-31.32%	-29.42%	-28.77%	-28.03%	-27.20%	-26.42%	-25.76%	-25.24%	-24.86%	-24.47%
Stock employee compensation trust	-2.23%	-2.80%	-2.42%	-3.46%	-5.38%	-5.06%	-4.56%	-4.29%	-4.02%	-3.76%	-3.53%	-3.32%	-3.15%	-3.00%	-2.86%
Supplemental retirement plan trust	-1.84%	-2.24%	-1.94%	-2.81%	-4.54%	-4.41%	-3.97%	-3.73%	-3.50%	-3.27%	-3.07%	-2.89%	-2.74%	-2.61%	-2.49%
Accumulated other comprehensive loss / income	-9.90%	-8.68%	-10.25%	-7.67%	-5.65%	-4.09%	-3.68%	-3.46%	-3.24%	-3.03%	-2.84%	-2.68%	-2.54%	-2.42%	-2.31%
Total shareholders equity	43.09%	49.09%	47.33%	49.29%	51.55%	51.61%	52.69%	55.92%	59.07%	63.46%	67.94%	72.60%	77.90%	83.50%	88.93%
Total liabilities and shareholders' equity	111.83%	120.38%	113.05%	114.73%	113.42%	114.65%	113.69%	116.27%	137.63%	122.07%	125.86%	129.93%	134.74%	139.96%	145.02%

