

MarketView

Winter 2020

Aerospace / Defense &
Government Services

Kipps DeSanto
INVESTMENT BANKING



8000 Towers Crescent Drive, Suite 1200
Tysons Corner, VA 22182
703.442.1400 | kippsdesanto.com

Capital One has Acquired KippsDeSanto & Co.

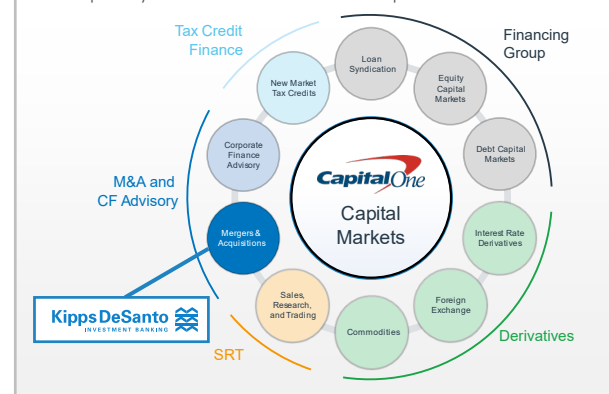


Capital One & KippsDeSanto are both values driven companies. By bringing our teams together, we will be able to add scale and significant expertise to our growing M&A advisory services group which will benefit clients in a wide variety of industries

A leading, diversified Commercial Bank



Capability to offer a full suite of financial products and services



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

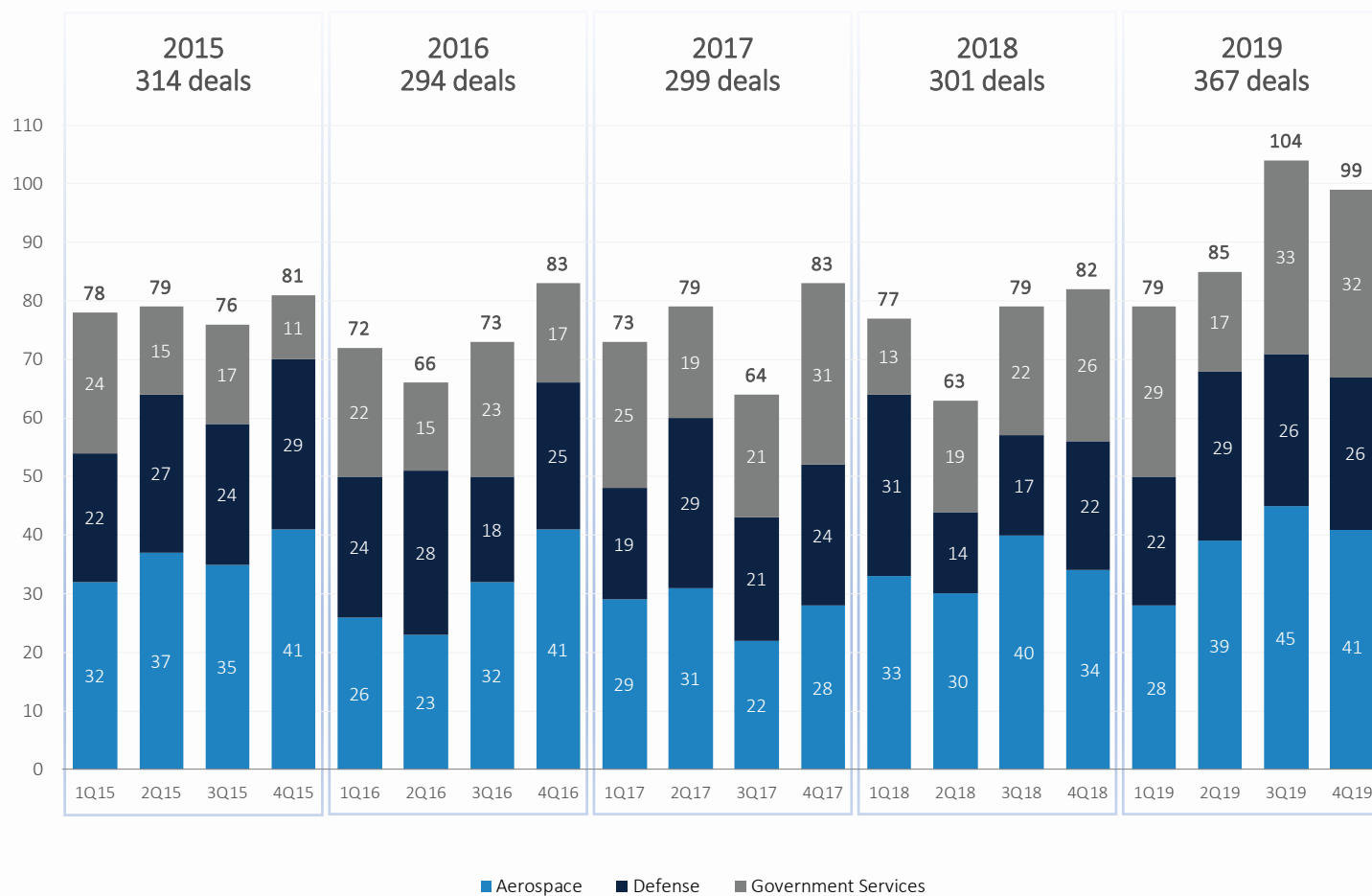
For more information, visit www.kippsdesanto.com

2019 KippsDeSanto Advised Transactions

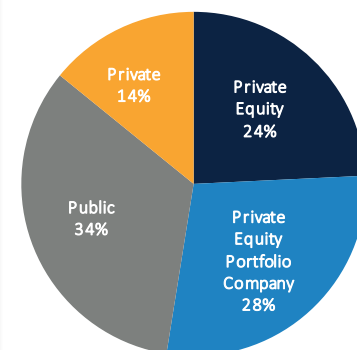
<div>December 2019</div> <div></div> <div>has been recapitalized by</div> <div></div>	<div>October 2019</div> <div></div> <div>a portfolio company of</div> <div>J.F. Lehman & Company</div> <div>has acquired</div> <div></div>	<div>October 2019</div> <div></div> <div>has been acquired by</div> <div></div>	<div>October 2019</div> <div></div> <div>has been acquired by</div> <div></div> <div>a portfolio company of</div> <div></div>	<div>September 2019</div> <div></div> <div>has been acquired by</div> <div></div> <div>a portfolio company of</div> <div>The Jordan Company</div>	<div>September 2019</div> <div></div> <div>has been acquired by</div> <div></div>	<div>August 2019</div> <div></div> <div>has been acquired by</div> <div></div> <div>a portfolio company of</div> <div></div>
<div>August 2019</div> <div></div> <div>a portfolio company of</div> <div></div> <div>has been acquired by</div> <div></div>	<div>August 2019</div> <div></div> <div>has been acquired by</div> <div></div> <div>a portfolio company of</div> <div></div>	<div>July 2019</div> <div></div> <div>has been acquired by</div> <div></div> <div>a portfolio company of</div> <div></div>	<div>July 2019</div> <div></div> <div>has been acquired by</div> <div></div> <div>a portfolio company of</div> <div></div>	<div>July 2019</div> <div></div> <div>has been acquired by</div> <div></div>	<div>June 2019</div> <div></div> <div>has been recapitalized by</div> <div>CM EQUITY PARTNERS</div>	<div>June 2019</div> <div></div> <div>has acquired</div> <div></div>
<div>June 2019</div> <div></div> <div>a subsidiary of</div> <div></div> <div>has been acquired by</div> <div></div> <div>a portfolio company of</div> <div></div>	<div>April 2019</div> <div></div> <div>a subsidiary of</div> <div></div> <div>has been acquired by</div> <div></div>	<div>April 2019</div> <div></div> <div>has been acquired by</div> <div></div>	<div>April 2019</div> <div></div> <div>a subsidiary of</div> <div></div> <div>has been acquired by</div> <div></div>	<div>February 2019</div> <div></div> <div>a portfolio company of</div> <div></div> <div> and </div> <div>has been acquired by</div> <div></div>		

M&A Trends & Activity

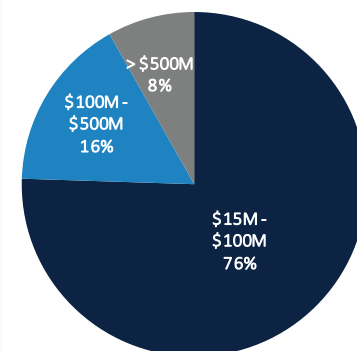
Heightened deal activity in 2H19 drove annual transaction volume to a 10-year high and demonstrated acquirers' continued reliance on M&A to supplement organic growth, penetrate new customers and geographies, and bolster coveted capabilities; over 50% of transactions in 4Q19 involved Private Equity or Private-Equity Backed Buyers, reflecting sponsors' growing interest and activity in the space



