

MarketView **Spring 2017**

Aerospace / Defense and Government Technology Solutions



Kipps DeSanto 
INVESTMENT BANKING
8000 Towers Crescent Drive
Suite 1200
Tysons Corner, Virginia 22182
703.442.1400
www.kippsdesanto.com



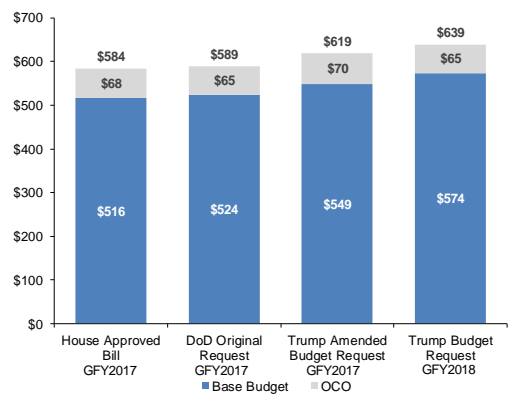
Select Recent KippsDeSanto & Co. Advised Transactions

 <i>has been acquired by</i>  <i>a portfolio company of</i>  March 2017	 <i>a portfolio company of</i>  <i>has been acquired by</i>  <i>a portfolio company of</i>  February 2017	 <i>has been acquired by</i>  December 2016
 <i>has been acquired by</i>  December 2016	 <i>has been acquired by</i>  December 2016	 <i>a subsidiary of</i>  <i>has sold its assets to</i>  December 2016
 <i>has been acquired by</i>  September 2016	 <i>has been acquired by</i>  August 2016	 <i>has acquired</i>  July 2016
 <i>has been acquired by</i> <i>an unidentified party</i> June 2016	 <i>has been acquired by</i>  May 2016	 <i>a subsidiary of</i>  <i>has been acquired by</i> General Atomics March 2016

Operational / Funding Environment

The GFY2017 and GFY2018 budgets were major discussion topics within the defense sector after President Trump officially took office in January. On February 8th, the House of Representatives approved a \$584 billion defense spending bill for GFY2017, which included \$516.1 billion for the Department of Defense's ("DoD") Base Budget and \$67.6 billion for the Overseas Contingency Operations ("OCO") account. With the current continuing resolution ("CR") set to expire on April 28th, the Senate will have to pass the appropriations bill set forth or issue another CR to ensure continuity of operations. Meanwhile, on March 16th, President Trump proposed a ~\$30 billion supplemental funding increase over the DoD's original request for the remainder of GFY2017, allocating ~\$25 billion to DoD base budget programs to purchase Army helicopters, F-35 Joint Strike Fighters, F/A-18 Super Hornets, THAAD missile defense, and tactical missiles, as well as \$5.1 billion in the OCO to fund operations and maintenance, military readiness shortfalls, and the fight against the Islamic State. Additionally, the President released his GFY2018 budget, which proposed \$639 billion for the DoD (\$574 billion for base-budget programs and \$65 billion for the OCO), a 10% increase from the GFY2017 annualized CR level.

Trump Defense Budget⁽¹⁾
(\$ in billions)



Three months into the Trump Administration, Retired Marine General James Mattis remains the only Senate-confirmed Trump appointee within the Pentagon. On January 20th, only hours after President Trump was sworn-in, General Mattis was confirmed by Congress to serve as the new Secretary of Defense. President Trump has yet to fill the Air Force, Army, or Navy Secretary positions. The initial choice for Secretary of the Navy, Philip Bilden, withdrew his name after citing privacy concerns and financial reasons, and the original nomination for Secretary of the Army, Vincent Viola, also withdrew his name citing his business ties might present an obstacle to his confirmation. Trump nominated former Army Doctor Mark Green as Secretary of the Army after Viola withdrew his name. Trump's nominee for Secretary of the Air Force, Heather Wilson, served in Congress for over a decade until 2009 and, if confirmed, would become the first graduate of the Air Force Academy to serve as Secretary of the Air Force. President Trump also recently nominated Patrick Shanahan, a senior Boeing executive, to serve as the Deputy Defense Secretary, the second highest position within the DoD – Shanahan is still awaiting Congressional confirmation.

During 1Q17, aerospace sector performance started off slowly compared to 4Q16. After recording 23 total orders in January, Boeing recorded 43 and 147 total orders in February and March, respectively. During February, 90% of Boeing's orders were for narrow-body aircraft. Following a decline in demand for its twin-aisle jets during 2016, Boeing announced plans to lay off another round of employees in May, despite ~1,800 voluntary layoffs from its union workers in March. Despite the slump of widebody sales during 2016 and 1Q17, Boeing plans to aggressively raise its output for the 737 program over the next few years to increase its cash flow and meet customer demand. Airbus struggled significantly after recording four total orders in January, zero total orders in February, and 22 total orders in March. Additionally, Airbus announced in February that it expects to book ~30% fewer net orders during 2017 (~1,000 orders) compared to the ~1,400 orders booked in 2016. Airbus also asked its European clients to cap their financial penalties on the late delivery of the A400M aircraft. After experiencing supply chain delays during 2016, Airbus plans to ramp up A350 production and A320neo deliveries in 2017.

The current budgetary and spending environment in the government technology solutions sector faces various shake-ups given the Trump Administration's expressed priorities, including increased defense and national security spending supported by budget cuts to several Federal civilian agencies. In addition to increases in DoD funding, the budget request increases funding for the Department of Homeland Security ("DHS") by 6.8% to \$44.1 billion and the Department of Veterans Affairs ("VA") by 5.9% to \$78.9 billion. The DHS increase supports spending on border protection and immigration enforcement, while additional VA funding is for improving veterans' access to doctors and support services. The budget for the National Aeronautics and Space Administration ("NASA") is relatively flat at \$19.1 billion, but features increased spending for space exploration programs. To offset the President's request for a \$52 billion increase in DoD funding and the aforementioned increases to DHS and the VA, other Federal agencies, including the Department of State ("DoS"), Department of Energy ("DoE"), and the Department of Health and Human Services ("HHS") were hit with budget reallocations and cuts. Specifically, the President requested \$37.6 billion for the DoS, down 28.7% from GFY2017, reflective of proposals to eliminate climate-change initiatives and decrease foreign aid, contributions to the United Nations ("UN"), and cultural exchanges. The \$28 billion budget request for the DoE includes an 11% increase in spending for the National Nuclear Security Administration ("NNSA"), despite an overall department reduction of 5.6%. Meanwhile, the President requested \$65.1 billion for HHS, down \$12.6 billion from GFY2017. The HHS request is tied specifically to discretionary spending and does not address programs such as Medicare and Medicaid.



