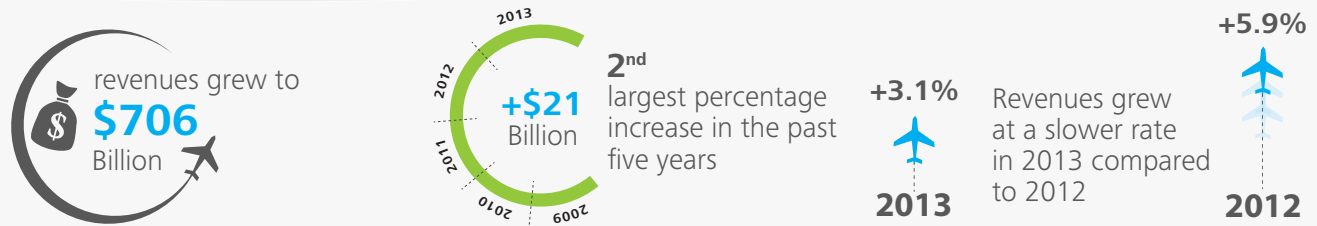




The Deloitte Touche Tohmatsu Limited's (DTTL) Global Manufacturing Industry group analyzed the 2013 financial performance of 100 major global aerospace and defense (A&D) companies using information from public company filings and press releases. The following is a summary of key financial indicators.

2013 Revenues



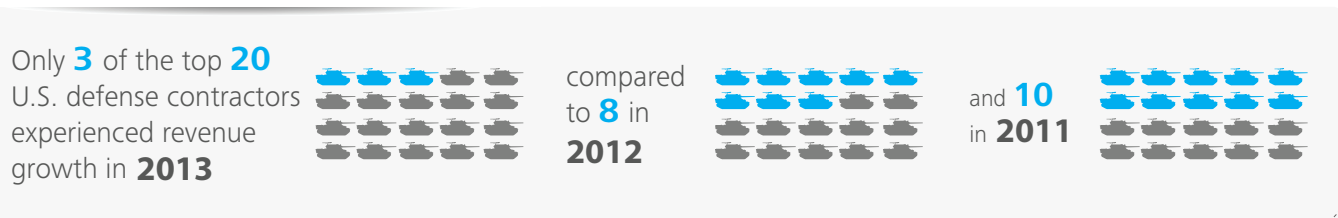
2013 Operating Profits



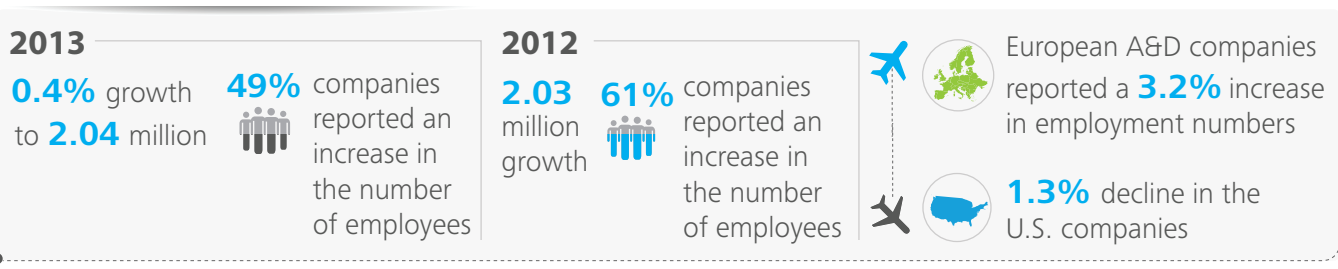
Commercial aerospace growth slowed from “ultra-fast” to “very fast”



Top 20 U.S. defense contractors’ revenues declined \$5.8 Billion (-2.5%) in 2013



Total global employment remained flat





U.S. companies still dominate A&D sectors



U.S. based A&D companies accounted for

2013 **2012**
59% **60%**

of total global revenues



While European headquartered companies represented

2013 **2012**
34% **33%**



A&D sector growth in Europe exceeded the U.S

5.4% revenue growth in Europe



vs.



1.3% revenue growth in the U.S.



European A&D companies lagged the U.S. companies in profitability



European companies experienced **3.6%** decline in earnings in 2013



compared to a **11.6%** increase in earnings for the U.S. companies

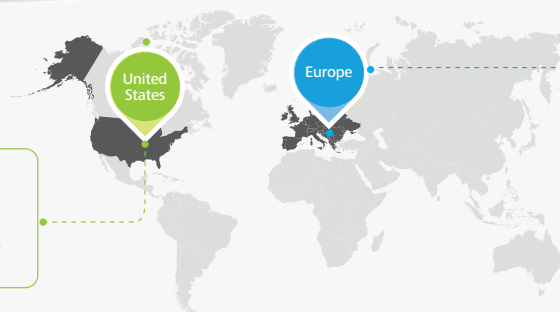


Europe still lags the U.S. in profit margin performance

Operating margins



2013 **2012**
11.0% **10.0%**



Operating margins

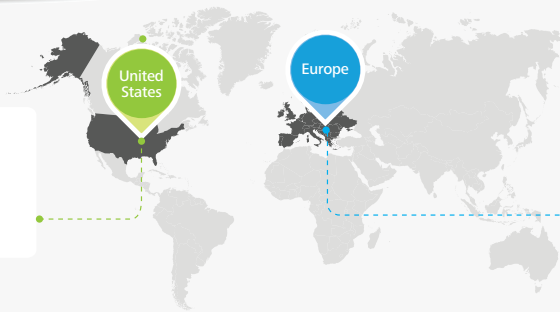
2013 **2012**
5.6% **6.2%**



A&D sector share prices outpaced global equity indices

2013

U.S. A&D companies share prices rose **39.4%** **31.8%** for S&P 500



2012

European A&D companies outpaced the STOXX 600 index, **41.4%** to **17.3%**



2013

Industry Book-to-bill ratio increased **17.6%** to **1.38x**

2012

1.18x



Industry Free cash flow increased by **6.2%**

2013

\$50 Billion

2012

\$47 Billion

<http://www.deloitte.com/us/a&d>

To read the full report, visit www.deloitte.com/globalADstudy



Tweet on Twitter
Follow us on Twitter @DeloitteMFG

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2014 Deloitte Development LLC. All rights reserved. Member of Deloitte Touche Tohmatsu Limited

