

# MarketView

Fall 2019

Aerospace / Defense &  
Government Services

**Kipps DeSanto**  
INVESTMENT BANKING



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# KippsDeSanto & Co. 3Q19 Update



## KippsDeSanto's Aerospace / Defense & Government Services 2019 M&A Survey

KippsDeSanto is pleased to share its second annual survey of merger and acquisition ("M&A") activity and sentiment in the Aerospace / Defense and Government Services sectors

In this study, we asked key dealmakers from relevant sectors to share their predictions about M&A deal activity and valuations over the next year. We also asked them to share their insights on strategic drivers of M&A activity, including government elections and predictions on the 2019 credit market

Respondents are optimistic about the overall economy and M&A activity in the near-to medium-term. They expect M&A volume and valuations to remain strong, similar to 2018 levels, due in part to robust defense spending and economic confidence

### *About KippsDeSanto & Co.*

KippsDeSanto & Co is an investment banking firm focused on serving growth-oriented Aerospace / Defense, Government Services and Technology companies. We are focused on delivering exceptional M&A and financing transaction results to our clients via leveraging our scale, creativity and industry experience. We help market leaders realize their full strategic value. Having advised on over 100 industry transactions, KippsDeSanto is recognized for our analytical rigor, market insight, and broad industry relationships. There's no substitute for experience. For more information, visit [www.kippsdesanto.com](http://www.kippsdesanto.com)

## 3Q19 KippsDeSanto Advised Transactions

September 2019



**DELTA** Resources, Inc.

has been acquired by



a subsidiary of

**THE JORDAN COMPANY**

September 2019



has been acquired by



August 2019



has been acquired by



a portfolio company of



August 2019



a portfolio company of



has been acquired by



August 2019



has been acquired by



a portfolio company of



July 2019



has been acquired by



a portfolio company of



July 2019



has been acquired by



a portfolio company of



July 2019



**ALTAMIRA**

a portfolio Company of



has been acquired by



&

**Niō Advisors**

# KippsDeSanto Recent Advised Transactions

June 2019



has acquired



June 2019

**TRAUMA F/X**

a subsidiary of



has been acquired by



a portfolio company of



April 2019



a subsidiary of



is being acquired by



April 2019



a subsidiary of



is being acquired by



April 2019



has been acquired by



February 2019



a portfolio company of



has been acquired by



December 2018



has received investment from



November 2018



a portfolio company of

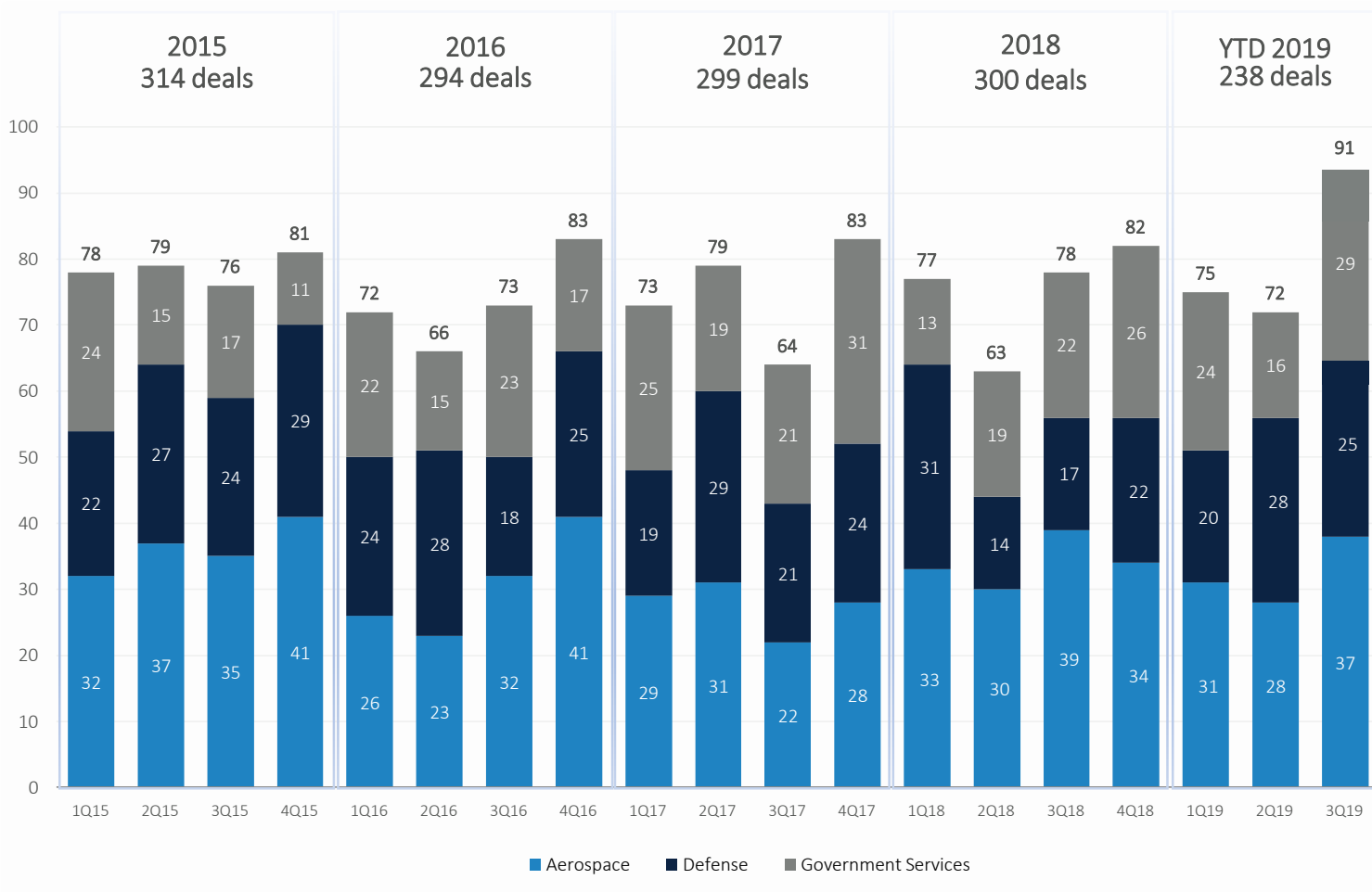
J.F. Lehman & Company

has acquired

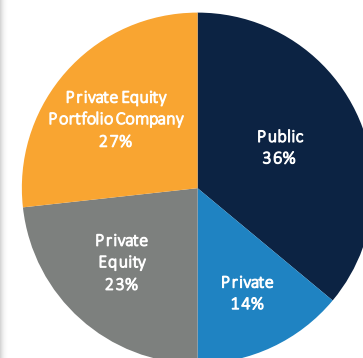


# M&A Trends & Activity

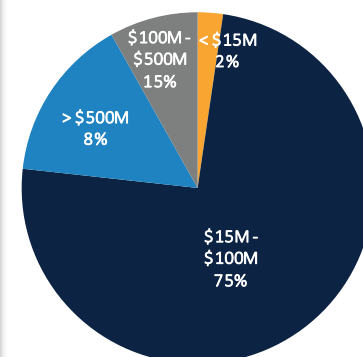
Heightened deal activity in 3Q19 is driving annual transaction volume, putting the market on pace for a record year as a flurry of aerospace deals supplemented by stable defense and government services announcements made 3Q19 the single biggest quarter in M&A over the last 5 years; this high transaction volume demonstrates acquirers' continued reliance on M&A to supplement organic growth, penetrate new customers and geographies, and bolster coveted capabilities



3Q19 Deals by Buyer Type



3Q19 Deals by Size





# Highlighted 3Q19 Industry Transactions

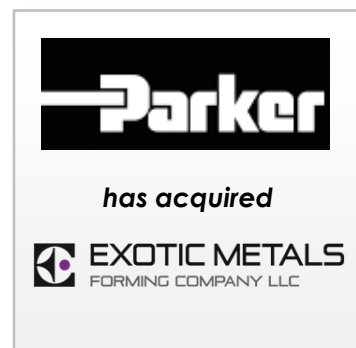


**EV: \$1.9B**

EV / Revenue: 1.14x

EV / EBITDA: 13.5x

- Acquisition expands Pattonair's U.S. presence while reinforcing its international operations; Pattonair followed this deal with another acquisition of U.K.-based aviation parts provider Adams Aviation Supply Co Ltd.