Moog Inc
Value Driver Estimation

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
NOPLAT:															
Net Sales	2,884,554	2,851,993	3,035,783	3,319,122	3,609,160	3,860,624	4,284,620	4,559,963	4,861,734	5,199,338	5,545,575	5,887,416	6,212,647	6,512,481	6,827,392
Less: Cost of sales	2,031,178	1,986,111	2,122,995	2,333,012	2,512,108	2,691,074	2,992,130	3,184,414	3,395,153	3,535,550	3,770,991	4,003,443	4,193,537	4,395,925	4,608,490
Less: Inventory write-down	22,708	-	3,598	4,345	7,027	8,474	7,108	7,565	8,066	8,626	9,200	9,768	10,307	10,805	11,327
Less: Depreciation and amortization	86,972	90,159	88,389	90,233	93,106	103,728	126,111	128,933	131,928	134,303	136,265	140,420	144,674	149,033	153,503
Less: Research and development	110,865	125,528	109,527	106,551	112,773	93,671	96,481	99,376	102,357	105,428	108,590	111,848	115,204	118,660	122,219
Less: Selling, general, and admin	397,947	412,028	448,531	469,836	494,887	553,968	602,940	641,687	684,153	731,661	780,384	828,489	874,256	916,449	960,764
Add: Implied Interest on operating leases	3,721	3,283	3,758	3,050	2,861	2,872	2,968	3,065	3,164	3,265	3,369	3,475	3,583	3,695	3,809
EBITA	238,605	241,450	266,501	318,195	392,120	412,581	462,816	501,053	543,241	687,035	743,512	796,923	878,253	925,304	974,898
Less: Adjusted Taxes															
Marginal Tax Rate	19.10%	27.50%	27.40%	27.80%	24.50%	25.30%	25.30%	25.30%	25.30%	25.30%	25.30%	25.30%	25.30%	25.30%	25.30%
Income Taxes	(724)	12,802	13,098	12,525	14,845	19,638	29,434	31,876	34,570	43,767	47,376	50,788	55,987	58,991	62,158
Add: Implied Interest on operating leases	711	903	1,030	848	701	727	751	775	800	826	852	879	907	935	964
Add: Interest	7,429	9,320	10,071	17,675	15,217	18,235	14,288	14,957	27,596	16,145	16,867	17,585	18,276	18,926	19,606
Add: Goodwill impairment	7,227	413	4,947	-	-	-	-	-	-	-	-	-	-	-	-
Add: Asset impairment and fair value adjustment	-	-	-	4,067	5,427	1,360	-	-	-	-	-	-	-	-	-
Add: Restructuring	2,044	-	2,605	2,223	5,828	2,534	-	-	-	-	-	-	-	-	-
Add: Loss on sale of businesses	-	422	917	250	-	-	-	-	-	-	-	-	-	-	-
Add: Gain on sale of building	-	-	(2,487)	(2,788)	(240)	-	-	-	-	-	-	-	-	-	-
Add: Pension settlement	23,173	-	-	3,487	-	-	-	-	-	-	-	-	-	-	-
Less: Other	3,955	(697)	322	2,635	3,522	2,428	-	-	-	-	-	-	-	-	-
Total Adjusted Taxes	35,905	24,558	29,859	35,651	38,256	40,065	44,473	47,608	62,966	60,739	65,095	69,252	75,169	78,852	82,728
Deferred Tax Asset	18,924	17,769	8,630	8,749	20,991	22,459	21,743	20,994	19,611	18,802	17,957	17,076	16,161	15,213	14,230
Deferred Tax Liability	40,474	64,642	63,527	37,626	27,738	32,600	34,674	36,845	40,851	43,195	45,643	48,196	50,849	53,596	56,442
Net Deferred Tax Liability	21,550	46,873	54,897	28,877	6,747	10,141	12,931	15,851	21,240	24,392	27,686	31,119	34,688	38,383	42,211
Change in Deferred Taxes	25,323	8,024	(26,020)	(22,130)	3,394	2,790	2,920	5,388	3,152	3,294	3,434	3,434	3,569	3,695	3,828
NOPLAT	202,699	242,216	244,665	256,524	331,734	375,910	421,133	456,366	485,664	629,449	681,711	731,105	806,652	850,148	895,998
Invested Capital (IC):															
Normal Cash	154,064	152,325	162,141	177,274	192,765	206,196	228,841	243,547	259,665	277,696	296,189	314,447	331,817	347,831	364,651
Add: Receivables, net	855,535	945,929	990,262	1,141,324	1,128,985	1,251,120	1,328,232	1,413,589	1,507,138	1,611,795	1,719,128	1,825,099	1,925,920	2,018,869	2,116,492
Add: Inventories, net	623,043	613,095	588,466	724,002	863,702	914,302	927,402	987,000	1,052,318	1,125,392	1,200,335	1,274,326	1,344,722	1,409,621	1,477,783
Add: Prepaid expenses and other current assets	49,837	58,842	60,349	50,862	86,245	142,345	83,129	88,471	94,326	100,876	107,593	114,226	120,536	126,353	132,463
Less: Accounts payable	176,868	200,602	232,104	264,573	292,988	318,402	316,205	336,525	358,796	383,711	409,263	434,491	458,493	480,621	503,861
Less: Accrued compensation	109,510	112,703	93,141	111,154	101,127	106,040	119,969	127,679	136,129	145,581	155,276	164,848	173,954	182,349	191,167
Less: Customer advances and progress billings	203,338	263,686	296,899	377,977	299,732	372,988	392,192	417,396	445,019	475,921	507,614	538,904	568,674	596,120	624,945
Less: Accrued liabilities and other	220,488	212,005	215,376	211,769	305,180	320,075	317,129	337,509	359,845	384,833	410,460	435,762	459,834	482,026	505,335
Net Working Capital	972,275	981,195	963,698	1,127,989	1,272,670	1,396,458	1,422,109	1,513,498	1,613,659	1,725,713	1,840,632	1,954,093	2,062,040	2,161,558	2,266,080
Add: Property, plant and equipment, net	600,498	645,778	668,908	814,696	929,357	1,019,906	1,053,736	1,088,215	1,123,405	1,159,363	1,196,145	1,233,804	1,272,393	1,311,962	1,352,560
Add: Operating lease right-of-use assets	68,393	60,355	69,072	56,067	52,591	52,799	54,550	56,335	58,157	60,018	61,923	63,872	65,870	67,918	70,020
Add: Intangible assets, net	85,046	106,095	85,410	71,637	63,479	66,101	55,201	45,301	36,301	28,901	23,601	18,301	13,001	7,701	2,401
Less: Other long-term liabilities	118,372	112,939	115,591	148,303	164,928	180,491	179,175	190,690	203,309	217,427	231,906	246,201	259,802	272,340	285,509
Invested Capital (IC)	1,607,840	1,680,484	1,671,497	1,922,086	2,153,169	2,354,773	2,406,420	2,512,659	2,628,212	2,756,568	2,890,395	3,023,869	3,153,502	3,276,799	3,405,551
Free Cash Flow (FCF):															
NOPLAT	202,699	242,216	244,665	256,524	331,734	375,910	421,133	456,366	485,664	629,449	681,711	731,105	806,652	850,148	895,998
Change in IC	72,644	(8,987)	250,589	231,083	201,604	51,648	106,239	115,553	128,356	133,827	133,474	129,633	123,296	128,753	
FCF	202,699	169,572	253,652	5,935	100,651	174,307	369,485	350,127	370,111	501,094	547,884	597,631	677,019	726,851	767,246
Return on Invested Capital (ROIC):															
NOPLAT	202,699	242,216	244,665	256,524	331,734	375,910	421,133	456,366	485,664	629,449	681,711	731,105	806,652	850,148	895,998
Beginning IC	1,607,840	1,680,484	1,671,497	1,922,086	2,153,169	2,354,773	2,406,420	2,512,659	2,628,212	2,756,568	2,890,395	3,023,869	3,153,502	3,276,799	
ROIC	#DIV/0!	15.06%	14.56%	15.35%	17.26%	17.46%	17.88%	18.96%	19.33%	23.95%	24.73%	25.29%	26.68%	26.96%	27.34%
Economic Profit (EP):															
Beginning IC	1,607,840	1,680,484	1,671,497	1,922,086	2,153,169	2,354,773	2,406,420	2,512,659	2,628,212	2,756,568	2,890,395	3,023,869	3,153,502	3,276,799	
x (ROIC - WACC)	#DIV/0!	6.02%	5.51%	6.30%	8.21%	8.41%	8.83%	9.92%	10.28%	14.90%	15.68%	16.25%	17.63%	17.91%	18.29%
EP	#DIV/0!	96,718	92,593	105,265	157,798	181,064	208,042	238,602	258,286	391,615	432,261	469,545	533,013	564,778	599,471

