

MarketView

Summer 2015

Aerospace / Defense and Government Technology Solutions



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Operational / Funding Environment

The boom in commercial aircraft orders over recent years appears to have given way to a more sustainable pace of demand, as showcased at the 51st Paris Air Show in June. Despite commercial aerospace Original Equipment Manufacturers' ("OEMs") record backlog of ~\$1.8 trillion, expectations for order activity going into the show were low, as Boeing and Airbus announced combined orders of 752, up from 742 at last year's Farnborough Air Show and down from 908 two years ago in Paris. However, the chance of any severe deterioration in demand over the

long-term seems unlikely, with both companies predicting strong aircraft sales over the next two decades. As such, scheduled production hikes remained a key theme at the Air Show. Current production output of Airbus A320s and Boeing 737s sits at 42 per month each, with plans to increase production to 50 and 52 per month by 2017.⁽¹⁾ Notably, organization, optimization, and management of relationships with suppliers play a critical role in the OEMs' abilities to escalate production rates. While the majority of tier-one suppliers are well-suited to support ramp-ups in production, many second-tier and third-tier suppliers have limited ability to finance sustained production hikes, possibly requiring investments from plane manufacturers, encouraging dual sourcing, or further encouraging supply chain consolidation.

The Paris Air Show also featured the highly-anticipated debut of Bombardier's CSeries single-aisle jet family, the only new commercial jet at the show. After years of delays and cost overruns, Bombardier expressed optimism for future CSeries orders following successful flight tests, with the jet exceeding expectations for range, payload, and fuel burn. Although defense aviation often takes a backseat to commercial aviation at the Air Show, the pending decision from United Technology on the strategic direction of its Sikorsky division was a common topic among attendees, as the company is expected to spin-off or sell the military and commercial helicopter manufacturer.

In budget news, earlier in June, the House Appropriations Committee approved its version of the National Defense Authorization Act ("NDAA"), providing a base budget of \$490.2 billion for the Department of Defense ("DoD") for Government Fiscal Year ("GFY") 2016. The bill circumvents defense spending caps by including an additional \$88.4 billion in the Overseas Contingency Operations ("OCO") account. The Committee's overall funding level of \$578.6 billion is \$24.4 billion above the amount enacted for the current fiscal year, possibly signaling a reversal of flat / declining domestic defense spending. Specifically, the legislation provides \$116.7 billion for weapons procurement, including \$16.9 billion for nine Navy ships, \$8.4 billion for 65 F-35 Joint Strike Fighters, and \$3.0 billion for 16 P-8A Poseidon aircraft. However, the White House has indicated President Obama intends to veto any increase in defense spending that is not matched by an increase in non-defense spending.

The Senate Appropriations Committee approved GFY2016 spending levels across all 12 areas of the Federal Government, in-line with those required by the 2011 Budget Control Act ("BCA"), calling for spending reductions of ~7% versus GFY2015. The levels are now being sent to each jurisdiction's subcommittee to create 12 distinct line-by-line appropriations bills. Based on this approval, growth is expected within the following appropriations: Military Construction and Veterans Affairs ("VA"), Energy and Water, and Commerce, Justice, and Science, while the State and Foreign Operations appropriation would see the greatest spending reduction. Several civilian agencies are expected to see slight spending growth in GFY2016, which may result in additional contractor addressable market for IT and professional services. For example, the VA remains a top funding priority and is of particular interest to contractors as they await announcement of the Transformation Twenty-One Total Technology ("T4") Next Generation ("NG") vehicle awardees. The Energy Department's IT budget includes planned spending for over 750 initiatives in GFY2016; specifically, it calls out additional funding for areas such as enterprise architectures, capital planning, and Chief Information Office ("CIO") functions. Finally, the Department of Justice's ("DoJ") focus on enterprise solutions and data analysis / sharing across law enforcement organizations is expected to drive IT investment to support system interoperability and complex data management requirements. Within the DoJ, average IT investments at the Federal Bureau of Investigation ("FBI") alone are greater than 86% contractor addressable, representing nearly \$1 billion in potential business to industry in GFY2016. Overall, civilian agencies can expect GFY2016 appropriations to slightly increase or sustain spending levels, affording strong investment in Government Technology Solutions.

Firm Orders / Commitments at the 2015 Paris Air Show⁽¹⁾

Airbus					
Model	A320	A330	A350	A380	Total
Orders / Commitments / Options	366	24	31	-	421

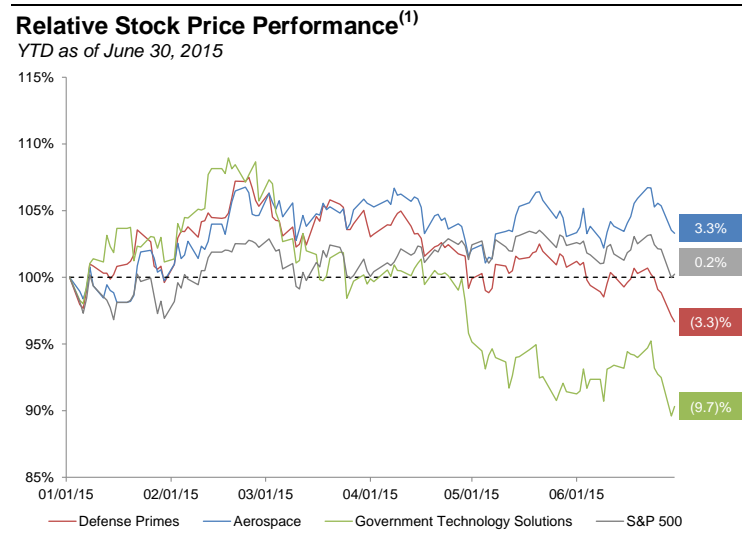
Boeing					
Model	737	747	777	787	Total
Orders / Commitments / Options	254	20	21	36	331



(1) Flightglobal

Capital Markets and Public Market Valuation Trends

Strong operational performance within Aerospace has continued in 2015, allaying some investor concerns that the commercial aerospace industry reached a cyclical peak in 2014. Major Aerospace companies exceeded analyst expectations in earnings guidance and stock performance as market returns reached 3.3% year to date (“YTD”). OEMs have confirmed their wherewithal for increased production rates based on confidence that record backlogs will remain at current levels. Boeing (up 6.7% YTD) forecasts steady demand will drive at least a 1x book-to-bill ratio throughout the rest of the year and serve as a conduit for further production rate hikes over the next decade. Meanwhile, supply chain consolidation and productivity initiatives are expected to catalyze record-high Earnings Before Interest Taxes Depreciation & Amortization (“EBITDA”) margins in 2015E with consistent increases over the near-term. TransDigm (up 14.4% YTD) has capitalized on consolidation opportunities by acquiring the aerospace businesses of Pexco LLC, Franke Aquarotter GmbH, and Telair Cargo Group, increasing its capabilities and highly engineered products for aircraft interiors while expanding its reach into the aftermarket. Alternatively, other sub-tier suppliers have struggled to maintain quality and to meet delivery deadlines. Zodiac (down 3.7% YTD) was hit with high one-off costs in 1Q15 due to a production correction in its seats division leading to a 32.0% decrease in EBITDA year over year (“YoY”) in 1H15. Similarly, Esterline (down 13.1%) experienced headwinds in its Avionics & Controls division, leading to a severe Earnings Per Share (“EPS”) miss, coming in at \$0.98, \$0.35 lower than expected. Esterline has missed earnings expectations for four successive quarters and could be a potential target for consolidation.



