



AEROSPACE, DEFENSE & GOVERNMENT SERVICES

INDUSTRY UPDATE | JULY 2017



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AEROSPACE VALUATION AND M&A TRANSACTION DATA

STOCK PERFORMANCE AND TRADING MULTIPLES

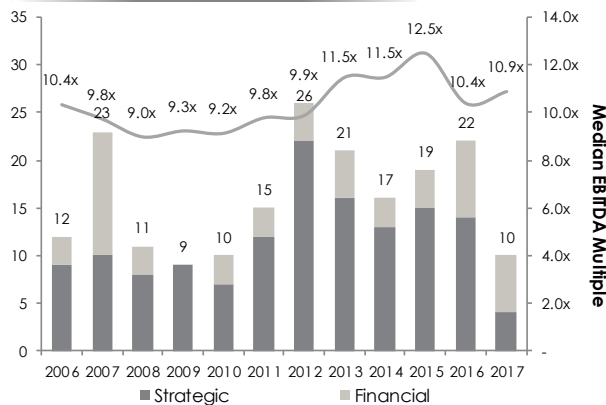
(\$ in millions)	CY2017E Revenue	CY2017E EBITDA	CY2017E EBITDA Margin	Current Stock Price	Market Cap	% of 52-Wk High	Stock Price YoY Change	EV / CY 2017E EBITDA
Aircraft OEMs								
Bombardier	\$16,767	\$980	5.8%	\$1.90	\$4,281	89.9%	20.2%	12.6x
Boeing	91,951	11,469	12.5%	213.16	128,068	100.2%	59.7%	11.6x
Airbus	78,766	7,586	9.6%	84.70	64,592	98.2%	41.3%	8.4x
Embraer	5,983	863	14.4%	4.93	3,679	78.7%	(10.2%)	5.6x
Aerospace Equipment and Structural Components								
HEICO	\$1,493	\$365	24.5%	\$80.60	\$6,118	102.1%	51.7%	20.3x
RBC Bearings	654	168	25.7%	104.81	2,491	96.7%	39.7%	15.9x
TransDigm Group	3,558	1,707	48.0%	287.71	14,932	97.7%	4.9%	15.3x
Woodward	2,088	355	17.0%	72.62	4,220	100.5%	25.5%	13.9x
BBA Aviation	2,273	441	19.4%	3.97	4,091	94.8%	30.4%	12.4x
Barnes Group	1,339	304	22.7%	60.57	3,237	97.3%	66.3%	12.1x
Hexcel	2,039	480	23.5%	52.47	4,958	93.8%	18.6%	12.0x
Heroux-Dev tek	316	50	15.9%	10.85	400	90.4%	(12.8%)	11.8x
Wesco Aircraft	1,468	167	11.4%	10.90	1,057	69.1%	(16.5%)	11.2x
Safran	19,002	3,755	19.8%	95.24	39,346	98.6%	34.2%	11.1x
Kaman	1,864	171	9.2%	51.27	1,374	96.0%	20.8%	11.2x
Esterline Technologies	2,042	321	15.7%	99.35	2,903	96.7%	58.4%	10.7x
KLX Aerospace	1,737	337	19.4%	52.67	2,682	99.1%	60.8%	10.7x
Moog	2,456	312	12.7%	74.05	2,636	98.9%	35.8%	10.5x
Rockwell Collins	6,801	1,573	23.1%	110.37	17,839	99.3%	29.6%	10.5x
Meggitt	2,705	490	18.1%	6.52	4,994	99.1%	20.1%	10.3x
Senior	1,279	152	11.9%	3.17	1,326	96.4%	19.3%	10.4x
Astronics	655	108	16.4%	30.22	869	64.8%	(2.5%)	9.6x
Ducommun	565	56	9.8%	31.06	347	87.3%	53.1%	9.1x
AAR	1,929	156	8.1%	36.48	1,246	94.1%	50.3%	8.9x
Arconic	12,495	1,909	15.3%	26.08	11,094	85.0%	--	8.8x
Spirit AeroSystems	6,884	1,086	15.8%	61.00	7,349	97.0%	39.9%	7.1x
Magellan Aerospace	810	149	18.4%	16.49	958	100.1%	18.5%	7.1x
Triumph Group	3,196	407	12.7%	33.35	1,662	83.5%	(15.4%)	6.9x
GKN	12,793	1,102	8.6%	4.26	7,332	90.2%	14.8%	5.6x
Zodiac Aerospace	6,102	415	6.8%	28.02	8,164	90.7%	18.4%	NM
LMI Aerospace	361	37	10.3%	13.97	192	99.4%	74.8%	NM
Median: 10.0x								