Moog Inc*Weighted Average Cost of Capital (WACC) Estimation***Cost of Equity:**

Risk-Free Rate	4.34%
Beta	1.04
Equity Risk Premium	5.00%
Cost of Equity	9.56%

ASSUMPTIONS:

10 Year Treasury Yield (3/27/2026)
 3 Year Weekly Beta (3/27/2026)
 Henry Fund Consensus

Cost of Debt:

Risk-Free Rate	4.34%
Implied Default Premium	1.10%
Pre-Tax Cost of Debt	5.44%
Marginal Tax Rate	25%
After-Tax Cost of Debt	4.06%

10 Year Treasury Yield (3/27/2026)

YTM on company's 10 year corporate bond

Market Value of Common Equity:

Total Shares Outstanding	31,662
Current Stock Price	\$307.86
MV of Equity	9,747,463

MV Weights

90.71%

Market Value of Debt:

Current Portion of LTD	1,563
Long-Term Debt	944,123
PV of Operating Leases	52,799
MV of Total Debt	998,485

9.29%

Market Value of the Firm

10,745,948

100.00%

Estimated WACC

9.05%

Moog Inc*Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models*

Key Inputs:

CV Growth of NOPLAT	3.00%
CV Year ROIC	27.34%
WACC	9.05%
Cost of Equity	9.56%

Fiscal Years Ending Dec. 31	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
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DCF Model:

Free Cash Flow (FCF)	369,485	350,127	370,111	501,094	547,884	597,631	677,019	726,851	767,246
Continuing Value (CV)									13,186,563
PV of FCF	338,824	294,428	285,406	354,346	355,283	355,382	369,182	363,465	6,593,996

Value of Operating Assets:	9,310,312
Non-Operating Adjustments	
Add: Excess Cash	-
Add: Restricted Cash	200
Add: Other assets	52,497
Less: Current inst of LT debt	(1,563)
Less: LT Debt	(944,123)
Less: Operating lease liab	(52,799)
Less: LT pension & retirement	(157,218)
Less: ESOP	(111)
Value of Equity	8,207,195
Shares Outstanding	31,662
Intrinsic Value of Last FYE	\$ 259.21
Implied Price as of Today	\$ 262.97