**EV: \$1.6B**

EV / Revenue: ND

EV / EBITDA: ND

- Acquisition continues industry consolidation by combining a pure-play aerospace and industrial machinery firm; this deal highlights Parker's strategy to acquire high growth businesses with strong margins and is expected to be accretive in year five



**EV: \$5.1B**

EV / Revenue: 2.11x

EV / EBITDA: 15.6x

- After a contentious takeover attempt, this provider of communications and electronic warfare systems agreed to sell to Advent for a 50% premium over the three-month average price after a rival bidder failed to emerge



**EV: \$215M**

EV / Revenue: ND

EV / EBITDA: ND

- Parsons continues its buying spree with its acquisition of QRC; the third in just 14 months, as the company looks to continue to acquire intellectual property that builds upon and enhances Parsons' core technology



**EV: \$1.1B**

EV / Revenue: 1.57x

EV / EBITDA: 16.2x

- The deal creates a symbiotic relationship by allowing Guidehouse to bring cutting edge commercial solutions to public sector clients, while enabling Navigant's commercial clients to stay up-to-date on regulatory and compliance initiatives in government



**EV: \$250M**

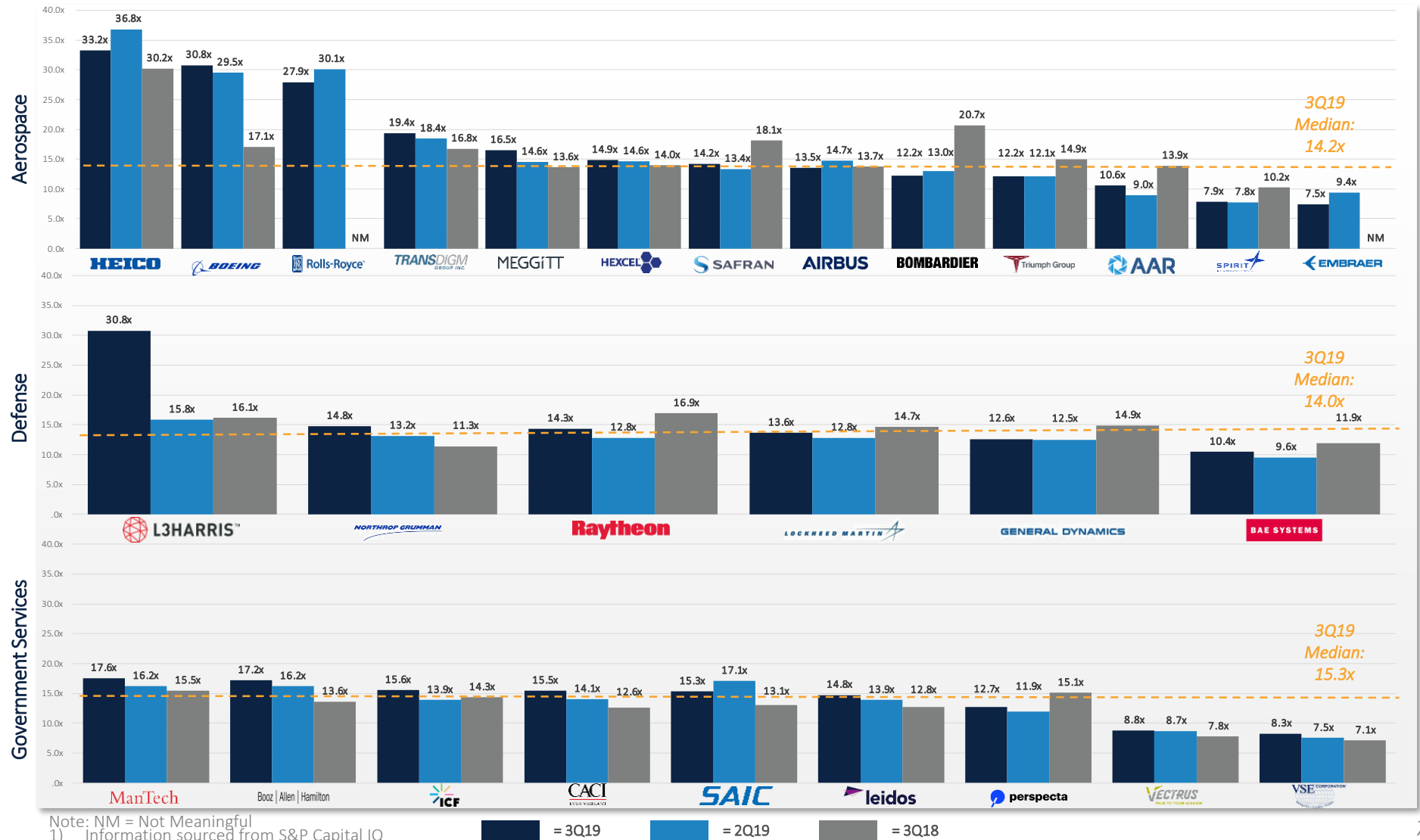
EV / Revenue: ND

EV / EBITDA: ND

- After being spun-off from DXC Technology only two years ago, Perspecta completed its first acquisition, aiming to augment the pro-forma business' services portfolio with enhanced capabilities in IT modernization and digital transformation

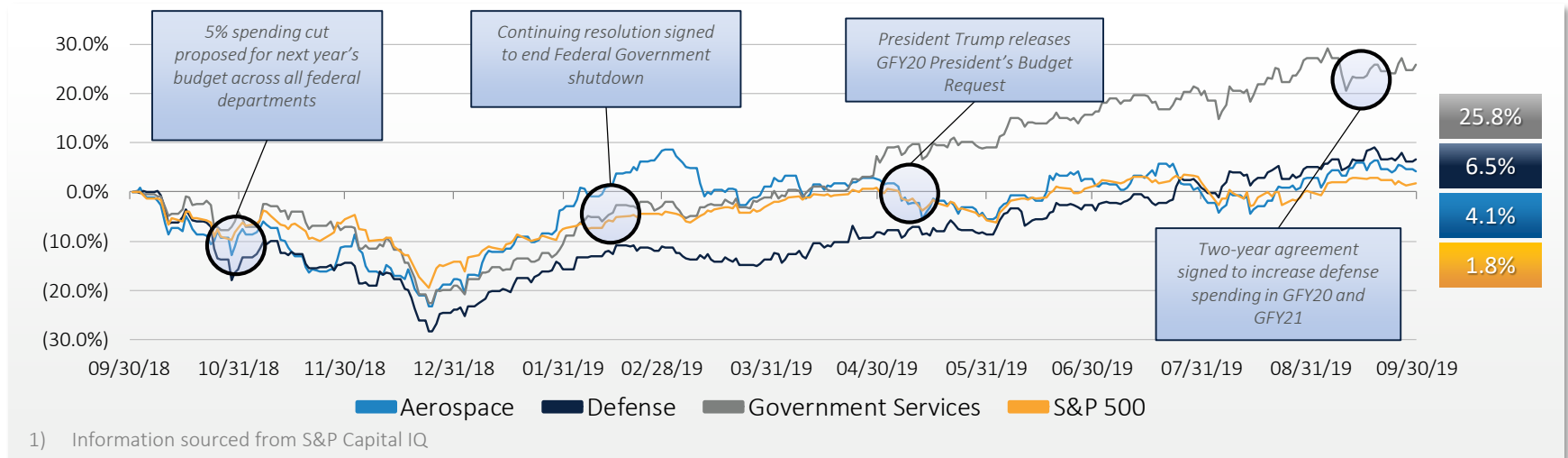
# EV / LTM EBITDA Public Market Valuation Trends<sup>(1)</sup>

Public market valuations remain near all-time highs with LTM EBITDA multiples for both defense and government services indices experiencing a quarter-over-quarter uptick, while the aerospace sector has seen a slight dip compared to the prior quarter