Share performance among the Defense primes moderated in the YTD period, declining 3.3%. Although contractors outperformed earnings expectations, the operating environment and continuation of price competition have outweighed previous market upsurges and inflated the need to expand in foreign markets. Lockheed Martin’s (down 3.5% YTD) 1Q15 revenue dropped 5.1% YoY, as decreased deliveries of certain aircraft and missile systems overshadowed increased sales of the F-35. Other growth levers, including foreign interest in the F-35, should propel cost savings as almost half of the projected annual orders over the next five years are scheduled with international customers. Likewise, foreign demand for programs such as the Patriot Missile system have become vital to Raytheon (down 11.5% YTD), as non-U.S. customers represented 28.0% of 1Q15 sales and 41.0% of 1Q15-end backlog. In contrast, Northrop Grumman (up 7.6% YTD) fared particularly well, as favorable timing of contract awards brought 1Q15 topline earnings to \$6.0 billion, ahead of the expected \$5.8 billion. Additionally, the company has not slowed its capital deployment plan, repurchasing 5.3 million shares in 1Q15. This buyback of \$859 million for the quarter highlights share repurchases as a preferred capital deployment strategy among larger Defense contractors.

Government Technology Solutions companies, down 9.7% in the YTD period, have faced slight headwinds. Companies’ shares have fallen recently, primarily due to slippage in Federal contract awards, contract consolidation with a shift towards new alternative vehicles, and continued pricing pressures. Though uncertainty in the budgetary environment has somewhat diminished and Federal agencies anticipate stronger award volume, procurement timelines have remained elongated. Agencies are increasingly cautious about their funding obligations and many are undertaking a stringent internal review to prioritize product and service necessity. Contractors also anticipate lower overall win rates as they increasingly rely on bids for new contracts as opposed to recompetes. Finally, contrary to sentiment from past earnings calls of Government Technology Solutions contractors, SAIC and NCI noted a resurgence of Lowest Price, Technically Acceptable (“LPTA”) bids, even on non-LPTA contracts. Despite these market pressures, Government Technology Solutions companies did cite some positive signals for the future. For example, Leidos mentioned an evolution of contract types to align contractor and Federal Government incentives, noting more fixed priced incentive contracts than firm fixed price. Moreover, Booz Allen Hamilton reported its highest backlog since FY2012, an ~18% increase YoY, and a second sequential quarter of headcount gains. Amidst select market pressures, Government Technology Solutions providers have reiterated their expectation to reach an inflection point of bottom line declines by GFY2016.



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

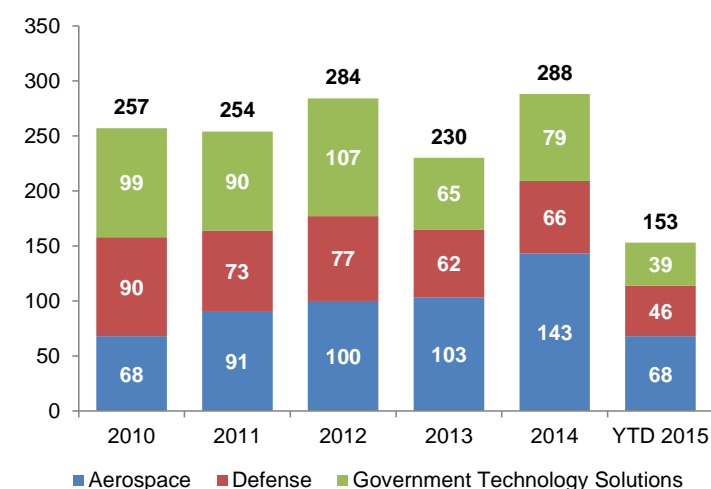
M&A Trends & Activity

M&A activity in the Aerospace / Defense and Government Technology Solutions markets advanced at a moderate pace in 2Q15, bringing the total transaction count to 153 YTD. Of all announced deals, Defense accounted for 46, with strength in defense electronics; Aerospace accounted for 68, driven by robust activity in the machining / components and maintenance, repair, and overhaul (“MRO”) subsectors; and Government Technology Solutions accounted for 39 transactions, with a strong focus on cybersecurity and intelligence. While strategic buyers continue to be the primary suitors for many headline deals, financial sponsors and their portfolio companies have remained active acquirers in the Aerospace / Defense and Government Technology Solutions sectors.

The Aerospace industry has experienced strong consolidation activity throughout the supply chain, with machining companies, component manufacturers, and MRO aftermarket service providers driving a significant portion of YTD deal activity. Private equity groups were particularly active in these sectors in 2Q15, with notable deals including (i) the acquisition of Precision Aero Corporation by H-D Manufacturing, a portfolio company of The Riverside Company; (ii) Industrial Growth Partners’ acquisition of FMH Aerospace Corporation; (iii) AE Industrial Partners’ acquisition of Kellstrom Materials; and (iv) the acquisition of InTech Aerospace by Azalea Capital / Ranger AeroSystems. Strategic buyers have also remained active and are poised for further acquisitive growth over the near-term. Heico Corporation (2 deals YTD) has reiterated its plan to close additional deals in 2015, while Precision Castparts (2 deals YTD) expects to spend \$3-5 billion over the next two years on M&A. Finally, TransDigm (3 deals YTD), is projecting ~\$900 million of cash by year-end, which indicates additional acquisition capacity of ~\$1.5 billion.

M&A Transaction Volume⁽¹⁾

YTD as of June 30, 2015



While major Defense primes continue to prioritize share buybacks over acquisitions from a capital deployment perspective, 1H15 Defense M&A comfortably outpaced comparable 2014 levels, with 46 transactions announced during the period, compared to 38 in 1H14. Deal activity has been particularly strong in the defense electronics space, accounting for approximately 70% of YTD deal volume, and highlighted by Ultra Electronics’ \$265 million acquisition of Kratos’ Electronic Products Division (“EPD”). The acquisition of Kratos’ EPD, the largest in Ultra’s history, illustrates buyers’ focus on high-end Electronic Warfare (“EW”) capabilities and presence on key programs.


The Government Technology Solutions sector continues to see an M&A focus priority in cyber and intelligence which accounted for over 50% of deals in 2Q15. ManTech was particularly active within these areas in Q2 having acquired both Knowledge Consulting Group, Inc. and Welkin Associates, Ltd. Private equity firms are similarly pursuing cyber assets to capitalize on the rapidly growing and evolving market; a noteworthy transaction includes Vista Equity’s formation of a joint venture between Websense and Raytheon Cyber. Propagated in part by contract consolidation within the Federal market, the 2014 trend of middle market M&A activity with transaction values of \$50 - \$200 million, has become increasingly prominent in 2015. This trend is expected to continue as the Federal Government seeks to cut costs and avoid redundant contracts and programs. Program consolidation and a shift in procurement strategy toward larger-scale vehicles have expanded contact scopes of work and have necessitated teaming or M&A between middle market players in order to broaden capabilities and improve competitiveness on bids. Recent contract consolidation efforts include the Army’s Responsive Strategic Sourcing for Services (“RS3”) contract to replace Strategic Services Sourcing (“S3”) and Rapid Response - Third Generation (“R2-3G”). Additionally, the General Services Administration (“GSA”) has led consolidation efforts with the creation of Network Services 2020 (“NS2020”), One Acquisition Solution for Integrated Services (“OASIS”), and Alliant 2 (“A2”). Recent transactions illustrative of the response to this trend include Information Innovators Inc.’s acquisition of Creative Computing Solutions, Inc. and ECS Federal’s acquisition of Information Systems Worldwide. Overall, M&A in the Government Technology Solutions space is poised for growth as buyers seek to fulfill specific priority mission areas and capabilities.