EP Model:

Economic Profit (EP)	208,042	238,602	258,286	391,615	432,261	469,545	533,013	564,778	599,471
Continuing Value (CV)									9,909,765
PV of EP	190,778	200,645	199,173	276,928	280,305	279,216	290,655	282,420	4,955,419

Total PV of EP	6,955,539
Invested Capital (last FYE)	2,354,773
Value of Operating Assets:	9,310,312
Non-Operating Adjustments	
Add: Excess Cash	-
Add: Restricted Cash	200
Add: Other assets	52,497
Less: Current inst of LT debt	(1,563)
Less: LT Debt	(944,123)
Less: Operating lease liab	(52,799)
Less: LT pension & retirement	(157,218)
Less: ESOP	(111)
Value of Equity	8,207,195
Shares Outstanding	31,662
Intrinsic Value of Last FYE	\$ 259.21
Implied Price as of Today	\$ 262.97

Moog Inc*Relative Valuation Models*

Ticker	Company	Price	EPS 2026E	EPS 2027E	P/E 26	P/E 27	Enterprise Value (M)	EBITDA 2026E	EBITDA 2027E	EV/EBITDA 2026	EV/EBITDA 2027
WWD	Woodward Inc.	\$380.28	\$8.71	\$10.18	43.66	37.36	23,282	848	962	27.46	24.20
CW	Curtiss-Wright	\$719.51	\$14.99	\$16.75	48.00	42.96	26,668	837	917	31.86	29.08
PH	Parker-Hannifin	\$972.69	\$27.04	\$30.17	35.97	32.24	128,110	5806	6347	22.07	20.18
HXL	Hexcel Corporation	\$87.18	\$2.23	\$3.08	39.09	28.31	7,280	395	472	18.43	15.42
HWM	Howmet Aerospace	\$247.72	\$4.62	\$5.51	53.62	44.96	97,404	2839	3284	34.31	29.66
TDG	TransDigm Group	\$1,205.67	\$34.16	\$41.94	35.29	28.75	95,030	5225	5710	18.19	16.64
Average					42.61	35.76				25.38	22.53

MOG.A Moog Inc \$307.86 10.80 11.62 28.5 26.5 10,987 576 616 19.07 17.84

Implied Relative Value:

