Heico Corporation (HEI)

Capitalizing On The Global Defense Trend



Tradingview

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Heico Corporation

Company profile

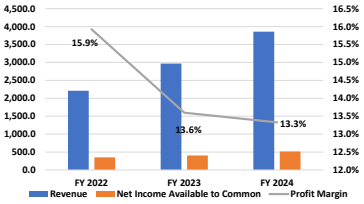
Heico Corporation (HEI) is a leading aerospace and defense company specializing in niche replacement parts and electronic components for commercial aviation and defense markets primarily based in the USA.

Technical Data

Price	318.35
R1	337.17
R2	358.54
S1	311.30
S2	306.31

M+ Research, Bloomberg

Financial Snapshot



M+ Research, Bloomberg

Technical Outlook

Price is well-supported above the support zone and is pending for a breakout. Price is expected to retest its 52-week high resistance around USD337.2, followed by its next resistance at USD358.5 (Fibonacci extension 0.618). A break below the USD306.3-311.3 support zone will invalidate the setup.

Trading Catalysts

- **Solid financial performance.** HEI delivered a 30% YoY net income growth to USD177.3m in 3QFY25, driven by organic expansion across both Flight Support and Electronic Technologies segments. Cash flow from operations represented 130% of net income in 3QFY25, showcasing HEI's ability to efficiently convert earnings to cash and fund future acquisitions.

- **Rising defense budget in the US and Europe.** Heightened global defense budgets, especially in missile systems, continue to strengthen HEI's positioning in mission-critical defense electronics. US Department of War has introduced the Golden Dome of America while NATO alliance member states pledged to increase their defence budget to 5% of GDP by 2035.

- **Strategic acquisitions.** HEI completed five acquisitions in FY25, broadening its aerospace and defense portfolio. These deals are expected to be earnings-accretive within a year, expanding cross-selling opportunities across its subsidiaries.

Peer Comparison

	Ticker	Price (USD)	Market Cap (USD'bn)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend
Heico Corporation Inc	**HEI**	**318.4**	**38.4**	**69.5**	**61.4**	**16.7**	**13.3**	**Positive bias**	**Up**
Curtiss-Wright Corp	CW	585.1	22.0	46.1	42.4	17.5	13.0	Positive bias	Up
General Electric Co	GE	305.1	321.8	48.5	45.5	42.8	16.9	Positive bias	Up
VSE Corp	VSEC	175.9	4.1	48.0	43.1	1.3	1.4	Positive bias	Up
ATI Inc	ATI	96.5	13.1	33.4	28.9	25.4	8.4	Positive bias	Up
Avg ex-Heico Corporation Inc			**90.3**	**44.0**	**40.0**	**21.7**	**9.9**		

Source: Bloomberg, M+ Research

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