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

Defense Update

High-Profile Defense Microwave / RF Transactions

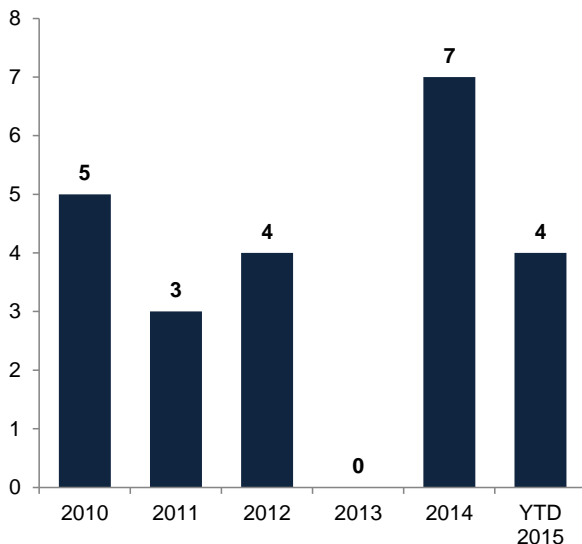
		
Announced: June 2015 EV: \$265 million EV / LTM Revenue: 1.22x EV / LTM EBITDA: 10.7x	Announced: January 2015 EV: \$80 million EV / LTM Revenue: 0.68x EV / LTM EBITDA: 7.4x	Announced: April 2015 EV: \$41 million EV / LTM Revenue: 1.56x EV / LTM EBITDA: NA
Further establishes presence in EW market; attractive positions on key military platforms	Adds key products, technical capabilities, engineering talent, and other synergies	Strengthens product portfolio and scale in the RF, microwave, and microelectronics markets
		

HEIGHTENED DEFENSE MICROWAVE / RADIO FREQUENCY M&A ACTIVITY

High-profile microwave / radio frequency (“RF”) transactions in the defense market have been prevalent in 2015, reinforcing the trend towards consolidation in the sector. In addition to Ultra’s recent acquisition of Kratos’ EPD, other notable microwave / RF deals include API Technologies’ \$80 million acquisition of Aeroflex’s Inmet and Weinschel businesses and L-3 Communications’ \$41 million acquisition of MITEQ. Inmet, Weinschel, and MITEQ provide RF and microwave products for defense, space, avionics, and satellite communications applications. These acquisitions come on the heels of other prominent transactions in the microwave / RF sector, including the RF Micro Devices and TriQuint Semiconductor merger and Analog Devices’ purchase of Hittite Microwave.

Defense Transactions Over \$500 million

2010 – YTD June 30, 2015

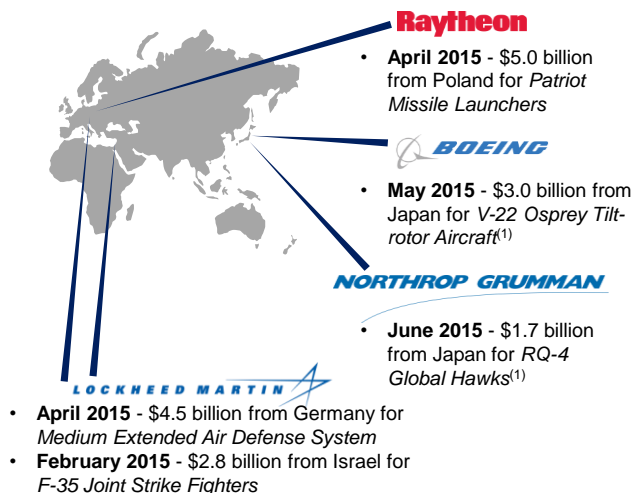


RETURN OF TRANSFORMATIONAL DEFENSE M&A

Transformational defense M&A has been on the rise in 2014 and 2015, with transactions over \$500 million at the highest level in recent years. Defense deals over \$500 million steadily declined from five in 2010 down to zero in 2013, due to the drawdown in OCO and sequester-led budget uncertainty. As budgets have improved, priority mission areas have become more clearly defined, and company balance sheets have delevered with higher cash positions, defense firms have shown increasing confidence in deploying large amounts of capital to accelerate growth and enhance competitiveness. 2014 saw seven transactions over \$500 million, including the \$1.7 billion Orbital – ATK merger and Cobham’s \$1.4 billion acquisition of Aeroflex. 2015 has already seen four \$500+ million deals, including Harris’ \$4.8 billion acquisition of Exelis. Industry commentary suggests that 2015 may see other sizeable deals in defense, notably, a potential sale of United Technologies’ Sikorsky business.

High Profile Foreign Sales YTD 2015

Per the Defense Security Cooperation Agency



STRATEGIC IMPORTANCE OF FOREIGN MILITARY SALES

Global conflict has made the international weapons market increasingly attractive to U.S. defense contractors. At the same time, the U.S. State Department has made efforts to build relationships with foreign allies, and as a result, has approved a significant number of Foreign Military Sales (“FMS”). For example, Defense Secretary Ashton Carter has made progress building ties with Japan as the country fortifies its global presence. Buyers in Europe, the Middle East, and surrounding Asian countries have also played a large part in the increase in foreign sales, which reached \$34.2 billion in GFY2014 according to the Defense Security Cooperation Agency. This sum is likely to grow in 2015, as defense contractors have already capitalized on many large opportunities. Thus far in 2015, FMS spending has eclipsed \$18.0 billion outpacing sales during the same period a year ago.

(1) Represents opportunities approved by the U.S. State Department

Aerospace Update

Boeing's New CEO & Middle-of-Market Aircraft



James McNerney

- Became CEO in 2005
- Will remain Chairman of the Board
- In his tenure, helped Boeing overcome production delays to now reach its fastest production rate yet and a record order book



Dennis Muilenburg

- Became CEO on July 1, 2015
- Served as president and COO since 2013
- Previously led both the Defense Space & Security and the Combat Systems divisions

BOEING UPDATE: LEADERSHIP IN TRANSITION

After serving ten years to the day as CEO of Boeing, Jim McNerney stepped aside to allow President and COO Dennis Muilenburg to take the helm of the aerospace giant. While McNerney will remain Chairman of the Board, the earlier-than-expected retirement announcement has caused some speculation. With McNerney having famously banned the commercial aircraft division from pursuing “moonshot” projects like the 787 (i.e., a clean-sheet design that entered service several years late and billions over budget), all eyes will be on Muilenburg who has spent nearly three decades on the defense side of the business. After the company created a buzz at the Paris Air Show surrounding the potential for a new Middle-of-the-Market (“MOM”) commercial plane, Muilenburg stated that Boeing’s strategy was unchanged as it heads into its second century.

