



AEROSPACE, DEFENSE & GOVERNMENT SERVICES

INDUSTRY UPDATE | MAY 2017



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AEROSPACE VALUATION AND M&A TRANSACTION DATA

STOCK PERFORMANCE AND TRADING MULTIPLES

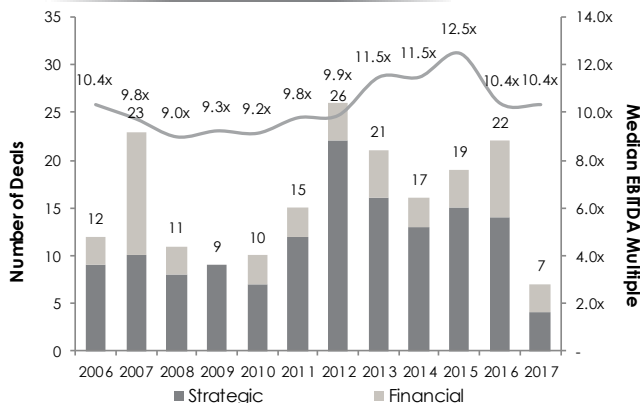
(\$ in millions)								EV / CY 2017E EBITDA	
Aircraft OEMs	CY2017E Revenue	CY2017E EBITDA	CY2017E EBITDA Margin	Current Stock Price	Market Cap	% of 52-Wk High	Stock Price YoY Change		
Bombardier	\$16,719	\$992	5.9%	\$1.51	\$3,443	71.6%	4.8%	11.5x	
Boeing	91,936	11,458	12.5%	177.59	107,908	94.9%	34.0%	9.8x	
Airbus	75,736	7,226	9.5%	81.47	62,785	97.7%	35.1%	8.6x	
Embraer	6,032	836	13.9%	4.62	3,575	73.7%	(17.9%)	5.5x	
								Median: 9.2x	
Aerospace Equipment and Structural Components									
Zodiac Aerospace	\$5,867	\$396	6.8%	\$25.76	\$7,519	83.3%	11.9%	21.7x	
HEICO	1,483	357	24.1%	72.80	5,549	97.2%	43.8%	19.2x	
RBC Bearings	651	164	25.2%	98.40	2,360	93.9%	37.1%	15.8x	
TransDigm Group	3,548	1,706	48.1%	244.24	12,632	83.0%	(1.9%)	13.9x	
Woodward	2,089	357	17.1%	66.15	4,073	91.5%	20.2%	13.5x	
BBA Aviation	2,292	439	19.1%	3.96	4,072	96.6%	60.3%	12.5x	
KLX Aerospace	1,720	298	17.3%	47.05	2,431	89.8%	43.8%	11.3x	
Hexcel	2,043	484	23.7%	49.98	4,522	89.4%	11.4%	11.2x	
Barnes Group	1,338	303	22.7%	54.21	2,935	95.9%	65.6%	11.1x	
LMI Aerospace	375	41	10.9%	13.94	191	99.6%	66.7%	10.9x	
Kaman	1,856	167	9.0%	47.78	1,300	89.5%	15.1%	10.7x	
Safran	18,311	3,698	20.2%	84.95	35,035	98.7%	28.7%	10.3x	
Esterline Technologies	2,042	323	15.8%	92.55	2,729	95.9%	40.5%	10.3x	
Wesco Aircraft	1,483	167	11.3%	9.10	887	57.7%	(35.8%)	10.1x	
Rockwell Collins	6,800	1,542	22.7%	102.19	16,574	95.0%	12.8%	10.0x	
Meggitt	2,726	637	23.4%	6.23	4,950	95.6%	18.8%	10.0x	
Moog	2,453	312	12.7%	66.04	2,366	90.4%	28.8%	9.6x	
Astronics	655	108	16.4%	29.85	883	64.0%	2.5%	9.6x	
Senior	1,276	152	11.9%	2.89	1,214	85.0%	6.4%	9.6x	
Arconic	12,389	1,871	15.1%	26.67	11,830	86.9%	--	9.3x	
Ducommun	565	56	9.8%	31.23	349	87.8%	87.7%	9.2x	
Heroux-Dev tek	290	46	15.9%	9.32	329	75.6%	(17.1%)	9.1x	
AAR	1,915	168	8.8%	33.28	1,151	85.9%	42.6%	7.7x	
Magellan Aerospace	745	137	18.4%	15.01	864	93.1%	14.7%	7.1x	
Triumph Group	3,435	403	11.7%	21.98	1,130	54.8%	(41.0%)	6.7x	
Spirit AeroSystems	6,884	1,087	15.8%	52.97	6,392	84.2%	13.6%	6.3x	
GKN	12,731	1,445	11.4%	4.55	7,806	96.3%	26.0%	5.8x	
								Median: 10.1x	

