

# *MarketView*

## Fall 2017

### Aerospace / Defense and Government Technology Solutions



**Kipps DeSanto**   
INVESTMENT BANKING

8000 Towers Crescent Drive  
Suite 1200

Tysons Corner, Virginia 22182  
703.442.1400

[www.kippsdesanto.com](http://www.kippsdesanto.com)

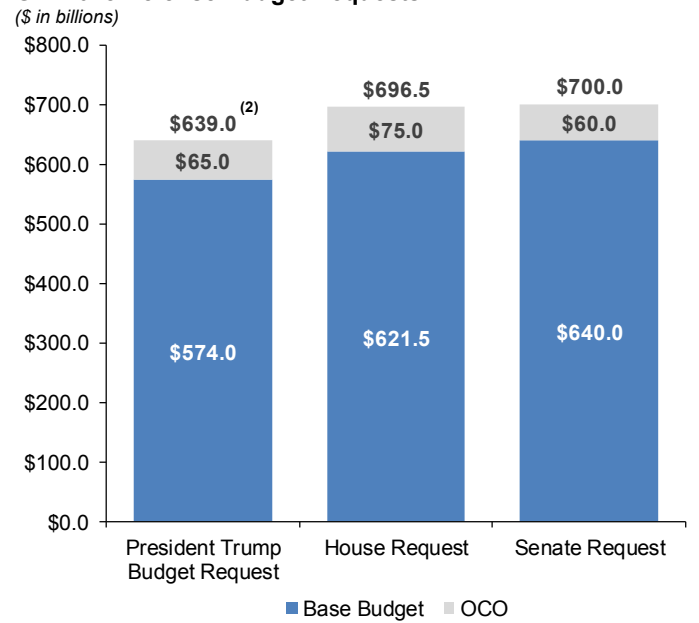
Select Recent KippsDeSanto & Co. Advised Transactions

 <p>has been acquired by</p>  <p>July 2017</p>	 <p>Precision Systems &amp; Space Company, Inc.                  a subsidiary of                  INNOVISTA SENSORS                  a portfolio company of                  THE CARLYLE GROUP</p>  <p>has been acquired by                  J.F. Lehman &amp; Company</p> <p>April 2017</p>	 <p>has been acquired by</p>  <p>April 2017</p>
 <p>has been acquired by</p>  <p>MHI Holdings, LLC                  a portfolio company of</p>  <p>March 2017</p>	 <p>a portfolio company of                  DFW CAPITAL PARTNERS</p> <p>has been acquired by</p>  <p>a portfolio company of</p>  <p>February 2017</p>	 <p>has been acquired by</p>  <p>December 2016</p>
 <p>Intelligently Adapting Technology</p> <p>has been acquired by</p>  <p>December 2016</p>	 <p>has been acquired by</p>  <p>Because Service Matters.</p> <p>December 2016</p>	 <p>INTEGRATED SECURITY SYSTEMS, LLC                  a subsidiary of                  DELEX SYSTEMS, INC.</p> <p>has sold its assets to</p>  <p>December 2016</p>
 <p>has been acquired by</p>  <p>September 2016</p>	 <p>Mission Information Assured</p> <p>has been acquired by</p>  <p>August 2016</p>	 <p>has acquired</p>  <p>July 2016</p>

## Operational / Funding Environment

Following a series of diplomatic sanctions imposed against North Korea over the last six months (the latest imposed by President Donald Trump on September 21<sup>st</sup>), geopolitical tensions between the U.S. and North Korea remain volatile, placing added pressure on Congress to pass a budget for government fiscal year (“GFY”) 2018. Despite the prioritization of modernized missile-defense systems, advanced cybersecurity capabilities, and intelligence collection in the face of rising global tensions, Congress was unable to pass a defense budget for GFY2018 during 3Q17. Given Senate hurdles that delayed a budget signing, a short-term continuing resolution (“CR”) was passed through December 10<sup>th</sup>, forcing the Pentagon to operate the first 10 weeks of GFY2018 at its previous year’s spending levels. Many critics believe the CR will disrupt continuity of operations, leading to lost training time, delayed ship maintenance, and critical personnel gaps at a time when global security threats are extraordinarily high. As a result of the CR, several military construction projects have been delayed, including 16 Air Force projects, 38 Army projects, and 37 Navy projects, in addition to the postponed induction of 11 Navy ships, limiting ship availability in 2019.

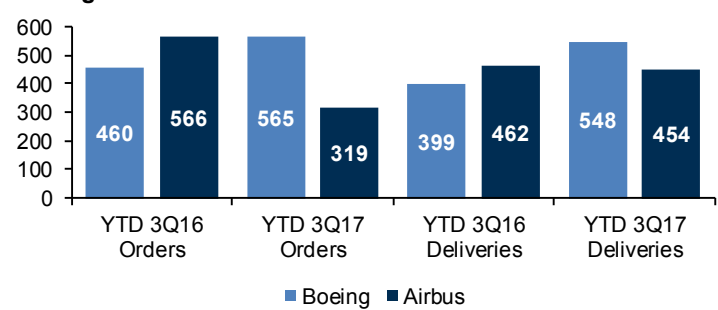
**GFY2018 Defense Budget Requests<sup>(1)</sup>**



Prior to the signing of the CR, the U.S. House of Representatives passed a \$696.5 billion defense policy bill for GFY2018, including \$621.5 billion for the base budget and \$75.0 billion for the Overseas Contingency Operations (“OCO”) budget. Shortly after the signing of the CR in September, the U.S. Senate passed a \$700.0 billion defense bill for the remainder of GFY2018, including \$640.0 billion for the base budget and \$60.0 billion for the OCO budget. The proposed bill exceeds the 2011 Budget Control Act caps by \$91.0 billion as well as President Trump’s \$639.0 billion defense budget request.

Within the aerospace sector, Boeing continued to outpace Airbus in total commercial aircraft orders during 2017. After strong performance during 1H17, Boeing slowed its pace and recorded 127 orders during 3Q17, bringing its total order count to 565 aircraft year-to-date (“YTD”). Likewise, Airbus also reduced its pace during 3Q17, recording only 71 orders, which brings its total order count to 319 aircraft for the year. Boeing expects to deliver ~760 aircraft this year, while Airbus expects ~700 deliveries, as compared to 748 and 688 aircraft, respectively, in 2016. Airbus announced its projected delivery growth has not lived up to expectations due to engine delays on its A320neo jets.

**Boeing and Airbus Total Orders and Deliveries<sup>(3)</sup>**



Federal IT modernization could get a lift following the Senate’s 89-8 vote on September 18<sup>th</sup> to pass the 2018 National Defense Authorization Act (“NDAA”), which includes the Modernizing Government Technology (“MGT”) Act as an amendment. The MGT Act is expected to save billions in annual federal spending by shifting funds away from maintaining out-of-date legacy systems, which account for approximately 75% of current federal IT dollars<sup>(4)</sup>, toward investment in modernized technology. Agile development and shared services are among the priority areas for future investment, as the government plans to adopt state-of-the-art solutions and technology such as cloud computing, machine learning, and virtualized systems. IT modernization should also improve cybersecurity, as newer systems tend to be created with embedded security and are easier than legacy systems to patch with security updates. If signed into law, the MGT Act would set up a \$500 million IT modernization fund for agencies to transition to more modern and secure technology.