Avionics, IFE, and IFC Transaction Strategies

Rockwell Collins
has acquired

Pacific Inflight

Announced: March 2015

Specialized technologies for wireless information distribution, including IFE and IFC; helps airline customers engage, entertain, and empower passengers

Builds on overall information management strategy, expanding cabin offerings to include a portfolio of onboard applications and connectivity solutions

Panasonic
Panasonic Avionics Corporation
to acquire

ITC Global

Announced: March 2015

Satellite communication services offer capacity for networks, real-time data management, broadband Internet, email, video, voice, C-band, and Ku-band coverages

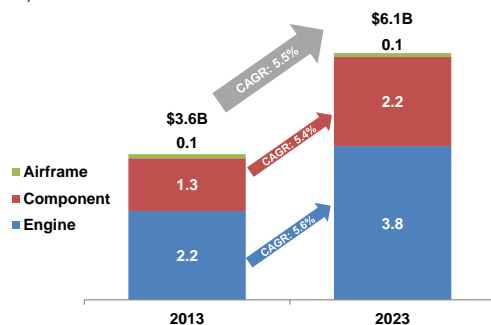
Natural alignment of customers and capabilities; enhances Panasonic’s satellite communications service offerings

AVIATION TECHNOLOGY CONSOLIDATION

Driven by strong demand from airline passengers who increasingly need to be connected to the internet at all times, along with technological advances that continue to increase bandwidth and speed, the In-Flight Connectivity (“IFC”) sector is booming. As customer demand for bandwidth increasingly accelerates and numerous service providers abound, consolidation among the sector appears imminent. Avionics, In-Flight Entertainment (“IFE”), and IFC deals continue to be a trend within the market as companies pursue targets that can expand the depth and complexity of their product / service offerings, as well as strengthen their customer bases. Notable recent examples include Panasonic’s acquisition of ITC Global and Rockwell Collins’ acquisition of Pacific Avionics.

Air Transport Surplus Market Growth Forecast⁽¹⁾

(\$ in billions)



SERVICEABLE AIRCRAFT MATERIALS MARKET

The surplus parts market is expected to grow at 5.5% through 2023, largely driven by engine-related surplus (e.g., piece parts and life-limited parts). Given used material in engine MRO has increased in recent years while Parts Manufacturer Authority (“PMA”) has declined, relations between OEMs, integrators, and independent MROs continue to evolve. OEMs are driven to grow service revenue and thus compete with integrators; while integrators have seen increased competition from all OEMs (e.g., repair vs. replace strategies). As asset management becomes very active in the fleet renewal cycle, attractive consolidation opportunities for independent MROs and parts distributors are expected to persist. Well-capitalized buyers are seeking acquisition targets that provide inventory optimization, low-cost MRO sourcing, instant capacity, and incremental market share as demonstrated by a handful of deals seen this year, including Veritas Capital’s acquisition of StandardAero and AE Industrial Partners’ acquisition of Kellstrom Materials.

Recent Engine MRO / Distribution Transactions

 StandardAero acquired	 Industrial Partners acquired Kellstrom Materials	 HARTER AEROSPACE acquired	 HEICO acquired
 VSE CORPORATION acquired KILLICK AEROSPACE	 WARBURG PINCUS acquired WENCOR GROUP	 Supply Technologies The efficiency experts acquired apollo AEROSPACE COMPANY	 Wesco Aircraft acquired haas

(1) ICF SH&E

Government Technology Solutions Update

Government Technology Solutions Performance⁽¹⁾

	EPS (Latest Quarter Releases)			EPS Growth
	Est.	Actual	Beat / (Miss)	Y/Y
Booz Allen Hamilton 4Q15: 03/31/15	\$0.33	\$0.30	(9.2%)	(9.1%)
CACI 3Q15: 03/31/15	1.25	1.18	(5.7%)	(0.8%)
ENGILITY 1Q15: 03/31/15	0.36	0.40	12.1%	(33.3%)
ICF 1Q15: 03/31/15	0.55	0.41	(25.5%)	(18.0%)
KEYW 1Q15: 03/31/15	(0.10)	(0.16)	0.0%	NA
leidos 1QCY15: 03/31/15	0.60	0.65	8.7%	8.3%
ManTech 1Q15: 03/31/15	0.32	0.31	(4.1%)	19.2%
ncl 1Q15: 03/31/15	0.15	0.19	24.4%	107.3%
SAIC 1Q16: 04/30/15	0.75	0.73	(2.2%)	(2.3%)
VECTRUS 1Q15: 03/31/15	0.42	0.47	11.9%	NA
VSE 1Q15: 03/31/15	0.96	0.97	1.1%	(17.1%)
Average			1.1%	6.0%

POSITIVE OUTLOOKS DESPITE PROLONGED HEADWINDS IN THE MARKETPLACE

Despite a relatively flat overall contracting market, it was generally noted by Government Technology Solutions companies that spending declines are abating, and price pressure is continuing to stabilize. On average, companies beat estimates by 1.1%, and improved quarterly EPS by 6.0% YoY. ManTech International lowered its guidance to account for the markets' slower-than-anticipated award flow, while Booz Allen Hamilton maintained earnings guidance for FY2015, expressing performance in-line with internal expectations. SAIC announced 4% YoY internal revenue growth, marking the third straight quarter of YoY growth despite reported market conditions. In summary, companies are continuing to note high proposal activity and positive anticipation for a near-term spending uptick.

Large Scale Transactions Change Market Landscape

CSC Creates Two Public Entities

- Distinct growth profiles and cash flow dynamics between commercial and public
- Agencies want providers with specific experience in government focused innovation
- Public Sector business had \$4.1B in FY15 revenues and employs 14,000 people



GDEF and STG Strategic Alliance

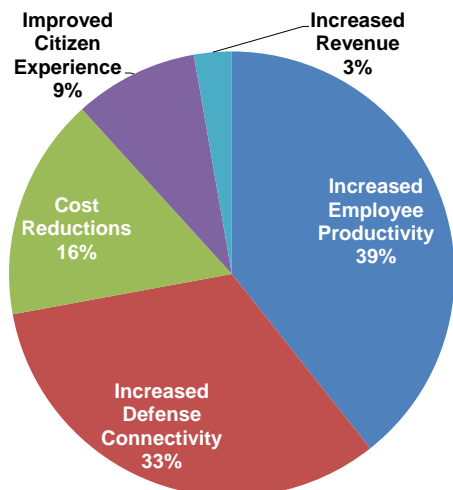
- Combination strengthens STG's position at the center of U.S. National Security
- Opportunities for STG to market differentiated capabilities and sell across adjacent clients in defense, civilian, and intelligence communities



ALTERNATIVE TRANSACTIONS PROVIDE M&A BOOST IN TECHNOLOGY SOLUTIONS

Government Technology Solutions companies are more often evaluating alternative transaction strategies to expedite growth and increase market share. Traditionally atypical strategies such as spinoffs and business alliances are becoming more common. Additionally, stock consideration transactions, such as the Engility's acquisition of TASC, appear indicative of a bullish outlook on the industry. For example, CSC plans to split into two publicly-traded companies, CSC - Global Commercial and CSC - U.S. Public Sector, the latter being a top-three IT infrastructure and business services provider. Special Purchase Acquisition Company ("SPAC") Global Defense & National Security Systems, Inc. ("GDEF") has formed a strategic business alliance with STG, Inc. The combined entity intends to acquire innovative, mission-critical companies to enhance and complement STG's current capabilities.

Expected Internet of Things Value Creation



THE INTERNET OF THINGS CREATES NEW OPPORTUNITIES IN THE PUBLIC SECTOR

While the Internet of Things ("IoT") has gained traction in the private sector, public sector applications are still in their infancy. However, IoT is expected to generate \$4.6 trillion in value for the public sector by 2025, creating demand for data storage, cyber, and systems integration contracting.⁽²⁾ A representative application includes increased DoD situational awareness from connected command centers, vehicles, and supplies. Data proliferation from IoT will drive requirements for storage, analysis, and sharing of information, especially in the realm of cloud computing and big data. As a result, storage needs are estimated to expand 750% by 2020 and expected to create opportunities in emerging technologies. As each connected device also represents a potential network entry point for hackers, IoT is expected to create opportunities for multi-faceted, defense-in-depth cyber solutions.