(1) DoD; House of Representatives; Wall Street Research

Capital Markets and Public Market Valuation Trends

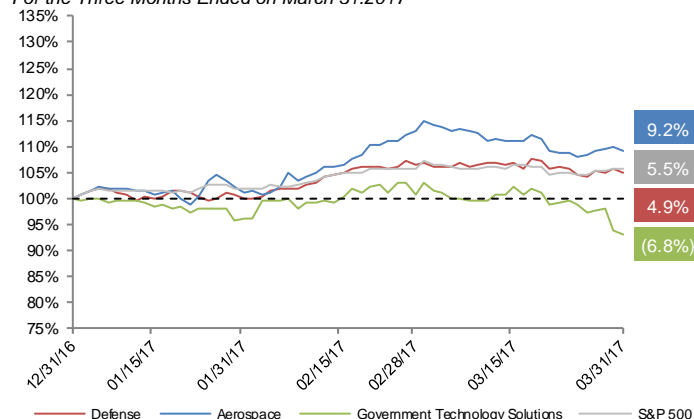
Aerospace stocks ended 1Q17 up 9.2%, compared to a 5.5% increase in the S&P 500. Boeing was the primary contributor to this increase (up 13.6%) after beating quarterly EPS and revenue consensus estimates, while also reporting record operating cash flow of \$10.5 billion due to solid operating performance. Excluding Boeing from the aerospace index, performance becomes down 1.4% for the quarter after falling short of investors' growth expectations for 2016. Embraer was one of the index's biggest winners (up 14.7%) after announcing robust bizjet deliveries in early January, which foreshadowed strong 4Q earnings results that were later affirmed in early March. Transdigm was the index's biggest loser (down 11.6%) for the quarter, driven by Congressman Ro Khanna's remarks to the Inspector of the DoD calling for an investigation into the company's alleged monopolistic sales practices. Median enterprise value ("EV") / next twelve months ("NTM") EBITDA multiples were 8.8x during the last three months, up from 8.1x in 1Q16, but down from 9.2x during the same period in 2015.

YoY Q4 Revenue Comparison of Select Aerospace Companies⁽¹⁾

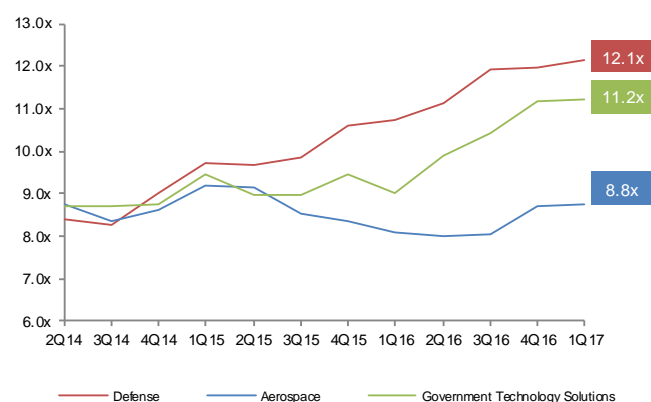
(\$ in millions)	4Q16	4Q15	Δ%
Esterline	\$458	\$441	3.7%
Heico	343	306	12.1%
TransDigm	814	702	16.0%
B/E Aerospace	730	659	10.8%
LMI	85	89	(4.8%)
Bombardier	4,380	5,017	(12.7%)
Average	\$1,135	\$1,203	(5.6%)

Relative Stock Price Performance⁽¹⁾

For the Three Months Ended on March 31, 2017



Median Quarterly EV / NTM EBITDA Multiples⁽¹⁾



Following the election pop in defense shares in 4Q16, stock pricing remained strong, with a 1Q17 increase of 4.9% as President Trump continued to raise hopes for increased DoD spending in GFY2018. Currently, the entire defense prime index falls within 10% of its 52 week highs. With these dramatic increases in stock prices since November, much of the anticipated growth resulting from a finalized increase in defense spending has already been priced into the markets. While defense stocks posted gains across the board for this quarter, BAE Systems came out the biggest winner (up 10.2%) due to strong expectations for large U.S. budget funding growth; extension of the Saudi British Defense Cooperation Programme, which comprises ~25% of revenues; better than expected net debt levels; and a 60 basis point increase in operating margins. Assisted by steadily increasing stock prices and profitability, the sector valuation growth continued from previous quarters as defense stocks posted a 32 month high EV / NTM EBITDA multiple of 12.1x.

Following the positive momentum in the index after the presidential election, the government technology solutions sector was relatively stable during 1Q17 through March 29th, down slightly by 1.8%. However, the index ended the quarter down 6.8%, driven mainly by a 13.3% drop in SAIC's share price, which occurred when the company missed revenue estimates on March 30th. Despite this, median industry valuations remained near all-time highs with an EV / NTM EBITDA multiple of 11.2x, consistent with 4Q16 levels. Several firms in the index reported strong financials and are anticipating continued momentum into 2017, resulting in raised revenue and / or earnings guidance for the year. Leidos raised its revenue and earnings guidance by 2% and 5%, respectively, while CACI increased its revenue and earnings guidance forecasts by ~2% each. Booz Allen Hamilton's sizeable contract awards drove a 12% year-over-year ("YoY") increase in backlog, which led to a reported quarterly book-to-bill ratio of 0.92x, the company's largest first quarter number in six years. A supportive DoD budgetary environment, with projected increases in military spending, has also benefitted companies providing logistics and maintenance services at military installations. Vectrus is one such company building on that momentum – despite its share price falling over 10% after releasing earnings at the end of February, Vectrus' stock price has improved, driven partially by the Army's award of a modification to the company's K-BOSS contract that will provide an additional \$522 million of revenue through 2017 and into 2018.