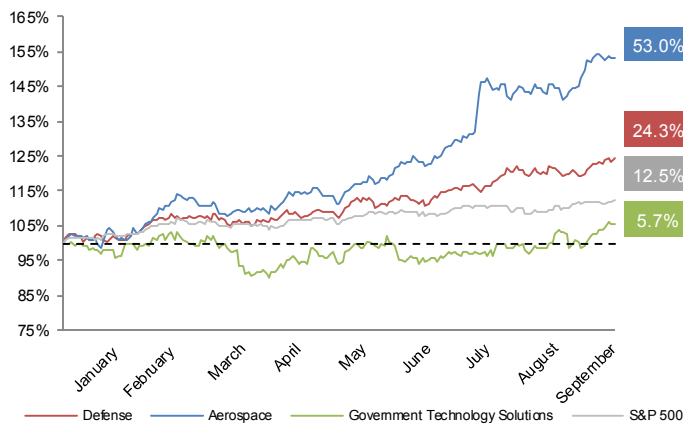
(1) Source: Wall Street research  
 (2) Does not include ~\$28 billion for defense-related spending by the Energy and Justice departments  
 (3) Source: Company filings  
 (4) Source: U.S. Government Accountability Office

## Capital Markets and Public Market Valuation Trends

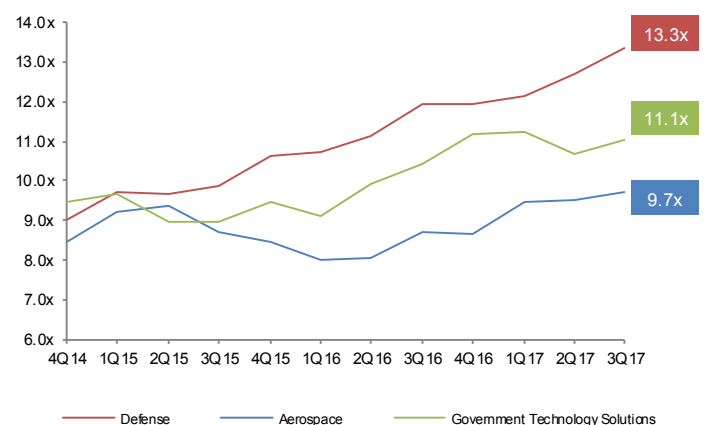
Aerospace stocks experienced strong growth during 3Q17, up 24.4% (up 53.0% YTD), compared to a 3.7% increase (up 12.5% YTD) in the S&P 500 over the same time period. Boeing was the primary contributor with a stock price increase of 28.0% during 3Q17 (up over 60% YTD) after reporting strong 2Q17 earnings. During the earnings call, the company announced a large increase in estimated 2017E free cash flow (“FCF”) and increased its earnings per share (“EPS”) estimate by \$0.60. In September, Boeing also increased the production rate of its 787 aircraft to 14 per month beginning in 2019, which adds further credence to the company’s strong cash flow moving forward. In addition to Boeing’s strong success, HEICO shares rose 21.9% in 3Q17 (up 45.5% YTD) amidst stronger than expected organic growth and its ~\$320 million acquisition of AeroAntenna Technology, Inc. Rockwell Collins stock has increased by 23.8% during 3Q17 (up 40.9% YTD) after United Technologies Corp. announced its intent to acquire Rockwell for ~\$30 billion (\$140 / share and assumption of debt), which marks a 13% premium over Rockwell’s \$124 / share price on August 22<sup>nd</sup>. Rockwell’s shares currently trade around \$133 due to antitrust concerns over the deal closing. Median enterprise value (“EV”) / next twelve months (“NTM”) EBITDA increased to 9.7x for the sector.

### Relative Stock Price Performance<sup>(1)</sup>

For the Nine Months Ended on September 30, 2017

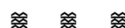


### Median Quarterly EV / NTM EBITDA Multiples<sup>(1)</sup>



For the third consecutive quarter, every member of the defense prime index has posted a quarterly stock gain, with the index up 12.8% during 3Q17 (up 22.3% YTD). Defense primes EV / NTM EBITDA multiples continued expanding to 13.3x in 3Q17 and have experienced consistent quarter-over-quarter growth in the past 36 months. Raytheon and L-3, up 15.7% and 12.4% during 3Q17, respectively, were among the top defense performers during the last three months. Raytheon raised its revenue guidance by \$200 million, EPS by \$0.10, and target bookings by \$500 million due to increased domestic and international growth prospects, while L-3 raised its EPS / revenue guidance, and investors remain bullish on the pending promotion of Chris Kubasik to CEO of L-3 in 2018.

The government technology solutions sector index finished the quarter up 10.4%, outpacing the S&P 500 by 6.7% and pushing the sector into positive territory YTD. Government technology public pricing remains strong, with EV / NTM EBITDA multiples rising slightly in the quarter to 11.1x, just shy of ten-year highs. These valuations reflect investor optimism around continued organic growth and new bookings for the sector. CACI and Booz Allen Hamilton had particularly strong quarters. CACI stock gained 10.5% in 3Q17 (up 12.1% YTD), having reported over \$1 billion of new awards for the sixth straight quarter, and a record \$6 billion in new awards for its fiscal year. Similarly, Booz Allen gained 14.9% in 3Q17 (up 3.7% YTD) reflecting successful execution of its organic growth strategy that resulted in 5.0% year-over-year (“YoY”) revenue growth. The company delivered a 17.5% increase in backlog (2Q17 vs. 2Q16) to over \$14 billion (book-to-bill ratio of 1.32x) and reaffirmed its annual 4 – 7% revenue growth guidance. Support factors included continued strength in the defense and intelligence sectors and recent investments in Next Generation Information Technology (“NGIT”) capabilities.



(1) S&P Capital IQ, company filings, and KippsDeSanto research



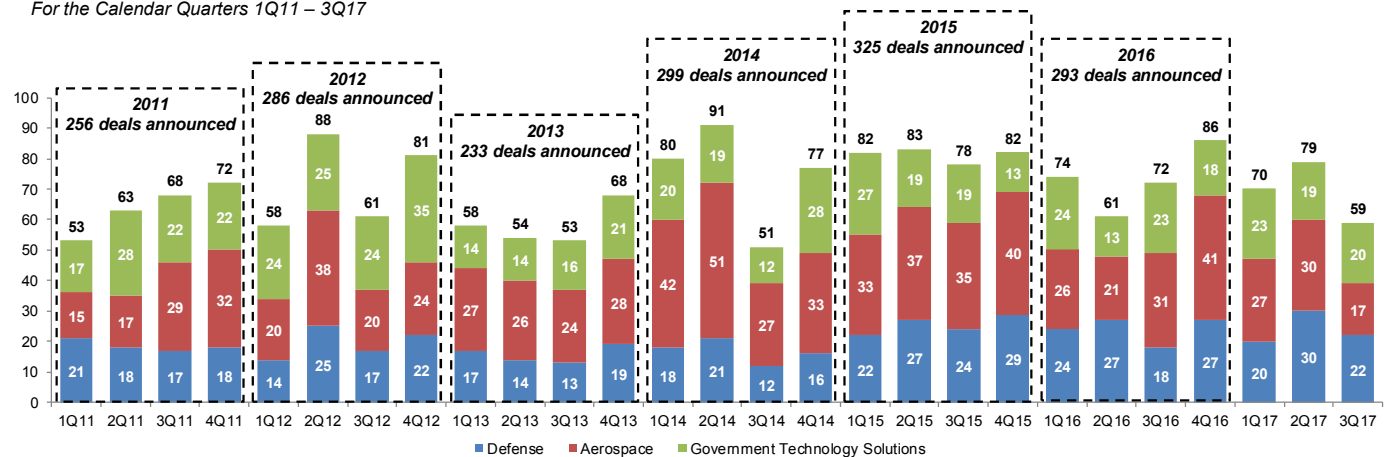
## M&A Trends & Activity

59 deals were announced in 3Q17 across the aerospace, defense, and government technology solutions sectors.

With 17 aerospace and 22 defense deals announced in 3Q17, the YTD counts reached 74 and 72, respectively. If this rate continues into the last quarter of 2017, the market is on pace for between 200 – 225 aerospace and defense deals in 2017. The slightly lower deal count compared to 2Q17 is primarily driven by fewer aerospace announcements (17 in 3Q17 compared to 30 last quarter). While volume may be down slightly, 3Q17 experienced numerous high-profile transactions, particularly towards the end of the quarter. Both the aerospace and defense sectors underwent major consolidation, with two headline deals, discussed below, set to transform the competitive environment and leave a lasting impact on the M&A landscape. This consolidation is expected to drive a flurry of deal activity as competitors and mid-sized suppliers search for inorganic growth to achieve scale and acquire niche capabilities to compete with larger firms.