4Q19 Deals by Buyer Type



4Q19 Deals by Size



Highlighted 4Q19 Industry Transactions

 <p>OCEANSOUND PARTNERS</p> <p>has recapitalized</p>  <p>Smartronix</p>	<p>EV: ND EV / Revenue: ND EV / EBITDA: ND</p> <ul style="list-style-type: none"> OceanSound Partners recapitalized Smartronix to leverage its Cloud and C4ISR capabilities and customer base to accelerate growth OceanSound platform, Trident Technologies, will partner and integrate with Smartronix, creating a top 50 govt. services provider 	 <p>SPIRIT AEROSYSTEMS</p> <p>has agreed to acquire</p> <p>Assets of the Aerostructures and Aftermarket Services Businesses of</p> <p>BOMBARDIER</p>	<p>EV: \$1.1B EV / Revenue: 1.09x EV / EBITDA: 10.0x</p> <ul style="list-style-type: none"> Acquisition falls in line with Spirit AeroSystems' growth strategy of increasing Airbus content, developing low-cost country footprint, and growing its aftermarket business Bombardier's assets increase Spirit's global footprint with facilities around the globe
 <p>leidos</p> <p>has agreed to acquire</p>  <p>Dynetics</p>	<p>EV: \$1.7B EV / Revenue: 1.39x⁽¹⁾ EV / EBITDA: 12.6x⁽¹⁾</p> <ul style="list-style-type: none"> Dynetics' product segments enhance Leidos' portfolio in the areas of hypersonics, space solutions, autonomy, and advanced sensors Acquisition continues trend of services-focused defense contractors acquiring product-focused businesses to expand program capabilities 	 <p>TGG THE GORES GROUP</p> <p>has agreed to acquire</p> <p>PAE</p> <p>a portfolio company of</p> <p>Platinum Equity</p>	<p>EV: \$1.6B EV / Revenue: 0.62x EV / EBITDA: 8.9x⁽²⁾</p> <ul style="list-style-type: none"> Gores Holdings III, Inc. will serve as a special purpose acquisition company to introduce PAE as a publicly listed company upon closing PAE will continue its strategic growth plan to strengthen customer capacity and expand into new national security markets
 <p>Monocle Acquisition Corporation</p> <p>has agreed to acquire</p>  <p>AerSale</p> <p>a portfolio company of</p> <p>LGP LEONARD GREEN & PARTNERS & FLORIDA GROWTH FUND</p>	<p>EV: \$433.0M EV / Revenue: 1.40x EV / EBITDA: 6.3x</p> <ul style="list-style-type: none"> Monocle and AerSale's combination will create AerSale Corporation, which will be publicly traded on the Nasdaq Stock Exchange AerSale will be scaled through sustainable organic growth and disciplined M&A in a fragmented sector of the aviation industry 	 <p>AMERICAN SECURITIES</p> <p>&</p> <p>LINDSAY GOLDBERG</p> <p>have agreed to acquire</p> <p>Management Services Business Unit of</p> <p>AECOM</p>	<p>EV: \$2.4B EV / Revenue: 0.65x EV / EBITDA: 11.6x</p> <ul style="list-style-type: none"> Acquisition validates the unit's execution ability in complex, mission-critical programs around the globe American Securities and Lindsay Goldberg seek to grow the platform both organically and through strategic transactions

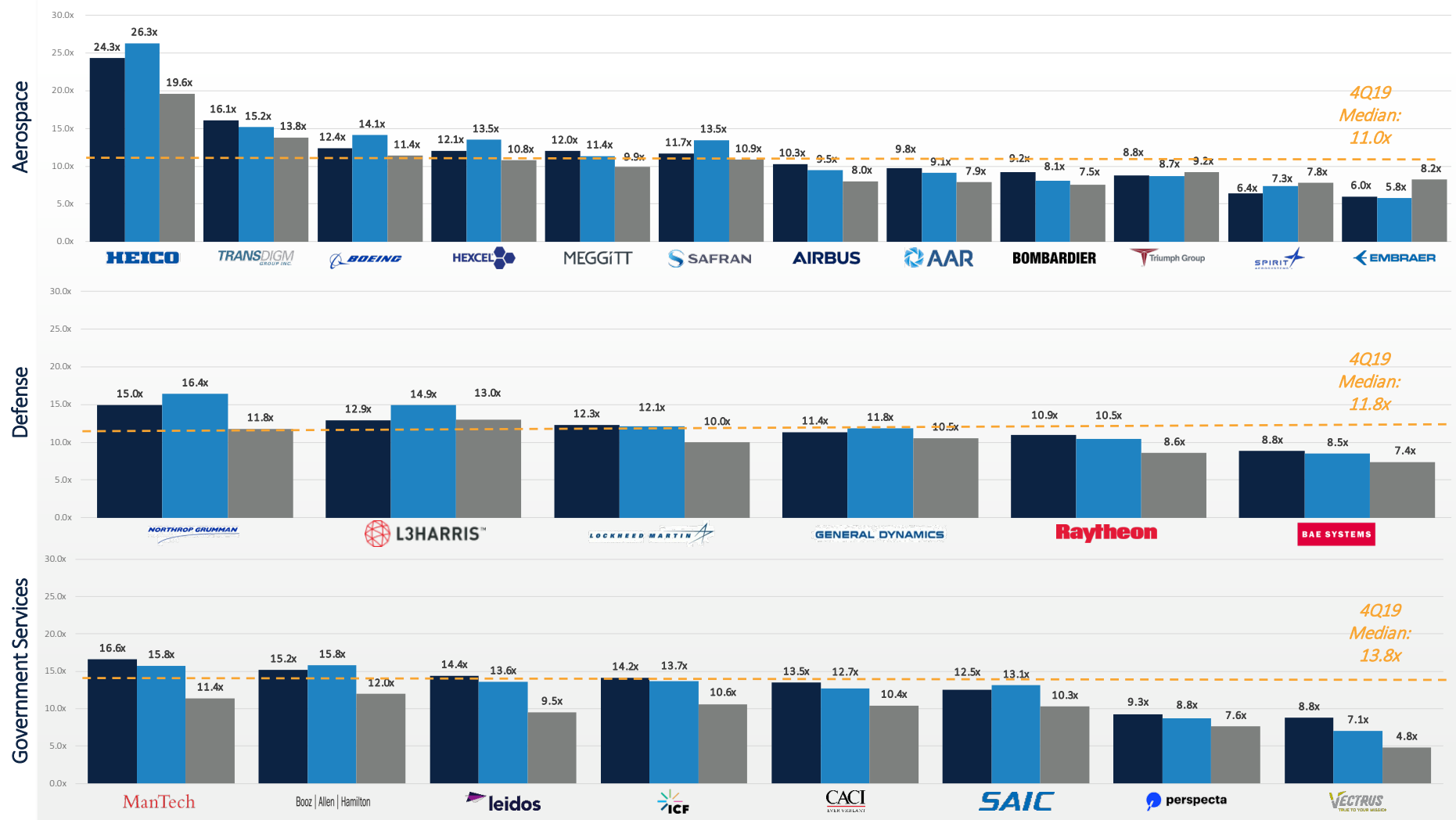
Note: ND = Not Disclosed

(1) Represents forward revenue and EBITDA multiples adjusted for a \$265 million tax asset

(2) Represents forward EBITDA multiple based on 2020 pro forma adjusted EBITDA of \$174 million

EV / NTM EBITDA Public Market Valuation Trends⁽¹⁾

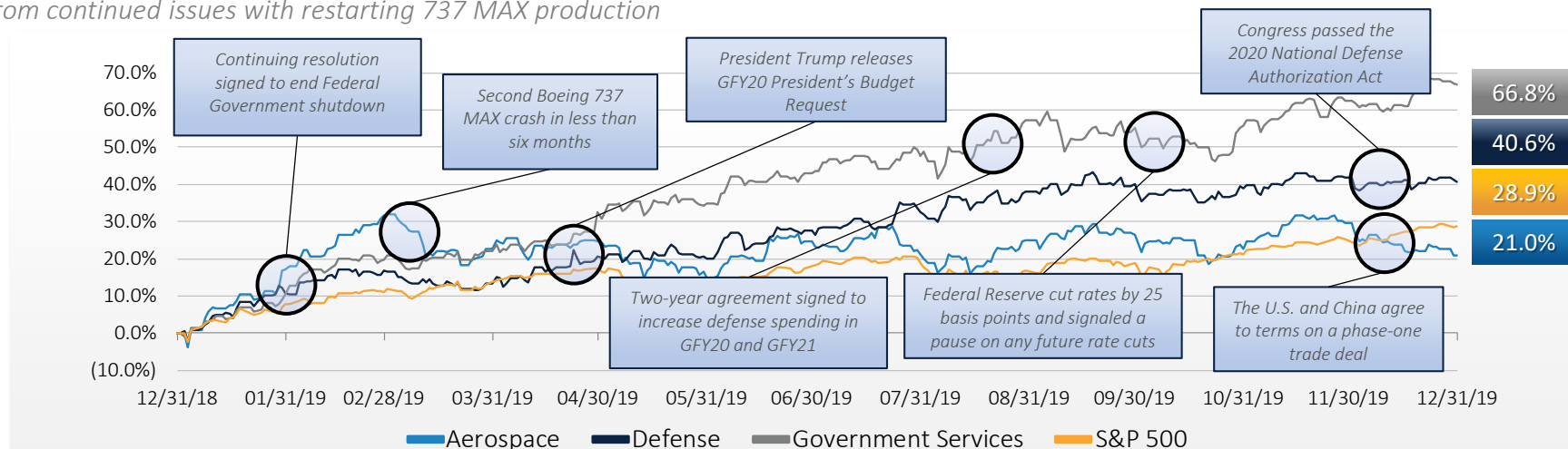
Public market valuations finished the year at 10-year highs with NTM EBITDA multiples for aerospace, defense, and government services indices remaining at heightened levels to round out a record year in M&A transactions and public market valuations



