



AEROSPACE, DEFENSE & GOVERNMENT SERVICES

INDUSTRY UPDATE | JUNE 2017



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AEROSPACE VALUATION AND M&A TRANSACTION DATA

STOCK PERFORMANCE AND TRADING MULTIPLES

(\$ in millions)	CY2017E Revenue	CY2017E EBITDA	CY2017E EBITDA Margin	Current Stock Price	Market Cap	% of 52-Wk High	Stock Price YoY Change	EV / CY 2017E EBITDA
Aircraft OEMs								
Bombardier	\$16,678	\$983	5.9%	\$1.95	\$4,203	92.1%	32.5%	12.7x
Boeing	91,936	11,458	12.5%	199.19	118,567	100.6%	54.0%	10.9x
Airbus	75,757	7,251	9.6%	85.32	64,986	99.7%	51.3%	9.0x
Embraer	5,710	791	13.8%	4.98	3,475	79.5%	(10.2%)	6.2x
Aerospace Equipment and Structural Components								
Zodiac Aerospace	\$5,870	\$392	6.7%	\$26.69	\$7,849	86.3%	13.1%	23.5x
HEICO	1,497	363	24.2%	73.30	5,621	97.5%	41.1%	19.3x
RBC Bearings	654	168	25.7%	105.94	2,525	97.7%	44.8%	16.4x
TransDigm Group	3,556	1,706	48.0%	271.75	14,060	92.3%	4.7%	14.8x
Woodward	2,089	357	17.1%	69.44	4,236	96.1%	20.1%	14.1x
BBA Aviation	2,292	439	19.1%	3.98	4,074	95.0%	57.6%	12.5x
Barnes Group	1,339	304	22.7%	59.28	3,163	97.6%	77.1%	12.0x
KLX Aerospace	1,740	298	17.1%	50.38	2,580	94.8%	59.5%	11.8x
Hexcel	2,042	484	23.7%	52.17	4,679	93.3%	25.0%	11.6x
Kaman	1,856	167	9.0%	51.06	1,380	95.6%	19.7%	11.3x
LMI Aerospace	375	41	10.9%	13.97	191	99.8%	64.2%	10.9x
Esterline Technologies	2,042	321	15.7%	98.95	2,921	96.3%	58.5%	10.9x
Wesco Aircraft	1,463	167	11.4%	10.08	1,002	63.9%	(26.6%)	10.8x
Safran	18,396	3,725	20.2%	90.27	37,459	99.6%	42.1%	10.8x
Meggitt	2,688	620	23.1%	6.43	5,025	98.1%	35.4%	10.4x
Rockwell Collins	6,801	1,543	22.7%	106.39	17,427	97.3%	22.8%	10.4x
Moog	2,456	312	12.7%	71.51	2,544	96.0%	35.4%	10.3x
Senior	1,260	152	12.1%	3.08	1,289	90.6%	16.9%	10.1x
Astronics	655	108	16.4%	30.70	884	65.8%	1.8%	9.8x
Heroux-Dev tek	298	48	15.9%	10.86	385	88.1%	(3.3%)	9.6x
Ducommun	565	56	9.8%	32.66	366	91.8%	62.2%	9.5x
Arconic	12,340	1,912	15.5%	26.56	11,650	86.5%	--	9.1x
AAR	1,915	168	8.8%	35.56	1,208	91.8%	57.9%	8.2x
Magellan Aerospace	765	141	18.4%	15.88	913	98.5%	15.7%	7.3x
Spirit AeroSystems	6,884	1,087	15.8%	57.79	6,974	91.9%	30.7%	6.8x
Triumph Group	3,186	423	13.3%	31.65	1,580	78.9%	(15.5%)	6.4x
GKN	12,564	1,421	11.3%	4.41	7,568	93.4%	27.7%	5.8x