# Capital Markets LTM Performance<sup>(1)</sup>

Headwinds resulting from the ongoing U.S.-China trade war have been partially offset by favorable federal funding in the form of a longer-term budget deal, which saw government spending reach an all time high; coupled with low interest rates and healthy corporate earnings, the macroeconomic environment supports continued performance across the aerospace / defense & government services sectors



## Aerospace

Stellar **air traffic demand** driven by a strong economy has helped bolster aerospace stocks, with gains of 2.7% in 3Q19 and 24.5% YTD

**Boeing's 737 MAX remains grounded** with the company failing to book a single order for the MAX aircraft for six consecutive months; conversely, **Airbus has seen profits soar**, driven partially by order increases for narrow-body aircraft that rival the 737 MAX



## Defense

Strong and stable defense budgets have helped **defense indices continue to outperform the broader market** for most of the past two years, notching a 11.2% increase in 3Q19 and 39.3% increase YTD

Raytheon's stock has increased 15.0% against the backdrop of **increases in order backlogs and an anticipated merger with UTC**



## Government Services

The government services sector has **continued to outperform the broader market**, driven by government spending on modernization, cloud capabilities and nextgen IT, which has driven the index to grow by 5.6% in 3Q19 and 56.8% YTD

ICF International leads the pack with gains of 14.2% in 3Q19



# Aerospace Update

The UTC and Raytheon Merger Expects to Generate Double-Digit Free Cash Flow Growth

**Raytheon**

Leader in defense electronics, mission systems, CSI™ products and services, sensing, effects and mission support



**United Technologies**

Leader in aircraft engines & aerospace systems for commercial and defense customers

**~\$74B**

in Sales

**~\$13.5B**

EBITDA

**A**

Category  
Credit Rating

**~\$18-20B**

3yr  
Return  
of Capital

## Value Creation

## Cost Synergy Drivers

**GOODRICH**

\$350-400M Announced  
\$600M Realized

**\$350M+**  
Supply Chain & Procurement

**Rockwell Collins**

\$500M Announced  
\$600M+ Revised Estimate

**\$320M+**  
Corporate & Segment Consolidation

**United Technologies + Raytheon**

Net: \$500M+  
Gross: ~\$1B+ Pre-tax Cost Synergies<sup>(1)</sup>

**\$175M+**  
Facilities Consolidation

**\$150M+**  
IT & Other SG&A

## Space Startups See Big Payouts in Push to the Moon

The Trump administration has laid out an **ambitious timeline for NASA's Artemis program** – to land astronauts on the moon by 2024 and establish a sustained human presence there by 2028

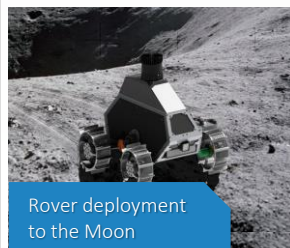


The race to build **space-bound rockets** has historically been reserved for industrial and technology giants. **Startups are carving out crucial roles** within the massive undertaking. Companies such as **Lunar Outpost, ispace Inc., and Lithoz** are securing awards to deliver equipment to the surface of the moon, hunt down lunar ice that can be transformed into breathable air, building dust-tolerant tool changers, and deploying rovers

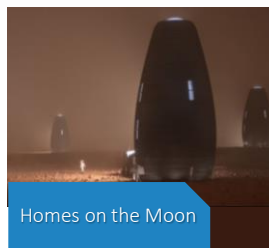
**LITHOZ**

**ispace**

**Lunar Outpost**



Rover deployment to the Moon

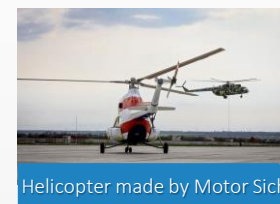


Homes on the Moon

## U.S. Aims to Block Chinese Acquisition

U.S. officials are seeking to **scuttle the pending Chinese acquisition** of a Ukrainian aerospace company Motor Sich

Aerospace is **one of 10 component sectors of "Buy China,"** a strategic government plan to upgrade the quality of the country's manufacturing



Helicopter made by Motor Sich

The acquisition would **boost China's military buildup and civilian aviation capacity**, giving Beijing vital defense technology

As one of the world's **foremost manufacturers of helicopter and airplane engines**, Motor Sich has supplied engines for the bulk of the Russian military-helicopter fleet



Turbopropfan made by Motor Sich

(1) Approximately \$600M net one-time cost, subject to USG recoverability, to achieve \$500M+ in net annual cost synergies

# Defense Update

## DoD Proposes Tech Wish List

With new leadership stepping in at the DoD, Pentagon technology chief Michael Griffin recently outlined key areas for *research and development* funds:

**1** Nearer-term applications of *directed energy*, particularly lasers of higher power than the U.S. currently possesses



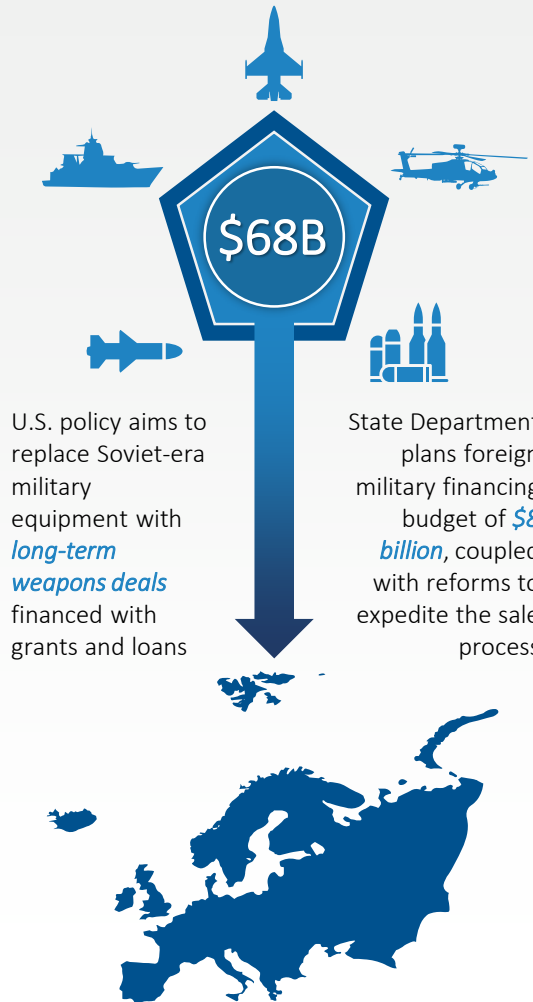
**2** Deeper understanding of *biotechnology* and improved capabilities to bioengineer solutions



**3** Extended capability of *unmanned systems* across land, sea, air, and space



## U.S. Incentivizes Arms Exports<sup>(1)</sup>



## U.S. Strengthens Indo-Pacific Presence

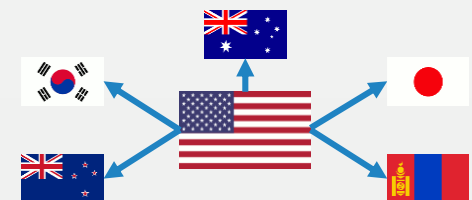
Secretary of Defense Mark Esper calls for *expanded basing investments* in key Indo-Pacific locations to preserve freedom of navigation



U.S. Navy confirms Indo-Pacific as a priority theater with its *second Littoral Combat Ship deployment* shortly after Esper's announcement



U.S. continues to promote *foreign military sales* to allies in the region to maintain allied military presence in lockstep with its own military deployments and investments



(1) \$68B represents foreign military sales cleared by the U.S. State Department in GFY19

# Government Services Update

## DoD on Artificial Intelligence

The budget for the DoD's *Joint Artificial Intelligence Center ("JAIC")* is jumping from \$93 million in GFY19 to \$268 million in GFY20. The JAIC has three objectives it hopes to achieve with the additional funding:

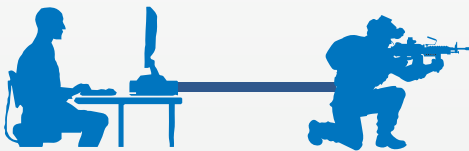
1

A project focusing on using *machine learning* to identify targets such as enemy camps