(1) Source: CapitalIQ

Capital Markets LTM Performance⁽¹⁾

Defense and Government Services indices finished the year with strong performances catalyzed by the passage of the 2020 U.S. defense budget and a phase-one trade deal between the U.S. and China, while aerospace stocks look to rebound from a disappointing end to 2019 from continued issues with restarting 737 MAX production



(1) Source: CapitalIQ



Aerospace

Aerospace growth in excess of the broader market remained elusive in Q419. *Short-term delivery issues* stemming from the Boeing 737 MAX continued to plague the index, with losses of 4.2% in 4Q19

While Boeing's stock struggled over the last quarter with losses of 14.4% due to possible shutdowns of 737 MAX production, Airbus' stock rose 12.7% with *new developments in China* and a *record year in deliveries*



Defense

Uncertainty around the 2020 defense budget kept defense stocks relatively flat, but the index notched a *40.6% increase over 2019* from *funding visibility for long-term programs* and a *heightened geopolitical threat environment*

Raytheon's stock continued its increases from the previous quarter with *gains of 12.0% in 4Q19*, as the Company prepares to complete its merger with UTC and transition to *Raytheon Technologies*



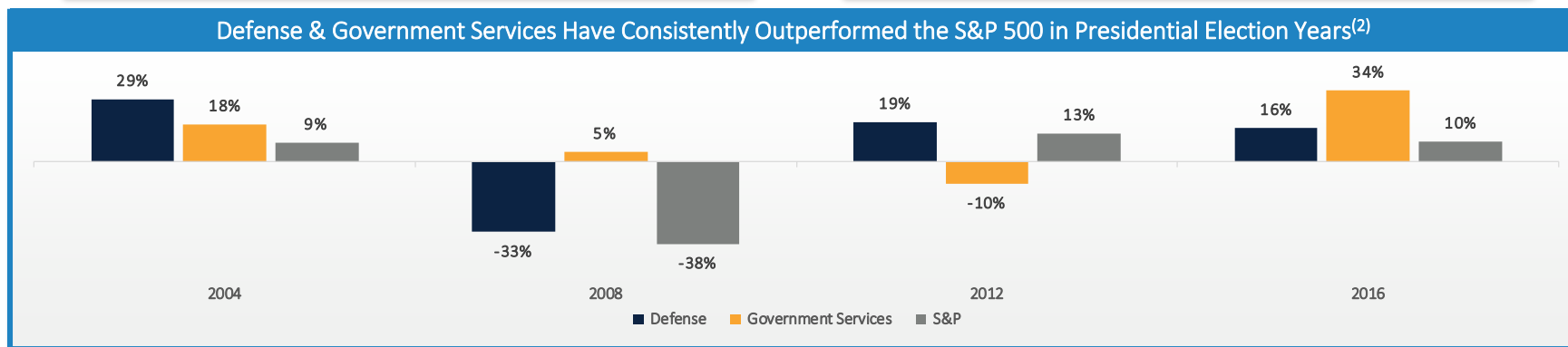
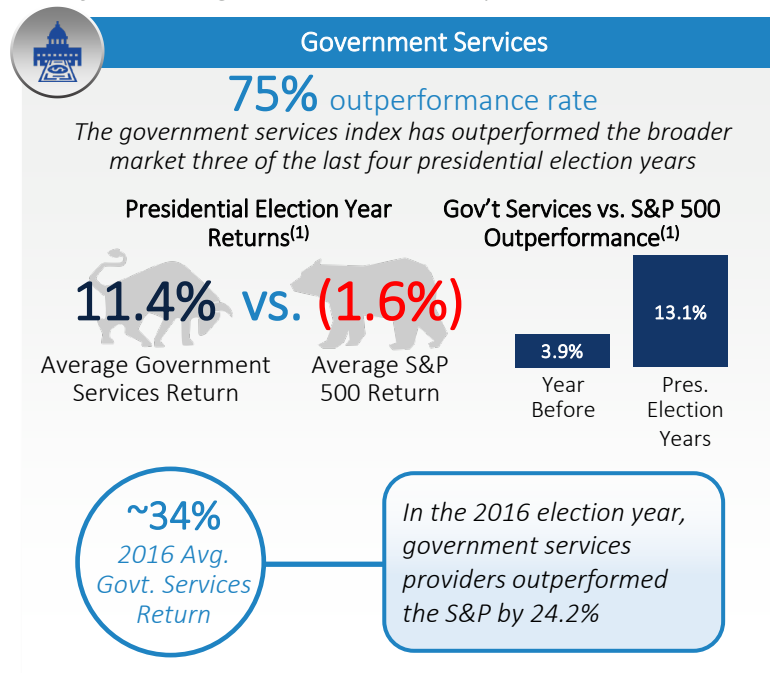
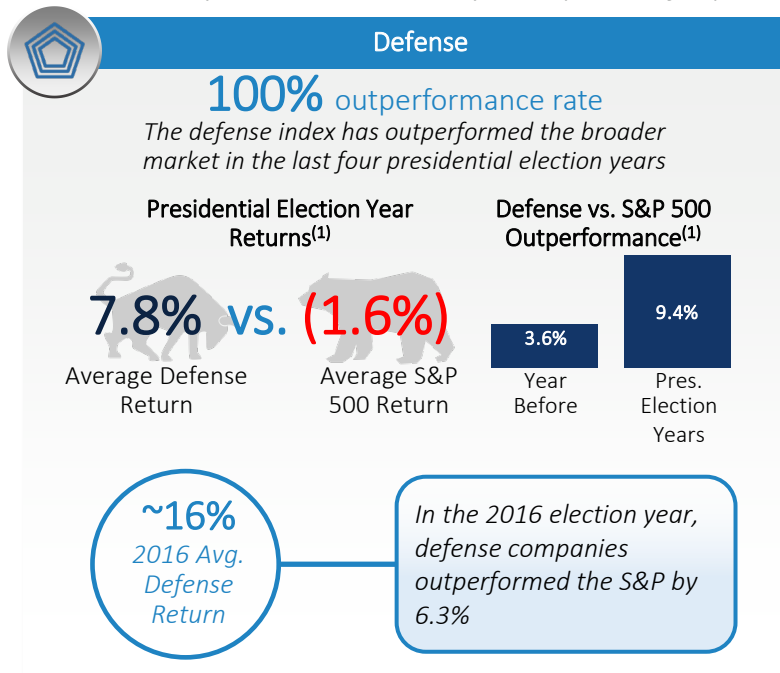
Government Services

The government services index *outpaced the S&P 500 by 35+ points over 2019*, driven by federal spending on modernization, cloud capabilities, and nextgen IT, which led the index to grow by 7.1% in 4Q19 and 66.8% for the year

Vectrus, Inc. led the pack with a *26.1% price increase in 4Q19*, as the Company expanded its *customer footprint* with growing revenue from the *Navy* and *Air Force* plus continued execution on the *LOGCAP V contract*

Presidential Election Historically Positive for Defense & Govt. Services

Presidential election years have historically been positive for publicly-traded defense and government services providers

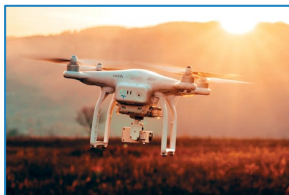


(1) Average returns during presidential election years from 2004 through 2016

(2) Source: CapitalIQ

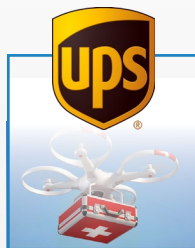
Aerospace Update

Game of Drones



Flying robots that deliver packages to people's doorsteps are no longer science fiction

The Federal Aviation Administration ("FAA") predicts drone registrations for commercial purposes will grow from 400K in 2019 to 800K+ by 2023



United Parcel Service Inc. ("UPS") gained FAA approval to build out a fleet of drones to deliver cargo such as medical samples and supplies on hospital campuses in Utah and elsewhere, exhibiting the strong push towards drones

M&A Transactions

Buyer Target

AV / **PULSE**
AeroVironment / AEROSPACE

TERRA DRONE / **C-ASTRAL**
C-ASTRAL / CORPUS LLC

FLIR / **aeryon**

Capital Raises

PRECISION-HAWK

kespary

DRONE BASE

SKY SPECS

Airbus Swings the Aerospace Power Balance against Boeing

Airbus achieved a company record in airplane deliveries in 2019, as the French plane maker capitalized on rival Boeing's setbacks from international trade tensions and the grounding of its 737 MAX plane; this is expected to continue with the temporary production halt of Boeing's 737 MAX starting in January



Prime Competition



Boeing 737 MAX



Airbus A320neo

CAE Launches New Virtual Reality Trainer



The U.S. Air Force is looking increasingly toward virtual reality for speeding up and cutting the cost of pilot training

CAE TRAX is a student-centric, self-paced training system that leverages virtual reality and other cutting-edge simulation technologies to immerse new pilots in flight training; there is enhanced realism and fidelity compared to other VR trainers by providing full cockpit acuity and interaction

Learn — Practice — Perform



CAE is hoping to build on the principles of Pilot Training Next, and package CAE TRAX to be purchased by the U.S. Air Force and international militaries



Defense Update

U.S. Army Prioritizes Virtual Reality for Next Generation Training Programs

The U.S. Army continues development of a Synthetic Training Environment ("STE") to merge training operations into a realistic and immersive virtual experience across multiple fighting domains

Synthetic Training Environment



As the DoD requests funding stability across programs, the Army's office for simulation, training, and instrumentation seeks to spread short-term funding over a longer-time horizon to ensure that smaller private contractors receive continuous funding for development and experimentation on the STE