### M&A Transaction Volume<sup>(1)</sup>

For the Calendar Quarters 1Q11 – 3Q17



Despite 39 announcements in the quarter, two multi-billion dollar transactions involving four major industry players stole headlines as the marquee events of 3Q17. United Technologies’ (“UTC”) acquisition of Rockwell Collins represents the second largest aerospace deal in history. The \$30 billion transaction, comprised of \$23 billion in stock and \$7 billion in assumed debt, ranks second only to Berkshire Hathaway’s acquisition of Precision Castparts Corp. in 2015. The deal is anticipated to transform UTC into the world’s largest Tier-1 aircraft supplier – greatly increasing its purchasing power with suppliers and expanding its product portfolio to include advanced avionics, communication systems, and data connectivity solutions. Despite marginal overlap between the combined product portfolio limiting the chance of antitrust scrutiny, industry experts have voiced concerns over the potential for European regulators to investigate supplier pricing pressure.

Shortly after the Rockwell announcement, Northrop Grumman Corporation (“NGC”) announced its plan to acquire Orbital ATK for \$9.2 billion, including \$7.8 billion of stock and \$1.4 billion in assumed debt. Size aside, this deal is particularly notable given it is NGC’s first acquisition since 2012 and only its second since 2008, raising questions regarding whether NGC might re-emerge as a more active acquirer in the space. The deal is expected to provide NGC with significant scale and deepen its expertise across a range of space applications, defense electronics, and precision weapons systems. Orbital ATK will also position NGC to pursue major upcoming contracts, particularly as the Air Force modernizes its aging nuclear arsenal. While deal activity is comparable to 2014 and 2016, 4Q17 may provide insight into whether aerospace activity will rebound and if the ripple effects of transformational deals will drive significant deal volume across the supply chain.

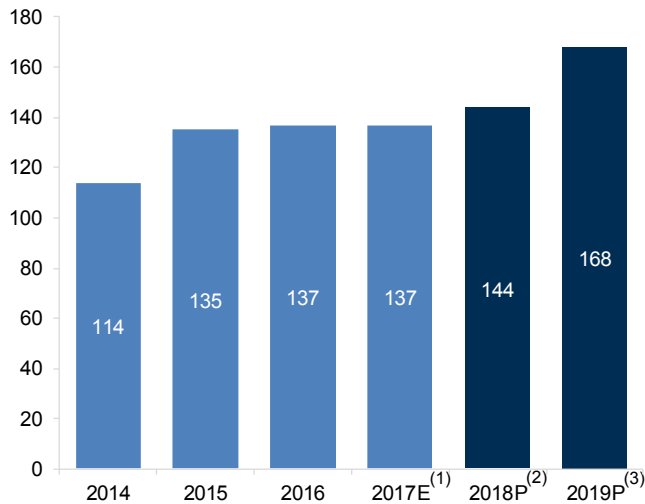
M&A activity in the government technology solutions market was consistent, with 20 transactions announced during 3Q17, compared to 19 in 2Q17. With 62 deals announced YTD (~83 annualized), the sector is on pace to exceed the 78 announced deals in 2016. Buyers continued to prioritize targets offering leading NGIT capabilities, to include cloud, mobile, big data, digital services, and cybersecurity-related solutions. Representative transactions included the purchase of InfoZen, Inc. by ManTech International Corp. (\$180 million) and the acquisition of Phase One Consulting Group by Accenture. Additionally, with a limited number of available larger acquisition candidates (\$100 million – \$500 million of revenue), strategic buyers continue to place a premium on scale. Private equity also remained highly active, as Arlington Capital Partner owned Polaris Alpha announced its latest tuck-in Solidyn Solutions, and a new intelligence community platform Xebec, whereas Enlightenment Capital announced investments in Cadmus and CyberCore. Continuation of market momentum into the calendar year fourth quarter is expected to push government technology solutions M&A activity (announcements) to its highest level since 2012.



(1) S&P Capital IQ, company filings, and KippsDeSanto research

## Aerospace Update

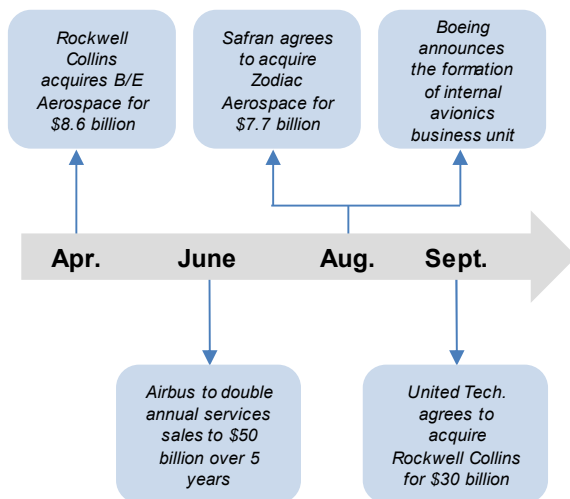
### Boeing 787 Dreamliner Deliveries



### BOEING ADDS NEW AVIONICS UNIT AND RAISES PRODUCTION OF 787 DREAMLINER

Boeing is launching a new business unit, Boeing Avionics, that will make aircraft controls and electronics. The avionics technology will serve military, civil, and space vehicles that the company plans to bring into service over the next decade. The unit will allow Boeing to vertically integrate its manufacturing process and cut costs. However, through insourcing key technology, Boeing places itself in direct competition with key suppliers such as Rockwell Collins, Honeywell, and United Technologies. Boeing is also raising production of its 787 Dreamliner in 2019 from 12 aircraft per month to 14 aircraft per month. Although the long-haul aircraft market has slowed recently, this announcement signals Boeing's confidence that the jetliner will continue its strong sales. Currently, Boeing has a five-year production backlog as global airlines continue to replace wide-body aircraft.

### Major Aerospace Industry Consolidation Continues



### TREND OF CONSOLIDATION WITHIN AEROSPACE SUPPLY CHAIN

Airbus and Boeing have increasingly been pressuring suppliers to lower prices in return for future contracts. This pressure has led to a wave of consolidation among aircraft suppliers aiming to increase bargaining power with original equipment manufacturers ("OEMs"). The recently announced combination of two key aerospace suppliers, UTC and Rockwell Collins, could lead to a wave of M&A activity among other Tier-1 suppliers that will have difficulty competing on contracts with Rockwell Collins backed by UTC's resources. Boeing and Airbus could also have concerns over increasing costs in their respective supply chains as a result of further consolidation, leading to acquisitions of smaller avionics and electronics companies.

### SpaceX to Launch Constellation of 4,000 Communications Satellites by 2025 with Falcon Rockets



Satellite constellation



Falcon 9

Falcon Heavy

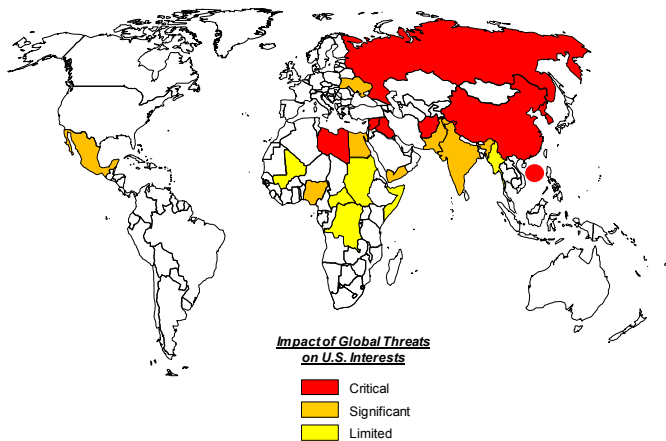
### SPACE X ANTICIPATES HIGH GROWTH IN COMMERCIAL SPACE MARKET SHARE

SpaceX has emerged as a market leader in the commercial space industry and plans to drive growth through launching a separate, multi-billion dollar satellite communications business unit. The company is expecting its early-stage satellite-internet business to generate \$30+ billion in revenue by 2025, greatly outpacing the size of its rocket launch business. Through 3Q17, SpaceX has launched ten Falcon 9 rockets, already exceeding its record of eight in 2016 and anticipates launching a rocket every two weeks by the end of 2017. SpaceX also expects to launch its new megarocket, the Falcon Heavy, for the first time in November. By increasing the frequency of its launches, SpaceX hopes to launch 4,000 communication satellites through 180 rocket launches by 2025, forming a constellation that will provide internet service.