Diversified Industrial – Heavy Aerospace Exposure

General Electric	\$125,206	\$20,691	16.5%	\$27.45	\$238,706	83.2%	(7.6%)	15.9x	
Ametek	4,088	1,074	26.3%	59.16	13,685	97.5%	25.7%	14.4x	
Parker-Hannifin	12,044	1,889	15.7%	151.39	20,365	90.9%	35.3%	13.4x	
Honeywell	39,301	8,640	22.0%	130.25	99,058	96.5%	15.3%	12.2x	
Eaton	20,040	3,443	17.2%	75.96	34,075	95.8%	23.9%	12.1x	
United Technologies	59,046	10,729	18.2%	119.37	95,811	97.9%	19.3%	10.7x	
Curtiss-Wright	2,192	431	19.7%	82.96	3,717	77.1%	1.9%	10.2x	
Textron	14,488	1,546	10.7%	46.07	12,365	90.5%	20.4%	10.2x	
Crane	2,732	497	18.2%	76.93	4,602	93.4%	39.8%	9.8x	
Rolls Royce	18,536	2,166	11.7%	11.06	20,111	95.4%	30.0%	9.7x	
								Median: 11.4x	

AEROSPACE M&A ACTIVITY

Enterprise Value > \$100 million



SELECT RECENT AEROSPACE M&A ACTIVITY

Announced Date	Target	Subsegment	Acquirer
May-17	D+C Airports Battery	Supply Chain Management and Distribution	Kapco Global
May-17	Jet Aviation Specialists	Maintenance, Repair & Overhaul	Standard Aero
May-17	Dallas Aeronautical Services	Maintenance, Repair & Overhaul	West Star Aviation
May-17	JetSun Aviation Centre	FBO	Hawthorne Global Aviation Services
May-17	GAT Airline Ground Support	Aviation Services and Support	Atlantic Street Capital
Apr-17	Discovery Air Fire Services	Aviation Services and Support	MAG Aerospace
Apr-17	Accessory Technologies Corporation	Maintenance, Repair & Overhaul	Wencor Group
Apr-17	The Whitcraft Group	Airframe and Engine Structural Components	Greenbriar Equity Group
Apr-17	Custom Control Concepts	Avionics and Electronics	Astronics Corporation

DEFENSE VALUATION AND M&A TRANSACTION DATA

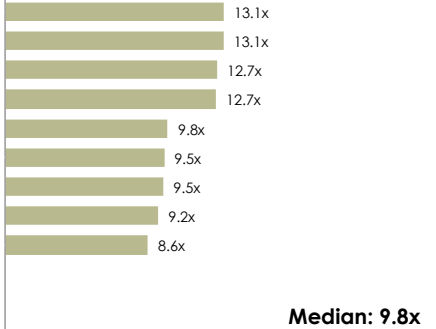
STOCK PERFORMANCE AND TRADING MULTIPLES

(\$ in millions)

Defense Prime Contractors

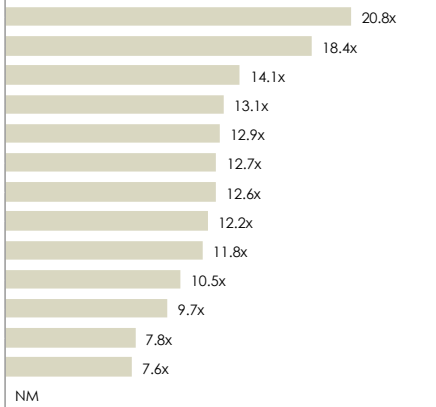
	CY 2017E Revenue	CY 2017E EBITDA	CY 2017E EBITDA Margin	Current Stock Price	Market Cap	% of 52-Wk High	Stock Price YoY Change
Lockheed Martin	\$50,261	\$6,866	13.7%	\$271.85	\$77,374	98.3%	12.5%
Northrop Grumman	25,264	3,714	14.7%	249.73	43,099	98.4%	16.6%
General Dynamics	31,377	4,702	15.0%	194.97	58,117	99.0%	35.1%
Raytheon	25,169	3,871	15.4%	160.11	45,958	98.2%	22.7%
Boeing	91,936	11,458	12.5%	178.84	107,075	95.5%	36.5%
Thales	17,427	2,166	12.4%	109.57	22,884	100.0%	28.4%
BAE Systems	25,729	2,983	11.6%	8.36	26,297	99.4%	33.3%
Huntington Ingalls	7,333	1,036	14.1%	196.27	8,759	88.9%	27.2%
Airbus	75,600	7,213	9.5%	82.80	63,094	99.3%	39.0%