President Trump Signs the National Defense Authorization Act

The \$738 billion annual Department of Defense ("DoD") bill establishes funding levels and sets policies for key defense and national security programs



The *U.S. Space Force* is established as the *sixth Armed Service branch*, receiving *\$72.4 million* for startup costs and replacing the current U.S. Air Force Space Command

For aircraft, the bill authorizes *twelve more Lockheed F-35 fighter jets* than the administration requested for a total of *\$1 billion*, as well as *eight new Boeing F-15EX fighters*



As the DoD pushes for a Naval fleet increase, the bill authorized *three Arleigh Burke destroyers, a new frigate, two amphibious warships, and three unmanned surface vessels*



The bill authorizes *\$635 billion* in *base discretionary funds* for the DoD, *\$71.5 billion* in *overseas contingency operations*, and *\$23.1 billion* for *nuclear programs* at the Department of Energy

Space Command Engages Commercial Tech

U.S. Space Command officials aim for a greater scope of interaction and collaboration with commercial companies to maintain an innovative and technological edge in the growing space race



- ✓ *Combat development divisions* seek out and harness new commercial technologies
- ✓ *Commercial integration cells* operate in small teams to interact and dialogue with commercial satellite owners / operators
- ✓ *Air Force Space Pitch Days* employ venture capital-style funding for space acquisitions with on-the-spot contract awards

"In the past 10 years alone, the number of space companies receiving private, non-government funding has grown from 24 to more than 375"

-- Maj. Gen. Stephen Whiting, U.S. Space Command

Key Commercial Players



Government Technology Services Update

Growing Use of Other Transaction Agreements (“OTAs”) by DoD⁽¹⁾

Since 2016, the DoD has increasingly issued more OTAs in each successive year; in 2018, the DoD awarded over 600 OTAs worth about \$3.7 billion, up from 248 OTAs worth about \$1.4 billion in 2016

OTAs provide *alternative solutions* to the DoD’s traditional acquisition process, enabling the department to rapidly award prototype contracts to *non-traditional defense contractors*



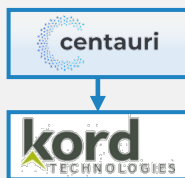
OTAs allow the DoD to keep up with technology when the *rate of change* outpaces the *speed of the traditional acquisition process*

OTAs create *funding opportunities* for *innovative solutions* within the government services market, which remains essential as *mission requirements* for technology rapidly evolve



Firms have shown their ability to drive value by leveraging OTAs to build portfolios consisting of *well-funded and IP-driven contracts*.

Representative transactions include:



Increasing M&A Interest in Product and Technology Focused Companies by Traditionally Government Services Firms

Buyers are increasingly attracted to firms that have technological products, especially if the offerings are *highly-differentiated* and driven by *sophisticated intellectual property*

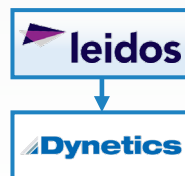
Key Benefits



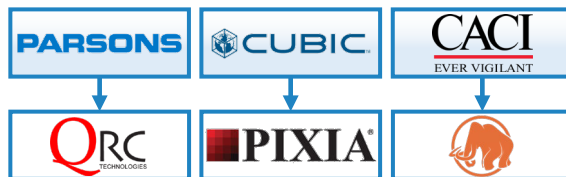
High-Demand Competencies



Leidos recently announced it would acquire Dynetics and its suite of *next-generation products* for \$1.65 billion

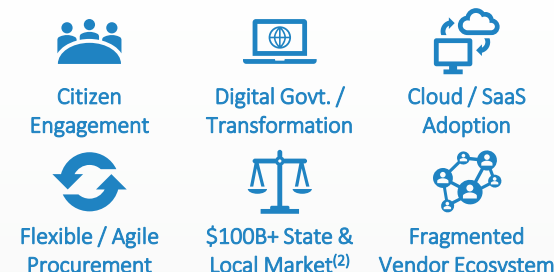


Other representative transactions include:



Consistent Government Technology (“GovTech”) Software M&A Activity

Deal volume in the GovTech software market is expected to *remain strong* for the second consecutive year. Key drivers include:



Notable GovTech Software Buyers



Private equity and private equity-backed platforms have accounted for an *increasing share* of GovTech M&A activity over the last year

Notable PE-backed Platforms



(1) Source: U.S. Government Accountability Office Report, “DoD’s Use of Other Transactions for Prototype Projects Has Increased”
(2) Represents the combined software and IT services market size



4Q19 Aerospace Transactions

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
12/31/19	WHI Global LLC (portco of RVE Partners)	Assets of Aero-Bond Corporation	Provides composite structures and assemblies for aerospace and defense applications	ND	ND	ND	ND	ND	ND
12/18/19	American Aerospace Technologies, Inc.	Assets of PAE ISR LLC	Provides unmanned aerial systems and intelligence, surveillance, and reconnaissance solutions and services to U.S. Government agencies, NATO, and other international organizations	ND	ND	ND	ND	ND	ND
12/18/19	Fastener Distribution Holdings (portco of Audax Private Equity)	BTC Electronic Components, Inc.	Provides high-performance connectors and accessories focused on aerospace, military, and industrial end markets	ND	ND	ND	ND	ND	ND
12/17/19	Fastener Distribution Holdings (portco of Audax Private Equity)	Aerospheres (UK) Ltd.	Provides aerospace aftermarket chemicals, composites, and other consumable materials for maintenance applications and MRO service providers	ND	ND	ND	ND	ND	ND
12/17/19	Main Street Capital Holdings LLC	Three Precision Manufacturers, Forms Compass Precision, LLC Platform	Provides design, machining, EDM fabricating, assembly, and test services for a diversified group of blue-chip customers in the aerospace & defense, medical, industrial, energy, and telecommunication industries	ND	ND	ND	ND	ND	ND
12/16/19	Shimtech Industries Ltd. (portco of Auctus Industries and Inflexion Private Equity)	Fastener Technology Corp.	Provides high-strength specialty fasteners for commercial and military aerospace applications	ND	ND	ND	ND	ND	ND
12/12/19	Airbus SE	MTM Robotics, LLC	Provides high-quality automated portable tools and software systems to the global aerospace and aircraft manufacturing industries	ND	ND	ND	ND	ND	ND
12/10/19	Acorn Growth Companies	Aerospars 2000	Provides rotatable parts for commercial aircraft	ND	ND	ND	ND	ND	ND
12/09/19	Monocle Acquisition Corp.	AerSale Corp. (portco of Leonard Green & Partners and Florida Growth Fund LLC)	Provides aftermarket aircraft, spare engines, flight equipment, maintenance, repair, and overhaul services, and used serviceable material support	\$433.0	\$310.0	\$68.7	22.2%	1.40x	6.3x ⁽¹⁾
12/09/19	Blue Point Capital Partners	Mattco Forge, Inc.	Provides quality engineered forged metal products primarily for the aerospace & defense industries	ND	ND	ND	ND	ND	ND
12/02/19	Standex International Corp.	Torotel, Inc.	Provides precision magnetic components including electro-mechanical assemblies, high voltage transformers, dry-type transformers, toroidal coils, inductors, reactors, and chokes	48.0	24.0	ND	ND	2.00x	ND
12/02/19	Arlington Capital Partners	Firth Rixson Forgings Ltd (subsidiary of Arconic, Inc.)	Provides complex closed die forgings and forged discs and proprietary forward-and-backward extrusion produced shafts and cylinders primarily for OEM and Tier 1 aerospace & defense engine customers	ND	ND	ND	ND	ND	ND
12/02/19	AE Industrial Partners, LLC	AIM MRO Holdings, Inc.	Provides highly-engineered consumable repair products and materials used primarily in the aerospace engine aftermarket	ND	ND	ND	ND	ND	ND
11/25/19	KKR & Co., Inc.	Novaria Group	Provides complex, highly engineered components and specialty processes for the aerospace and defense industries	ND	ND	ND	ND	ND	ND
11/25/19	MTS Systems Corp.	R&D Group A/S	Provides test systems that accurately simulate the extreme operating environments encountered by large, rotating structures, such as wind turbines and aircraft engine propulsion systems	80.0	ND	ND	ND	ND	ND

Note: ND = Not Disclosed

(1) LTM EBITDA multiple is adjusted for tax benefit

4Q19 Aerospace Transactions, cont.

