

8000 Towers Crescent Drive
Suite 1200
Tysons Corner, VA 22182

Main Phone: 703.442.1400
Main Fax: 703.442.1498

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KippsDeSanto's DealView — Top 10 M&A Deals of the Quarter

KippsDeSanto & Co., a leading aerospace/defense and government technology solutions investment bank, would like to share its thoughts on the "Top 10 M&A Deals of the Quarter" for the period ended December 31, 2016. The following table is our take on the most notable announced M&A transactions — not only based on size, but also on strategic importance and / or impact.

Precedent Transactions
(\$ in millions)

| Date Announced | Buyer / Target | Target Description | Target Sector | Enterprise Value | EV / LTM Revenue | EBITDA |
|----------------|--|--|---------------------------------|----------------------|----------------------|----------------------|
| 12/12/16 | Teledyne Technologies, Inc. / e2v Technologies plc | Provides high performance image sensors and custom camera solutions and application specific standard products for the machine vision market | Aerospace | \$789.0 | 2.72x | 12.7x |
| 12/07/16 | Curtiss-Wright Corporation / Teletronics Technology Corporation | Provides high-technology data acquisition and comprehensive flight test instrumentation systems for critical aerospace and defense applications | Aerospace | 233.0 | 3.58x ⁽¹⁾ | NA |
| 11/30/16 | FLIR Systems, Inc. / Prox Dynamics AS | Provides nano-class unmanned aerial systems ("UAS") for military and para-military intelligence, surveillance, and reconnaissance applications | Aerospace | 134.0 | NA | NA |
| 11/29/16 | Booz Allen Hamilton / Aquilent, Inc. | Provides cloud-enabled digital services that leverage DevOps and agile methodologies to support Federal customers by delivering website design and other digital services | Government Technology Solutions | 250.0 | ND | ND |
| 11/22/16 | L-3 Communications / MacDonald Humfrey (Automation) Ltd. | Provides automated airport-checkpoint security scanners, as well as state-of-the-art process automation and collaborative robotic capabilities supporting aviation | Aerospace | 280.0 ⁽²⁾ | 2.07x ⁽³⁾ | 10.0x ⁽³⁾ |
| 11/14/16 | Arlington Capital Partners / Intelligent Software Solutions, Inc. & PROTEUS Technologies | Develops software solutions and services, analyzes large data sets, and provides cybersecurity services and solutions, including research, remediation, and response, to Federal customers | Government Technology Solutions | NA | NA | NA |
| 11/02/16 | Huntington Ingalls Industries, Inc. / Camber Corporation | Provides engineering and technical services, cyber operations technology, mission-critical support services, and training solutions to Federal, international, and commercial customers | Government Technology Solutions | 380.0 | 1.04x | 9.2x |
| 10/23/16 | Rockwell Collins, Inc. / B/E Aerospace | Provides cabin interior products for commercial aircraft and business jets | Aerospace | 8,300.0 | 2.90x | 13.6x |
| 10/11/16 | DigitalGlobe, Inc. / The Radiant Group, Inc. | Provides advanced technical and analytical capabilities, including software solutions, data science, cybersecurity, system engineering, advanced training, and digital innovation for the IC and SOCOM | Government Technology Solutions | 140.0 | ND | ND |
| 10/05/16 | Accenture plc / Defense Point Security, LLC | Provides cybersecurity solutions, including computer defense & response, security engineering & architecture, information security, cyber operations, managed services, and R&D for Federal clients | Government Technology Solutions | NA | NA | NA |

NA = Not Available; ND = Not Disclosed
(1) Based on 2016E Revenue
(2) Transaction value excludes earnout
(3) Based on 2017P Revenue / EBITDA

Of the above transactions, the following were especially noteworthy:

The aerospace and defense deal of the quarter is Rockwell Collins' pending acquisition of B/E Aerospace, Inc. for ~\$6.4 billion in cash and stock plus the assumption of ~\$1.9 billion in debt. This acquisition of a leading aircraft cabin manufacturer is expected to generate pre-tax cost synergies of ~\$160 million and is expected to be double-digit accretive to earnings per share during the combined entity's first fiscal year. Rockwell Collins expects widebody and narrowbody jetliner sales to triple and double through this acquisition, respectively. The deal is expected to close during 2Q17 and still needs approval from both companies' shareholders.

Booz Allen Hamilton ("BAH") announced its acquisition of Aquilent, Inc. in November. The transaction augments BAH's traditional consulting capabilities with advanced technical expertise in cloud, mobile, and modular technologies using advanced agile, DevOps, and

open source methodologies. The acquisition is consistent with BAH's Vision 2020 strategy to bolster and expand its capabilities by investing in next-generation software development companies, particularly those that specialize in advanced analytics, data science, and engineering. With ~350 full-time employees, Aquilent has grown at a compounded annual growth rate ("CAGR") of 28% since 2011 and is expected to add \$30 - \$35 million of revenue to BAH's 1Q17 (\$120 - \$140 million implied run-rate). The transaction follows BAH's acquisition of Veterans Affairs focused software development firm SPARC in 2015 and is the largest acquisition by BAH since being taken private by the Carlyle Group in 2008 and subsequent IPO in 2010. BAH's acquisition further reinforces the increasing market demand for high-growth targets focused on next-generation technologies.