(1) 2017E projected deliveries based on J.P. Morgan "Plane Speaking – August 2017" report  
 (2) Annual orders based on 2017 monthly production run-rate of 12 per month  
 (3) Annual orders based on 2019 monthly production rate of 14 per month

## Defense Update

### General Threats Overview<sup>(1)</sup>



### GEOPOLITICAL THREATS LEADING TO INCREASED GLOBAL INSTABILITY

Per NATO Chief, Jens Stoltenberg, “the world is at the most dangerous place it has been in a generation.” Global instability has been rising primarily due to escalating tensions in the Korean peninsula and the Baltic region. The proliferation of weapons of mass destruction in North Korea and the subsequent escalation of tensions between the U.S. and North Korea has led to rising defense budget requests. Through increased budget funding, the U.S. can modernize its atomic weapons as well as replace aging nuclear missiles and intercontinental ballistic missile systems. Further complicating an already tense environment, Russia began its Zapad military exercises in mid-September, drawing attention from NATO as officials have indicated that between 70,000 – 100,000 troops were participating in the exercises. This troop amount is well above the 13,000 threshold which would require Russia to invite NATO observers.

### U.S. Defense Products Benefitting from Conflict on Korean Peninsula

Terminal High Altitude Area Defense (“THAAD”) interceptor



Standard Missile-3 (“SM-3”) Block 1B Threat Upgrade



Fifth Generation F-35 Lightning II



Global Hawk High-Altitude Surveillance Drone



### U.S. DEFENSE INDUSTRY SEEING OPPORTUNITY IN HEIGHTENED GLOBAL THREAT ENVIRONMENT

After North Korea set off its sixth nuclear bomb test on September 2<sup>nd</sup>, the U.S. reiterated its stance to protect its allies, allowing South Korea and Japan to buy a “substantially increased amount of highly sophisticated military equipment.” On September 4<sup>th</sup>, President Trump gave his “in-principle” approval to South Korea’s initiative of lifting restrictions on missile payload capabilities. A deal in 2012 between the U.S. and South Korea limited the latter’s missiles to 800 kilometers and warheads to 500 kilograms. Japan and South Korea have both begun upgrading defense capabilities at a record pace, with Japan planning a major missile-defense upgrade in 2018 and both nations starting purchases of fifth-generation F-35 JSFs and Global Hawk high-altitude surveillance drones. As global threats continue to drive growth in defense budgets, large U.S. defense contractors stand to capitalize.

### AM General and OshKosh JLTV Award Comparison



M1165 High Mobility Multipurpose Wheeled Vehicle (“HMMWV”)



**Buyer:** U.S. Department of Defense  
**Size of Contract:** \$2.2 billion  
**# of Vehicles:** Up to 11,560

Contract also includes associated optional equipment and contractor-unique spare parts packages



Joint Light Tactical Vehicle (“JLTV”)



**Buyer:** United Kingdom  
**Size of Contract:** \$1.0 billion  
**# of Vehicles:** 2,747

Sale also includes vehicle armor, parts and accessories, technical support, and logistics support services

### LARGE INTERNATIONAL JLTV AND HUMVEE CONTRACTS AWARDED

3Q17 provided strong momentum for U.S.-based JLTV manufacturer, OshKosh, and Humvee manufacturer, AM General. In July, the U.S. State Department approved OshKosh Corp. to pursue a \$1.0 billion deal to sell its JLTVs to the United Kingdom. The approval supports the foreign and national security policies of the U.S. by helping to improve the security of a NATO ally that is a critical partner on foreign policy and defense issues. At the end of August, the DoD awarded \$2.2 billion under a foreign military sales contract to AM General to produce 11,560 Humvees for Afghanistan. Upon receiving the award, AM General’s CEO, Andy Hove, stated “the Humvee continues to be the most sought after light tactical vehicle for military and government customers around the world, demonstrating its relevance and reliability at an affordable price for the U.S.”

(1) Source: Council on Foreign Relations



## Government Technology Solutions Update

### Government Technology Solutions Earnings<sup>(1)</sup>

Government	EPS (Latest Quarter Releases)				EPS Growth YoY
	Est.	Actual	Beat / (Miss)	Prev. Year	
Booz   Allen   Hamilton 1Q18: 08/07/17	\$0.47	\$0.53	12.5%	\$0.46	15.2%
CACT 4Q17: 08/16/17	\$1.68	\$1.76	4.9%	\$1.75	0.6%
ENGILITY 2Q17: 08/03/17	\$0.52	\$0.60	16.3%	\$0.34	76.5%
ICF 2Q17: 08/02/17	\$0.72	\$0.73	1.2%	\$0.69	5.8%
KEYW 2Q17: 08/09/17	(\$0.06)	(\$0.34)	NM	(\$0.01)	NM
leidos 2Q17: 08/03/17	\$0.78	\$1.04	32.6%	\$0.68	52.9%
ManTech 2Q17: 08/02/17	\$0.38	\$0.40	5.3%	\$0.39	2.6%
SAIC 2Q18: 09/07/17	\$0.91	\$0.80	(12.1%)	\$0.85	(5.9%)
VECTRUS 2Q17: 08/08/17	\$0.48	\$0.49	2.1%	\$0.55	(10.9%)

### ACQUISITIONS DRIVING MARKET LEADING EARNINGS AND GROWTH

The government technology solutions sector finished 3Q17 strongly with earnings beating estimates by 7.9% on average. Of note, Leidos and Engility beat EPS estimates by 32.6% and 16.3%, respectively. Leidos attributed the strong quarter to successful integration of the Lockheed Martin Information Systems & Global Solution business, which was acquired in August 2016. The Company increased revenue from \$1.3 billion in 3Q16 to \$2.6 billion in 3Q17. Leidos raised guidance for the year – revenue of \$10.1 to \$10.4 billion, and adjusted EBITDA margins of 9.8% to 10.2%. Engility attributed positive earnings and earnings growth in part due to the TASC acquisition, including leveraging the company's differentiated capabilities along with an improved go to market approach as a combined entity.

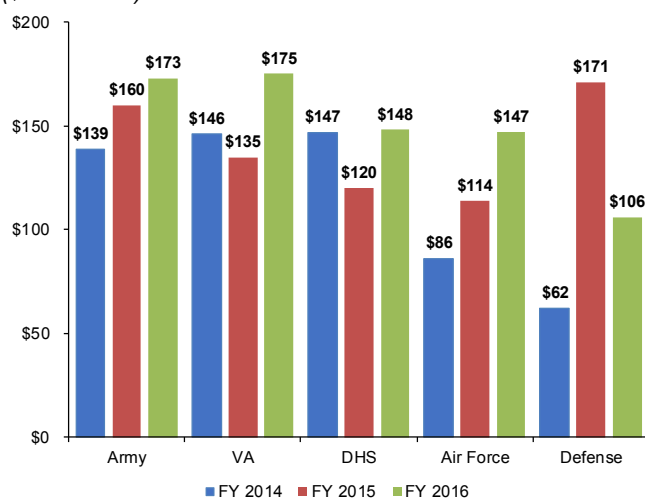
### Recent Large Contract Delays

Contract	Agency	Ceiling Value	Original Award Date	Updated Award Date
Logistics Civil Augmentation Program V		\$82B	Nov-17	Aug-18
Community Care Network		\$77B	Apr-17	Dec-17
Federal Strategic Sourcing Initiative Building Maintenance and Operations Zones 2 Through 6		\$27B	Jan-17	Oct-17
Joint Enterprise Research Development Acquisition & Procurement OMNIBUS Contract		\$8.3B	Mar-17	Dec-17

### ELONGATED AWARD TIMELINES MOTIVATING M&A

Delays on major contract awards have become increasingly common due to tightening budget timeframes for agencies, vacancies in politically-appointed positions, and high protest rates on awarded contracts. Deltek GovWin indicates delays on 18 of the top 20 opportunities it tracked for GFY2017. In line with this new trend, the Navy recently pushed back the expected award date for its \$3.5 billion Next Generation Enterprise Network recompetes by six months. Similarly, the Army Responsive Strategic Sourcing for Services ("RS3") contract used a multi-phase award process with phase two awards likely coming nearly a year following the initial awards. Firms also continue to closely monitor the timeline for Alliant 2. These contract delays are increasingly motivating firms to consider acquisitions that enhance their contract portfolio in the near-term rather than wait on the government. Contract positions of particular interest include CIO-SP3, OASIS, and T4NG, among others.