2

The *Joint Common Foundation* which will focus on providing data and tools to enable engineers to deploy solutions to Warfighters



3

A collaboration with the *Defense Innovation Unit* and military surgeons to analyze health records, classify medical imagery, and mitigate PTSD



## Navy Creating Elevated CIO Office



Following several large-scale breaches and poor performance on a department-wide cybersecurity review in March, the Navy has responded by creating an elevated *Chief Information Officer ("CIO")* role



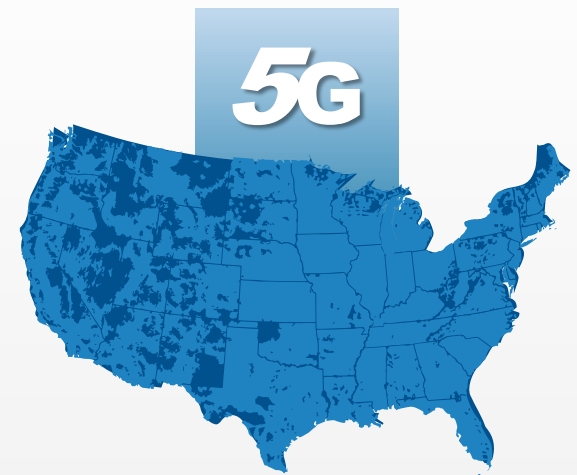
*Appointee will lead a team* dedicated to improving the department's information management, cybersecurity, data, digital strategy, and business systems



The new CIO office will proactively develop a strategy for the Navy, utilizing second-, third-, and fourth-tier suppliers to build and enforce *stricter cybersecurity standards*

## Prioritization of 5G

Top DoD scientists indicated that *5G technologies* will see a substantial increase in investment due to "how ubiquitous the network is likely to be in the near future and how important it is that the United States be part of its development."



With the acknowledgement that the private sector will be the *driving force* behind 5G development, the increased investment in the technology should result in *robust contract opportunities* in the space

# 3Q19 Aerospace Transactions

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
09/16/19	Midwest Composite Technologies, Inc. (portco of CORE Industrial Partners)	FATHOM	Provides additive manufacturing services, including fused deposition modeling, multi jet fusion, polyjet printing, selective laser sintering, and sterolithography, along with computer numerical control ("CNC") machining, urethan casting, and injection molding capabilities	ND	ND	ND	ND		ND	ND
09/12/19	CAMP Systems International, Inc. (subsidiary of Hearst Communications, Inc.)	Inventory Locator Service, LLC (subsidiary of The Boeing Co.)	Provides the largest electronic marketplace for the aviation industry to buy and sell parts, equipment, and services, and offers manufacturers and parts suppliers ways to improve inventory planning and processing	ND	ND	ND	ND		ND	ND
09/12/19	Advanced Core Concepts (portco of Battle Investment Group)	Universal Technology Corp.	Provides scientific, engineering, and technical services to space and defense customers	ND	ND	ND	ND		ND	ND
09/10/19	BAE Systems plc	Prismatic Ltd.	Provides development of new and improved unmanned aerial vehicles systems and services	ND	ND	ND	ND		ND	ND
09/09/19	Tenex Capital Management, L.P.	Allied Wire & Cable, Inc.	Provides specialty-manufacturing and value-added distribution of wire and cable products for aerospace, government, military, and telecommunications markets among others	ND	ND	ND	ND		ND	ND
09/09/19	Saturn Satellite Networks, Inc. (subsidiary of Airspace Internet Exchange)	NovaWurks, Inc.	Provides development of modular satellites	ND	ND	ND	ND		ND	ND
09/09/19	Raptor Scientific, LLC (portco of L Squared Capital Partners, LLC)	Space Electronics, LLC	Provides electronic circuit testers that are used by aerospace and defense original equipment manufacturers ("OEMs")	ND	ND	ND	ND		ND	ND
09/09/19	Precision Aviation Group, Inc. (portco of GenNx360 Capital Partners)	Momentum FPD Services Corp. (doing business as Momentum Services Corp.)	Provides global service solutions for commercial and military aviation displays of all sizes with significant cost savings, high-yield, and minimum turn time	ND	ND	ND	ND		ND	ND
09/01/19	Pattonair (portco of Platinum Equity, LLC)	Adams Aviation Supply Co Ltd.	Provides distribution of parts and accessories for general and business aviation	ND	ND	ND	ND		ND	ND
08/30/19	CAE, Inc.	SIMCOM Holdings, Inc.	Provides advanced aviation training services to professional pilots, owner-operators, Part 135 operators, and maintenance personnel operating around the world	\$170.0	ND	ND	ND		ND	ND
08/28/19	StandardAero, Inc. (portco of The Carlyle Group)	Safe Aviation Solutions	Provides comprehensive testing, repair, overhaul, and modification for engine fuel system components, pneumatic / hydraulic / actuation systems, and aircraft power generation systems	ND	ND	ND	ND		ND	ND
08/28/19	Tinicum L.P.	PRV Metals, LLC	Provides specialty forged titanium and high-performance steel products to the aerospace, defense, medical, energy, and industrial sectors	ND	ND	ND	ND		ND	ND
08/27/19	InstarAGF Asset Management, Inc.	Leading Edge Jet Center, LLC (a subsidiary of Leading Edge Aviation, Inc.)	Provides fueling; hangar rental; maintenance, repair, and overhaul ("MRO"); and de-icing services to both commercial and general aviation clientele through two full-service, sole-source fixed-base operators	ND	ND	ND	ND		ND	ND
08/22/19	World Fuel Services Corp.	Universal Weather and Aviation's UVair fuel business	Provides global fuel supply services to business and general aviation customers at more than 5,000 locations worldwide	170.0	ND	ND	ND		ND	ND
08/20/19	Sigma Electric Manufacturing Corp. (portco of Argand Partners)	Avalon Precision Casting Co. (doing business as Avalon Precision Metalsmiths)	Manufactures precision thin walled investment castings supplied to customers in the aerospace and defense end markets among others	ND	ND	ND	ND		ND	ND

# 3Q19 Aerospace Transactions, cont.

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
08/19/19	MAG Aerospace (portco of New Mountain Capital, LLC)	Time Saver Aviation, LLC	Provides on-demand aviation services and general aviation maintenance support	ND	ND	ND	ND	ND	ND
08/09/19	Pattonair (portco of Platinum Equity, LLC)	Wesco Aircraft Holdings, Inc.	Provides comprehensive supply chain management services to the global aerospace industry	\$1,900.0	\$1,671.0	\$140.5	8.4%	1.14x	13.5x
08/08/19	AGM Container Controls, Inc.	Duralar Technologies, LLC	Provides advanced ultra-hard metal coatings and coating systems based on nanotechnology	ND	ND	ND	ND	ND	ND
08/05/19	Signature Flight Support (subsidiary of BBA Aviation plc)	IAM Jet Centre	Provides aviation services with five locations in the Caribbean	ND	ND	ND	ND	ND	ND
08/02/19	Tinicum Capital Partners	TSI Holdco, Inc. and Sierra Alloys Holdings, Inc.	Provides specialty-forged titanium and high-performance steel products, primarily to the aerospace and defense industries	ND	ND	ND	ND	ND	ND
07/30/19	CVC Capital Partners	Ontic Engineering and Manufacturing, Inc. (subsidiary of BBA Aviation plc)	Provides high-quality OEM-licensed parts for legacy aerospace platforms	1,365.0	ND	ND	ND	ND	ND
07/29/19	Parker Hannifin Corporation	Exotic Metals Forming Company, LLC	Provides precisely engineered, high-strength, low-weight, metal parts for aircraft and engines	1,560.0	450.0	ND	ND	3.47x	ND
07/24/19	Honeywell International, Inc.	TruTrak Flight Systems, Inc.	Provides autopilots for experimental, light-sport, and certified aircraft	ND	ND	ND	ND	ND	ND
07/22/19	PPG Industries, Inc.	Dexmet Corp.	Provides specialty materials for surfaces in aerospace, automotive, and industrial applications	ND	ND	ND	ND	ND	ND
07/22/19	Eaton Corporation plc	Souriau-Sunbank Connection Technologies (subsidiary of Transdigm Group, Inc.)	Provides highly-engineered interconnect solutions for harsh environments serving customers primarily in aerospace, defense, and space end markets	920.0	363.0	ND	ND	2.53x	ND
07/18/19	Akzo Nobel N.V.	Mapaero SAS	Provides water-based and eco-friendly aerospace coatings	ND	ND	ND	ND	ND	ND
07/18/19	AE Industrial Partners, LLC	Columbia Helicopters, LLC	Provides heavy-lift rotorcraft, manufacturing, and MRO services to a variety of end markets including military support, firefighting, and on-shore oil and gas	ND	ND	ND	ND	ND	ND
07/15/19	AGIC Capital	Farsound Aviation Limited	Provides bespoke supply chain solutions to the aerospace MRO sector	144.0	ND	ND	ND	ND	ND
07/15/19	Arcline Investment Management L.P.	Integrated Polymer Solutions	Provides custom highly-engineered elastomeric components, such as seals, gaskets, and tooling for composite manufacturing, for the aerospace, military, biopharma, and industrial end markets	ND	ND	ND	ND	ND	ND
07/15/19	Sintavia, LLC (portco of Neff Capital Management, LLC)	QC Laboratories, Inc.	Provides specializations in radiographic (X-ray & Gamma), fluorescent penetrant, ultrasonic, magnetic particle, and eddy current inspections	ND	ND	ND	ND	ND	ND