(1) S&P Capital IQ, company filings, and KippsDeSanto research
 (2) Cisco Systems Inc.

Public Company Trading Analysis⁽¹⁾ (\$ in millions, except per share amounts)

Defense Primes	Stock Price 06/30/15	% of 52 Week High	Market Cap	Enterprise Value	CY2015E			CY2016P			EV / CY2015E		EV / CY2016P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Boeing	\$138.72	87.3%	\$95,927	\$95,496	\$94,630	\$10,625	11.2%	\$97,102	\$11,096	11.4%	1.01x	9.0x	0.98x	8.6x
Lockheed Martin	185.90	89.8%	58,514	63,432	44,562	6,523	14.6%	45,181	6,978	15.4%	1.42x	9.7x	1.40x	9.1x
General Dynamics	141.69	96.4%	46,578	45,577	31,771	4,616	14.5%	32,486	4,807	14.8%	1.43x	9.9x	1.40x	9.5x
Northrop Grumman	158.63	92.1%	30,740	34,512	23,758	3,510	14.8%	24,024	3,631	15.1%	1.45x	9.8x	1.44x	9.5x
Raytheon	95.68	84.4%	29,196	30,586	22,636	3,428	15.1%	22,915	3,604	15.7%	1.35x	8.9x	1.33x	8.5x
BAE Systems	7.10	82.2%	22,437	24,124	27,423	3,220	11.7%	27,923	3,392	12.1%	0.88x	7.5x	0.86x	7.1x
Median		88.6%	\$38,659	\$40,045	\$29,597	\$4,063	14.6%	\$30,204	\$4,219	15.0%	1.39x	9.4x	1.37x	8.8x

Defense Systems	Stock Price 06/30/15	% of 52 Week High	Market Cap	Enterprise Value	CY2015E			CY2016P			EV / CY2015E		EV / CY2016P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Safran	\$67.71	86.0%	\$28,198	\$30,920	\$19,143	\$3,393	17.7%	\$20,120	\$3,609	17.9%	1.62x	9.1x	1.54x	8.6x
Rockwell Collins	92.35	92.9%	12,215	14,400	5,397	1,280	23.7%	5,668	1,362	24.0%	2.67x	11.2x	2.54x	10.6x
L-3 Communications	113.38	85.3%	9,338	13,040	11,575	1,304	11.3%	11,630	1,360	11.7%	1.13x	10.0x	1.12x	9.6x
Huntington Ingalls Industries	112.59	78.2%	5,476	6,272	6,963	891	12.8%	7,059	936	13.3%	0.90x	7.0x	0.89x	6.7x
Cobham	4.14	75.3%	4,683	6,595	3,507	732	20.9%	3,640	754	20.7%	1.88x	9.0x	1.81x	8.7x
Orbital ATK, Inc.	73.36	90.6%	4,357	5,817	4,405	606	13.8%	4,641	667	14.4%	1.32x	9.6x	1.25x	8.7x
FLIR	30.82	87.3%	4,319	4,141	1,562	376	24.1%	1,658	407	24.6%	2.65x	11.0x	2.50x	10.2x
Kongsberg Gruppen	18.60	88.8%	2,221	2,878	2,214	271	12.2%	2,259	282	12.5%	1.30x	10.6x	1.27x	10.2x
Cubic	47.58	85.4%	1,279	1,224	1,432	138	9.7%	1,483	157	10.6%	0.85x	8.9x	0.83x	7.8x
AeroVironment	26.08	71.6%	608	380	280	19	6.8%	308	35	11.3%	1.36x	19.9x	1.23x	10.9x
Median		85.7%	\$4,520	\$6,045	\$3,956	\$669	13.3%	\$4,141	\$711	13.8%	1.34x	9.8x	1.26x	9.2x

Defense Electronics / Comm.	Stock Price 06/30/15	% of 52 Week High	Market Cap	Enterprise Value	CY2015E			CY2016P			EV / CY2015E		EV / CY2016P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Harris	\$76.91	92.9%	\$9,505	\$10,662	\$4,747	\$1,307	27.5%	\$6,399	\$1,435	22.4%	2.25x	8.2x	1.67x	7.4x
Teledyne	105.51	95.8%	3,728	4,486	2,431	403	16.6%	2,521	425	16.9%	1.85x	11.1x	1.78x	10.6x
ViaSat	60.26	87.5%	2,875	3,634	1,436	350	24.3%	1,547	395	25.5%	2.53x	10.4x	2.35x	9.2x
Ultra Electronics	27.87	92.6%	1,944	2,125	1,151	209	18.2%	1,227	231	18.8%	1.85x	10.1x	1.73x	9.2x
Mercury Systems	14.64	83.2%	501	434	241	45	18.8%	254	52	20.5%	1.80x	9.6x	1.71x	8.4x
Cortech Telecommunications	29.05	71.4%	468	326	328	55	16.8%	NA	NA	NA	1.00x	5.9x	NA	NA
Kratos Defense & Security Solutions	6.30	77.4%	367	996	804	71	8.8%	839	88	10.5%	1.24x	14.1x	1.19x	11.3x
Median		87.5%	\$1,944	\$2,125	\$1,151	\$209	18.2%	\$1,387	\$313	19.6%	1.85x	10.1x	1.72x	9.2x

Homeland Security	Stock Price 06/30/15	% of 52 Week High	Market Cap	Enterprise Value	CY2015E			CY2016P			EV / CY2015E		EV / CY2016P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Smiths Group	\$17.75	82.8%	\$7,010	\$8,419	\$4,650	\$902	19.4%	\$4,738	\$936	19.7%	1.81x	9.3x	1.78x	9.0x
MSA Safety Incorporated	48.51	79.4%	1,818	2,013	1,109	175	15.8%	1,179	205	17.4%	1.82x	11.5x	1.71x	9.8x
OSI Systems, Inc.	70.79	92.3%	1,402	1,371	975	193	19.8%	NA	NA	NA	1.41x	7.1x	NA	NA
Analogic	78.90	85.5%	982	862	555	83	14.9%	599	96	16.0%	1.55x	10.4x	1.44x	9.0x
Smith & Wesson	16.59	97.4%	899	1,031	600	NA	NA	640	142	22.3%	1.72x	NA	1.61x	7.2x
American Science & Engineering	43.81	60.2%	313	220	137	20	14.6%	150	NA	NA	1.60x	11.0x	1.46x	NA
Median		84.2%	\$1,192	\$1,201	\$788	\$175	15.8%	\$640	\$174	18.6%	1.66x	10.4x	1.61x	9.0x

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

Public Company Trading Analysis, cont.⁽¹⁾
(\$ in millions, except per share amounts)