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
11/25/19	Kellstrom Defense Aerospace (portco of Dublin Clark & Co., Inc.)	Airborne Technologies, Inc.	Provides a range of proprietary tooling for the manufacture of complex defense aircraft parts as well as strong capabilities in CNC machining, metal forming, and structural integration	ND	ND	ND	ND		ND	ND
11/22/19	Levine Leichtman Capital	Milton Industries, Inc.	Provides highly-engineered tools and accessories for pneumatic applications across a variety of end markets, including vehicle service, industrial MRO, aerospace and defense, and agriculture	ND	ND	ND	ND		ND	ND
11/20/19	Albany International Corporation	CirComp GmbH	Provides high-performance composite components for aerospace and other demanding industrial applications	\$42.9	ND	ND	ND		ND	ND
11/19/19	ARCH Global Precision LLC (portco of The Jordan Company)	Aero Pacific Corp. and 2nd Source Wire & Cable, Inc. (collectively, "APC")	Provides large complex structural components, with a focus on hard-metals machining, for aerospace and defense end markets	ND	ND	ND	ND		ND	ND
11/19/19	Radius Aerospace, Inc. (portco of Arlington Capital Partners)	Aerospace Forming and Fabricating Business of Doncasters Group (portco of Dubai International)	Provides complex forming and fabrication components to the aerospace and defense industries with a primary focus on engines	ND	ND	ND	ND		ND	ND
11/19/19	Fletch Equity	Western Jet Aviation	Provides maintenance services for business jets, specifically with a focus on Gulfstream type aircrafts	ND	ND	ND	ND		ND	ND
11/18/19	Arlington Capital Partners	Blaenavon Forging Business of Doncasters Group Ltd	Provides complex, precision-forged rings and closed die products for OEM and Tier 1 aerospace and defense engine customers	ND	ND	ND	ND		ND	ND
11/15/19	Rafael Advanced Defense Systems Ltd.	Kanfit Ltd (50% stake)	Provides primary and detailed parts, sub-assemblies, and fit-to-fly assemblies made from composites and sheet & block metals	ND	ND	ND	ND		ND	ND
11/13/19	PPG Industries, Inc.	Textstars, LLC (subsidiary of Ascent Aerospace)	Provides high-performance transparent coatings and plastic components for aerospace and defense applications	ND	ND	ND	ND		ND	ND
11/12/19	Williams Aerospace and Manufacturing, Inc. (subsidiary of Kellstrom Defense Aerospace, portco)	Aerospace Welding, Inc.	Provides precision welding processes that include spot, seam, stud, and flash welding services for the aerospace and defense markets	ND	ND	ND	ND		ND	ND
11/12/19	Bromford Industries, Ltd (portco of Liberty Hall Capital Partners)	Numet Machining Techniques, Inc.	Provides precision machined parts, kits, and assemblies for jet turbine engines for a wide variety of commercial and military aircraft	ND	ND	ND	ND		ND	ND
11/11/19	Leonardo S.p.A.	Skydwell Aero Inc. (partial stake)	Provides new generation of large-scale solar-powered unmanned air systems, capable of perpetual flight with heavy payloads	ND	ND	ND	ND		ND	ND
11/06/19	Cadence Aerospace (portfolio company of Arlington Capital Partners)	B&E Group's OEM Manufacturing Division (portfolio company of MPE Partners)	Provides complex and difficult-to-manufacture engine components for the commercial and military aerospace markets, with a focus on precision machining	ND	ND	ND	ND		ND	ND
11/05/19	Kaman Corporation	Bal Seal Engineering, Inc.	Provides custom-engineered sealing, connecting, conducting, and EMI / RFI shielding solutions	330.0	\$95.0	\$26.4	27.8%		3.47x	12.5x ⁽¹⁾
10/31/19	Spirit AeroSystems Holdings, Inc.	Select assets of Bombardier aerostructures and aftermarket services businesses	Provides composite and metallic wing components, nacelles, fuselages, and tail assemblies, along with high-value mechanical assemblies made out of aluminum, titanium, and steel	1,090.0	1,000.0	109.0	10.9%		1.09x	10.0x

Note: ND = Not Disclosed

(1) LTM EBITDA multiple is adjusted for tax benefit

4Q19 Aerospace Transactions, cont.

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA		EV / LTM	
						EBITDA	Margin	Rev.	EBITDA
10/28/19	M&G Investments	Sky Leasing LLC	Provides full-service aircraft asset management	\$300.0	ND	ND	ND	ND	ND
10/24/19	Vance Street Capital Partners	Eirtech Aviation Services	Provides specialized aviation services for global airline and aircraft leasing companies	ND	ND	ND	ND	ND	ND
10/23/19	Voyager Space Holdings, Inc.	Altius Space Machines, Inc.	Provides on-orbit assembly and manufacturing, orbital rendezvous and capture robotics, as well as satellite servicing	ND	ND	ND	ND	ND	ND
10/21/19	Carlisle Companies, Inc.	Draka Fileca SAS (subsidiary of Prysmian S.p.A.)	Provides highly engineered interconnect solutions for harsh environments, providing high-end cable solutions to important European aerospace, space, and defense customers	81.4	\$47.9	\$5.6	11.7%	1.70x	14.6x
10/21/19	DART Aerospace (portco of Greenbriar Equity Group, L.P. and First Aviation Services Inc.)	Aero Design Ltd product lines and brand trademark	Provides aerial cargo expansion products, including helicopter baskets, steps, bearpaws, and bicycle racks for a wide range of OEMs including Airbus, Bell, MD Helicopters, and Robinson	ND	ND	ND	ND	ND	ND
10/18/19	Nautic Partners, LLC	Spartech, LLC	Provides specialized acrylics and other engineered extruded plastics used in a variety of applications and end markets including aerospace and defense, healthcare, industrial, automotive, consumer goods, and packaging	ND	ND	ND	ND	ND	ND
10/15/19	William Aerospace and Manufacturing, Inc (subsidiary of Kellstrom Defense Aerospace)	Titanium Specialties, Inc.	Provides a wide range of legacy aerospace formed metal assemblies	ND	ND	ND	ND	ND	ND
10/10/19	TECT Aerospace, Inc. (portco of Stony Point Group)	Assembly Operations of Triumph Group, Inc. in Nashville	Provides long and large machining, processing, and large-scale assembly	ND	125.0	ND	ND	ND	ND
10/08/19	uAvionix Corp.	AeroVonics, LLC	Provides CFR Part 23 display systems and avionics	ND	ND	ND	ND	ND	ND
10/01/19	DART Aerospace (portco of Greenbriar Equity Group, L.P. and First Aviation Services Inc.)	Simplex Aerospace	Provides aerial application systems, specializing in multi-mission on-off tank systems requiring minimum aircraft modifications	ND	ND	ND	ND	ND	ND
10/01/19	kSARIA Corporation (portco of Behrman Capital)	Co-Operative Industries Aerospace & Defense	Provides electrical wiring harnesses, ignition leads, and flexible metal conduits for various aerospace and defense customers	ND	ND	ND	ND	ND	ND

Note: ND = Not Disclosed



4Q19 Defense Transactions

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
12/31/19	ISC Engineering (portco of Tide Rock Holdings)	PKC	Provides cable assemblies, wire harnesses, and electro-mechanical assemblies	ND	ND	ND	ND		ND	ND
12/30/19	Northern Private Capital	MDA (Business unit of Maxar Technologies)	Provides advanced surveillance and intelligence solutions, defense and maritime systems, radar geospatial imagery, space robotics, satellite antennas, and communication subsystems	\$765.0	\$370.0	\$85.0	23.0%		2.07x	9.0x
12/16/19	Electronic Technologies Group (subsidiary of HEICO Corp.)	Quell Corporation (80.1% stake)	Provides EMI / RFI and transient protection solutions with flexible devices that filter out transients and other interference in critical electronics, communications, and other systems for the aerospace and defense markets	ND	ND	ND	ND		ND	ND
12/16/19	VirTex Enterprises, L.P. (portco of Insight Equity Holdings, LLC)	Precision Technology Inc.	Provides electronic manufacturing services and test services of highly reliable electronic assemblies to aerospace, defense, medical, and industrial electronics companies	ND	ND	ND	ND		ND	ND
12/12/19	Arcline Investment Management LP	Fairbanks Morse (subsidiary of EnPro Industries Company)	Provides heavy-duty, medium-speed reciprocating engines under the Fairbanks Morse and ALCO brand names, which are used primarily in marine and power generation applications	450.0	ND	ND	ND		ND	ND
12/03/19	Blue Canyon Technologies, Inc.	Antenna Development Corp.	Provides high technology antennas for spacecraft, missiles, rockets, and re-entry vehicles	ND	ND	ND	ND		ND	ND
12/03/19	Smiths Group plc	Reflex Photonics	Provides rugged high-reliability optical transceiver modules for space, defense, aerospace, and industrial applications	ND	ND	ND	ND		ND	ND
11/27/19	Curtiss-Wright Corp.	901D Holdings, LLC	Provides mission-critical integrated electronic systems, subsystems, and ruggedized shipboard enclosure solutions supporting every major U.S. Navy shipbuilding program	132.0	48.0	ND	ND		2.75x	ND
11/21/19	MBDA Holdings SAS	GDI Simulation S.A. (subsidiary of Airbus SE)	Provides simulation systems for ground vehicles and for MBDA battlefield missiles, for the French and foreign armed forces	ND	16.5	ND	ND		ND	ND
11/21/19	Nammo Defense Systems Inc. (subsidiary of Nammo AS)	Chemring Ordnance, Inc. (subsidiary of Chemring Group plc)	Provides a range of ordnance and pyrotechnic products primarily for military customers	17.0	ND	ND	ND		ND	ND
11/19/19	TT Electronics plc	Excelitas Technologies Corp. (portco of AEA Investors L.P.)	Provides mission-critical power and support for a wide range of demanding electronics systems used in airborne, shipboard, ground, and space-based platforms	17.7	9.3	1.7	18.3%		1.90x	10.4x
11/15/19	Guardian Capital Partners	Western Shelter	Provides shelters and field support systems, which include rigid and inflatable framed shelters in a variety of sizes and trim levels complete with accessories that cover climate control, power generation, water handling, and more	ND	ND	ND	ND		ND	ND
11/14/19	nLight, Inc.	Nutronics, Inc.	Provides coherently combined laser and beam control systems for high-energy (HEL) systems servicing the defense market	33.3	ND	ND	ND		ND	ND
11/07/19	Kaho Partners	Northern American Manufacturing Company	Provides rugged field equipment to all branches of the United States armed forces and other government agencies	ND	ND	ND	ND		ND	ND
11/04/19	CPE Capital Pty. Ltd. (CPEC)	Levett Engineering Pty. Ltd.	Provides machining, assembly and inspection of a range of complex components for clients in the aerospace and defense industry	ND	ND	ND	ND		ND	ND

Note: ND = Not Disclosed



4Q19 Defense Transactions, cont.