Median: 9.9x

Median: 10.8x

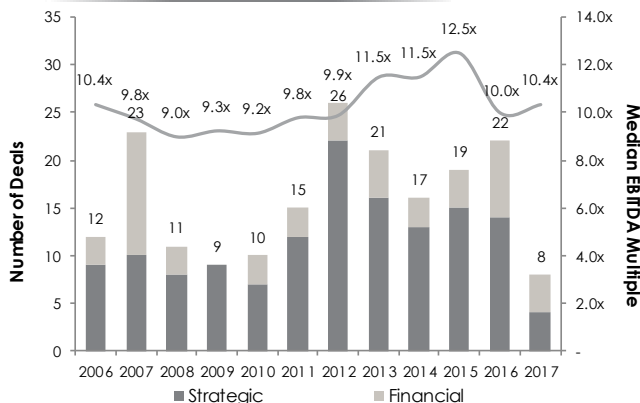
Diversified Industrial – Heavy Aerospace Exposure

General Electric	\$125,350	\$20,397	16.3%	\$28.83	\$252,553	87.4%	(5.9%)	16.8x
Ametek	4,088	1,074	26.3%	62.73	14,343	99.8%	34.4%	15.2x
Parker-Hannifin	12,044	1,889	15.7%	164.13	21,657	98.5%	47.2%	14.3x
Honeywell	39,326	8,598	21.9%	135.25	102,634	99.9%	17.5%	12.7x
Eaton	20,040	3,443	17.2%	77.73	34,353	98.0%	27.9%	12.3x
Curtiss-Wright	2,192	431	19.7%	94.12	4,114	87.5%	11.0%	11.4x
United Technologies	59,034	10,708	18.1%	121.59	96,492	99.0%	20.2%	10.9x
Rolls Royce	18,218	2,119	11.6%	11.79	21,379	100.5%	55.6%	10.6x
Textron	14,488	1,542	10.6%	48.10	12,699	94.4%	26.0%	10.5x
Crane	2,732	497	18.2%	79.56	4,725	96.6%	38.1%	10.2x

Median: 11.8x

AEROSPACE M&A ACTIVITY

Enterprise Value > \$100 million



SELECT RECENT AEROSPACE M&A ACTIVITY

Announced Date	Target	Subsegment	Acquirer
Jun-17	Vortex Aviation	Maintenance, Repair & Overhaul	Kellstrom Aerospace
Jun-17	Carbon by Design	Airframe and Engine Structural Components	HEICO
Jun-17	Space-Lok	Airframe and Engine Structural Components	Novaria Group
Jun-17	Aircraft Maintenance Support Services	Maintenance, Repair & Overhaul	John Bean Technologies
Jun-17	Dunlop Aircraft Tyre	Landing Gear & Related Components	Liberty Hall Capital Partners
Jun-17	Advanced Machining & Tooling	Airframe and Engine Structural Components	Tribus Aerospace (Shorehill Capital)
Jun-17	Three Aerospace Product Lines	Avionics and Electronics	TransDigm
Jun-17	CAV Ice Protection Ltd	Electromechanical, Power, and Related Proprietary	Baird Capital
May-17	D+C Airports Battery	Supply Chain and Distribution	Kapco Global

DEFENSE VALUATION AND M&A TRANSACTION DATA

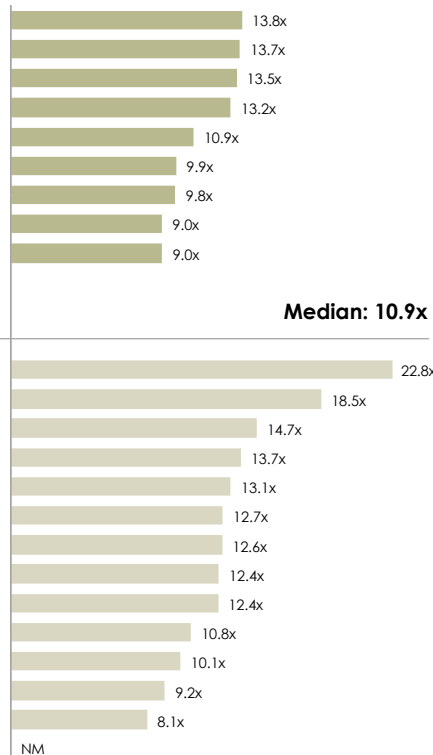
STOCK PERFORMANCE AND TRADING MULTIPLES

(\$ in millions)