<u>Aerospace Systems</u>	Stock Price 06/30/15	% of 52 Week High	Market Cap	Enterprise Value	CY2015E			CY2016P			EV / CY2015E		EV / CY2016P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
TransDigm	\$224.67	96.8%	\$11,971	\$19,181	\$2,833	\$1,259	44.5%	\$3,081	\$1,390	45.1%	6.77x	15.2x	6.22x	13.8x
Zodiac Aerospace	32.53	81.5%	8,946	10,541	5,628	789	14.0%	6,130	1,022	16.7%	1.87x	13.4x	1.72x	10.3x
B/E Aerospace	54.90	56.7%	5,828	7,688	2,830	603	21.3%	3,080	673	21.8%	2.72x	12.7x	2.50x	11.4x
Meggitt	7.33	78.6%	5,740	6,637	2,631	710	27.0%	2,744	759	27.6%	2.52x	9.4x	2.42x	8.7x
HEICO	58.30	91.5%	3,594	4,044	1,254	282	22.5%	1,363	302	22.1%	3.22x	14.3x	2.97x	13.4x
Triumph Group	65.99	93.0%	3,252	4,598	4,035	615	15.2%	4,042	655	16.2%	1.14x	7.5x	1.14x	7.0x
Esterline	95.34	79.0%	2,937	3,619	1,930	322	16.7%	2,187	393	18.0%	1.88x	11.2x	1.65x	9.2x
Astronics	70.89	91.6%	1,563	1,758	717	136	18.9%	771	152	19.8%	2.45x	13.0x	2.28x	11.5x
AAR	31.87	93.1%	1,269	1,807	1,601	148	9.2%	1,719	190	11.0%	1.13x	12.2x	1.05x	9.5x
Median		91.5%	\$3,594	\$4,598	\$2,631	\$603	18.9%	\$2,744	\$655	19.8%	2.45x	12.7x	2.28x	10.3x

<u>Aerospace Structures</u>	Stock Price 06/30/15	% of 52 Week High	Market Cap	Enterprise Value	CY2015E			CY2016P			EV / CY2015E		EV / CY2016P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Precision Castparts	\$199.87	76.4%	\$27,628	\$31,768	\$10,089	\$2,943	29.2%	\$10,558	\$3,219	30.5%	3.15x	10.8x	3.01x	9.9x
Spirit AeroSystems	55.11	97.1%	7,585	7,981	6,750	1,055	15.6%	6,955	1,079	15.5%	1.18x	7.6x	1.15x	7.4x
Hexcel	49.74	94.0%	4,793	5,251	1,928	431	22.4%	2,117	487	23.0%	2.72x	12.2x	2.48x	10.8x
Senior	4.51	79.3%	1,893	2,057	1,411	230	16.3%	1,497	241	16.1%	1.46x	8.9x	1.37x	8.5x
LMI Aerospace	10.01	65.0%	129	406	381	44	11.5%	401	49	12.2%	1.07x	9.3x	1.01x	8.3x
Median		79.3%	\$4,793	\$5,251	\$1,928	\$431	16.3%	\$2,117	\$487	16.1%	1.46x	9.3x	1.37x	8.5x

<u>Government Technology Solutions</u>	Stock Price 06/30/15	% of 52 Week High	Market Cap	Enterprise Value	CY2015E			CY2016P			EV / CY2015E		EV / CY2016P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Booz Allen Hamilton	\$25.24	80.6%	\$3,687	\$5,106	\$5,280	\$534	10.1%	\$5,418	\$573	10.6%	0.97x	9.6x	0.94x	8.9x
Leidos	40.37	85.6%	3,003	3,784	4,917	378	7.7%	5,085	427	8.4%	0.77x	10.0x	0.74x	8.9x
SAIC	52.85	94.4%	2,433	2,625	4,411	306	6.9%	4,672	337	7.2%	0.60x	8.6x	0.56x	7.8x
CACI	80.89	87.7%	1,956	3,016	3,323	307	9.2%	3,475	326	9.4%	0.91x	9.8x	0.87x	9.3x
ManTech	29.00	82.3%	1,088	1,045	1,604	121	7.5%	1,644	124	7.6%	0.65x	8.6x	0.64x	8.4x
Engility	25.16	51.3%	925	2,099	2,161	210	9.7%	2,370	239	10.1%	0.97x	10.0x	0.89x	8.8x
ICF International	34.86	79.7%	681	1,051	1,183	116	9.8%	1,266	128	10.1%	0.89x	9.0x	0.83x	8.2x
KEYW	9.32	64.7%	356	466	314	13	4.0%	343	26	7.5%	1.48x	NMF	1.36x	18.2x
VSE Corp.	53.51	63.7%	288	555	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vectrus	24.87	73.7%	262	385	1,124	43	3.8%	1,180	47	4.0%	0.34x	8.9x	0.33x	8.2x
NCI	10.33	78.7%	135	161	335	27	8.0%	342	28	8.1%	0.48x	6.0x	0.47x	5.8x
Median		79.7%	\$925	\$1,051	\$1,882	\$166	7.8%	\$2,007	\$184	8.2%	0.83x	9.0x	0.79x	8.6x

<u>Engineering & Construction</u>	Stock Price 06/30/15	% of 52 Week High	Market Cap	Enterprise Value	CY2015E			CY2016P			EV / CY2015E		EV / CY2016P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Babcock International	\$16.98	89.5%	\$8,564	\$10,714	\$7,703	\$1,020	13.2%	\$8,305	\$1,113	13.4%	1.39x	10.5x	1.29x	9.6x
Jacobs Engineering	40.62	73.9%	5,101	5,432	12,071	747	6.2%	12,457	817	6.6%	0.45x	7.3x	0.44x	6.7x
AECOM	33.08	86.5%	4,975	9,525	18,827	1,131	6.0%	19,541	1,224	6.3%	0.51x	8.4x	0.49x	7.8x
Tetra Tech	25.64	90.7%	1,545	1,688	1,815	209	11.5%	1,897	NA	NA	0.93x	8.1x	0.89x	NA
Median		88.0%	\$5,038	\$7,479	\$9,887	\$883	8.9%	\$10,381	\$1,113	6.6%	0.72x	8.2x	0.69x	7.8x

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

Select Recent Aerospace / Defense M&A⁽¹⁾
(\$ in millions)