P/E (EPS26) \$ **460.26**

P/E (EPS27) \$ **415.68**

EV/EBITDA (EBITDA 26) \$ **429.33**

EV/EBITDA (EBITDA 27) \$ **406.16**

Moog Inc

Key Management Ratios

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Liquidity Ratios:															
Current Ratio (Current Assets/Current Liabilities)	2.27	1.98	2.10	2.06	2.14	2.12	2.43	2.60	2.04	3.01	3.23	3.44	3.68	3.91	4.14
Quick Ratio (Current Assets - Inventory / Current Liab)	1.39	1.27	1.40	1.31	1.28	1.30	1.62	1.80	1.57	2.20	2.42	2.63	2.87	3.10	3.33
Cash Ratio (Cash & equivalents / Current Liabilities)	0.12	0.11	0.12	0.07	0.06	0.06	0.39	0.57	0.85	0.97	1.18	1.40	1.63	1.87	2.10
Asset-Management Ratios:															
Inventory Turnover (COGS / Average Inventory)		3.21	3.53	3.56	3.16	3.03	3.25	3.33	3.33	3.25	3.24	3.24	3.20	3.19	3.19
Days Inventory Outstanding (365 / Inventory Turnover)		114	103	103	115	121	112	110	110	112	113	113	114	114	114
Receivables Turnover (Revenue / Average Receivables)		3.17	3.14	3.11	3.18	3.24	3.32	3.33	3.33	3.33	3.33	3.32	3.31	3.30	3.30
Total Asset Turnover (Revenue / Average Total Assets)		0.86	0.88	0.92	0.91	0.91	0.92	0.90	0.81	0.80	0.83	0.80	0.78	0.74	0.72
Financial Leverage Ratios:															
Debt/EBITDA (Total Debt / EBITDA)	10.07	3.07	2.88	2.82	2.42	2.27	1.87	1.83	3.15	1.51	1.48	1.45	1.38	1.36	1.34
Debt/Equity (Total Debt / Shareholders' Equity)	0.75	0.65	0.58	0.53	0.47	0.47	0.49	0.45	0.74	0.38	0.34	0.32	0.29	0.27	0.25
Interest Coverage (EBIT / Interest Expense)	0.14	6.01	5.52	3.40	4.31	4.34	8.14	8.42	4.95	10.71	11.10	11.42	12.11	12.32	12.53
Profitability Ratios:															
EBITDA Margin (EBITDA / Revenue)	3.20%	10.31%	9.60%	9.23%	10.00%	10.79%	13.68%	13.75%	13.82%	15.73%	15.80%	15.86%	16.41%	16.44%	16.47%
EBIT Margin (EBIT / Revenue)	0.19%	7.14%	6.69%	6.51%	7.42%	8.10%	10.73%	10.92%	11.11%	13.15%	13.35%	13.48%	14.08%	14.15%	14.22%
Net Margin (Net Income / Revenue)	0.32%	5.51%	5.11%	5.15%	5.74%	6.09%	8.02%	8.16%	8.30%	9.82%	9.97%	10.07%	10.52%	10.57%	10.62%
Gross Margin (Gross Profit / Revenue)	28.80%	30.36%	29.95%	29.58%	30.20%	30.07%	30.00%	30.00%	30.00%	31.83%	31.83%	31.83%	32.33%	32.33%	32.33%
Payout Policy Ratios:															
Dividend Payout Ratio (Dividend/EPS)		20%	21%	20%	17%	15%	11%	11%	10%	8%	8%	8%	7%	7%	7%
Total Payout Ratio ((Divs. + Repurchases)/NI)		41%	53%	37%	35%	76%	26%	11%	10%	8%	8%	8%	7%	7%	7%

Moog Inc*Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Number of Options Outstanding (shares):	469,601
Average Time to Maturity (years):	3.44
Expected Annual Number of Options Exercised:	136,512

Current Average Strike Price:	\$ 79.16
Cost of Equity:	9.56%
Current Stock Price:	\$307.86

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Increase in Shares Outstanding:	136,512	136,512	136,512	136,512	136,512	136,512	136,512	136,512	136,512	136,512
Average Strike Price:	\$ 79.16	\$ 79.16	\$ 79.16	\$ 79.16	\$ 79.16	\$ 79.16	\$ 79.16	\$ 79.16	\$ 79.16	\$ 79.16
Increase in Common Stock Account:	10,806	10,806	10,806	10,806	10,806	10,806	10,806	10,806	10,806	10,806
Share Repurchases (\$)	126,960	126,960	126,960	126,960	126,960	126,960	126,960	126,960	126,960	126,960
Expected Price of Repurchased Shares:	\$ 307.86	\$ 336.00	\$ 366.71	\$ 400.23	\$ 436.81	\$ 476.73	\$ 520.30	\$ 567.86	\$ 619.76	\$ 676.41
Number of Shares Repurchased:	412	378	346	317	291	266	244	224	205	188
Shares Outstanding (beginning of the year)	\$31,662,305	31,798,405	31,934,539	32,070,704	32,206,899	32,343,120	32,479,366	32,615,634	32,751,922	32,888,229
Plus: Shares Issued Through ESOP	136,512	136,512	136,512	136,512	136,512	136,512	136,512	136,512	136,512	136,512
Less: Shares Repurchased in Treasury	412	378	346	317	291	266	244	224	205	188
Shares Outstanding (end of the year)	31,798,405	31,934,539	32,070,704	32,206,899	32,343,120	32,479,366	32,615,634	32,751,922	32,888,229	33,024,553

Moog Inc*Valuation of Options Granted under ESOP*

Current Stock Price	\$307.86
Risk Free Rate	4.34%
Current Dividend Yield	0.42%
Annualized St. Dev. of Stock Returns	36.00%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	469,601	79.16	3.44	\$ 235.67	\$ 110,669,495
Total	469,601	\$ 79.16	3.44	\$ 240.06	\$ 111