### Enterprise Mobility Obligations by Agency<sup>(2)</sup> (\$ in millions)



### MOBILE GROWTH PUSHING GOVERNMENT INTEREST IN APPLICATION DEVELOPMENT

With an estimated 70% of the government workforce projected to be using mobile technology by 2020, the government is beginning to invest heavily in mobile-associated software and applications to increase efficiency and streamline information sharing across the government<sup>(3)</sup>. The government initially began its mobile first policy in 2012 when it launched the Federal Digital Government Strategy. Last year, the government invested \$1.2 billion in enterprise mobility contract obligations, with GSA Schedule 70 as the preferred procurement vehicle. Agencies are now quickly building out their "playbooks" directing how to develop mobile applications for their respective requirements, which should further increase federal mobility spending and afford additional opportunity for contractors.

(1) S&P Capital IQ, company filings, and KippsDeSanto research  
(2) Source: Deltek Mobility Report  
(3) Source: Citrix Mobile Analytics Report



## Public Company Trading Analysis<sup>(1)</sup> (\$ in millions, except per share amounts)

Defense Primes	Stock Price 09/29/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Boeing	\$254.21	98.0%	\$150,259	\$150,767	\$91,987	\$11,674	12.7%	\$93,632	\$12,089	12.9%	1.64x	12.9x	1.61x	12.5x
Lockheed Martin	310.29	99.7%	89,361	101,276	50,584	6,954	13.7%	52,005	7,535	14.5%	2.00x	14.6x	1.95x	13.4x
General Dynamics	205.58	99.0%	61,563	63,685	31,186	4,666	15.0%	32,980	4,877	14.8%	2.04x	13.6x	1.93x	13.1x
Raytheon	186.58	99.9%	54,155	56,974	25,305	3,874	15.3%	26,487	4,205	15.9%	2.25x	14.7x	2.15x	13.5x
Northrop Grumman	287.72	100.0%	50,107	55,805	25,378	3,764	14.8%	26,808	4,047	15.1%	2.20x	14.8x	2.08x	13.8x
BAE Systems	8.47	92.5%	26,951	29,188	25,463	2,939	11.5%	25,642	3,049	11.9%	1.15x	9.9x	1.14x	9.6x
<b>Median</b>		<b>99.3%</b>	<b>\$57,859</b>	<b>\$60,330</b>	<b>\$28,324</b>	<b>\$4,270</b>	<b>14.3%</b>	<b>\$29,894</b>	<b>\$4,541</b>	<b>14.6%</b>	<b>2.02x</b>	<b>14.1x</b>	<b>1.94x</b>	<b>13.2x</b>

Defense Systems	Stock Price 09/29/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Safran	\$102.16	100.0%	\$42,472	\$41,603	\$19,108	\$3,674	19.2%	\$21,521	\$4,160	19.3%	2.18x	11.3x	1.93x	10.0x
Rockwell Collins	130.71	96.6%	21,279	28,486	7,668	1,842	24.0%	8,819	2,319	26.3%	3.71x	15.5x	3.23x	12.3x
L3 Technologies	188.43	98.5%	14,739	17,767	10,962	1,347	12.3%	11,234	1,428	12.7%	1.62x	13.2x	1.58x	12.4x
Huntington Ingalls Industries	226.44	99.7%	10,282	11,010	7,326	1,040	14.2%	7,431	1,077	14.5%	1.50x	10.6x	1.48x	10.2x
Orbital ATK, Inc.	133.16	99.8%	7,671	9,102	4,640	720	15.5%	4,846	759	15.7%	1.96x	12.6x	1.88x	12.0x
FLIR	38.91	95.5%	5,338	5,441	1,799	402	22.4%	1,891	445	23.6%	3.02x	13.5x	2.88x	12.2x
Cobham	1.95	81.9%	4,646	5,246	2,611	378	14.5%	2,635	401	15.2%	2.01x	13.9x	1.99x	13.1x
Kongsberg Gruppen	16.33	90.3%	1,959	2,159	1,829	167	9.1%	2,019	241	11.9%	1.18x	12.9x	1.07x	9.0x
Cubic	51.00	91.6%	1,383	1,608	1,494	108	7.2%	1,600	147	9.2%	1.08x	14.9x	1.00x	10.9x
AeroVironment	54.12	98.9%	1,271	1,046	302	32	10.5%	300	25	8.2%	3.47x	NM	3.48x	NM
<b>Median</b>		<b>97.6%</b>	<b>\$6,505</b>	<b>\$7,271</b>	<b>\$3,626</b>	<b>\$561</b>	<b>14.3%</b>	<b>\$3,740</b>	<b>\$602</b>	<b>14.9%</b>	<b>1.99x</b>	<b>13.2x</b>	<b>1.91x</b>	<b>12.0x</b>

Defense Electronics / Comm.	Stock Price 09/29/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Harris	\$131.68	99.8%	\$15,684	\$19,230	\$5,945	\$1,370	23.0%	\$6,282	\$1,459	23.2%	3.23x	14.0x	3.06x	13.2x
Teledyne	159.18	98.5%	5,624	6,799	2,557	426	16.7%	2,653	467	17.6%	2.66x	16.0x	2.56x	14.5x
ViaSat	64.32	78.3%	3,731	4,424	1,599	272	17.0%	1,800	347	19.3%	2.77x	16.3x	2.46x	12.7x
Mercury Systems	51.88	99.8%	2,496	2,454	440	101	23.0%	489	114	23.4%	5.58x	24.2x	5.02x	21.5x
Ultra Electronics	24.11	80.1%	1,868	2,206	1,057	191	18.1%	1,169	219	18.8%	2.09x	11.6x	1.89x	10.1x
Kratos Defense & Security Solutions	13.08	93.9%	1,350	1,656	737	53	7.3%	780	73	9.4%	2.25x	31.0x	2.12x	22.6x
Comtech Telecommunications	20.53	95.9%	484	638	509	59	11.7%	563	75	13.2%	1.25x	10.8x	1.13x	8.6x
<b>Median</b>		<b>95.9%</b>	<b>\$2,496</b>	<b>\$2,454</b>	<b>\$1,057</b>	<b>\$191</b>	<b>17.0%</b>	<b>\$1,169</b>	<b>\$219</b>	<b>18.8%</b>	<b>2.66x</b>	<b>16.0x</b>	<b>2.46x</b>	<b>13.2x</b>

Homeland Security	Stock Price 09/29/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Smiths Group	\$21.14	93.6%	\$8,365	\$9,659	\$4,275	\$908	21.2%	\$4,384	\$936	21.4%	2.26x	10.6x	2.20x	10.3x
MSA Safety Incorporated	79.51	93.7%	3,036	3,196	1,181	232	19.7%	1,279	270	21.1%	2.71x	13.8x	2.50x	11.8x
OSI Systems, Inc.	91.37	98.9%	1,716	1,893	1,010	182	18.0%	1,075	174	16.2%	1.87x	10.4x	1.76x	10.9x
American Outdoor Brands	15.25	53.4%	824	1,021	714	137	19.2%	768	189	24.6%	1.43x	7.4x	1.33x	5.4x
<b>Median</b>		<b>93.6%</b>	<b>\$2,376</b>	<b>\$2,545</b>	<b>\$1,096</b>	<b>\$207</b>	<b>19.4%</b>	<b>\$1,177</b>	<b>\$230</b>	<b>21.2%</b>	<b>2.07x</b>	<b>10.5x</b>	<b>1.98x</b>	<b>10.6x</b>

(1) S&P Capital IQ, company filings, and KippsDeSanto research

## Public Company Trading Analysis, cont.<sup>(1)</sup>

(\$ in millions, except per share amounts)