M&A Trends & Activity

A total of 66 deals were announced in the aerospace, defense, and government technology solutions sectors in 1Q17.

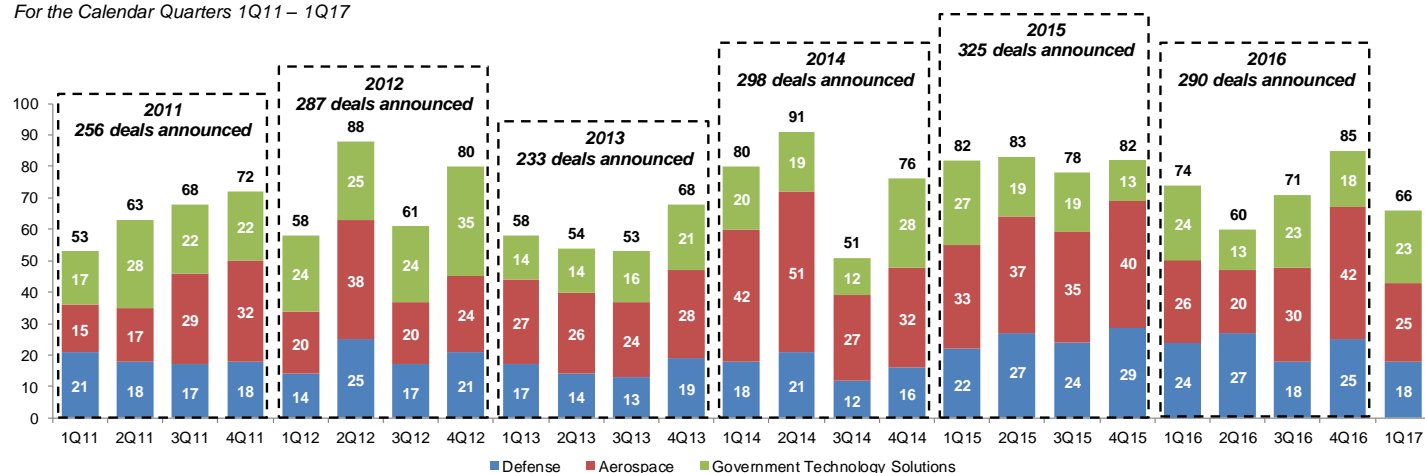
Two multi-billion dollar transformational deals headlined M&A activity for the aerospace and defense sector in 1Q17. In mid-January, Safran announced a deal to combine with Zodiac Aerospace, a provider of aerospace equipment and systems, in order to create a strong leadership position across the entire aircraft value chain. Disclosed metrics valued Zodiac Aerospace at \$9.0 billion or 1.63x EV / Revenue and 23.6x EV / EBITDA. In the space industry, MDA announced the acquisition of DigitalGlobe, a provider of earth-imagery products and services for \$3.6 billion (4.96x EV / Revenue, 9.0x EV / EBITDA) in late February. The acquisition aims to increase MDA's market share in the U.S. and substantially increases its presence in the Intelligence Community ("IC").

Other large, notable deals in the aerospace and defense industry include Sonaca's pending acquisition of LMI Aerospace, a provider of structural assemblies, kits, components, and engineering which will allow Sonaca to gain LMI's U.S. based customer portfolio. The deal is valued at \$431 million, and purchase multiples for the deal are estimated at 1.24x EV / Revenue and 12.6x EV / EBITDA. This is another example of the strong M&A multiples commanded by companies of scale with proprietary technology / products and a presence in priority end-markets or platforms.

Despite the onset of the Federal Reserve tightening interest rates, financing and credit markets remain liquid, as evidenced by a steady level of sponsor activity. Thus far, financial sponsors and their portfolio companies have been buyers on 33% of 1Q17 deals, in line with 2016's rate of 40%. Portfolio shaping among strategics remains a strong driver for M&A activity with many high profile divestitures, including Harris' spin off of its government IT services segment to Veritas Capital for \$690 million. This transaction came roughly three months after the \$425 million sale of Harris' CapRock energy and maritime business, and five months after Jana Partners acquired a 1.9% stake in Harris, which fueled speculation the hedge fund would pressure Harris to sell some of its non-core assets.

