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Global composites industry visibility for aerospace and defense

The 2009 Industry Investment Forum

Coming out of the **CompositesWorld Conferences'** Investment Forum 2009, it became apparent that the impacts on the composites industry stemming from the global economic crisis are beginning to be better understood. The event, held at The Roosevelt Hotel in New York, NY, hosted about 100 attendees including leading composite industry suppliers, industry analysts, investment bankers and industry end-users. It discussed opportunities for composite materials in projected high-growth markets. The overall mood of the show was somber. Despite the many of the investment professionals present at the event continuing to express their

optimism for new investment opportunities within the composites industry. In some ways, according to several investment capitalists, the current downturn in the economy has curbed private equity firms from pursuing "large-cap" deals. While money lending is tight, it has not come to a complete standstill. In this respect, private investment interests are now gravitating towards smaller "mid-cap" and "small cap" deals – more in-line with the bulk of composite manufacturers at the Tier II and Tier III supplier

Specifically relevant to the aerospace and defense industries, the conference program covered several topics related to current and future demand for composite materials and services over the next decade. High-temperature materials and other enabling technologies were also prominent subjects.

In addition to the general presentations, the conference organizers included an investment capitalist panel discussion into the program. Among the distinguished representatives on the *Outlook and M & A*

Prospects for the Composites Industry panel were representatives from number private equity firms actively pursuing with composites-related companies, including:

- Lindsay Aspegren, Co-founder, **North Coast Technology Investors LP**
- Elizabeth Burgess, Partner, **Altus Capital Partners**
- Jay Ferguson, Managing Partner, **Vantage Capital Partners**
- Tom H. Kramer, Partner, **Hammond Kennedy Whitney & Co. Inc.**
- Michael Toporek, Managing General Partner, **Brookstone Partners**

The general sentiment coming from the panelists was that, while the past 18 months have been rough on businesses, the global market has not yet hit bottom. Responding to audience questions pertaining to when the economy would improve, most of the panelists expressed confidence that material improvements would surface by the end of 2010. As a result, most expected to see worldwide prosperity begin to reassert itself during the 2011-

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