Aerospace Structures & Systems	Stock Price 09/29/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
TransDigm	\$255.65	86.7%	\$13,271	\$23,429	\$3,613	\$1,757	48.6%	\$3,824	\$1,893	49.5%	6.48x	13.3x	6.13x	12.4x
Spirit AeroSystems	77.72	98.0%	9,196	9,587	6,919	791	11.4%	7,075	1,128	15.9%	1.39x	12.1x	1.35x	8.5x
Zodiac Aerospace	28.92	84.8%	8,088	9,496	5,985	468	7.8%	6,090	674	11.1%	1.59x	20.3x	1.56x	14.1x
HEICO	89.81	98.3%	6,895	7,492	1,556	378	24.3%	1,691	418	24.7%	4.82x	19.8x	4.43x	17.9x
Meggitt	6.99	98.8%	5,409	6,867	2,536	606	23.9%	2,536	606	23.9%	2.71x	11.3x	2.71x	11.3x
Hexcel	57.42	98.6%	5,155	5,931	1,984	466	23.5%	2,196	526	24.0%	2.99x	12.7x	2.70x	11.3x
Esterline	90.15	87.8%	2,702	3,214	2,016	329	16.3%	2,070	339	16.4%	1.59x	9.8x	1.55x	9.5x
Senior	3.70	97.1%	1,545	1,781	1,313	161	12.2%	1,386	180	13.0%	1.36x	11.1x	1.29x	9.9x
Triumph Group	29.75	85.5%	1,476	2,721	3,267	303	9.3%	3,153	353	11.2%	0.83x	9.0x	0.86x	7.7x
AAR	37.78	96.1%	1,286	1,428	1,826	141	7.7%	2,071	171	8.2%	0.78x	10.1x	0.69x	8.4x
Astronics	29.75	72.5%	856	1,010	625	88	14.1%	669	108	16.1%	1.62x	11.4x	1.51x	9.4x
<b>Median</b>		<b>96.1%</b>	<b>\$5,155</b>	<b>\$5,931</b>	<b>\$2,016</b>	<b>\$378</b>	<b>14.1%</b>	<b>\$2,196</b>	<b>\$418</b>	<b>16.1%</b>	<b>1.59x</b>	<b>11.4x</b>	<b>1.55x</b>	<b>9.9x</b>

Government Technology Solutions	Stock Price 09/29/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Leidos Holdings	\$59.22	99.3%	\$8,955	\$11,941	\$10,316	\$1,023	9.9%	\$10,622	\$1,071	10.1%	1.16x	11.7x	1.12x	11.2x
Booz Allen Hamilton	37.39	94.2%	5,559	7,083	6,091	582	9.6%	6,387	614	9.6%	1.16x	12.2x	1.11x	11.5x
CSRA Inc.	32.27	95.8%	5,275	7,979	5,028	803	16.0%	5,322	818	15.4%	1.59x	9.9x	1.50x	9.8x
CACI International	139.35	97.5%	3,409	4,578	4,389	373	8.5%	4,513	402	8.9%	1.04x	12.3x	1.01x	11.4x
Science Applications International Corp.	66.85	74.4%	2,891	3,818	4,352	301	6.9%	4,471	334	7.5%	0.88x	12.7x	0.85x	11.4x
ManTech International	44.15	97.0%	1,717	1,609	1,679	128	7.6%	1,754	136	7.7%	0.96x	12.6x	0.92x	11.9x
Engility Holdings	34.68	88.6%	1,277	2,270	1,976	184	9.3%	2,035	190	9.3%	1.15x	12.3x	1.12x	12.0x
ICF International	53.95	90.6%	1,011	1,279	1,220	117	9.6%	1,269	125	9.9%	1.05x	10.9x	1.01x	10.2x
VSE Corporation	56.86	96.9%	616	836	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
KEYW	7.61	56.1%	373	627	462	47	10.2%	550	60	11.0%	1.36x	NM	1.14x	10.4x
Vectrus, Inc.	30.84	86.7%	342	369	1,056	39	3.7%	1,075	42	3.9%	0.35x	9.4x	0.34x	8.9x
<b>Median</b>		<b>94.2%</b>	<b>\$1,717</b>	<b>\$2,270</b>	<b>\$3,164</b>	<b>\$243</b>	<b>9.4%</b>	<b>\$3,253</b>	<b>\$262</b>	<b>9.5%</b>	<b>1.10x</b>	<b>12.2x</b>	<b>1.06x</b>	<b>11.3x</b>

Engineering & Construction	Stock Price 09/29/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Jacobs Engineering	\$58.27	91.9%	\$7,011	\$6,597	\$10,000	\$680	6.8%	\$10,562	\$727	6.9%	0.66x	9.7x	0.62x	9.1x
AECOM	36.81	90.4%	5,769	9,075	18,202	919	5.1%	19,032	1,064	5.6%	0.50x	9.9x	0.48x	8.5x
Babcock International	11.09	77.3%	5,604	7,338	6,577	882	13.4%	7,429	926	12.5%	1.12x	8.3x	0.99x	7.9x
Tetra Tech	46.55	96.3%	2,632	2,820	2,035	236	11.6%	2,135	253	11.9%	1.39x	11.9x	1.32x	11.1x
KBR	17.88	98.0%	2,501	2,508	4,287	339	7.9%	4,336	334	7.7%	0.59x	7.4x	0.58x	7.5x
<b>Median</b>		<b>91.9%</b>	<b>\$5,604</b>	<b>\$6,597</b>	<b>\$6,577</b>	<b>\$680</b>	<b>7.9%</b>	<b>\$7,429</b>	<b>\$727</b>	<b>7.7%</b>	<b>0.66x</b>	<b>9.7x</b>	<b>0.62x</b>	<b>8.5x</b>

(1) S&P Capital IQ, company filings, and KippsDeSanto research

## Select Recent Aerospace / Defense M&A<sup>(1)</sup>

(\$ in millions)

Announce Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
09/27/17	The MEL Group	Redmayne Engineering Ltd.	Provides precision engineering, specializing in the production of components for the aerospace, defense, and allied industries	NA	NA	NA	NA	NA	NA
09/25/17	Acorn Growth Companies	CIS Secure Computing, Inc.	Provides secure communications equipment and solutions for a wide range of U.S. government customers	NA	NA	NA	NA	NA	NA
09/22/17	Novume Solutions, Inc.	Global Technical Services, Inc.	Provides contract and direct-hire staffing services to aviation maintenance, aerospace, electronics, and defense industries	\$3.8	\$35.0	NA	NA	0.11x	NA
09/18/17	Northrop Grumman Corp.	Orbital ATK, Inc.	Provides space, defense, and aviation systems, including rocket propulsion systems, missiles, defense electronics, and precision weapons	9,222.3	4,515.0	\$607.0	13.6%	2.04x	15.2x
09/14/17	L3 Technologies, Inc.	Doss Aviation, Inc.	Provides flight training, aircraft maintenance, and maintenance training	NA	50.0	NA	NA	NA	NA
09/13/17	L3 Technologies, Inc.	Adaptive Methods, Inc.	Provides undersea warfare and anti-submarine warfare capabilities for U.S. military customers	NA	NA	NA	NA	NA	NA
09/11/17	Ducommun, Inc.	LS Holdings Company, LLC	Provides lightning protection systems using its proprietary technology for various applications serving the aerospace and defense industries	60.0	NA	NA	NA	NA	NA
09/11/17	Cyient Ltd.	B&F Design	Provides precision engine assembly equipment, repair tooling, machining of fixtures and gauges, and engine factory modernization services	NA	8.5	NA	NA	NA	NA
09/08/17	Spaulding Composites, Inc.	Burbak Plastics	Provides injection molded solutions (using high heat plastics) to firearms, defense, and medical industries	NA	NA	NA	NA	NA	NA
09/08/17	Mecadaq	Armoa	Provides high precision machining of small and medium size aluminium aero structure parts	NA	21.7	NA	NA	NA	NA
09/05/17	Daseke, Inc.	R&R Trucking, Inc.	Provides specialty transport of defense and commercial arms, ammunition, and explosives cargo	NA	NA	7.0	NA	NA	NA
09/04/17	United Technologies Corp.	Rockwell Collins, Inc.	Provides avionics, flight controls, aircraft interior, and data connectivity solutions for commercial and military customers	30,191.6	8,528.7	1,887.0	16.8%	3.54x	16.0x
09/01/17	Strata-G Solutions, Inc.	WestWind Aerospace, Inc.	Provides rotary wing systems integration solutions	NA	NA	NA	NA	NA	NA
08/30/17	Braxton Science & Technology Group	Ingenicomm, LLC	Provides ground and range equipment and enterprise engineering services for civil, commercial, defense, and intelligence aerospace programs	NA	NA	NA	NA	NA	NA
08/29/17	Point Blank Enterprises, Inc.	United Shield International, LLC	Provides personal ballistic and fragmentation protection equipment	NA	NA	NA	NA	NA	NA
08/24/17	Arlington Capital Partners	Tex Tech Industries, Inc.	Provides composite fiber and fabric products used in ballistics protection and fire-retardant thermal acoustic insulation for aerospace applications	NA	NA	NA	NA	NA	NA
08/22/17	Clarus Corp.	Sierra Bullets, LLC	Provides high-quality bullets used for distributors, law enforcement agencies, and industry original equipment manufacturers	79.0	32.0	12.5	39.1%	2.47x	6.3x
08/21/17	Platinum Equity Holdings	Pattonair	Provides distribution and supply chain management services for aerospace and defense markets worldwide	NA	NA	NA	NA	NA	NA
08/18/17	HEICO Corp.	AeroAntenna Technology, Inc.	Provides high performance active antenna systems for critical defense applications, precision guided munitions, and commercial aircraft	316.5	NA	NA	NA	NA	NA
08/17/17	JW Hill Capital	Bandy Machining, Inc.	Provides complex, close-tolerance hinges used on commercial and military aerospace platforms	NA	NA	NA	NA	NA	NA
08/14/17	B&E Group, LLC	Safe Fuel Systems, Inc.	Provides testing, repair, overhaul, and modification of fuel systems, hydraulics, and accessories for major domestic and international civil transport and military aircraft	NA	NA	NA	NA	NA	NA
08/09/17	PRC Composites, LLC	Globe Plastics, Inc.	Provides compression, transfer, and injection molding, as well as custom mold, insert, and tool making services	NA	NA	NA	NA	NA	NA
08/08/17	Arsenal Capital Partners	Cyalume Technologies Holdings, Inc.	Provides chemiluminescent devices, primarily light sticks, whose applications include training ammunition, training and simulation, and specialty products	45.0	41.3	NA	NA	1.09x	NA
08/07/17	Sierra Peaks Corp.	Mechtronic Solutions, Inc.	Provides custom, automated test systems, and payload pods for aerospace and defense industries	NA	NA	NA	NA	NA	NA