Defense Prime Contractors

	CY 2017E Revenue	CY 2017E EBITDA	CY 2017E EBITDA Margin	Current Stock Price	Market Cap	% of 52-Wk High	Stock Price YoY Change
Northrop Grumman	\$25,278	\$3,714	14.7%	\$261.27	\$45,611	99.6%	21.9%
Lockheed Martin	50,261	6,866	13.7%	282.30	81,710	99.2%	18.8%
General Dynamics	31,377	4,702	15.0%	204.52	61,701	99.7%	47.1%
Raytheon	25,169	3,871	15.4%	164.26	47,812	99.7%	22.0%
Boeing	91,936	11,458	12.5%	199.08	120,161	99.8%	53.4%
BAE Systems	25,308	2,967	11.7%	8.63	27,477	98.1%	41.9%
Thales	17,492	2,174	12.4%	111.38	23,525	98.6%	38.1%
Huntington Ingalls	7,325	1,036	14.1%	187.16	8,613	84.8%	17.2%
Airbus	75,550	7,183	9.5%	85.37	66,080	99.3%	50.5%

EV / CY 2017E EBITDA

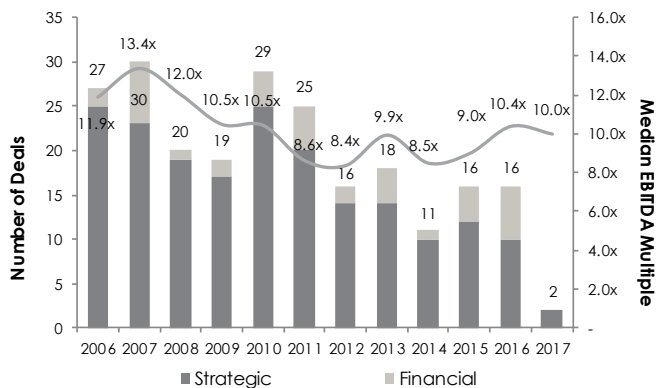


Defense Technologies

	CY 2017E Revenue	CY 2017E EBITDA	CY 2017E EBITDA Margin	Current Stock Price	Market Cap	% of 52-Wk High	Stock Price YoY Change
Kratos	\$720	\$55	7.6%	\$11.06	\$956	96.4%	173.1%
Mercury Systems	407	92	22.7%	39.16	1,879	94.4%	65.2%
Teledyne Technologies	2,507	411	16.4%	132.61	4,679	96.8%	34.2%
Elbit Systems Holdings	3,504	410	11.7%	124.51	5,333	97.3%	38.8%
Cubic	1,505	110	7.3%	46.35	1,257	83.3%	11.9%
Cobham	2,536	365	14.4%	1.73	4,234	84.9%	9.3%
Harris	5,861	1,418	24.2%	112.28	13,688	98.2%	37.1%
FLIR Systems	1,795	406	22.6%	35.66	4,866	91.6%	16.7%
L-3 Communications	10,931	1,344	12.3%	169.75	13,220	94.3%	18.1%
Ultra Electronics Holdings	1,051	203	19.3%	26.47	1,852	93.0%	24.0%
Orbital ATK	4,611	709	15.4%	101.12	5,836	96.2%	15.0%
Comtech Telecommunications	554	68	12.2%	19.12	451	96.6%	38.3%
Chemring	620	95	15.4%	2.40	670	93.6%	43.2%
AeroVironment	288	24	8.2%	31.45	738	96.3%	3.1%

DEFENSE M&A ACTIVITY

Enterprise Value > \$50 million



SELECT RECENT DEFENSE M&A ACTIVITY

Announced Date	Target	Subsegment	Acquirer
May-17	BEI Precision Systems & Space Company	Ground and Space Based Satellite Technology	JF Lehman
May-17	Neya Systems	Unmanned Systems	Applied Research Associates
May-17	Gould and Goodrich	Tactical and Protection Equipment and Systems	Point Bank Enterprises
May-17	First Tactical	Tactical and Protection Equipment and Systems	Point Bank Enterprises
Apr-17	Delta Microwave	Defense Electronics	Mercury Systems
Mar-17	Daylight Solutions	Defense Electronics	Leonardo DRS
Feb-17	Coleman Aerospace (L-3)	Weapon Systems and Munitions	Aerogjet Rocketdyne
Feb-17	Owl Computing Technologies	Intelligence and Cybersecurity	Acuity Technology Partners (D.C. Capital Partners)
Jan-17	Hi-Rel Group	Defense Electronics	Shoreview Industries