## 3Q19 Aerospace Transactions, cont.

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA	EV / LTM	
							Margin	Rev.	EBITDA
07/15/19	Saudi Arabian Military Industries	Aircraft Accessories and Components Company Ltd.	Provides MRO services for aircraft hydraulic systems and secondary energy systems for multi-platforms	ND	ND	ND	ND	ND	ND
07/15/19	Airbus Helicopters (business unit of Airbus SE)	Aersud Elicotteri S.r.l.	Provides and distributes Airbus helicopters	ND	ND	ND	ND	ND	ND
07/15/19	First Aviation Services, Inc. (portco of First Equity Group, Inc.)	Aviation Blade Services, Inc.	Provides helicopter rotor blade repair, overhaul, and modification services	ND	ND	ND	ND	ND	ND
07/10/19	Kellstrom Defense Aerospace, Inc. (portco of Dublin Clark & Co., Inc.)	TAVCO, Inc.	Designs and manufactures proprietary pneumatic controls and pressure vessels for the aerospace and defense market	ND	ND	ND	ND	ND	ND
07/08/19	ITT, Inc.	Matrix Composites, Inc.	Provides precision composite components for next generation aircraft, aircraft engine platforms, and defense applications	\$29.0	\$22.0	ND	ND	1.32x	ND
07/08/19	Hughey & Phillips, LLC	Airfield Lighting product line of Astronics Corporation	Provides lighting products used on airfields	ND	ND	ND	ND	ND	ND
07/08/19	ATL Partners and British Columbia Investment Management Corp.	Valence Surface Technologies, LLC	Provides critical surface treatments to aerospace and defense components that require complex finishing to meet engineering specifications	ND	ND	ND	ND	ND	ND



# 3Q19 Defense Transactions

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin		EV / LTM	
							Rev.	EBITDA	Rev.	EBITDA
09/23/19	Greenbriar Equity Group, L.P.	Arotech Corp.	Provides training and simulation for air warfare, vehicles, and use-of force, and provides maintenance services in connection with these systems	\$80.8	\$96.6	ND	ND	0.84x	ND	ND
09/19/19	EnerSys, Inc.	Northstar Battery Company, LLC	Provides battery technology and energy storage solutions with its major operations, consisting of two production facilities, located in Springfield, Missouri	182.5	150.0	\$14.0	9.3%	1.22x	13.0x	ND
09/18/19	Commercial Vehicle Group, Inc.	First Source Electronics, LLC	Provides sophisticated manufacturing solutions for end-products often deployed in extreme environments with a high cost of failure, such as high-performance assemblies for tactical military communications	34.0	46.0	ND	ND	0.74x	ND	ND
09/17/19	iDirect Government, LLC (subsidiary of ST Engineering)	Glowlink Communications Technology, Inc.	Provides solutions that mitigate satellite interferences and improve the quality of satellite communications	20.0	ND	ND	ND	ND	ND	ND
09/11/19	ANSYS, Inc.	Livermore Software Technology Corporation	Provides explicit dynamics and other advanced finite element analysis technology	ND	ND	ND	ND	ND	ND	ND
09/10/19	db Control (subsidiary of HEICO Corporation)	TTT-Cubed, Inc.	Designs and manufactures cutting edge radio frequency ("RF") sources, detectors, and controllers for a certain wide range of aerospace and defense applications	ND	ND	ND	ND	ND	ND	ND
09/09/19	Susquehanna Private Capital, LLC	McNally Industries, LLC	Provides precision systems for the defense and industrial markets primarily supporting new and legacy platforms	ND	ND	ND	ND	ND	ND	ND
09/04/19	AMETEK, Inc.	Pacific Design Technologies, Inc.	Provides advanced, mission-critical thermal management systems and components to commercial aerospace, defense, and space platforms	125.0	40.0	ND	ND	3.13x	ND	ND
09/03/19	AE Industrial Partners, LLC	Triman Industries, Inc.	Provides distribution, supply chain, and repair products and services to the global military aftermarket in support of a variety of mission-critical air, land, and sea applications	ND	ND	ND	ND	ND	ND	ND
08/23/19	PWP Growth Equity	Alloy Die Casting Co.	Provides value-added manufacturing and supply-chain solutions for highly-engineered metal components serving the aerospace, defense, medical, automotive, and industrial markets	ND	ND	ND	ND	ND	ND	ND
08/22/19	Cache Creek Industries, LLC and Rockmont Capital Partners Ltd.	Brandywine Communications, Inc.	Provides design and manufacturing of mission-critical time and frequency devices that serve the military and infrastructure markets	ND	ND	ND	ND	ND	ND	ND
08/07/19	Avon Rubber plc	The 3M Company's advanced ballistic-protection business	Provides ballistic helmets, body armor, flat armor, and related helmet-attachment products serving government and law enforcement	91.0	85.4	10.8	12.6%	1.07x	8.4x	ND
08/05/19	MTS Systems Corp.	Meggitt (Orange County), Inc. (doing business as Endevo)	Provides a range of test and measurement solutions including accelerometers, shock sensors, pressure sensors, signal conditioners, amplifiers, cables, and accessories	70.0	30.0	ND	ND	2.33x	ND	ND
08/05/19	Communications & Power Industries, LLC (portco of Odyssey Investment Partners)	General Dynamics SATCOM Technologies	Designs, manufactures, and installs satellite communications antenna systems used in commercial, defense, and scientific applications	ND	ND	ND	ND	ND	ND	ND
07/31/19	RedNest Partners and Admiral Capital Group	Tecmotiv Corporation	Provides MRO services and related components for military vehicle platforms	ND	ND	ND	ND	ND	ND	ND