(1) S&P Capital IQ, company filings, and KippsDeSanto research



**Select Recent Aerospace / Defense M&A, cont.<sup>(1)</sup>**  
(\$ in millions)

Announce Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
08/07/17	Apollo Aerospace Components	Aero-Missile Components, Inc.	Provides high-quality specialty fasteners and other components to aerospace and defense industries	\$10.5	NA	NA	NA	NA	NA
08/03/17	AGI Holdings, LLC	Aish Technologies Ltd.	Provides ruggedized display systems, cathodic protection systems, and other subsystems for the U.K. and U.S. Navies, as well as other global defense and commercial customers	NA	NA	NA	NA	NA	NA
08/03/17	Measure	Pilatus Unmanned	Provides drone customization for commercial customers	NA	NA	NA	NA	NA	NA
08/01/17	Solix Group AB	Dynasafe International AB	Provides unexploded ordnance clearance and weapons disposal	NA	\$94.0	NA	NA	NA	NA
08/01/17	Bertin Technologies	Exensor Technology AB	Provides networked unattended ground sensor systems for homeland security and military applications	NA	NA	NA	NA	NA	NA
07/31/17	Carmanah Technologies Corp.	Vega Industries Ltd.	Provides marine aids to navigation, which include marine beacons, marine sector lights, and aviation and obstacle lights	9.0	NA	NA	NA	NA	NA
07/24/17	SpeedCast International Ltd.	UltiSat, Inc.	Provides network and satellite communication services to government and defense entities, as well as non-governmental organizations	100.0	78.5	\$12.0	15.3%	1.27x	8.3x
07/18/17	Cubic Corp.	Deltenna Limited	Provides radio and antenna communication solutions, including those for use by military, public safety, and emergency response teams	NA	NA	NA	NA	NA	NA
07/17/17	The Carlyle Group	ADB Safegate	Provides products and solutions for airfield ground lighting, aircraft docking guidance, and air traffic control	1,030.0	NA	NA	NA	NA	NA
07/10/17	Consolidated Machine & Tool Holdings, LLC	Astro-Tek Industries, Inc.	Provides specialized equipment used by Tier 1 aerospace and defense companies	NA	NA	NA	NA	NA	NA
07/07/17	Ultra Electronics Holdings plc	Sparton Corp.	Provides services for complex electromechanical devices, as well as sophisticated engineered products for military, aerospace, and other industries	322.0	400.1	22.8	5.7%	0.80x	14.1x
07/05/17	StandardAero Holdings, Inc.	Vector Aerospace Corporation	Provides aviation maintenance, repair, and overhaul services	NA	704.8	80.0	11.4%	NA	NA
07/05/17	Smith & Wesson Corp.	Gemini Technologies	Provides high quality suppressors and accessories for the consumer, law enforcement, and military markets	NA	NA	NA	NA	NA	NA
07/05/17	Mercury Systems, Inc.	Richland Technologies, LLC	Provides safety-critical and high integrity systems, software, and hardware development, as well as safety-certification services for mission-critical applications	NA	NA	NA	NA	NA	NA
07/03/17	Odyssey Investment Partners	CPI International, Inc.	Provides radio frequency, microwave, power, and control products for defense and other various industries	800.0	NA	NA	NA	NA	NA
06/29/17	Ensign-Bickford, Inc.	Honeybee Robotics Ltd.	Provides advanced robotic and electromechanical systems	NA	NA	NA	NA	NA	NA
06/29/17	Hensoldt Sensors GmbH	Kelvin Hughes Ltd.	Provides security and maritime radar solutions	NA	NA	NA	NA	NA	NA
06/27/17	Spell Capital Partners, LLC	Jet Edge, Inc.	Provides ultra-high pressure waterjet technology	NA	NA	NA	NA	NA	NA
06/27/17	AMS Technologies AG	Elforlight Ltd.	Provides diode pumped solid state lasers and optical parametric oscillators	NA	NA	NA	NA	NA	NA
06/27/17	Kellstrom Aerospace	Vortex Aviation, Inc.	Provides on-wing engine maintenance services and quick-turn engine repairs across all major commercial aircraft engine platforms	NA	NA	NA	NA	NA	NA
06/26/17	Trelleborg AB	Automated Dynamics	Provides composite parts in a wide variety of shapes and sizes, including cylinders, cones, box beams, I-beams, coils, flat laminates, and complex geometries	NA	NA	NA	NA	NA	NA
06/22/17	Safran S.A.	ISEI	Provides flight data acquisition systems and associated services for helicopters and light airplanes	NA	NA	NA	NA	NA	NA
06/21/17	The MEL Group	Oldbury Engineering Co. Ltd	Provides and repairs aircraft ground support equipment	NA	NA	NA	NA	NA	NA
06/20/17	Novaria Group	Space-Lok, Inc.	Provides high quality fasteners and multiple component mechanisms	NA	NA	NA	NA	NA	NA