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
11/04/19	Molecular Products Group, Ltd. (portco of Arlington Capital Partners)	O.C. Lugo Company, Inc.	Provides sodium chlorate-based chemical oxygen generators, and is a prime contractor for the United States Navy	ND	ND	ND	ND		ND	ND
10/28/19	Mu-Del Electronics, LLC (subsidiary of Ironwave Technologies, LLC)	American Microwave Corporation	Provides DC to 40 GHz solid state control components and subsystems for the communication and electronic warfare community	ND	ND	ND	ND		ND	ND
10/26/19	AML Oceanographic Ltd.	KM Contros GmbH (subsidiary of Kongsberg Maritime AS)	Provides sensors that measure dissolved gases in water and platforms and deployment systems for in-situ oceanographic measurement	ND	ND	ND	ND		ND	ND
10/23/19	BEI Precision Systems & Space Company, Inc. (portco of J.F. Lehman & Co.)	Wenzel Associates, Inc.	Provides crystal oscillators, fixed frequency systems, integrated microwave assemblies, and synthesizers for military, space, and commercial markets	ND	ND	ND	ND		ND	ND
10/12/19	Vernet Group (portco of Stirling Square Capital Partners)	Rostra Vernatherm (portco of Nikel Holdings)	Provides proprietary thermal control solutions and products across the aerospace and defense automotive and general industrial end markets	ND	ND	ND	ND		ND	ND
10/10/19	Hensoldt Holding GmbH (portco of KKR & Co. L.P.)	IE Asia-Pacific Pty Ltd (subsidiary of Intersoft Electronics BVBA)	Provides radar solutions and services to the Australian Defense Force and other agencies, specializing in radar support, testing, training, and installation services	ND	ND	ND	ND		ND	ND
10/09/19	Ducommun, Inc.	Nobles Worldwide, Inc. (portco of Levine Leichtman Capital Partners)	Provides ammunition handling systems to key aircraft, naval, and ground-vehicle platforms for the U.S. armed forces and its allies	\$77.0	\$16.6	ND	47.0%	4.64x		ND
10/08/19	Dedrone Holdings, Inc.	Dedrone Defense, Inc.	Provides counter-sUAS technology solutions for end-to-end sUAS threat detection and mitigation solutions for the U.S. federal departments and agencies including the DoD	ND	ND	ND	ND		ND	ND
10/07/19	Qorvo, Inc.	Cavendish Kinetics, Inc.	Provides high-performance RF MEMS technology for antenna tuning applications	203.0	ND	ND	ND		ND	ND
10/04/19	Astronics Corporation	Diagnosys Test Systems Ltd	Provides comprehensive automated test equipment, which provides test, support, and repair of high value electronics, electro-mechanical, pneumatic, and printed circuit boards focused on the global mass transit and defense markets	7.0	9.0	ND	ND	0.78x		ND
10/01/19	ASGARD Partners & Co., LLC	Revision Military Ltd.	Provides protective eyewear solutions for military and tactical use	ND	ND	ND	ND		ND	ND

Note: ND = Not Disclosed



4Q19 Government Services Transactions

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
12/20/19	F5 Networks, Inc.	Shape Security, Inc.	Develops and provides cyber security solutions to defend web and mobile applications from malicious automated cyber-attacks and defends the largest banks, airlines, retailers, and government agencies with sophisticated bot, fraud, and abuse defense	\$1,000.0	ND	ND	ND		ND	ND
12/18/19	NTT Data Services	Net eSolutions Corporation (NETE)	Provides health and biomedical research through digital services, agile application development, clinical/bioinformatics, advanced data analytics, cloud, and cybersecurity	ND	ND	ND	ND		ND	ND
12/17/19	Leidos Holdings, Inc.	Dynetics, Inc.	Provides responsive, cost-effective engineering, scientific, IT solutions to the national security, cybersecurity, space, and critical infrastructure sectors	1,385.0	ND	ND	ND		ND ⁽¹⁾	ND ⁽¹⁾
12/16/19	Apax Parnters LLP	Coalfire Systems, Inc.	Provides information technology audit and compliance services, as well as cybersecurity advisory and assessment services	ND	ND	ND	ND		ND	ND
12/11/19	Belcan, LLC	Base2 Solutions	Provides software and systems engineering consulting services to customers in highly-regulated industries such as aerospace, defense, and medical devices	ND	ND	ND	ND		ND	ND
12/11/19	Centauri Corporation	The Design Knowledge Company	Provides microelectronics trust and assurance, space domain awareness, and advanced visualization for enhanced situational awareness	ND	ND	ND	ND		ND	ND
12/11/19	Centauri Corporation	PreTalen, Ltd	Provides cyber and navigational warfare expertise, and Positioning, Navigation, and Timing ("PNT") techniques and technologies in support of defensive and offensive operations to counter adversaries	ND	ND	ND	ND		ND	ND
12/06/19	E3 / Sentinel	Operational Intelligence, LLC	Provides mission-focused analytical, technical, operational and training services to the Intelligence and DoD Community	ND	ND	ND	ND		ND	ND
12/02/19	Patriot Technologies, Inc.	Communication Technologies & Consulting, LLC	Provides custom cyber security platforms and devices, to include communications infrastructure, design, and consulting services	ND	ND	ND	ND		ND	ND
11/21/19	Cubic Corp.	PIXIA Corp.	Provides high performance advanced data indexing, warehousing, processing and dissemination software solutions for large volumes of imagery data within traditional or cloud-based architectures	250.0	ND	ND	ND		ND	ND
11/19/19	Intrepid Solutions and Services, Inc.	BWM Outcomes, LLC	Provides cybersecurity and intelligence analysis services, including: cyber threat intelligence; information assurance; intrusion detection and remediation; data analytics; document and media exploitation; and; improvised threat analytics	ND	ND	ND	ND		ND	ND
11/18/19	NVS Global, Inc.	Quantum Spatial, Inc.	Provides geographic insights to government and corporate organizations that need geospatial intelligence to mitigate risk, plan for growth, better manage resources and advance scientific understanding	302.5	\$128.0	\$30.0	23.4%		2.36x	10.1x
11/01/19	Bristol Bay Native Corporation	GC&E Systems Group, Inc.	Provides integrated communication and technology, communication infrastructure, integrated electronic / cybersecurity solutions, and managed services	ND	ND	ND	ND		ND	ND
11/01/19	Logistics Management Institute, Inc.	Clockwork Solutions, Inc.	Provides predictive analytic software for enterprise asset forecasting for repair parts inventory and maintenance costs of capital intensive assets	ND	ND	ND	ND		ND	ND
11/01/19	Gores Holdings III, Inc.	PAE, Inc.	Provides logistics and stability operations, technical services, and national security solutions for the U.S. government, its allied partners, and international organizations	1,550.0	2,600.0	174.0	6.7%		ND	ND ⁽²⁾

Note: ND = Not Disclosed

(1) LTM transaction metrics not disclosed. Forward revenue and EBITDA multiples of 1.39x and 12.6x, respectively, adjusted for a \$265 million tax asset

(2) LTM transaction metrics not disclosed. Forward EBITDA multiple of 8.9x based on 2020 pro forma adjusted EBITDA of \$174 million



4Q19 Government Services Transactions, cont.

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
10/31/19	LinQuest Corporation	The Perduco Group	Provides advanced data analytics, data architecting and model-based simulation to defense and civilian agencies	ND	ND	ND	ND	ND	ND
10/30/19	CACI International Inc.	Linindustries Shielding Specialties Incorporated	Provides hardened systems that provides protection from high altitude electromagnetic pulses and other electromagnetic interferences	ND	ND	ND	ND	ND	ND
10/30/19	CACI International Inc.	Deep3	Provides application development, data analytics, digital transformation, and cyber security supporting the U.K. National Security and Defense	ND	ND	ND	ND	ND	ND
10/30/19	CACI International Inc.	Next Century Corporation	Provides advanced geospatial mapping, predictive analytics, data fusion, and machine learning to the intelligence community and DoD	ND	ND	ND	ND	ND	ND
10/30/19	Tech Data Corporation	DLT Solutions, Inc.	Provides application lifecycle, business applications, cloud, cybersecurity, digital design, geospatial, IT consolidation, and IT management solutions, as well as big data, analytics, and data science solutions	ND	ND	ND	ND	ND	ND
10/24/19	ettain group, Inc.	Leidos, Inc.'s Electronic Health Records consulting business ("Leidos Health, LLC")	Provides EHR Implementation, Optimization and Go-Live services	\$15.0	ND	ND	ND	ND	ND
10/24/19	ettain group, Inc.	Global Employment Solutions	Provides Information Technology and Professional staffing services in the commercial and government markets under the brands Fahrenheit IT, ITEC and Global Employment Solutions	ND	ND	ND	ND	ND	ND
10/22/19	Alvarez & Marsal Capital Partners	ettain group, Inc.	Provides recruitment and managed services for information technology (IT), healthcare IT, and digital creative industries	ND	ND	ND	ND	ND	ND
10/21/19	Arlington Capital Partners	AEGIS Technologies	Provides warfighter training & exercise support, modeling & simulation, virtual & augmented reality simulators, unmanned air & ground simulators, and other similar services and solutions	ND	ND	ND	ND	ND	ND
10/18/19	Cerner Corporation	AbleVets, LLC	Provides health IT engineering and consulting solutions specializing in cyber, cloud, and system development solutions for federal and commercial organizations	75.0	ND	ND	ND	ND	ND
10/17/19	Whitney, Bradley, & Brown, Inc.	BRTRC Federal Solutions, Inc.	Provides program and acquisition management, scientific & engineering technical support, information technology solutions, and training.	ND	ND	ND	ND	ND	ND
10/15/19	Marlin Equity Partners	Whitlock Group	Provides strategy, design, implementation, management and support services for interactive, AV, and VC systems for the Federal Government and enterprise customers	ND	ND	ND	ND	ND	ND
10/14/19	Federal Hill Consulting	FYI, Inc.	Provides professional services necessary for success, FYI's IT and management solutions, combined with thorough training, allow the government to continue its most critical mission to protect and serve	ND	ND	ND	ND	ND	ND
10/13/19	American Security Services, LLC & Lindsay Goldberg, LLC	Management Services Division of AECOM, Inc.	Provides an array of classified and unclassified services globally, both directly and through joint ventures or similar partner arrangements, including program and facilities management, environmental management, training, logistics, consulting, and systems engineering	2,164.5	\$3,690.0	\$207.3	5.6%	0.59x	10.4x
10/09/19	Hui Huliu	LNO, Inc.	Provides IT/communications training and development; cyber security operations; information assurance and network engineering; new equipment fielding and training; systems engineering, testing, and integration; logistics support and analysis; and C4IS	ND	ND	ND	ND	ND	ND

