

Market Data

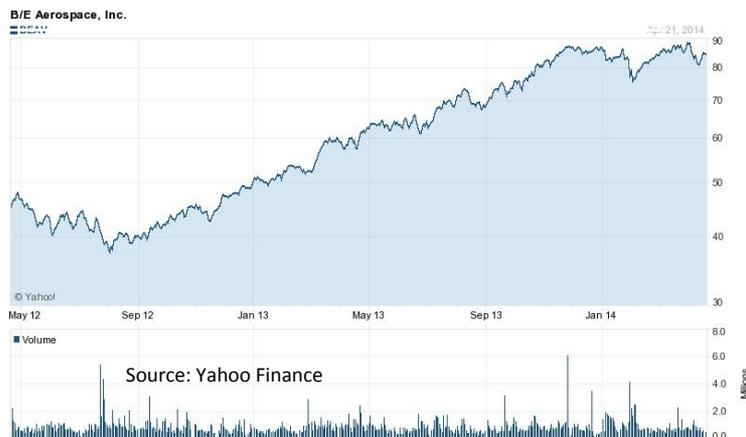
Price	\$85.22
Shares Outstanding (M)	105.098
Market Cap (B)	8.96
Total Cash (m)	638
Enterprise Value (B)	10.28
Beta	1.29
12 M Forward P/E	19.63
52 Week Range	\$59.06 – \$89.82

	2013 A	2014E	2015E
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Rev	\$3,483.7	\$4,030.7	\$4,496.1
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EPS	3.59	4.36	5.12
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EBITDA	\$719 M	\$860 M	\$985 M
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Industrials

B/E Aerospace (BEAV) Price Target:

Recommendation: **BUY**

We are recommending BEAV as a buy for the Alpha Fund Portfolio with a target price of \$103 per share, which represents a 21% upside. B/E Aerospace is a worldwide leader in the manufacture and installation of aerospace interior products. These interior products include seating, food and beverage preparation as well as storage equipment. B/E has market share in all major product lines and provides interior products to every major airline carrier. B/E Aerospace's business is divided into three sectors: commercial aircraft, consumables management, and business jet.

Key Investment Highlights:

- **Aerospace Sector Growth:** The airline industry is expected to continue to grow; the expected CAGR for passenger traffic over the next 5 years is 5.4%. In addition, retrofitting activity continues to be strong. Airplane companies are upgrading their existing fleets with new technology and products.
- **Products and Contracts:** B/E Aerospace fully services wide body planes. The demand for these planes is growing and is predicted to grow at 10% pace over the next five years. B/E Aerospace is well positioned to take advantage of this shift and currently has record backlogs of \$9 B. Revenue may rise through reduction of the backlogs as well as the launch of new models.
- **Positioning and Acquisitions:** The airline industry is cyclical, but the commercial sector has continued to seek production increases. 90% of B/E's revenue is derived from the commercial aerospace market. B/E has also strengthened itself financially through numerous acquisitions.

Analysts' Take: We view B/E Aerospace as a well positioned company that is uniquely situated to take advantage of the future growth opportunities in the aerospace industry. B/E Aerospace has positioned itself well through a large backlog of purchases. We believe B/E will continue its aggressive growth and deliver strong returns in the future.