(1) S&P Capital IQ, company filings, and KippsDeSanto research

**Select Recent Government Technology Solutions M&A<sup>(1)</sup>**  
(\$ in millions)

Announce Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
09/28/17	Dassault Systèmes	Exa Corp.	Provides simulation software for product engineering to designers and engineers at companies in transportation and mobility, aerospace and defense, and natural resources	\$373.9	\$72.7	\$1.5	2.0%	4.37x	214.7x
09/25/17	Mission Solutions Group, Inc.	Surveillance and Cyber Security Solutions, LLC	Provides information security engineering strategies and technical solutions for clients to protect and defend against sensitive data loss	NA	NA	NA	NA	NA	NA
09/18/17	ManTech International Corporation	InfoZen, Inc.	Provides cloud managed services, agile software development, DevOps, systems engineering, and IT management services to the U.S. Federal Government	180.0	NA	NA	NA	NA	NA
09/12/17	Rackspace US, Inc.	Datapipe, Inc.	Provides multi-platform hybrid IT solutions, including managed cloud for AWS, and other managed cloud services for commercial and public sector clients	NA	NA	NA	NA	NA	NA
09/11/17	Enlightenment Capital	The Cadmus Group LLC	Provides technical and strategic consultancy services in the U.S. and internationally	NA	NA	NA	NA	NA	NA
09/11/17	SOS International, Inc.	Defense Group, Inc.	Provides data analytics and cyber services, including cyber intelligence and foreign language exploitation, primarily focused on first responders and homeland defense	NA	NA	NA	NA	NA	NA
09/05/17	Patriot Defense Group, LLC	Silverback 7, Inc.	Provides customized training, multi-discipline analytical services, and specialized labor for critical programs for the Federal Government and firms operating in the federal market	NA	NA	NA	NA	NA	NA
08/31/17	Jacobs Engineering Group	Blue Canopy Group, LLC	Provides cloud, big data analytics, data science, and enterprise IT consultancy and services for the Federal Government and commercial markets	NA	NA	NA	NA	NA	NA
08/28/17	Forcepoint	RedOwl Analytics, Inc.	Provides security analytics focused on understanding and managing human risk	NA	NA	NA	NA	NA	NA
08/14/17	HPS Investment Partners, LLC and Tennenbaum Capital Partners, LLC	Globecomm Systems	Provides satellite-based managed network solutions to government, communications service providers, commercial enterprises, and media and content broadcasters	NA	NA	NA	NA	NA	NA
08/09/17	KeyLogic Systems, Inc.	CrossResolve, LLC	Provides government advisory and strategy services with a focus on biometrics, forensics, and identity programs	NA	NA	NA	NA	NA	NA
08/02/17	Jacobs Engineering Group	CH2M Hill Companies, Ltd.	Provides engineering, construction, consulting, design, program management, and technical services to federal, state and local, and commercial clients	3,273.8	4,400.0	474.5	10.8%	0.74x	6.9x
08/02/17	Ricardo plc	Control Point Corp.	Provides engineering and technical solutions, including lifecycle management support, testing, analytics, research and development, data management, and enterprise integration	10.2	NA	NA	NA	NA	NA
08/01/17	Acom Growth Companies	Telecommunications Support Services, Inc.	Provides technical services for all segments of the telecommunications and broadband industries and professional services such as project engineering	NA	NA	NA	NA	NA	NA
08/01/17	Constellis Holdings, LLC	OMNIPLEX World Services Corp.	Provides armed and unarmed protective security support and investigative and risk management solutions	NA	NA	NA	NA	NA	NA
07/18/17	Subsystem Technologies, Inc.	KMS Solutions, LLC	Provides systems engineering and technical assistance ("SETA"), policy analysis, and workforce development training for the DoD and Intelligence Community	NA	NA	NA	NA	NA	NA
07/12/17	Agile Six Applications, Inc.	The Informatics Applications Group, Inc.	Provides a variety of technology solutions including cloud integration and data center consolidation, mobile platform and software development, and cybersecurity assurance	NA	NA	NA	NA	NA	NA
07/10/17	Convergent Technologies, LLC	SigNet Technologies, Inc.	Provides integrated physical security management systems	NA	NA	NA	NA	NA	NA
07/06/17	Data Systems Analysts, Inc.	Project Performance Company, LLC	Provides knowledge and information management, energy management and environmental sustainability, and enterprise systems development and operations	NA	NA	NA	NA	NA	NA
07/03/17	H.I.G. Capital	NCI, Inc.	Provides big data and data analytics, agile development, and intelligence-to-operations initiatives to defense, intelligence, healthcare, and civilian government agencies worldwide	283.0	317.5	28.2	8.9%	0.89x	10.0x
06/30/17	National Technologies Associates, Inc.	V1 Analytical Solutions	Provides intelligence and information solutions, special activity support, and specialized training for defense, intelligence, and other government customers	NA	NA	NA	NA	NA	NA
06/26/17	Constellis Holdings, LLC	American K9 Detection Services, LLC	Provides operational support and risk management services, as well as contract working dog teams to protect federal facilities, personnel, and assets	NA	NA	NA	NA	NA	NA
06/13/17	Red River Computer Co., Inc.	Natoma Technologies, Inc.	Provides consulting and systems integration services and solutions, primarily specializing in software and application development	NA	NA	NA	NA	NA	NA
06/13/17	Z Systems Corporation	Logistics Support, Incorporated	Provides management consulting, logistics and supply chain management, and professional services, primarily to defense clients	NA	NA	NA	NA	NA	NA

(1) S&P Capital IQ, company filings, and KippsDeSanto research

## About KippsDeSanto & Co.

KippsDeSanto is an investment banking firm focused on delivering M&A and financing expertise. Our solutions are focused on the sectors we know – aerospace / defense and government technology solutions. We are recognized for our depth of industry experience, knowledge of sector-specific transaction drivers, and long-standing relationships with industry participants.

We welcome the opportunity to have a more detailed discussion of developments in our focus industries. For more information, please contact us:

**Robert D. Kipps**

*Managing Director*

[bkipps@kippsdesanto.com](mailto:bkipps@kippsdesanto.com)

**Kevin P. DeSanto**

*Managing Director*

[kdesanto@kippsdesanto.com](mailto:kdesanto@kippsdesanto.com)

**Michael J. Misantone**

*Managing Director*

[mmisantone@kippsdesanto.com](mailto:mmisantone@kippsdesanto.com)

**Karl M. Schmidt**

*Managing Director*

[kschmidt@kippsdesanto.com](mailto:kschmidt@kippsdesanto.com)

**Marc B. Marlin**

*Managing Director*

[mmarlin@kippsdesanto.com](mailto:mmarlin@kippsdesanto.com)

**Warren Romine**

*Managing Director*

[wromine@kippsdesanto.com](mailto:wromine@kippsdesanto.com)

**Jon Yim**

*Director*

[jjim@kippsdesanto.com](mailto:jjim@kippsdesanto.com)

**Toby Albright**

*Director*

[talbright@kippsdesanto.com](mailto:talbright@kippsdesanto.com)

**Kate W. Troendle**

*Director*

[ktroendle@kippsdesanto.com](mailto:ktroendle@kippsdesanto.com)

**Robert G. Dowling**

*Vice President*

[rdowling@kippsdesanto.com](mailto:rdowling@kippsdesanto.com)

**Brian T. Tunney**

*Vice President*

[btunney@kippsdesanto.com](mailto:btunney@kippsdesanto.com)

**Stephen M. Jonas**

*Associate*

[sjonas@kippsdesanto.com](mailto:sjonas@kippsdesanto.com)

**Alexia N. Marchetta**

*Associate*

[amarchetta@kippsdesanto.com](mailto:amarchetta@kippsdesanto.com)

**Salman J. Husain**

*Associate*

[shusain@kippsdesanto.com](mailto:shusain@kippsdesanto.com)

**Kurt A. Kautman**

*Associate*

[kkautman@kippsdesanto.com](mailto:kkautman@kippsdesanto.com)

**Mel E. Levey**

*Associate*

[mlevey@kippsdesanto.com](mailto:mlevey@kippsdesanto.com)

### Connect with KippsDeSanto:



The information and opinions in this newsletter were prepared by KippsDeSanto & Co. and the information herein is believed to be reliable and has been obtained from and based upon public sources believed to be reliable. KippsDeSanto & Co. makes no representation as to the accuracy or completeness of such information. Opinions, estimates, and analyses in this newsletter constitute the current judgment of the author as of the date of this newsletter. They do not necessarily reflect the opinions of KippsDeSanto & Co. and are subject to change without notice. This newsletter is meant to impart general knowledge about a sector or industry and is not expected to provide reasonably sufficient information upon which to make any investment decisions.

KippsDeSanto & Co. is not affiliated with any of the companies identified in this newsletter. Unless otherwise described, the companies identified are also not affiliated with one another.

This newsletter may contain information obtained from third parties. Reproduction and distribution of third party content in any form is prohibited except with the prior written permission of the related third party. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs or losses caused by negligence) in connection with any use of their content, including ratings.

**KippsDeSanto**   
INVESTMENT BANKING

8000 Towers Crescent Drive  
Suite 1200  
Tysons Corner, Virginia 22182  
703.442.1400  
[www.kippsdesanto.com](http://www.kippsdesanto.com)