 KDC acted as financial advisor in this transaction

Note: ND = Not Disclosed

# 3Q19 Defense Transactions, cont.

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
07/31/19	CTS Corp.	Quality Thermistor, Inc.   QTI Sensing Solutions	Designs and manufactures high-quality temperature sensors serving OEMs with mission-critical applications in the industrial, aerospace, defense, and medical markets	\$75.0	ND	ND	ND		ND	ND
07/30/19	Mercury Systems, Inc.	American Panel Corp.	Engineers and manufactures high performance flat panel displays for aerospace, maritime, and Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance ("C4ISR") and land systems applications	100.0	ND	ND	ND		ND	ND
07/25/19	Advent International	Cobham plc	Designs and manufactures equipment, specialized systems, and components for the aerospace and defense industries	5,111.9	1,967.7	266.0	13.5%		2.60x	19.2x
07/25/19	The Carlyle Group and Stellex Capital Management	Vigor Industrial, LLC and MHI Holdings, LLC	Provides high-performance military craft for the U.S. and other allied foreign governments; provides ship repair and maintenance services	ND	ND	ND	ND		ND	ND
07/22/19	Parsons Corp.	QRC, LLC	Provides survey tools for cellular communication systems, phone based measurement systems, stimulation tools, forensic tools, and integrated RF recording and playback equipment	215.0	ND	ND	ND		ND	ND
07/17/19	XTEK Ltd.	HighCom Armor Solutions, Inc. (subsidiary of HighCom Global Security, Inc.)	Provides high performance body armor, personal protective equipment, and armor systems and related accessories	2.5	\$7.4	\$1.0	13.5%		0.34x	2.5x
07/11/19	Acorn Growth Companies	Black Sage Technologies, Inc.	Provides development, integration, and deployment of counter-unmanned aircraft system solutions which identify, classify, track, and defeat unmanned aircraft system solutions threats	ND	ND	ND	ND		ND	ND
07/09/19	SMART Global Holdings, Inc.	Artesyn Embedded Computing, Inc. (subsidiary of Artesyn Embedded Technologies, Inc.)	Provides embedded computing systems for OEMs and systems integrators	80.0	ND	ND	ND		ND	ND
07/09/19	ESCO Technologies, Inc.	Globe Composite Solutions, LLC	Provides mission-critical composite-based products and solutions for navy, defense, and industrial customers	ND	37.0	ND	ND		ND	ND
07/02/19	3D Plus USA, Inc. (subsidiary of HEICO Corp.)	BERNIER S.A.S.	Provides design and manufacture of interconnect products used in demanding defense, aerospace, and industrial applications, primarily for communications-related purposes	ND	ND	ND	ND		ND	ND

# 3Q19 Government Services Transactions

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA	EV / LTM	
							Margin	Rev.	EBITDA
09/30/19	VT Group, Inc.	Delta Resources, Inc.	Provides the Naval Sea Systems Command and the Navy's Program Executive Offices with CSI and weapons systems engineering, integrated product support, and a full spectrum of technical services	ND	ND	ND	ND	ND	ND
09/30/19	BioNovelus, Inc.	Corvus Consulting, LLC	Provides scientific, engineering, technical, operational support, and training services to the Federal Government and commercial clients	ND	ND	ND	ND	ND	ND
09/26/19	By Light Professional IT Services, Inc.	Cole Engineering Services, Inc.	Provides simulation-based training, gaming, support, and technical solutions	ND	ND	ND	ND	ND	ND
09/24/19	Centauri Corporation	Kord Technologies, Inc.	Provides engineering, Information Technology ("IT"), and programmatic support services to defense and civilian agencies	ND	ND	ND	ND	ND	ND
09/13/19	Advanced Core Concepts, LLC	Universal Technology Corporation	Provides scientific, engineering, and technical services to space, defense, and intelligence customers	ND	ND	ND	ND	ND	ND
09/10/19	Dinocrates Group, LLC	Global Management Systems, Inc.	Provides local area network ("LAN"), operational support, configuration management, telephone data management, and voice over IP services to defense and civilian agencies, as well as commercial customers	ND	ND	ND	ND	ND	ND
09/06/19	Red River Technology, LLC	CWPS, Inc.	Provides managed IT and IT support services to commercial enterprises and government sectors	ND	ND	ND	ND	ND	ND
09/05/19	Digital Intelligence Systems, LLC	ALTEK Information Technology, Inc.	Provides responsive IT services and solutions to clients in both the public and private sector, most notably in the healthcare industry	ND	ND	ND	ND	ND	ND
09/05/19	OpenGov, Inc.	ViewPoint Government Solutions, Inc.	Provides multi-tenant software as a service ("SaaS") for permitting, licensing, and code enforcement operations to state and local governments	ND	ND	ND	ND	ND	ND
09/04/19	Sev1Tech, LLC	Engineering Solutions and Products, LLC	Provides support services to the U.S. Army in the areas of systems engineering and integration, logistics and supply chain management, mission and program support, training and readiness, as well as IT and cybersecurity	ND	ND	ND	ND	ND	ND
09/04/19	Dovel Technologies, Inc.	Ace Info Solutions, Inc.	Provides a range of application services, cloud services, cybersecurity, and managed services solutions	ND	ND	ND	ND	ND	ND
09/03/19	CGI, Inc.	Sunflower Systems, LLC	Provides asset management software and services that enable organizations to improve decision making, accountability, and regulatory compliance for all types of assets including personal and real property, fleet, IT assets, materials, and more	ND	ND	ND	ND	ND	ND
08/22/19	Bootstrap Capital, LLC	Torres Advanced Enterprise Solutions, LLC	Provides a range of management consulting, program management, enterprise transformation, and cybersecurity solutions	ND	ND	ND	ND	ND	ND
08/13/19	Converged Security Solutions	Maverick Cyber-Defense, LLC	Provides world-class cyber defense services to the Department of Defense ("DoD") and the Intelligence Community ("IC"), state and local markets, and the commercial industry using a prevention-based approach to cybersecurity	ND	ND	ND	ND	ND	ND
08/08/19	Vaco, LLC	MorganFranklin Consulting, LLC	Provides strategy and execution-focused business consulting and professional advisory services to public and private clients worldwide	ND	ND	ND	ND	ND	ND

 KDC acted as financial advisor in this transaction

Note: ND = Not Disclosed

# 3Q19 Government Services Transactions, cont.

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
08/08/19	ManTech International Corporation	H2M Group	Provides a range of services that support the IC, including geospatial analysis, imagery, full motion video analysis, and geospatial intelligence ("GEOINT") operations and cartography	ND	ND	ND	ND	ND	ND
08/07/19	System One Holdings, LLC	Cohesion Consulting, LLC	Provides workforce solutions and agile consulting services to government and private sectors, including infrastructure, application support, business intelligence, quality assurance and software testing, and agile consulting	ND	ND	ND	ND	ND	ND
08/07/19	Exiger, LLC	Convergent Solutions, Inc.	Provides intelligence analysis, cybersecurity, and national security solutions to the Federal Government	ND	ND	ND	ND	ND	ND
08/05/19	Acorn Growth Companies, LLC	Robbins-Gioia, LLC	Provides unique systems modernization and enterprise solutions focused on enhancing capabilities and improving performance and readiness for the Federal Government and industry	ND	ND	ND	ND	ND	ND
08/02/19	Guidehouse, LLP	Navigant Consulting, Inc.	Provides professional services worldwide through three segments: healthcare, energy, and financial services advisory and compliance	\$1,143.4	\$728.7	\$70.8	9.7%	1.57x	16.2x
08/01/19	E3 / Sentinel	Data Works, Inc.	Provides support to the IC and specializes in the development of big data systems used to organize vast amounts of mission-critical data	ND	ND	ND	ND	ND	ND
08/01/19	Perspecta, Inc.	Knight Point Systems, LLC	Provides end-to-end managed services and solutions focused on modernizing IT, protecting critical networks, and driving digital transformation	250.0	ND	ND	ND	ND	ND
07/24/19	ClearSky	Altamira Technologies Corporation	Provides engineering and analytic services to the defense, intelligence, and homeland security communities	ND	ND	ND	ND	ND	ND
07/23/19	Octo Consulting Group, Inc.	Connexa, LLC	Provides open source software ("OSS") solutions for global Intelligence, Surveillance, and Reconnaissance ("ISR") data interoperability needs across the DoD, IC, and international coalition partners	ND	ND	ND	ND	ND	ND
07/22/19	Systems Planning and Analysis, Inc.	Veracity Forecasting and Analysis, Inc.	Provides decision support services to the government and defense sector; applies operations research, data science, modeling and simulation, and predictive analytics to develop decision support tools that improve the speed and quality of complex decision making	ND	ND	ND	ND	ND	ND
07/10/19	SOS International, LLC	Vykin Corp.	Provides IT and operational intelligence within the defense, federal, and IC market spaces	ND	ND	ND	ND	ND	ND
07/08/19	Vectrus, Inc.	Advantor Systems Corp.	Provides integrated electronic security systems to the Federal Government	44.0	35.0	ND	ND	1.3	ND
07/02/19	Gryphon Technologies, LLC	PGFM Solutions, LLC	Provides engineering services to perform risk assessment for machinery control systems, electromagnetic compatibility, navigation, and integrated bridge systems and applies cyber vulnerability assessment tools	ND	ND	ND	ND	ND	ND
07/01/19	A-TEK, Inc.	Mackson Consulting, LLC	Provides technical and professional services in IT systems engineering in the commercial and public-sector marketplace	ND	ND	ND	ND	ND	ND