EV / CY 2017E EBITDA



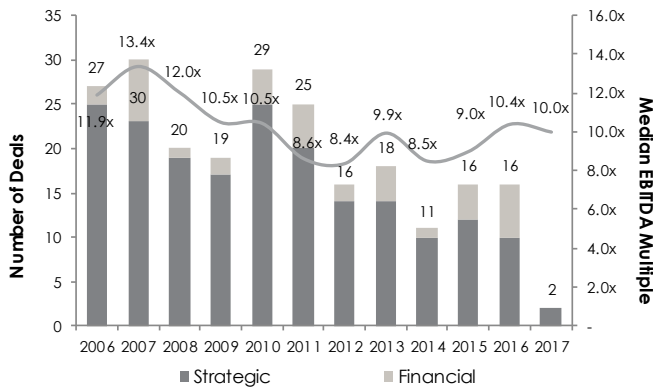
Defense Technologies

	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%	\$9.98	\$848	100.6%	141.6%
Mercury Systems	407	92	22.7%	38.68	1,849	93.2%	93.0%
Teledyne Technologies	2,507	411	16.4%	127.65	4,448	93.2%	36.2%
Elbit Systems Holdings	3,420	410	12.0%	120.21	5,103	99.2%	31.0%
FLIR Systems	1,795	411	22.9%	37.36	5,097	98.6%	26.4%
Cobham	2,578	372	14.4%	1.82	4,202	89.2%	15.8%
Cubic	1,505	110	7.3%	45.25	1,215	81.3%	15.7%
Harris	5,861	1,418	24.2%	107.81	13,098	94.9%	39.1%
L-3 Communications	10,930	1,344	12.3%	163.09	12,514	90.6%	19.4%
Ultra Electronics Holdings	1,071	207	19.3%	26.77	1,860	94.1%	18.2%
Orbital ATK	4,616	709	15.4%	97.84	5,561	95.3%	13.9%
Comtech Telecommunications	576	65	11.4%	13.95	324	58.2%	(38.8%)
Chemring	631	101	16.0%	2.37	659	92.5%	34.8%
AeroVironment	288	24	8.2%	31.16	720	96.1%	11.9%



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	Aerojet 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

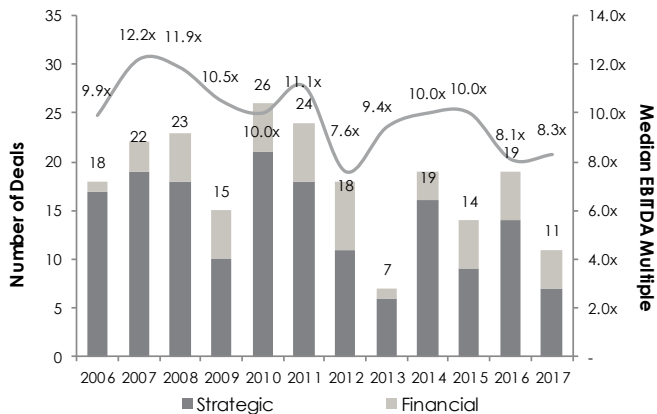
STOCK PERFORMANCE AND TRADING MULTIPLES

(\$ 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
Booz Allen Hamilton	\$6,047	\$579	9.6%	\$37.68	\$5,391	97.8%	30.4%	12.1x
SAC	4,374	333	7.6%	72.63	3,143	80.8%	39.4%	11.4x
CACI International	4,315	368	8.5%	123.70	2,970	91.4%	34.6%	11.4x
Engility	2,010	181	9.0%	26.91	976	68.7%	18.2%	11.2x
Leidos	10,318	987	9.6%	52.89	7,870	95.7%	9.0%	11.1x
ManTech International	1,675	127	7.6%	38.05	1,472	83.6%	12.9%	10.9x
CSRA	5,122	794	15.5%	28.99	4,689	86.4%	17.9%	9.3x
Vectrus	1,070	38	3.6%	28.91	310	82.6%	25.6%	9.1x
KEYW	464	47	10.1%	8.75	429	64.5%	7.4%	9.0x
NCI, Inc	331	30	9.2%	18.80	250	95.9%	43.8%	8.5x
								Median: 11.0x
Diversified Services - Heavy Government Exposure								
Serco	\$4,042	\$145	3.6%	\$1.57	\$1,700	83.8%	31.0%	13.2x
CGI	8,006	1,474	18.4%	48.61	14,398	96.0%	12.7%	10.6x
ICF	1,220	118	9.7%	47.25	891	79.3%	21.4%	10.0x
Jacobs	10,089	651	6.4%	52.91	6,384	83.4%	8.2%	9.3x
AECOM	17,891	940	5.3%	32.59	5,085	80.0%	3.6%	9.1x
Babcock International	7,148	920	12.9%	12.27	6,174	80.0%	(3.7%)	8.7x
Fluor	20,017	827	4.1%	45.98	6,409	78.8%	(6.9%)	7.3x
KBR	4,341	328	7.6%	14.84	2,112	82.7%	6.5%	7.1x
								Median: 9.4x

GOVERNMENT SERVICES M&A ACTIVITY

Enterprise Value > \$50 million



SELECT RECENT GOVERNMENT SERVICES M&A ACTIVITY

Announced Date	Target	Subsegment	Acquirer
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
Apr-17	FCI Federal	Technical and Security Services	PAE
Mar-17	Centerra Group	Technical and Security Services	Constellis
Mar-17	Sotera Defense Solutions	Intelligence and Cybersecurity	KeyW Corporation
Feb-17	Preferred Systems Solutions	Intelligence and Cybersecurity	STG Group

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