RTX'S OUTPERFORMANCE

RTX **+40%**

S&P 500 **+26%**

CATALYST-DRIVEN INVESTMENTS **THAT DELIVER**

Each year, *The Forgotten Forty* highlights 40 companies we believe have significant potential for capital appreciation. RTX Corporation (RTX), featured in our 2024 edition, is an aerospace and defense powerhouse comprising Collins Aerospace, Pratt & Whitney, and Raytheon.

RTX stock fell out of favor in late 2023 due to a recall of one of its major commercial aircraft engine programs, projected to reduce free cash flow by $3 billion over several years. While Wall Street focused on the problem's scale, our analysis identified it as a fixable issue that RTX had the resources to address. Despite this, the stock shed ~$27 billion in market capitalization—a reaction we viewed as far overblown. This mispricing created, in our view, a timely opportunity. As noted in last year's report:
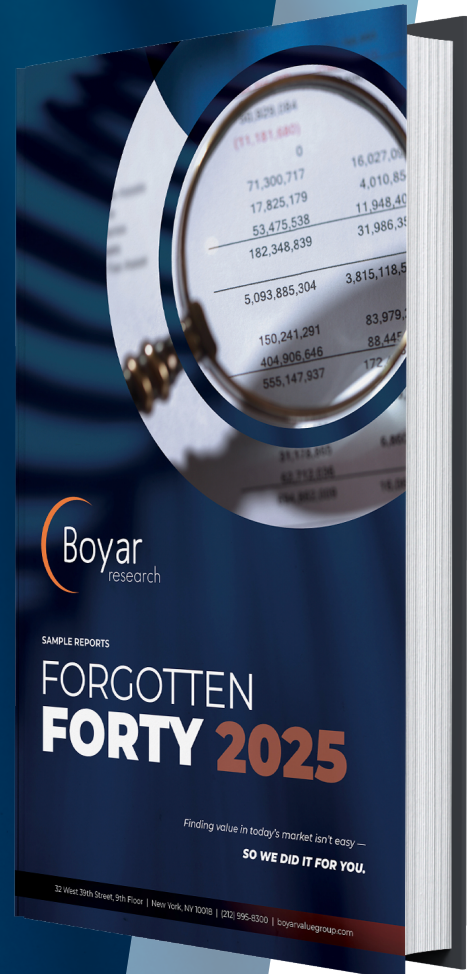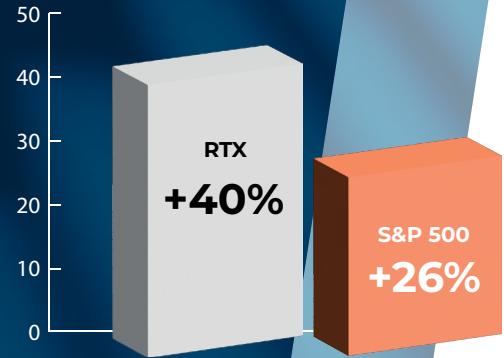
"WHILE THIS RECALL IS SIGNIFICANT, IT IS NOT FINANCIALLY INSURMOUNTABLE. MANAGEMENT ASSERTS (ACCURATELY, WE BELIEVE) THAT [THESE ENGINE PROGRAM] PROBLEMS 'IN NO WAY' IMPACT ITS ABILITY TO PAY THE DIVIDEND. RTX SHARES ARE MORE THAN 20% BELOW THEIR 52-WEEK HIGH AND TRADE AT JUST ~15X 2024E EPS, MAKING RTX ARGUABLY THE LEAST EXPENSIVE PRIME DEFENSE CONTRACTOR AND ITS PRICE ATTRACTIVE [CONSIDERING] ITS DURABLE MOAT, GROWTH OUTLOOK, AND FINANCIAL POSITION."

Our analysis proved correct. RTX raised its quarterly dividend by 7% earlier this year, and strong fundamentals drove P/E multiple expansion from 15x to 21x. Since last year's *Forgotten Forty*, RTX shares have soared 40%,* outperforming all other publicly traded prime defense contractors.

RTX is just one example of the value delivered through *The Forgotten Forty*. <u>Preorder this year's edition to receive 50% off and discover what we believe are 40 of the best investment opportunities for 2025.</u> As a bonus, you'll receive our November 2024 issue of Boyar Research, containing three additional in-depth reports on undervalued companies with compelling catalysts for capital appreciation.

SAMPLE REPORTS

FORGOTTEN **FORTY 2025**

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