Announce Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA		EV / LTM	
						Margin	Rev.	EBITDA	EBITDA
06/30/15	Rift Valley Equity Partners, LLC	Assets of M&M Manufacturing, Inc.	Manufacturer of machined components and provides CNC milling and turning, assembly and inspection, and value-added services such as programming, modeling, and tooling	NA	NA	NA	NA	NA	NA
06/29/15	Safariland, LLC	VIEVU, LLC	Develops and manufactures wearable video cameras and data management software for law enforcement and private security professionals	NA	NA	NA	NA	NA	NA
06/29/15	Ballard Power Systems, Inc.	Protonex Technology Corp.	Designs and manufactures advanced power management products and portable fuel cell solutions	\$30.0	\$13.8	NA	NA	2.17x	NA
06/24/15	Shimtech Industries Ltd.	Angeles Composites Technologies, Inc.	Supplies advanced structural composite assemblies and components to the global commercial and military aerospace markets	NA	NA	NA	NA	NA	NA
06/24/15	Aspen Avionics, Inc.	Accord Technology LLC	Provides GPS sensors and receivers to the aerospace industry	NA	NA	NA	NA	NA	NA
06/22/15	Premier Aviation Overhaul Centre, Inc.	Discovery Air Technical Services of Discovery Air Inc.	Provides a range of MRO, modification, engineering, and certification services, focusing on the regional aircraft marketplace	NA	NA	NA	NA	NA	NA
06/22/15	Airbus Group Australia Pacific	Safe Air Ltd of Air New Zealand	Provides military aerospace MRO services for the Royal New Zealand Air Force	NA	NA	NA	NA	NA	NA
06/22/15	UrtheCast International Corp.	Deimos Imaging, S.L. and DOT Imaging, S.L.U. (DOT-Deimos)	Owms and operates two satellites and operates the collection, analysis, distribution, and licensing of the EO imagery captured by these and other satellites	82.9	NA	NA	NA	NA	NA
06/18/15	Aequs Aerospace, LLC	T&K Machine, Inc.	Manufactures and supplies machined parts and assemblies to the aerospace industry	NA	NA	NA	NA	NA	NA
06/17/15	Velocity Aerospace	EMC Aerospace, Inc.	Operates a state-of-the-art FAA-EASA certified repair station that specializes in the repair of a wide range of components	NA	NA	NA	NA	NA	NA
06/11/15	GKN plc	Sheets Manufacturing, Inc.	Manufactures air flight products and components, including spinners, tail cones, bullet assemblies, pressure seam assemblies, and ducting assemblies	NA	NA	NA	NA	NA	NA
06/10/15	StoneCalibre, LLC	Broadcast Microwave Services, Inc. (Cohu, Inc.)	Manufactures mobile microwave communications equipment that enable the transmission of real-time video and sensor data from manned aircrafts, UAVs, and ground platforms	8.0	NA	NA	NA	NA	NA
06/09/15	Novaria Group, Inc.	Sky Manufacturing, Inc.	Manufactures fasteners, bolts, and spline heads for the aerospace industry	NA	NA	NA	NA	NA	NA
06/08/15	RF Industries, Ltd	Rel-Tech Electronics, Inc.	Manufactures cable assemblies and wiring harnesses for blue chip industrial, oilfield, instrumentation, and military customers	3.1	7.7	NA	NA	0.40x	NA
06/08/15	CoorsTek, Inc.	BLS Textiles, Inc.	Develops and produces hard armor systems for defense and police	NA	NA	NA	NA	NA	NA
06/05/15	Brandywine Communications, Inc.	Time and Frequency Solutions Ltd ("TFS")	Manufactures time, frequency, and synchronization systems used in a range of markets including aerospace and defense	NA	NA	NA	NA	NA	NA
06/05/15	Teledyne Technologies Inc.	Industrial Control Machines S.A.	Provides portable X-ray generators for non-destructive testing applications, as well as complete X-ray imaging systems for on-site security screening	NA	NA	NA	NA	NA	NA
06/04/15	AE Industrial Partners LLC	Belcan Corporation	Provides engineering services and technical staffing in the aerospace, power generation, and industrial markets	NA	NA	NA	NA	NA	NA
06/03/15	PPG Industries, Inc.	Cuming Microwave Corp.	Supplies specialty coatings and materials that absorb microwaves and radio waves, such as radar in military aircraft	NA	NA	NA	NA	NA	NA
06/01/15	Ultra Electronics Holdings plc	Kratos Defense & Security Solutions, Inc. Electronics Products Division	Produces RF and microwave integrated systems and subsystems for use in EW, radar, communication, missile, flight test, and simulation applications	217.0	100.0	\$22.0	22%	2.17x	9.9x
05/27/15	L-3 Communications Holdings Inc.	CTC Aviation Group Ltd.	Provides airline pilot training and crew resourcing services	220.0	86.0	NA	NA	2.56x	NA
05/26/15	Veritas Capital	StandardAero Business Aviation Services, LLC (Dubai Aerospace Enterprise Ltd.)	Provides aircraft services, including engine and airframe MRO, engine component repair, engineering services, and interior completions	NA	NA	NA	NA	NA	NA
05/22/15	Draper Nexus	CyPhy Works, Inc.	Develops aerial robots and UAVs for defense, oil and gas, agriculture, entertainment, law enforcement, and mining industries	NA	NA	NA	NA	NA	NA
05/19/15	Valence Surface Technologies	Flextronics San Carlos	Provides a full range of surface treatments for the semiconductor, aerospace, laser, microwave, and medical device industries	NA	NA	NA	NA	NA	NA

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

Select Recent Aerospace / Defense M&A, cont.⁽¹⁾

(\$ in millions)

Announce		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin	Rev.	EBITDA	EBITDA
05/18/15	JLL Partners	Point Blank Enterprises	Provides high performance protective solutions, including bullet, fragmentation, and stab resistant apparel and related accessories	NA	NA	NA	NA	NA	NA	NA
05/18/15	Magellan Aerospace Corp	Euravia Engineering & Supply Co. Ltd.	Provides MRO solutions for a wide range of aircraft and helicopter gas turbine engines	\$56.5	\$25.5	NA	NA	2.22x	NA	NA
05/15/15	Danaher Corp.	Pall Corp.	Provides filtration, separation, and purification solutions that remove contaminants or separate substances from a variety of solids, liquids, and gases	NA	NA	NA	NA	NA	NA	NA
05/12/15	H-D Advanced Manufacturing Co.	Precision Aero Corporation	Manufactures high-precision machined products for aerospace wheel and brake assemblies	NA	NA	NA	NA	NA	NA	NA
05/08/15	Element Materials Technology	TRaC Global	Provides testing, certification, and validation services for the aerospace industry	NA	NA	NA	NA	NA	NA	NA
05/08/15	AMETEK Inc.	Global Tubes	Manufactures high precision, small diameter metal tubing	200.0	120.0	NA	NA	1.67x	NA	NA
05/05/15	Tenere, Inc.	Mountain Molding, LLC	Provides custom plastics injection molding services, including new mold design and development, transfer of existing molds, assembly, and full product life cycle support	NA	NA	NA	NA	NA	NA	NA
05/05/15	Molex, Inc.	Certain assets of Soligie, Inc.	Provides sensor systems, medical wearables, LED lighting, specialized RFID labels, and devices that enable the Internet of Things	NA	NA	NA	NA	NA	NA	NA
05/05/15	Seabury Enterprise Solutions, LLC	Aero Transport Engineering Consulting S.A. (Volartec)	Provides integrated and flexible MRO software solutions for the aerospace industry	NA	NA	NA	NA	NA	NA	NA
05/05/15	Industrial Growth Partners	FMH Aerospace Corp	Produces highly-engineered components and assemblies for the commercial aerospace, defense, space, and industrial sectors	NA	NA	NA	NA	NA	NA	NA
04/30/15	TransDigm Group Incorporated	Aerospace Business of Pexco LLC	Manufactures extruded plastic interior parts for use in the commercial aerospace industry	336.0	NA	NA	NA	NA	NA	NA
04/29/15	Emerging Markets Communications, LLC	MTN Satellite Communications, Inc.	Provides communications and content services for remote locations around the world	NA	NA	NA	NA	NA	NA	NA
04/28/15	Zentech Manufacturing, Inc.	Colonial Assembly & Design, LLC (CA&D)	Provides circuit design and layout, systems level design, machining and sheet metal, and complex cable assembly / wire harness manufacturing	NA	NA	NA	NA	NA	NA	NA
04/28/15	Special Aerospace Services (SAS)	C&C Manufacturing Corp.	Offers precision machining solutions in plastics, non-ferrous, and ferrous metals for aerospace, aviation, and commercial customers	NA	NA	NA	NA	NA	NA	NA
04/28/15	Hava Elektronik Sanayii (Havelsan)	Quantum3D, Inc.	Provides commercial-off-the-shelf open-architecture real-time simulation and ruggedized embedded computing solutions for government and commercial applications	NA	NA	NA	NA	NA	NA	NA
04/28/15	British Engines Limited	Michell Bearings business of Rolls Royce plc	Designs and manufactures hydrodynamic bearings for a wide range of marine and industrial applications	19.1	NA	\$9.1	NA	NA	2.1x	NA
04/27/15	American Securities, LLC	Royal Adhesives and Sealants, LLC	Produces proprietary, high-performance adhesives and sealants and specialty formulated products designed to solve complex bonding, laminating, and sealing applications	NA	NA	NA	NA	NA	NA	NA
04/27/15	Universal Manufacturing Company, Inc.	Ultra Machine & Fabrication, Inc.	Manufactures precision armor parts and weldments and provides precision cutting, bending, welding, and coatings services	NA	NA	NA	NA	NA	NA	NA
04/23/15	API Technologies Corp.	Inmet, Inc. and Weinschel, Inc.	Manufactures and sells RF and microwave products for defense, space, avionics, wireless, and test, and measurement applications	80.0	51.4	10.7	21%	1.56x	7.4x	NA
04/23/15	Sierra Nevada Corporation	Kutta Technologies Inc.	Develops, manufactures, and supplies command-control-communications ("C3") software applications, interconnects, components, and subsystems	NA	NA	NA	NA	NA	NA	NA
04/22/15	Amphenol Corp.	Invotec Group Ltd. of RG Industries LLP	Manufactures time-critical and technologically complex HDI, Flex, and Flex-Rigid printed circuit boards ("PCB")	NA	NA	NA	NA	NA	NA	NA
04/20/15	G/Force, Inc.	Tri Star Engineering, Inc.	Provides technical support services to Naval Surface Warfare Center Crane Division and other DoD agencies	NA	NA	NA	NA	NA	NA	NA
04/16/15	Genstar Capital	Boyd Corp.	Provides precision-engineered, specialty material-based energy management and environmental sealing solutions	NA	NA	NA	NA	NA	NA	NA
04/16/15	Ranger Aerosystems, LLC / Azalea Capital; Argosy Capital	InTech Aerospace	Provides MRO services and specializes in commercial and military aircraft interiors and components	NA	NA	NA	NA	NA	NA	NA