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

(\$ in millions, except per share amounts)

Aircraft and Engine OEMs	Stock Price 09/30/19	% of 52 Week High	Market Cap	Enterprise Value	CY2019E			CY2020P			EV / CY2019E		EV / CY2020P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Boeing	\$380.47	85.3%	\$214,094	\$225,200	\$85,820	\$6,111	7.1%	\$121,912	\$19,437	15.9%	2.62x	36.9x	1.85x	11.6x
Airbus SE	129.97	89.0%	101,055	104,812	77,494	10,329	13.3%	82,293	12,042	14.6%	1.35x	10.1x	1.27x	8.7x
General Electric Co	8.94	64.9%	78,020	194,590	116,434	12,692	10.9%	111,082	14,343	12.9%	1.67x	15.3x	1.75x	13.6x
Safran SA	157.51	99.3%	67,835	73,182	26,551	5,228	19.7%	28,059	5,655	20.2%	2.76x	14.0x	2.61x	12.9x
MTU Aero Engines AG	265.84	94.8%	13,759	14,912	5,246	1,007	19.2%	5,652	1,112	19.7%	2.84x	14.8x	2.64x	13.4x
<b>Median</b>		<b>89.0%</b>	<b>\$78,020</b>	<b>\$104,812</b>	<b>\$77,494</b>	<b>\$6,111</b>	<b>13.3%</b>	<b>\$82,293</b>	<b>\$12,042</b>	<b>15.9%</b>	<b>2.62x</b>	<b>14.8x</b>	<b>1.85x</b>	<b>12.9x</b>

Aerostructures	Stock Price 09/30/19	% of 52 Week High	Market Cap	Enterprise Value	CY2019E			CY2020P			EV / CY2019E		EV / CY2020P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Spirit AeroSystems	\$82.24	82.0%	\$8,511	\$9,407	\$7,963	\$1,220	15.3%	\$8,180	\$1,321	16.1%	1.18x	7.7x	1.15x	7.1x
Hexcel	82.13	94.4%	6,988	8,126	2,428	583	24.0%	2,565	622	24.2%	3.35x	13.9x	3.17x	13.1x
Triumph Group	22.88	88.0%	1,145	2,636	3,009	258	8.6%	2,860	323	11.3%	0.88x	10.2x	0.92x	8.2x
Senior plc	2.31	57.5%	959	1,300	1,418	185	13.0%	1,458	200	13.7%	0.92x	7.0x	0.89x	6.5x
<b>Median</b>		<b>88.0%</b>	<b>\$1,145</b>	<b>\$2,636</b>	<b>\$2,428</b>	<b>\$258</b>	<b>13.0%</b>	<b>\$2,565</b>	<b>\$323</b>	<b>13.7%</b>	<b>0.92x</b>	<b>10.2x</b>	<b>0.92x</b>	<b>8.2x</b>

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

(\$ in millions, except per share amounts)

Aerospace Suppliers	Stock Price 09/30/19	% of 52 Week High	Market Cap	Enterprise Value	CY2019E			CY2020P			EV / CY2019E		EV / CY2020P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Arconic	\$26.00	94.9%	\$11,445	\$16,778	\$14,427	\$2,268	15.7%	\$14,915	\$2,388	16.0%	1.16x	7.4x	1.12x	7.0x
Meggitt PLC	7.81	98.2%	6,024	7,453	2,777	615	22.2%	2,911	690	23.7%	2.68x	12.1x	2.56x	10.8x
Curtiss-Wright	129.37	93.1%	5,528	6,226	2,532	515	20.3%	2,623	542	20.7%	2.46x	12.1x	2.37x	11.5x
RBC Bearings	165.91	96.7%	4,074	4,094	734	188	25.6%	809	211	26.1%	5.58x	21.8x	5.06x	19.4x
Moog Inc.	81.12	82.3%	2,847	3,585	2,892	368	12.7%	3,034	410	13.5%	1.24x	9.7x	1.18x	8.7x
Astronics	29.38	66.3%	959	1,093	753	94	12.4%	785	118	15.1%	1.45x	11.7x	1.39x	9.2x
Ducommun	42.40	81.5%	489	734	703	86	12.2%	725	91	12.5%	1.04x	8.5x	1.01x	8.1x
Héroux-Devtek	12.99	84.7%	472	677	443	70	15.7%	465	77	16.5%	1.53x	9.7x	1.46x	8.8x
Median		88.9%	\$3,461	\$3,839	\$1,643	\$278	15.7%	\$1,716	\$311	16.3%	1.49x	10.7x	1.42x	9.0x

Aftermarket / MRO	Stock Price 09/30/19	% of 52 Week High	Market Cap	Enterprise Value	CY2019E			CY2020P			EV / CY2019E		EV / CY2020P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
TransDigm Group	\$520.67	93.8%	\$27,791	\$42,134	\$6,089	\$2,603	42.7%	\$6,606	\$2,834	42.9%	6.92x	16.2x	6.38x	14.9x
HEICO	124.88	84.4%	14,538	15,324	2,087	553	26.5%	2,255	596	26.4%	7.34x	27.7x	6.79x	25.7x
Singapore Technologies Engineering	2.78	88.3%	8,657	9,840	5,547	701	12.6%	6,035	784	13.0%	1.77x	14.0x	1.63x	12.6x
BBA Aviation	3.84	95.5%	3,956	6,459	2,601	580	22.3%	2,694	571	21.2%	2.48x	11.1x	2.40x	11.3x
SIA Engineering	1.87	86.3%	2,090	1,765	741	80	10.8%	752	81	10.7%	2.38x	22.0x	2.35x	21.8x
AAR Corp.	41.21	82.6%	1,419	1,656	2,157	179	8.3%	2,215	187	8.4%	0.77x	9.2x	0.75x	8.9x
Median		87.3%	\$6,306	\$8,150	\$2,379	\$567	17.5%	\$2,475	\$584	17.1%	2.43x	15.1x	2.37x	13.7x

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



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

(\$ in millions, except per share amounts)

Defense Primes	Stock Price 09/30/19	% of 52 Week High	Market Cap	Enterprise Value	CY2019E			CY2020P			EV / CY2019E		EV / CY2020P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Boeing	\$380.47	85.3%	\$214,094	\$225,200	\$85,820	\$6,111	7.1%	\$121,912	\$19,437	15.9%	2.62x	36.9x	1.85x	11.6x
Lockheed Martin	390.06	97.5%	110,152	123,668	59,132	9,664	16.3%	62,683	10,749	17.1%	2.09x	12.8x	1.97x	11.5x
Northrop Grumman	374.79	97.6%	63,414	78,334	34,047	4,712	13.8%	36,252	5,138	14.2%	2.30x	16.6x	2.16x	15.2x
Raytheon	196.19	93.8%	54,646	58,892	29,076	5,354	18.4%	30,936	5,770	18.7%	2.03x	11.0x	1.90x	10.2x
General Dynamics	182.73	88.0%	52,655	67,536	39,162	5,434	13.9%	41,035	5,787	14.1%	1.72x	12.4x	1.65x	11.7x
BAE Systems	7.01	90.3%	22,450	26,844	24,750	3,061	12.4%	26,003	3,231	12.4%	1.08x	8.8x	1.03x	8.3x
Median		92.1%	\$59,030	\$72,935	\$36,605	\$5,394	13.9%	\$38,644	\$5,778	15.1%	2.06x	12.6x	1.88x	11.5x