M&A Transaction Volume⁽¹⁾

For the Calendar Quarters 1Q11 – 1Q17

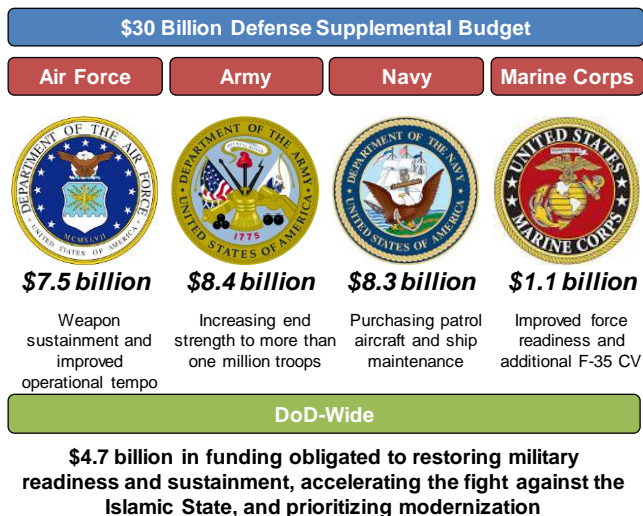


The government technology solutions M&A market remained active with 23 transactions during the first quarter, setting a pace for 2017 deal activity to potentially exceed 2014 – 2016 volume. The trend of unique customer- and capability-focused acquisitions is expected to drive M&A activity throughout the year, such as buyer desires to inorganically expand cybersecurity service offerings and further develop a presence in the IC. Cybersecurity-, intelligence-, and NextGen IT-related deals accounted for ~55% of transactions in the quarter, which highlights buyers' sustained focus on access to priority funding areas. Specific examples include KeyW's \$235 million acquisition of Sotera Defense Solutions to create a pure-play IC-focused company with immense scale and reach. Arlington Capital Partners ("ACP"), through its recently formed Polaris Alpha, remained active in 1Q17 with its acquisition of Intelesys to further broaden its range of cyber solutions offerings for the IC. Additionally, in its first acquisition since going public in 2015, STG acquired Preferred Systems Solutions for \$119 million. This acquisition bolsters its advanced computing, analytics, and cyber solutions portfolio and furthers its reach with the IC and other national security agencies. National security remains a top priority for the Trump Administration and proposed funding is expected to provide a stable contracting environment and, as a result, continued M&A activity in the space.

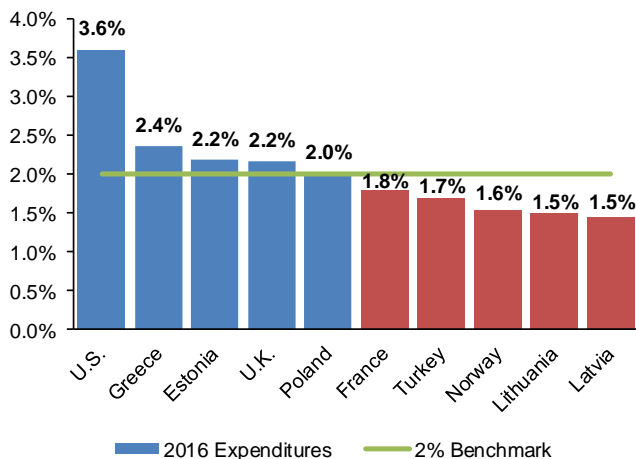


Defense Update

Military Readiness Spending⁽¹⁾



Defense Expenditures By Top 10 NATO Members as a Share of GDP (%)⁽²⁾



T-X Trainer Confirmed and Potential Bidders



MILITARY READINESS BECOMES A PRIORITY UNDER THE NEW ADMINISTRATION

In response to criticism from both defense and civilian officials concerned with military shortfalls caused by sequestration, President Trump signed an executive order to conduct a comprehensive review of the nation's military preparedness and deliver an agenda for upgrading equipment, improving training, and addressing future threats. The review resulted in President Trump submitting a \$30 billion defense supplemental budget to Congress, with \$25 billion committed to the base budget, and \$5 billion for OCO funding aimed at accelerating the fight against the Islamic State and filling drone and Intelligence, Surveillance, and Reconnaissance ("ISR") capabilities. The Air Force, Army, Navy, and Marine Corps all expect increases for bolstering active duty end strength and military readiness; initial plans call for increasing ground operational tempos, improving infrastructure, and addressing pressing shortfalls in munitions, deferred maintenance, personnel gaps, and cyber vulnerabilities.

NATO ALLIANCE DEFENSE SPENDING

Despite lingering concerns over the new administration's commitment to the North Atlantic Treaty Organization ("NATO"), Secretary Mattis recently re-affirmed the U.S.'s continued support for the international body, while calling on the 27 other member nations to meet agreed-upon 2% of Gross Domestic Product ("GDP") defense spending targets. In his first meeting with NATO defense ministers, Secretary Mattis pointed out U.S. defense spending at 3.6% of GDP far outpaces the 2% benchmark, a bar which only four other members reached in 2016. While the U.S. makes up ~45% of the alliance's combined 2016 GDP, it accounts for nearly 70% of its defense expenditures. Secretary Mattis has warned that if progress is not made towards the membership reaching its 2% obligation, the U.S. may "moderate its commitment to the alliance."

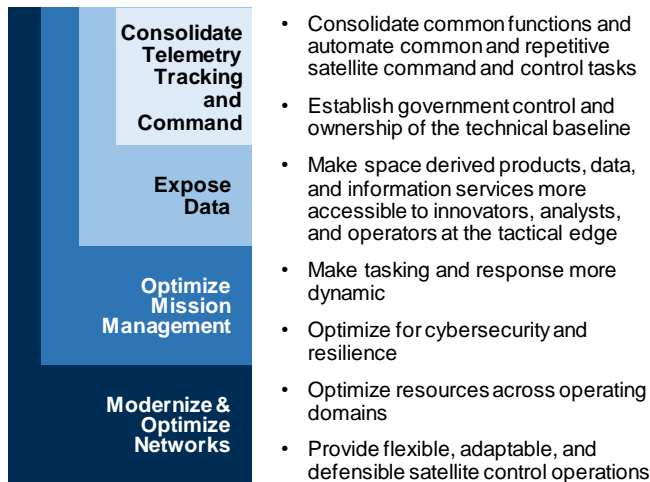
COMPETITIVE FIELD FOR T-X TRAINER PROGRAM AS AIR FORCE RELEASES RFP

The Air Force is looking to replace its aging T-38 trainer fleet with 350 new T-X aircraft, as the \$16 billion program looks to train pilots for cutting-edge technological capabilities recently unveiled on the JSF and F-22 platforms. As fifth generation fighters enter the fleet, the Air Force looks for a more effective path to train and equip the pilots of tomorrow. The Air Force has prioritized both the physical design of the aircraft and the integration of ground-based training, explicitly listing night training, system integration, and the ability to manage a fifth generation cockpit as key considerations. Competition for the contract has thinned recently, as both the Northrop Grumman / BAE team and Raytheon / Leonardo team bowed out before Leonardo re-entered the competition as a solo bidder. The Air Force expects to award the contract this year, which will require delivery of five test aircraft, two batches of low-rate initial production, and eight rounds of full-rate production.