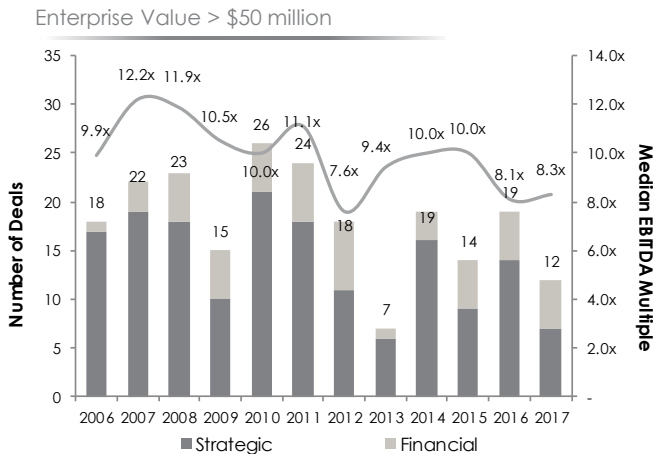
GOVERNMENT SERVICES VALUATION AND M&A TRANSACTION DATA

STOCK PERFORMANCE AND TRADING MULTIPLES

(\$ in millions)

Government Services	CY2017E Revenue	CY2017E EBITDA	CY2017E EBITDA Margin	Current Stock Price	Market Cap	% of 52-Wk High	Stock Price YoY Change	EV / CY 2017E EBITDA
SAIC	\$4,372	\$329	7.5%	\$71.28	\$3,115	79.3%	27.0%	12.1x
Engility	2,010	181	9.0%	27.71	1,019	70.8%	25.8%	11.4x
CACI International	4,315	368	8.5%	120.95	2,958	89.4%	23.9%	11.4x
Leidos	10,318	987	9.6%	53.93	8,145	95.2%	15.1%	11.4x
ManTech International	1,675	127	7.6%	38.92	1,510	85.5%	10.3%	11.2x
Booz Allen Hamilton	6,153	587	9.5%	32.46	4,802	81.8%	14.3%	10.8x
CSRA	5,105	793	15.5%	32.47	5,301	96.8%	43.2%	10.2x
Vectrus	1,070	38	3.6%	30.95	337	88.5%	18.0%	9.7x
KEYW	464	47	10.1%	8.95	443	66.0%	(4.3%)	9.2x
NCI, Inc	331	30	9.2%	20.55	278	97.9%	61.6%	9.0x
								Median: 11.0x
Diversified Services - Heavy Government Exposure								
Serco	\$3,958	\$152	3.8%	\$1.53	\$1,654	81.5%	16.3%	12.0x
CGI	8,213	1,512	18.4%	50.55	14,992	98.7%	14.7%	10.6x
ICF	1,222	118	9.6%	47.00	884	78.9%	17.0%	10.0x
Jacobs	10,080	643	6.4%	54.20	6,527	85.5%	5.8%	9.8x
AECOM	17,873	937	5.2%	32.76	5,102	80.5%	1.8%	9.5x
Babcock International	7,017	890	12.7%	11.53	5,863	75.3%	(7.1%)	8.5x
Fluor	19,911	806	4.0%	45.39	6,345	77.8%	(10.8%)	7.5x
KBR	4,340	327	7.5%	14.91	2,134	83.1%	9.5%	7.4x
								Median: 9.6x

GOVERNMENT SERVICES M&A ACTIVITY



SELECT RECENT GOVERNMENT SERVICES M&A ACTIVITY

Announced Date	Target	Subsegment	Acquirer
Jun-17	NorthStar Group	Technical and Security Services	JF Lehman & Co.
Jun-17	ABM Government Services	Intelligence and Cybersecurity	Valiant Integrated Services
Jun-17	Phase One	Platform Maintenance & Modernization	Accenture
Jun-17	By Light	IT Services and Consulting	Sagewind Capital
May-17	NES Associates	IT Services and Consulting	CSRA
May-17	ASI Government	IT Services and Consulting	Management Buyout
Apr-17	InfoReliance	IT Services and Consulting	ECS Federal
Apr-17	Reports and Requirements Company	Intelligence and Cybersecurity	Buchanan & Edwards
Apr-17	Schafer Corporation	Systems Engineering and Technical Assistance	Belcan

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