Defense Systems	Stock Price 09/30/19	% of 52 Week High	Market Cap	Enterprise Value	CY2019E			CY2020P			EV / CY2019E		EV / CY2020P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Safran	\$157.51	99.3%	\$67,835	\$73,182	\$26,551	\$5,228	19.7%	\$28,059	\$5,655	20.2%	2.76x	14.0x	2.61x	12.9x
L3Harris Technologies	208.64	96.0%	46,252	49,270	17,512	3,119	17.8%	19,286	3,700	19.2%	2.81x	15.8x	2.55x	13.3x
Huntington Ingalls Industries	211.79	80.7%	8,754	10,638	8,765	1,008	11.5%	9,030	1,124	12.4%	1.21x	10.6x	1.18x	9.5x
FLIR	52.59	84.0%	7,132	7,667	1,932	476	24.6%	2,050	522	25.5%	3.97x	16.1x	3.74x	14.7x
Cobham	1.93	91.6%	4,597	4,787	2,488	389	15.6%	2,536	425	16.8%	1.92x	12.3x	1.89x	11.3x
Kongsberg Gruppen	14.37	81.7%	2,586	2,826	2,500	204	8.2%	3,012	299	9.9%	1.13x	13.8x	0.94x	9.4x
Cubic	70.43	95.1%	2,196	2,646	1,495	157	10.5%	1,622	194	11.9%	1.77x	16.8x	1.63x	13.7x
AeroVironment	53.56	47.1%	1,272	982	345	49	14.3%	384	51	13.3%	2.84x	19.9x	2.55x	19.2x
Median		87.8%	\$5,864	\$6,227	\$2,494	\$433	15.0%	\$2,774	\$473	15.0%	2.34x	14.9x	2.22x	13.1x

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

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

(\$ in millions, except per share amounts)

Defense Electronics / Comm.	Stock Price 09/30/19	% of 52 Week High	Market Cap	Enterprise Value	CY2019E			CY2020P			EV / CY2019E		EV / CY2020P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Teledyne	\$321.99	99.2%	\$11,714	\$12,537	\$3,136	\$599	19.1%	\$3,330	\$645	19.4%	4.00x	20.9x	3.76x	19.4x
Viasat	75.32	77.4%	4,617	6,238	2,239	427	19.1%	2,475	534	21.6%	2.79x	14.6x	2.52x	11.7x
Mercury Systems	81.17	90.8%	4,502	4,244	707	150	21.2%	798	177	22.2%	6.00x	28.3x	5.32x	24.0x
Kratos Defense & Security Solutions	18.60	74.1%	1,973	2,196	730	75	10.2%	859	97	11.3%	3.01x	29.3x	2.56x	22.7x
Ultra Electronics	24.87	88.1%	1,758	2,022	993	169	17.0%	1,031	175	17.0%	2.04x	12.0x	1.96x	11.5x
Comtech Telecommunications	32.50	88.2%	789	909	687	94	13.7%	735	102	13.9%	1.32x	9.6x	1.24x	8.9x
<b>Median</b>		<b>88.2%</b>	<b>\$3,238</b>	<b>\$3,220</b>	<b>\$862</b>	<b>\$160</b>	<b>18.0%</b>	<b>\$945</b>	<b>\$176</b>	<b>18.2%</b>	<b>2.90x</b>	<b>17.8x</b>	<b>2.54x</b>	<b>15.6x</b>

Homeland Security	Stock Price 09/30/19	% of 52 Week High	Market Cap	Enterprise Value	CY2019E			CY2020P			EV / CY2019E		EV / CY2020P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Smiths Group	\$19.31	92.3%	\$7,649	\$9,166	\$2,745	\$761	27.7%	\$3,691	\$731	19.8%	3.34x	12.0x	2.48x	12.5x
MSA Safety Incorporated	109.11	95.2%	4,225	4,500	1,410	293	20.8%	1,471	316	21.5%	3.19x	15.3x	3.06x	14.2x
Axon	56.78	75.8%	3,365	3,040	489	79	16.2%	574	108	18.9%	6.21x	NM	5.29x	NM
OSI Systems, Inc.	101.56	86.6%	1,850	2,101	1,203	190	15.8%	1,281	216	16.9%	1.75x	11.1x	1.64x	9.7x
American Outdoor Brands	5.85	37.4%	321	522	619	103	16.7%	656	121	18.5%	0.84x	5.1x	0.80x	4.3x
<b>Median</b>		<b>86.6%</b>	<b>\$3,365</b>	<b>\$3,040</b>	<b>\$1,203</b>	<b>\$190</b>	<b>16.7%</b>	<b>\$1,281</b>	<b>\$216</b>	<b>18.9%</b>	<b>3.19x</b>	<b>11.6x</b>	<b>2.48x</b>	<b>11.1x</b>

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

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

(\$ in millions, except per share amounts)

<u>Government Services</u>	Stock Price 09/30/19	% of 52 Week High	Market Cap	Enterprise Value	CY2019E			CY2020P			EV / CY2019E		EV / CY2020P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Leidos Holdings	\$85.88	96.5%	\$12,350	\$15,212	\$10,834	\$1,106	10.2%	\$11,396	\$1,165	10.2%	1.40x	13.8x	1.33x	13.1x
Booz Allen Hamilton	71.02	91.0%	9,958	11,787	7,155	715	10.0%	7,644	771	10.1%	1.65x	16.5x	1.54x	15.3x
CACI International	231.26	98.4%	5,754	7,360	5,355	494	9.2%	5,791	614	10.6%	1.37x	14.9x	1.27x	12.0x
SAIC	87.35	94.4%	5,040	7,190	6,429	536	8.3%	6,710	581	8.7%	1.12x	13.4x	1.07x	12.4x
Perspecta Inc.	26.12	98.0%	4,239	6,878	4,428	799	18.0%	4,579	804	17.5%	1.55x	8.6x	1.50x	8.6x
ManTech International	71.41	99.2%	2,856	3,022	2,164	183	8.5%	2,340	200	8.5%	1.40x	16.5x	1.29x	15.1x
ICF International	84.47	97.8%	1,587	2,016	1,487	140	9.4%	1,575	153	9.7%	1.36x	14.4x	1.28x	13.2x
Vectrus, Inc.	40.65	87.4%	468	489	1,380	60	4.4%	1,557	73	4.7%	0.35x	8.1x	0.31x	6.7x
VSE Corporation <sup>(2)</sup>	34.09	86.3%	374	682	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Median</b>		<b>96.5%</b>	<b>\$4,239</b>	<b>\$6,878</b>	<b>\$4,892</b>	<b>\$515</b>	<b>9.3%</b>	<b>\$5,185</b>	<b>\$598</b>	<b>9.9%</b>	<b>1.39x</b>	<b>14.1x</b>	<b>1.29x</b>	<b>12.7x</b>

<u>Engineering &amp; Construction</u>	Stock Price 09/30/19	% of 52 Week High	Market Cap	Enterprise Value	CY2019E			CY2020P			EV / CY2019E		EV / CY2020P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Jacobs Engineering	\$91.50	97.2%	\$12,398	\$12,696	\$12,846	\$1,027	8.0%	\$13,660	\$1,103	8.1%	0.99x	12.4x	0.93x	11.5x
AECOM	37.56	96.9%	5,924	9,138	20,216	968	4.8%	20,357	1,041	5.1%	0.45x	9.4x	0.45x	8.8x
Tetra Tech	86.76	99.4%	4,741	4,977	2,469	270	10.9%	2,661	301	11.3%	2.02x	18.4x	1.87x	16.5x
KBR	24.54	91.4%	3,474	4,363	5,660	455	8.0%	6,391	515	8.1%	0.77x	9.6x	0.68x	8.5x
Babcock International	6.86	76.2%	3,468	4,973	6,088	993	16.3%	5,973	1,034	17.3%	0.82x	5.0x	0.83x	4.8x
<b>Median</b>		<b>96.9%</b>	<b>\$4,741</b>	<b>\$4,977</b>	<b>\$6,088</b>	<b>\$968</b>	<b>8.0%</b>	<b>\$6,391</b>	<b>\$1,034</b>	<b>8.1%</b>	<b>0.82x</b>	<b>9.6x</b>	<b>0.83x</b>	<b>8.8x</b>

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

(2) NA = Not Available due to lack of analyst coverage by S&amp;P Capital IQ

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