Diversified Industrial – Heavy Aerospace Exposure

General Electric	\$126,106	\$20,397	16.2%	\$25.58	\$221,463	79.0%	(20.2%)	15.9x
Ametek	4,098	1,079	26.3%	61.60	14,085	97.9%	30.1%	14.8x
Parker-Hannifin	12,049	1,888	15.7%	165.74	21,895	99.2%	46.5%	14.5x
Honeywell	39,724	8,625	21.7%	137.28	104,982	99.5%	19.4%	12.8x
Eaton	20,085	3,452	17.2%	79.39	35,180	97.3%	25.3%	12.6x
Curtiss-Wright	2,193	431	19.7%	97.48	4,246	90.6%	12.3%	11.5x
United Technologies	59,073	10,717	18.1%	120.86	98,655	96.9%	15.0%	11.0x
Crane	2,753	498	18.1%	76.60	5,012	90.8%	30.7%	10.6x
Rolls Royce	18,566	1,671	9.0%	12.07	22,213	99.3%	30.3%	10.4x
Textron	14,462	1,519	10.5%	49.40	13,061	97.0%	24.1%	10.1x
Median: 12.0x								

AEROSPACE M&A ACTIVITY

Enterprise Value > \$100 million



SELECT RECENT AEROSPACE M&A ACTIVITY

Announced Date	Target	Subsegment	Acquirer
Jul-17	Nexeya	Electromechanical, Power, and Related Proprietary	Management Buyout
Jul-17	CAGE, Inc.	Aviation Services and Support	Ross & Baruzzini
Jul-17	ADB Safegate	Avionics and Electronics	The Carlyle Group
Jun-17	Vortex Aviation	Maintenance, Repair & Overhaul	Kellstrom Aerospace
Jun-17	Carbon by Design	Airframe and Engine Structural Components	HEICO
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

DEFENSE VALUATION AND M&A TRANSACTION DATA

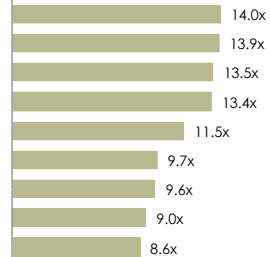
STOCK PERFORMANCE AND TRADING MULTIPLES

(\$ 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	\$3,716	14.7%	\$264.02	\$46,248	99.0%	19.2%
Lockheed Martin	50,596	6,924	13.7%	289.92	84,132	99.0%	12.0%
Raytheon	25,169	3,872	15.4%	168.64	49,186	99.6%	22.2%
General Dynamics	31,382	4,700	15.0%	202.38	61,043	98.6%	41.2%
Boeing	91,897	11,476	12.5%	210.41	127,283	99.8%	56.3%
Huntington Ingalls	7,324	1,027	14.0%	200.72	9,135	91.0%	18.5%
Thales	18,041	2,179	12.1%	109.64	23,171	97.1%	22.0%
BAE Systems	25,812	3,033	11.8%	7.97	25,375	90.7%	13.6%
Airbus	77,640	7,488	9.6%	84.18	65,737	97.9%	38.4%

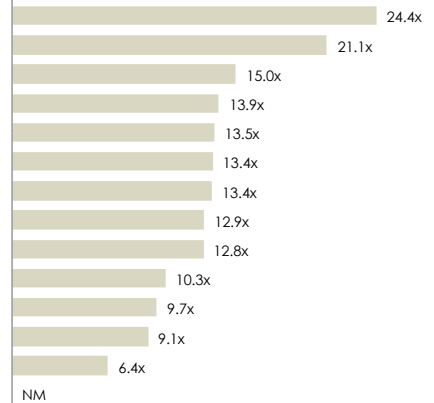
EV / CY 2017E EBITDA



Median: 11.5x

Defense Technologies

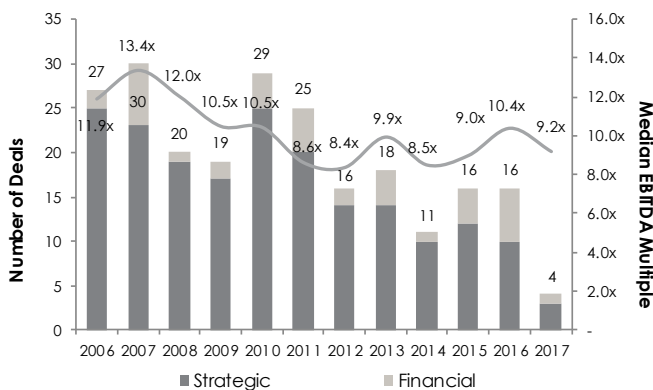
	CY 2017E Revenue	CY 2017E EBITDA	CY 2017E EBITDA Margin	Current Stock Price	Market Cap	% of 52-Wk High	Stock Price YoY Change
Kratos	\$720	\$55	7.7%	\$12.19	\$1,060	94.4%	168.5%
Mercury Systems	407	92	22.7%	44.09	2,117	98.2%	68.9%
Teledyne Technologies	2,507	411	16.4%	136.11	4,817	99.4%	31.4%
Ultra Electronics Holdings	1,074	157	14.6%	26.41	2,082	92.8%	16.1%
Cubic	1,505	110	7.3%	47.70	1,304	85.7%	18.2%
Elbit Systems Holdings	12,346	1,503	12.2%	126.02	5,365	98.5%	33.1%
FLIR Systems	1,795	406	22.6%	38.43	5,222	98.7%	17.8%
L-3 Communications	10,930	1,343	12.3%	177.55	13,392	98.7%	18.8%
Harris	5,869	1,418	24.2%	114.34	13,950	98.5%	34.0%
Orbital ATK	4,611	709	15.4%	102.59	5,910	97.6%	17.1%
Cobham	2,577	373	14.5%	1.73	4,153	84.8%	(6.8%)
Comtech Telecommunications	554	68	12.2%	18.76	444	94.7%	42.8%
Chemring	709	98	13.8%	2.40	666	93.6%	49.0%
AeroVironment	292	26	8.9%	38.17	907	95.2%	39.4%