(1) McAleese & Associates
(2) 2016 NATO Annual Budget

Aerospace Update

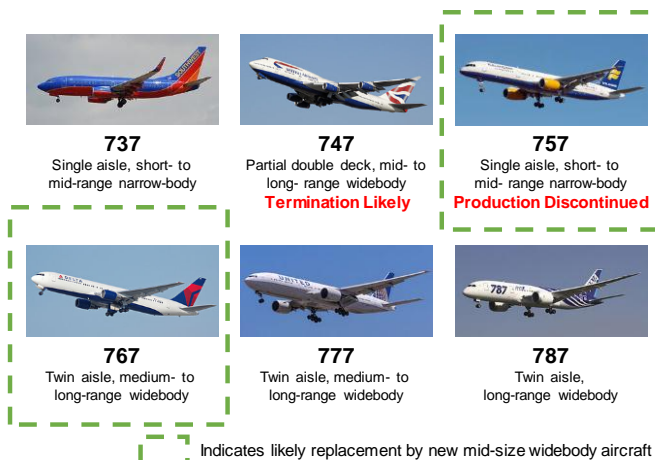
Enterprise Ground Services Objectives and Phases⁽¹⁾



AIR FORCE BEGINS SATELLITE COMMUNICATIONS INITIATIVE

In March, Major General David Thompson, Vice Commander of the Air Force Space Command announced an Air Force initiative on strengthening wideband global satellite communications. In the past, the Air Force focused on the command and control of satellites, but it is now looking to analyze the space threat environment and learn to react to threats. To enable this transition, the service is looking to bring in contractors over the next year to fill seats on the operations floor of Schriever Air Force Base. Dependent on the success of this first phase, the Air Force may allow remote operations of satellites. The Air Force is also implementing the Enterprise Ground Services program, which would create a set of services and standards for future acquisition of Air Force Space Command satellite systems. Thus far, the Air Force has invested \$60 million to establish cybersecurity standards and ensure resiliency of the space architecture.

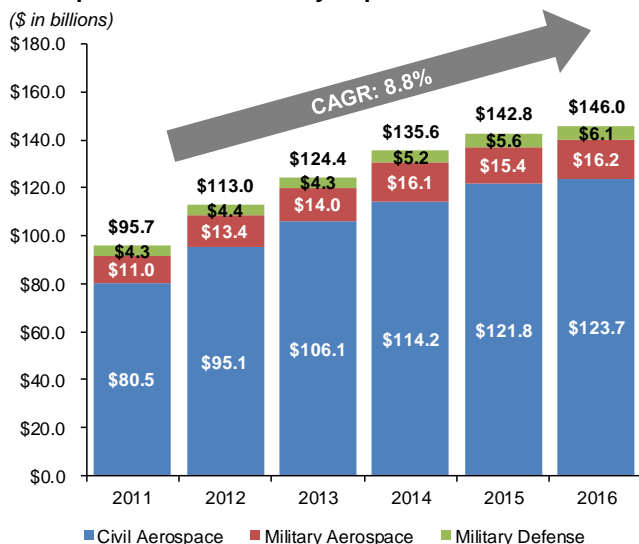
Boeing 737 – 787 Aircraft



BOEING FACING PRESSURE TO LAUNCH MIDSIZE WIDEBODY AIRCRAFT

Boeing's proposal for a new midsize widebody aircraft has been in motion since 2015, but the company is now facing increasing pressure from customers to launch the offering sooner rather than later. United Airlines and Japan Airlines, among others, are pushing for the new platform to service domestic and regional routes. The new aircraft would likely fall between the Boeing 737 and 787 in range and size, and become a competitive alternative to Airbus' A321neo. The midsize widebody plane may also represent a turning point for Boeing's technology roadmap. With plenty of new technologies to choose from for the engine, airframe, and production systems, Boeing will have to plan carefully to be able to aggressively price the new aircraft and run high-volume production.

Aerospace Civil and Military Exports⁽²⁾



2016 MARKS LANDMARK EXPORT YEAR FOR A&D INDUSTRY

According to the Aerospace Industries Association ("AIA"), U.S. aerospace and defense companies delivered \$146 billion in international sales in 2016, a record for the industry. Over the last five years, exports have grown 52%, increasing by \$3.5 billion from 2015 to 2016. In 2016, exports were comprised of 15% military sales and 85% civil aerospace sales, with roughly one third of these exports to Europe and a rapidly growing share to the Middle East. As AIA measures exports by shipment year, two of 2016's largest purchases – 72 F-15QA fighters for Qatar and 32 F/A-18E aircraft for Kuwait – were not included in 2016 numbers. In 1Q17, the U.S. State Department has approved ~\$45 billion in foreign military sales, exceeding total foreign military sales in 2016. With this as an indicator, AIA expects 2017 to be yet another record year for the industry.

(1) Ground System Architectures Workshop
(2) Aerospace Industries Association

Government Technology Solutions Update

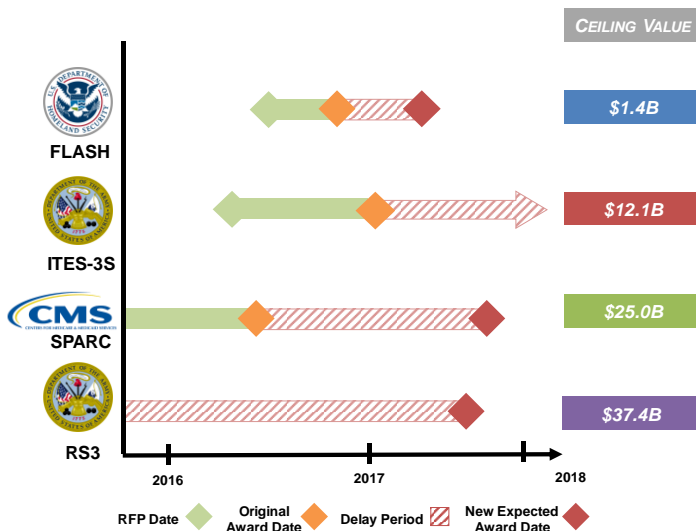
Government Technology Solutions Earnings⁽¹⁾