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

Select Recent Government Technology Solutions M&A⁽¹⁾ (\$ in millions)

Announce Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA		EV / LTM	
						EBITDA	Margin	Rev.	EBITDA
06/16/15	ManTech International	Knowledge Consulting Group, Inc.	Provides risk management, governance, operations, and compliance services for government and commercial sectors in the U.S.	NA	NA	NA	NA	NA	NA
06/09/15	Global Defense & National Security Systems, Inc.	STG Incorporated	Provides services in the areas of enterprise network operations, cyber security, financial services, systems engineering and integration, and linguistics and intelligence solutions	\$165.5	\$209.7	\$18.4	8.8%	0.79x	9.0x
06/05/15	World Wide Technology, Inc.	Asynchrony	Provides technology consulting, specializing in application development, mobile computing, systems and sensor integration, enterprise architecture, and tactical collaboration	NA	12.3	NA	NA	NA	NA
05/27/15	Tech Data Corp.	Signature Technology Group, Inc.	Provides hardware maintenance and OS support services, staff augmentation services, and professional services, including data center deployment, software migration, and consulting	NA	17.5	NA	NA	NA	NA
05/21/15	CYBERBIT LTD, a subsidiary of Elbit Systems	NICE Systems' cyber and intelligence division	Provides tools for generating intelligence from communications for law enforcement agencies and intelligence organizations	117.9	NA	NA	NA	NA	NA
05/08/15	ABRY Partners, LLC	Compusearch Software Systems, Inc.	Provides enterprise software and services that automate mandated business rules for public sector contracts and grants	NA	NA	NA	NA	NA	NA
05/07/15	Constellis Group	Olive Group	Provides innovative risk management solutions, which include security, program management, life support, and technology solutions, to blue chip commercial customers	NA	NA	NA	NA	NA	NA
05/07/15	Pacific Architects and Engineers Incorporated (PAE)	A-T Solutions, Inc.	Provides training and identity operations solutions, full lifecycle forensic and biometric support, and identification and analysis of asymmetric threats	NA	NA	NA	NA	NA	NA
05/05/15	Information Innovators Inc.	Creative Computing Solutions, Inc.	Provides solutions exclusively to federal government customers through its highly skilled staff with extensive experience in cyber security, health services, and program management support	NA	NA	NA	NA	NA	NA
04/28/15	ManTech International	Welkin Associates, Ltd.	Provides engineering and advanced national security technology and business services	34.0	NA	NA	NA	NA	NA
04/21/15	KPMG LLP	Triad Technology Partners' ServiceNow	Provides Innovative Cloud Solutions for Enterprise IT	NA	NA	NA	NA	NA	NA
04/20/15	Raytheon	Websense	Provides Web, email, and data security solutions to protect an organization's data and users from cyber-threats, malware attacks, information leaks, legal liability, and productivity loss	2,300.0	359.4	54.4	15.1%	6.40x	42.3x
04/17/15	Assured Information Security, Inc.	Information Security Solutions, Inc.	Provides cybersecurity consulting services and specializing in the areas of cybersecurity, IT security and cyber intelligence analysis	NA	NA	NA	NA	NA	NA
04/09/15	Lindsay Goldberg LLC	ECS Federal, LLC (Minority Investment)	Provides system engineering and IT services and solutions to U.S. Federal Government agencies and departments	NA	300.0	NA	NA	NA	NA
04/02/15	Centerra Group, LLC	Gregg Protection Services, Inc.	Provides protection services for nuclear, biological, and national security assets	NA	NA	NA	NA	NA	NA
04/01/15	CACI International Inc.	Ltc Engineering Associates, Inc	Provides technical engineering solutions and services to the IC and DoD in the areas of software engineering, cybersecurity, signals intelligence, and communications intelligence	NA	NA	NA	NA	NA	NA
03/31/15	SRA International	Qbase Government Services Business	Provides software products and services supporting customers in the intelligence, national security, government, healthcare, and energy arenas	NA	NA	NA	NA	NA	NA
03/18/15	KeyW Corporation	Ponte Technologies, LLC	Provides operational IT security solutions and strategies, and deploys advanced defensive capabilities	NA	NA	NA	NA	NA	NA
03/18/15	KeyW Corporation	Milestone Intelligence Group, Inc.	Provides cyberspace security, software engineering, system engineering, and test and evaluation services	NA	NA	NA	NA	NA	NA
03/09/15	Maximus Federal Services, Inc.	Acentia, LLC	Provides cloud based technology and management solutions to Federal Government and commercial markets	300.0	210.0	NA	NA	1.43x	NA
03/02/15	Arrow Electronics	immixGroup Inc.	Provides IT services for software and hardware manufacturers, their channel partners, and government agencies at Federal, state, and local levels	NA	NA	NA	NA	NA	NA
03/02/15	Lookingglass Cyber Solutions, LLC	CloudShield Technologies, Inc.	Provides deep packet processing, a technology solution that offers customers intelligent ways to see and manipulate network traffic to fight cyber assaults	NA	NA	NA	NA	NA	NA
03/01/15	Science Applications International Corporation	Scitor Corporation	Provides systems engineering, management consulting, and information services to customers in the U.S.	658.0	599.0	62.0	10.4%	1.10x	10.6x
02/25/15	iNovex Information Systems Inc.	Mercury Intelligence Systems Inc. (iNapogee Information Systems)	Provides key analytical, software, intelligence programs, cloud infrastructure expertise, and predictive analytics to strategic U.S. Intelligence agencies	NA	NA	NA	NA	NA	NA

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

Select Recent KippsDeSanto & Co. Advised Transactions



has been acquired by



July 2015



a line of business of
GENERAL DYNAMICS
 Mission Systems

has been acquired by




May 2015




has been acquired by



April 2015



has been acquired by



October 2014



has been acquired by



a portfolio company of



October 2014

Advanced Systems
 Line of Business of



has been acquired by



October 2014



has been acquired by



a portfolio company of



August 2014



has been acquired by



May 2014




has been acquired by



May 2014



has been acquired by



April 2014



has been acquired by



March 2014



has been acquired by



February 2014

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:

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