Note: ND = Not Disclosed



4Q19 Government Services Transactions, cont.

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA	EV / LTM	
							Margin	Rev.	EBITDA
10/05/19	Bluestone Investment Partners	Intrepid Solutions and Services Inc	Provider of enterprise IT, data analysis, and operational training services exclusively to customers in the Intelligence Community	ND	ND	ND	ND	ND	ND
10/02/19	QinetiQ Group plc	Manufacturing Techniques, Inc. (MTEQ)	Provider of advanced sensor development, rapid prototyping operations, and C5ISR capabilities to the Army and Navy	\$112.5	\$167.4	\$11.4	6.8%	0.67x	9.9x



Public Company Trading Analysis⁽¹⁾

(\$ in millions, except per share amounts)

Aircraft and Engine OEMs	Stock Price 12/31/19	% 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	\$325.76	73.0%	\$183,335	\$198,610	\$80,122	\$3,848	4.8%	\$116,191	\$16,296	14.0%	2.48x	NM	1.71x	12.2x
Airbus SE	146.43	95.0%	114,370	119,237	78,584	10,355	13.2%	82,566	11,993	14.5%	1.52x	11.5x	1.44x	9.9x
General Electric Co	11.16	94.3%	97,466	181,249	94,157	12,576	13.4%	92,685	12,875	13.9%	1.92x	14.4x	1.96x	14.1x
Safran SA	154.47	91.2%	61,086	66,433	27,364	5,280	19.3%	28,636	5,790	20.2%	2.43x	12.6x	2.32x	11.5x
MTU Aero Engines AG	285.71	95.6%	14,838	14,692	5,352	1,040	19.4%	5,761	1,141	19.8%	2.75x	14.1x	2.55x	12.9x
Median		94.3%	\$97,466	\$119,237	\$78,584	\$5,280	13.4%	\$82,566	\$11,993	14.5%	2.43x	13.4x	1.96x	12.2x

Aerostructures	Stock Price 12/31/19	% 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	\$72.88	72.6%	\$7,544	\$8,287	\$7,856	\$1,167	14.9%	\$8,031	\$1,298	16.2%	1.05x	7.1x	1.03x	6.4x
Hexcel	73.31	84.3%	6,186	7,331	2,384	579	24.3%	2,506	618	24.6%	3.08x	12.7x	2.93x	11.9x
Triumph Group	25.27	86.0%	1,266	2,790	3,052	216	7.1%	2,836	339	12.0%	0.91x	12.9x	0.98x	8.2x
Senior plc	2.29	71.5%	952	1,293	1,491	192	12.9%	1,346	177	13.1%	0.87x	6.7x	0.96x	7.3x
Median		84.3%	\$1,266	\$2,790	\$2,384	\$216	12.9%	\$2,506	\$339	13.1%	0.91x	12.7x	0.98x	8.2x

Public Company Trading Analysis⁽¹⁾

(\$ in millions, except per share amounts)

Aerospace Suppliers	Stock Price 12/31/19	% 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	\$30.77	96.2%	\$13,322	\$18,677	\$14,298	\$2,315	16.2%	\$14,618	\$2,448	16.7%	1.31x	8.1x	1.28x	7.6x
Meggitt PLC	8.70	96.6%	6,715	8,143	2,988	656	21.9%	3,087	712	23.1%	2.73x	12.4x	2.64x	11.4x
Curtiss-Wright	140.89	97.3%	6,014	6,631	2,517	515	20.5%	2,605	542	20.8%	2.63x	12.9x	2.55x	12.2x
RBC Bearings	158.34	90.5%	3,888	3,918	726	186	25.7%	779	205	26.4%	5.40x	21.0x	5.03x	19.1x
Moog Inc.	85.33	86.6%	2,966	3,710	2,942	361	12.3%	3,050	409	13.4%	1.26x	10.3x	1.22x	9.1x
Astronics	27.95	63.0%	866	1,054	757	76	10.1%	780	101	13.0%	1.39x	13.8x	1.35x	10.4x
Ducommun	50.53	94.6%	584	823	719	88	12.3%	724	92	12.7%	1.14x	9.3x	1.14x	8.9x
Héroux-Devtek	14.73	94.1%	535	734	461	72	15.5%	488	79	16.2%	1.59x	10.3x	1.50x	9.3x
Median		94.3%	\$3,427	\$3,814	\$1,637	\$274	15.9%	\$1,693	\$307	16.5%	1.49x	11.3x	1.43x	9.8x

Aftermarket / MRO	Stock Price 12/31/19	% 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	\$560.00	93.7%	\$29,987	\$45,644	\$5,854	\$2,610	44.6%	\$6,359	\$2,862	45.0%	7.80x	17.5x	7.18x	15.9x
HEICO	114.15	77.2%	13,375	14,096	2,097	553	26.3%	2,247	591	26.3%	6.72x	25.5x	6.27x	23.9x
Singapore Technologies Engineering	2.93	90.6%	9,127	10,534	5,716	723	12.6%	6,267	810	12.9%	1.84x	14.6x	1.68x	13.0x
Signature Aviation plc	4.20	77.6%	3,469	5,973	2,396	520	21.7%	2,469	540	21.9%	2.49x	11.5x	2.42x	11.1x
SIA Engineering	2.10	95.3%	2,349	2,098	769	89	11.6%	786	95	12.0%	2.73x	23.6x	2.67x	22.2x
AAR Corp.	45.10	85.4%	1,551	1,806	2,195	169	7.7%	2,236	185	8.3%	0.82x	10.7x	0.81x	9.8x
Median		88.0%	\$6,298	\$8,254	\$2,296	\$536	17.2%	\$2,358	\$565	17.4%	2.61x	16.0x	2.54x	14.5x

Public Company Trading Analysis⁽¹⁾

(\$ in millions, except per share amounts)

Defense Primes	Stock Price 12/31/19	% 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	\$325.76	73.0%	\$183,335	\$198,610	\$80,122	\$3,848	4.8%	\$116,191	\$16,296	14.0%	2.48x	NM	1.71x	12.2x
Lockheed Martin	389.38	97.4%	109,833	121,971	59,133	9,600	16.2%	62,554	10,017	16.0%	2.06x	12.7x	1.95x	12.2x
Raytheon	219.74	99.0%	61,193	64,626	29,307	5,427	18.5%	31,320	5,878	18.8%	2.21x	11.9x	2.06x	11.0x
Northrop Grumman	343.97	89.6%	57,970	72,677	33,987	4,744	14.0%	36,057	5,043	14.0%	2.14x	15.3x	2.02x	14.4x
General Dynamics	176.35	91.0%	50,898	65,326	39,179	5,488	14.0%	40,980	5,767	14.1%	1.67x	11.9x	1.59x	11.3x
BAE Systems	7.48	95.6%	23,962	28,355	26,440	3,150	11.9%	27,656	3,321	12.0%	1.07x	9.0x	1.03x	8.5x
Median		93.3%	\$59,582	\$69,002	\$36,583	\$5,086	14.0%	\$38,519	\$5,822	14.0%	2.10x	11.9x	1.83x	11.8x