Government	EPS (Latest Quarter Releases)			EPS Growth YoY
	Est.	Actual	Beat / (Miss)	
Booz Allen Hamilton 3Q 17: 12/31/16	\$0.40	\$0.38	(6.0%)	(7.3%)
CACI 2Q 17: 12/31/16	\$1.46	\$1.69	16.1%	37.4%
ENGILITY 4Q 16: 12/31/16	\$0.49	\$0.51	3.2%	(22.7%)
ICF 4Q 16: 12/31/16	\$0.81	\$0.76	(6.2%)	4.1%
KEYW 4Q 16: 12/31/16	(\$0.02)	(\$0.04)	NM	NM
Leidos 4Q 16: 12/31/16	\$0.82	\$0.75	(8.7%)	8.7%
ManTech 4Q 16: 12/31/16	\$0.35	\$0.35	0.8%	(5.4%)
nci 4Q 16: 12/31/16	NA	NA	NA	NA
SAIC 4Q 17: 01/31/17	\$0.79	\$0.79	0.6%	6.8%
VECTRUS 4Q 16: 12/31/16	\$0.41	\$0.40	(2.4%)	(27.3%)

SECTOR EARNINGS DOWN IN THE QUARTER, BUT POSITIVE MOMENTUM REMAINS

Overall earnings in the government technology solutions sector were slightly negative in 1Q17, the first such quarterly decline since 1Q16. The sector missed quarterly estimates by 1.0%, while YoY earnings fell by an average of 0.5%. Of note, however, CACI beat earnings estimates by 16.1%, while also posting strong annual earnings growth of more than 35%. Top and bottom line growth was supported by a 5% increase in backlog since CACI's June earnings report, driven by \$1.6 billion in contract awards in this past quarter, 85% of which were new business. While ManTech's earnings were roughly in line with consensus estimates, it reported a book-to-bill ratio of 1.2x off of \$460 million in new awards, its highest such fourth quarter ratio since 2011. Booz Allen missed its consensus earnings for the quarter, but raised revenue and earnings guidance for the second time in its fiscal 2017.

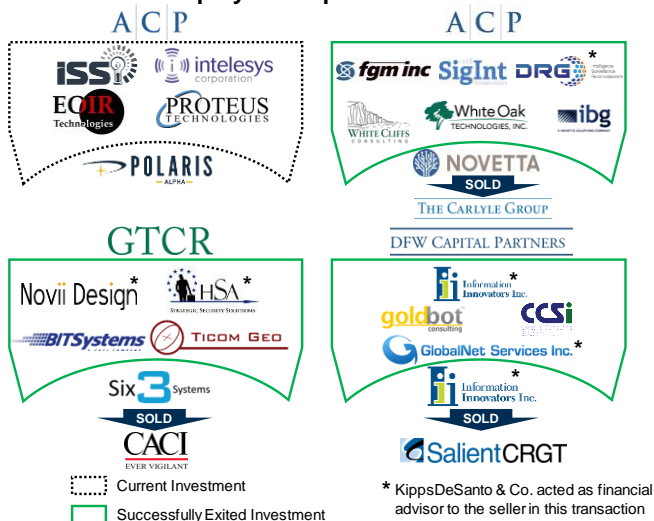
Timeline of Delayed Large Contract Vehicles⁽²⁾



LATE 2017 / EARLY 2018 TARGETS FOR MAJOR VEHICLE AWARDS

Despite the announcement of several major, multibillion dollar contract vehicles in early-to-mid 2016, many have been delayed with expected award dates slipping to mid-to-late 2017. Both large and small government contractors are awaiting decisions on these large opportunities and are spending meaningful business development dollars to secure their positions and prepare to bid task orders thereafter. The DHS's FLASH vehicle is a small business set-aside opportunity that had an original award date of November 2016. It was the latest to be affected by multiple protest rounds, and resolution is now expected in June. The Army's \$37.4 billion RS3 contract, which originally accepted proposals in mid-2015, is now expecting to make final a decision by May of 2017. Similarly, the Army's \$12.1 billion ITES-3S received protests in 2016, with awards anticipated in early 2018.

Select Private Equity Roll-Ups



FINANCIAL BUYERS ARE FOCUSING ON CREATING BUSINESSES THROUGH ROLLUP ACQUISITIONS

Financial sponsors have become increasingly active in roll-up acquisition strategies, preferring to build mid-tier and large firms through the combination of multiple smaller, complementary businesses rather than deploying a large, single-buy strategy. Most recently, ACP created Polaris Alpha through the merger of three defense and intelligence oriented technology companies. This method affords financial buyers the flexibility to create relatively large businesses that have a specific customer or thematic focus, as well as the potential ability to realize cost synergies, benefits that are relatively more limited to a sponsor that focuses on buying one sizeable company. Since 2014, ACP, GTCR, and DFW Capital Partners have all realized exits from investments built using this strategy which were considered highly successful for each firm's respective funds.