Median: 13.1x

DEFENSE M&A ACTIVITY

Enterprise Value > \$50 million



SELECT RECENT DEFENSE M&A ACTIVITY

Announced Date	Target	Subsegment	Acquirer
Jul-17	Richland Technologies	Defense Electronics	Mercury Systems
Jul-17	Gemini Technologies	Weapon Systems and Munitions	American Outdoor Brands
Jul-17	Spartan	Defense Electronics	Ultra Electronics
Jul-17	CPI International	Defense Electronics	Odyssey Investment Partners
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

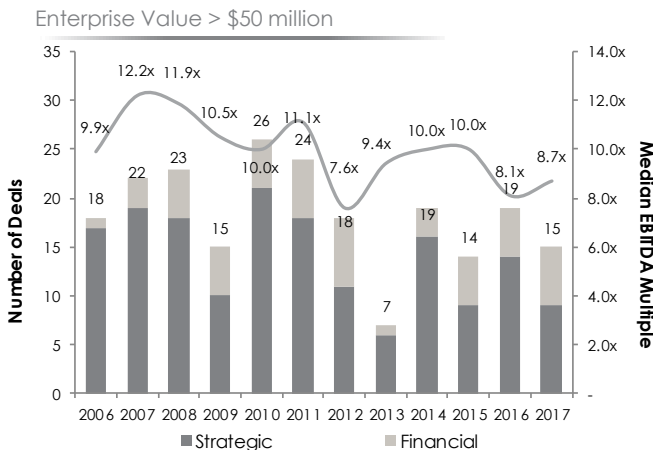
GOVERNMENT SERVICES VALUATION AND M&A TRANSACTION DATA

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	\$4,361	\$325	7.4%	\$70.05	\$3,089	77.9%	15.9%	12.2x
CACI International	4,316	368	8.5%	127.45	3,141	94.2%	36.2%	11.9x
Engility	2,010	181	9.0%	29.12	1,083	74.4%	13.6%	11.7x
ManTech International	1,683	127	7.5%	39.57	1,551	86.9%	0.1%	11.4x
Leidos	10,315	987	9.6%	53.27	8,098	94.0%	8.7%	11.4x
Booz Allen Hamilton	6,147	587	9.5%	33.47	4,976	84.4%	7.4%	11.0x
Vectrus	1,070	38	3.6%	34.63	377	98.2%	11.3%	10.8x
CSRA	5,116	797	15.6%	33.56	5,482	99.9%	33.4%	10.3x
KEYW	464	47	10.1%	8.88	448	65.4%	(10.4%)	9.1x
								Median: 11.4x
Diversified Services - Heavy Government Exposure								
CGI	\$8,649	\$1,590	18.4%	\$52.61	\$15,578	98.9%	12.3%	13.2x
Serco	3,982	115	2.9%	1.45	1,605	77.6%	(5.5%)	11.9x
ICF	1,222	118	9.6%	46.50	885	78.1%	14.0%	9.9x
Jacobs	10,071	645	6.4%	52.16	6,327	82.2%	(2.2%)	9.4x
AECOM	17,856	935	5.2%	32.03	5,026	78.7%	(8.0%)	9.4x
Babcock International	7,141	901	12.6%	11.09	5,646	74.9%	(10.7%)	8.1x
KBR	4,338	326	7.5%	15.39	2,226	85.7%	3.6%	7.6x
Fluor	19,886	829	4.2%	44.66	6,313	76.5%	(16.4%)	7.2x
								Median: 9.4x

GOVERNMENT SERVICES M&A ACTIVITY



SELECT RECENT GOVERNMENT SERVICES M&A ACTIVITY

Announced Date	Target	Subsegment	Acquirer
Jul-17	Superior Resource Group	Logistics Services	NSC Technologies
Jul-17	Tribridge	IT Services and Consulting	DXC Technology
Jul-17	NCI	Enterprise Solutions	HIG Capital
Jun-17	American K9 Detection	Security Support Services	Constellis
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	Sagwind Capital
May-17	NES Associates	IT Services and Consulting	CSRA

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