Defense Systems	Stock Price 12/31/19	% 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	\$154.47	91.2%	\$61,086	\$66,433	\$27,364	\$5,280	19.3%	\$28,636	\$5,790	20.2%	2.43x	12.6x	2.32x	11.5x
L3Harris Technologies	197.87	91.1%	43,742	50,819	18,067	3,119	17.3%	19,243	3,732	19.4%	2.81x	16.3x	2.64x	13.6x
Huntington Ingalls Industries	250.88	96.2%	10,261	11,986	8,812	1,001	11.4%	9,074	1,246	13.7%	1.36x	12.0x	1.32x	9.6x
FLIR	52.07	93.8%	6,985	7,475	1,899	453	23.9%	1,999	490	24.5%	3.94x	16.5x	3.74x	15.3x
Cobham	2.18	95.9%	5,183	5,374	2,627	419	15.9%	2,732	458	16.8%	2.05x	12.8x	1.97x	11.7x
Kongsberg Gruppen	15.70	95.8%	2,825	3,110	2,613	234	8.9%	3,157	327	10.4%	1.19x	13.3x	0.99x	9.5x
Cubic	63.57	84.5%	1,988	2,398	1,520	144	9.5%	1,625	188	11.6%	1.58x	16.6x	1.48x	12.8x
AeroVironment	61.74	64.7%	1,467	1,184	330	47	14.4%	400	54	13.4%	3.59x	NM	2.96x	NM
Median		92.5%	\$6,084	\$6,425	\$2,620	\$436	15.1%	\$2,944	\$474	15.2%	2.24x	13.3x	2.14x	11.7x

(1) Source: CapitalIQ, company filings, and KippsDeSanto research

Public Company Trading Analysis⁽¹⁾

(\$ in millions, except per share amounts)

Defense Electronics / Comm.	Stock Price 12/31/19	% 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	\$346.54	98.6%	\$12,638	\$13,576	\$3,156	\$604	19.1%	\$3,353	\$659	19.6%	4.30x	22.5x	4.05x	20.6x
Viasat	73.20	75.2%	4,491	6,231	2,269	436	19.2%	2,498	529	21.2%	2.75x	14.3x	2.49x	11.8x
Mercury Systems	69.11	77.3%	3,838	3,737	722	153	21.3%	823	188	22.9%	5.18x	24.3x	4.54x	19.9x
Ultra Electronics	28.00	92.2%	1,980	2,244	1,061	172	16.2%	1,108	181	16.3%	2.12x	13.0x	2.03x	12.4x
Kratos Defense & Security Solutions	18.01	71.8%	1,914	2,133	730	77	10.6%	850	97	11.4%	2.92x	27.7x	2.51x	22.0x
Comtech Telecommunications	35.49	93.4%	866	1,025	687	93	13.6%	737	103	14.0%	1.49x	11.0x	1.39x	9.9x
Median		84.7%	\$2,909	\$2,991	\$895	\$163	17.7%	\$979	\$184	18.0%	2.83x	18.4x	2.50x	16.2x

Homeland Security	Stock Price 12/31/19	% 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	\$22.34	97.9%	\$8,851	\$10,368	\$2,942	\$801	27.2%	\$4,200	\$767	18.3%	3.52x	12.9x	2.47x	13.5x
MSA Safety Incorporated	126.36	98.6%	4,895	5,147	1,409	297	21.1%	1,474	320	21.7%	3.65x	17.3x	3.49x	16.1x
Axon	73.28	94.4%	4,349	4,049	505	82	16.2%	586	112	19.1%	8.02x	NM	6.91x	NM
OSI Systems, Inc.	100.74	85.9%	1,849	2,149	1,220	188	15.4%	1,286	215	16.7%	1.76x	11.4x	1.67x	10.0x
American Outdoor Brands	9.28	67.6%	511	723	640	102	16.0%	715	127	17.8%	1.13x	7.1x	1.01x	5.7x
Median		94.4%	\$4,349	\$4,049	\$1,220	\$188	16.2%	\$1,286	\$215	18.3%	3.52x	12.2x	2.47x	11.8x

(1) Source: CapitalIQ, company filings, and KippsDeSanto research



Public Company Trading Analysis⁽¹⁾

(\$ in millions, except per share amounts)

<u>Government Services</u>	Stock Price 12/31/19	% 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	\$97.89	99.1%	\$13,858	\$16,767	\$10,970	\$1,133	10.3%	\$11,580	\$1,173	10.1%	1.53x	14.8x	1.45x	14.3x
Booz Allen Hamilton	71.13	91.2%	9,985	11,666	7,237	729	10.1%	7,773	783	10.1%	1.61x	16.0x	1.50x	14.9x
CACI International	249.99	98.9%	6,260	8,188	5,378	491	9.1%	5,852	621	10.6%	1.52x	16.7x	1.40x	13.2x
SAIC	87.02	94.1%	5,023	7,093	6,413	531	8.3%	6,694	578	8.6%	1.11x	13.4x	1.06x	12.3x
Perspecta Inc.	26.44	88.5%	4,277	7,125	4,480	801	17.9%	4,511	780	17.3%	1.59x	8.9x	1.58x	9.1x
ManTech International	79.88	92.6%	3,203	3,323	2,201	189	8.6%	2,379	204	8.6%	1.51x	17.6x	1.40x	16.3x
ICF International	91.62	97.8%	1,723	2,117	1,490	137	9.2%	1,569	151	9.6%	1.42x	15.4x	1.35x	14.1x
Vectrus, Inc.	51.26	92.4%	590	641	1,388	60	4.3%	1,544	72	4.7%	0.46x	10.7x	0.42x	8.9x
VSE Corporation	38.04	92.5%	417	714	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Median		92.6%	\$4,277	\$7,093	\$4,929	\$511	9.2%	\$5,182	\$599	9.8%	1.52x	15.1x	1.40x	13.6x

<u>Government Technology Software</u>	Stock Price 12/31/19	% of 52 Week High	Market Cap	Enterprise Value	CY2019E			CY2020P			EV / CY2019E		EV / CY2020P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Tyler Technologies, Inc.	\$300.02	99.5%	\$11,697	\$11,527	\$1,089	\$308	28.3%	\$1,210	\$350	28.9%	10.59x	37.4x	9.53x	32.9x
NIC Inc.	22.35	91.7%	1,497	1,299	353	85	24.0%	382	95	25.0%	3.68x	15.4x	3.41x	13.6x
GTY Technology Holdings Inc.	5.89	48.1%	308	299	41	NA	NA	60	NA	NA	7.36x	NA	4.94x	NA
Median		91.7%	\$1,497	\$1,299	\$353	\$196	26.1%	\$382	\$223	27.0%	7.36x	26.4x	4.94x	23.3x

(1) Source: CapitalIQ, company filings, and KippsDeSanto research

Public Company Trading Analysis⁽¹⁾

(\$ in millions, except per share amounts)

Engineering & Construction	Stock Price 12/31/19	% 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	\$89.83	91.6%	\$11,970	\$12,794	\$12,987	\$1,032	7.9%	\$13,862	\$1,144	8.3%	0.99x	12.4x	0.92x	11.2x
AECOM	43.13	97.2%	6,775	9,306	20,131	973	4.8%	20,589	1,076	5.2%	0.46x	9.6x	0.45x	8.7x
Tetra Tech	86.16	95.4%	4,703	4,870	2,464	271	11.0%	2,585	300	11.6%	1.98x	18.0x	1.88x	16.2x
KBR	30.50	98.9%	4,322	5,137	5,654	469	8.3%	6,402	534	8.3%	0.91x	11.0x	0.80x	9.6x
Babcock International	8.34	95.4%	4,213	6,660	6,608	958	14.5%	6,274	988	15.7%	1.01x	6.9x	1.06x	6.7x
Median		95.4%	\$4,703	\$6,660	\$6,608	\$958	8.3%	\$6,402	\$988	8.3%	0.99x	11.0x	0.92x	9.6x

(1) Source: CapitalIQ, company filings, and KippsDeSanto research

George "Toby" Albright
Managing Director
talbright@kippsdesanto.com

Joey M. Chadwick
Associate
jchadwick@kippsdesanto.com

Kevin P. DeSanto
Managing Director
kdesanto@kippsdesanto.com

Nick A. Dodson
Director
ndodson@kippsdesanto.com

Stephen M. Jonas
Vice President
sjonas@kippsdesanto.com

Scott R. Kendrick
Vice President
skendrick@kippsdesanto.com

Robert D. Kipps
Managing Director
bkipps@kippsdesanto.com

Marc B. Marlin
Managing Director
mmarlin@kippsdesanto.com

Alexia N. Marchetta
Vice President
amarchetta@kippsdesanto.com

Michael J. Misantone
Managing Director
mmisantone@kippsdesanto.com

James P. Reid
Associate
jreid@kippsdesanto.com

Warren N. Romine
Managing Director
wromine@kippsdesanto.com

Karl M. Schmidt
Managing Director
kschmidt@kippsdesanto.com

Sung Shin
Vice President
sshin@kippsdesanto.com

Kate W. Troendle
Director
ktroendle@kippsdesanto.com

Brian T. Tunney
Director
btunney@kippsdesanto.com

Nathan C. Wilson
Associate
nwilson@kippsdesanto.com

Jon Yim
Managing Director
jyim@kippsdesanto.com

Securities and Investment Banking products and services are offered through KippsDeSanto & Co., member [FINRA](#) and [SIPC](#), which is not affiliated with any other company listed herein other than Capital One Securities, Inc. Capital One Securities, Inc., is a non-bank affiliate of Capital One, N.A., a wholly-owned subsidiary of Capital One Financial Corporation and a member of [FINRA](#) and [SIPC](#).

Securities and Investment Banking products and services are:

Not FDIC Insured	Not Bank Guaranteed	May Lose Value
Not a Deposit	Not Insured By Any Federal Government Agency	

Banking products and services are offered by Capital One, N.A., Member FDIC.

The information contained on the site is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use may be contrary to law or regulation or which may subject us or our affiliates to any registration requirement within such jurisdiction or country.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT – To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.