(1) S&P Capital IQ, company filings, and KippsDeSanto research
(2) GovWin IQ from Deltek

Public Company Trading Analysis ⁽¹⁾

(\$ in millions, except per share amounts)

Defense Primes	Stock Price 03/31/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Boeing	\$176.86	95.2%	\$107,545	\$107,528	\$92,063	\$11,107	12.1%	\$93,829	\$11,363	12.1%	1.17x	9.7x	1.15x	9.5x
Lockheed Martin	267.60	97.5%	77,556	90,096	50,156	6,950	13.9%	51,796	7,313	14.1%	1.80x	13.0x	1.74x	12.3x
General Dynamics	187.20	96.5%	56,791	58,345	31,441	4,690	14.9%	33,088	4,911	14.8%	1.86x	12.4x	1.76x	11.9x
Raytheon	152.50	96.8%	44,664	47,045	25,051	3,873	15.5%	26,155	4,161	15.9%	1.88x	12.1x	1.80x	11.3x
Northrop Grumman	237.84	93.7%	41,527	46,056	25,175	3,719	14.8%	26,505	4,064	15.3%	1.83x	12.4x	1.74x	11.3x
BAE Systems	8.05	97.8%	25,554	27,600	24,088	2,826	11.7%	25,001	3,051	12.2%	1.15x	9.8x	1.10x	9.0x
Median		96.6%	\$50,728	\$52,695	\$28,308	\$4,282	14.3%	\$29,796	\$4,536	14.5%	1.81x	12.3x	1.74x	11.3x

Defense Systems	Stock Price 03/31/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Safran	\$74.88	99.6%	\$31,131	\$33,507	\$17,497	\$3,320	19.0%	\$19,627	\$3,803	19.4%	1.92x	10.1x	1.71x	8.8x
L3 Technologies	165.29	96.5%	12,861	15,907	10,775	1,325	12.3%	11,136	1,405	12.6%	1.48x	12.0x	1.43x	11.3x
Rockwell Collins	97.16	97.3%	12,683	14,657	5,420	1,352	25.0%	5,697	1,431	25.1%	2.70x	10.8x	2.57x	10.2x
Huntington Ingalls Industries	200.24	90.7%	9,265	9,823	7,352	1,050	14.3%	7,437	1,072	14.4%	1.34x	9.4x	1.32x	9.2x
Orbital ATK, Inc.	98.00	95.4%	5,640	7,172	4,600	700	15.2%	4,786	739	15.4%	1.56x	10.2x	1.50x	9.7x
FLIR	36.28	96.9%	4,946	5,102	1,795	406	22.6%	1,890	442	23.4%	2.84x	12.6x	2.70x	11.6x
Cobham	1.67	61.1%	2,823	4,097	2,474	364	14.7%	2,541	400	15.7%	1.66x	11.3x	1.61x	10.2x
Kongsberg Gruppen	15.56	92.7%	1,859	2,117	1,743	194	11.1%	1,938	241	12.5%	1.21x	10.9x	1.09x	8.8x
Cubic	52.80	94.9%	1,431	1,695	1,545	137	8.9%	1,628	NA	NA	1.10x	12.4x	1.04x	NA
AeroVironment	28.03	86.4%	644	450	301	36	12.0%	330	29	8.7%	1.49x	12.4x	1.36x	15.6x
Median		95.1%	\$5,293	\$6,137	\$3,537	\$553	14.5%	\$3,664	\$739	15.4%	1.53x	11.1x	1.46x	10.2x

Defense Electronics / Comm.	Stock Price 03/31/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Harris	\$111.27	98.5%	\$13,849	\$17,889	\$6,199	\$1,459	23.5%	\$7,066	\$1,692	24.0%	2.89x	12.3x	2.53x	10.6x
Teledyne	126.46	93.1%	4,454	4,974	2,226	380	17.1%	2,305	404	17.5%	2.23x	13.1x	2.16x	12.3x
ViaSat	63.82	77.6%	3,675	4,244	1,602	329	20.5%	1,832	397	21.6%	2.65x	12.9x	2.32x	10.7x
Mercury Systems	39.05	95.6%	1,872	2,017	418	97	23.1%	467	113	24.2%	4.82x	20.9x	4.31x	17.8x
Ultra Electronics	25.95	92.3%	1,822	2,139	1,021	199	19.5%	1,076	209	19.4%	2.09x	10.8x	1.99x	10.2x
Kratos Defense & Security Solutions	7.78	84.7%	660	1,023	711	54	7.6%	751	73	9.8%	1.44x	18.9x	1.36x	14.0x
Comtech Telecommunications	14.74	59.1%	347	533	581	70	12.1%	NA	NA	NA	0.92x	7.6x	NA	NA
Median		92.3%	\$1,872	\$2,139	\$1,021	\$199	19.5%	\$1,454	\$303	20.5%	2.23x	12.9x	2.24x	11.5x

Homeland Security	Stock Price 03/31/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Smiths Group	\$20.27	99.2%	\$8,018	\$8,833	\$4,180	\$841	20.1%	\$4,393	\$886	20.2%	2.11x	10.5x	2.01x	10.0x
MSA Safety Incorporated	70.69	94.7%	2,669	2,953	1,186	231	19.5%	1,238	251	20.3%	2.49x	12.8x	2.38x	11.8x
OSI Systems, Inc.	72.99	89.5%	1,397	1,616	974	177	18.2%	1,053	206	19.5%	1.66x	9.1x	1.53x	7.8x
American Outdoor Brands	19.81	63.5%	1,116	1,230	811	172	21.2%	853	NA	NA	1.52x	7.1x	1.44x	NA
Median		92.1%	\$2,033	\$2,284	\$1,080	\$204	19.8%	\$1,146	\$251	20.2%	1.89x	9.8x	1.77x	10.0x

(1) S&P Capital IQ, company filings, and KippsDeSanto research
(2) GovWin IQ from Deltek

Public Company Trading Analysis, cont. ⁽¹⁾

(\$ in millions, except per share amounts)

<u>Aerospace Systems</u>	Stock Price 03/31/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
TransDigm	\$220.16	74.8%	\$11,634	\$21,521	\$3,597	\$1,742	48.4%	\$3,787	\$1,856	49.0%	5.98x	12.4x	5.68x	11.6x
Zodiac Aerospace	25.07	81.3%	7,001	8,180	5,551	471	8.5%	5,832	687	11.8%	1.47x	17.3x	1.40x	11.9x
B/E Aerospace	64.11	98.8%	6,505	8,340	3,072	657	21.4%	3,213	677	21.1%	2.71x	12.7x	2.60x	12.3x
HEICO	87.20	98.0%	5,380	5,938	1,509	363	24.1%	1,584	392	24.8%	3.94x	16.4x	3.75x	15.1x
Meggitt	5.58	91.8%	4,318	5,771	2,536	606	23.9%	2,536	606	23.9%	2.28x	9.5x	2.28x	9.5x
Esterline	86.05	89.2%	2,555	3,125	2,040	322	15.8%	2,093	340	16.2%	1.53x	9.7x	1.49x	9.2x
Triumph Group	25.75	64.2%	1,276	2,900	3,459	468	13.5%	3,334	525	15.8%	0.84x	6.2x	0.87x	5.5x
AAR	33.63	86.8%	1,126	1,259	1,870	145	7.7%	2,009	183	9.1%	0.67x	8.7x	0.63x	6.9x
Astronics	31.73	77.3%	925	1,055	670	112	16.7%	705	122	17.3%	1.57x	9.4x	1.50x	8.7x
Median		86.8%	\$4,318	\$5,771	\$2,536	\$468	16.7%	\$2,536	\$525	17.3%	1.57x	9.7x	1.50x	9.5x

<u>Aerospace Structures</u>	Stock Price 03/31/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Spirit AeroSystems	\$57.92	92.1%	\$6,900	\$7,290	\$6,872	\$1,086	15.8%	\$7,062	\$1,117	15.8%	1.06x	6.7x	1.03x	6.5x
Hexcel	54.55	97.6%	4,952	5,605	2,102	496	23.6%	2,289	552	24.1%	2.67x	11.3x	2.45x	10.1x
Senior	2.58	84.1%	1,078	1,323	1,222	151	12.3%	1,287	165	12.9%	1.08x	8.8x	1.03x	8.0x
LMI Aerospace	13.78	98.9%	181	418	371	45	12.0%	423	56	13.3%	1.13x	9.4x	0.99x	7.4x
Median		94.8%	\$3,015	\$3,464	\$1,662	\$323	14.1%	\$1,788	\$552	14.6%	1.10x	9.1x	1.03x	7.7x

<u>Government Technology Solutions</u>	Stock Price 03/31/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Leidos Holdings	\$51.14	93.0%	\$7,696	\$10,619	\$10,283	\$969	9.4%	\$10,604	\$1,077	10.2%	1.03x	11.0x	1.00x	9.9x
Booz Allen Hamilton	35.39	91.8%	5,307	6,521	5,932	567	9.6%	6,311	612	9.7%	1.10x	11.5x	1.03x	10.7x
CSRA Inc.	29.29	87.3%	4,777	7,440	5,058	870	17.2%	5,319	909	17.1%	1.47x	8.6x	1.40x	8.2x
Science Applications International Corp.	74.40	82.8%	3,242	4,079	4,388	330	7.5%	4,576	351	7.7%	0.93x	12.3x	0.89x	11.6x
CACI International	117.30	86.7%	2,861	4,155	4,302	385	8.9%	4,489	403	9.0%	0.97x	10.8x	0.93x	10.3x
ManTech International	34.63	76.1%	1,342	1,277	1,652	126	7.6%	1,726	132	7.6%	0.77x	10.2x	0.74x	9.7x
Engility Holdings	28.94	73.9%	1,064	2,096	2,000	178	8.9%	2,075	185	8.9%	1.05x	11.8x	1.01x	11.3x
ICF International	41.30	69.4%	785	1,039	1,217	119	9.8%	1,258	126	10.0%	0.85x	8.7x	0.83x	8.3x
KEYW	9.44	69.6%	461	552	311	35	11.1%	309	40	13.1%	1.77x	NM	1.79x	13.6x
VSE Corporation	40.80	95.6%	441	677	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vectrus, Inc.	22.35	63.9%	244	280	908	34	3.7%	NA	NA	NA	0.31x	8.2x	NA	NA
NCI	15.05	98.3%	204	203	319	28	8.9%	335	30	8.9%	0.64x	7.1x	0.61x	6.8x
Median		84.7%	\$1,203	\$1,687	\$2,000	\$178	8.9%	\$3,282	\$268	9.3%	0.97x	10.5x	0.96x	10.1x

<u>Engineering & Construction</u>	Stock Price 03/31/17	% of 52 Week High	Market Cap	Enterprise Value	CY2017E			CY2018P			EV / CY2017E		EV / CY2018P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Jacobs Engineering	\$55.28	87.2%	\$6,693	\$6,412	\$10,725	\$669	6.2%	\$11,024	\$718	6.5%	0.60x	9.6x	0.58x	8.9x
Babcock International	11.05	79.3%	5,581	7,512	6,691	857	12.8%	7,060	915	13.0%	1.12x	8.8x	1.06x	8.2x
AECOM	35.59	87.4%	5,528	9,122	18,084	986	5.5%	19,120	1,159	6.1%	0.50x	9.3x	0.48x	7.9x
Tetra Tech	40.85	91.1%	2,341	2,603	2,081	245	11.8%	2,124	261	12.3%	1.25x	10.6x	1.23x	10.0x
Median		87.3%	\$5,555	\$6,962	\$8,708	\$763	9.0%	\$9,042	\$816	9.4%	0.86x	9.4x	0.82x	8.6x

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

Select Recent Aerospace / Defense M&A⁽¹⁾

(\$ in millions)

Announce Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA		EV / LTM	
						EBITDA	Margin	Rev.	EBITDA
03/31/17	MHI Holdings	Seaward Marine Services, Inc. ⁽²⁾	Provides underwater hull cleaning and ship husbandry services, including underwater painting, inspections, repairs and maintenance, testing, and other specialized diving services	NA	NA	NA	NA	NA	NA
03/31/17	MHI Holdings	Accurate Marine Environmental, Inc.	Providing marine and industrial tank and bilge cleaning services, environmental remediation, waste transportation, and waste disposal services	NA	NA	NA	NA	NA	NA
03/29/17	Kaney Aerospace, Inc.	BVR Technologies	Provides actuation and motion control products	NA	NA	NA	NA	NA	NA
03/29/17	StandardAero Holdings, Inc.	PAS Technologies	Provides cost-effective original equipment manufacturer ("OEM") and MRO solutions for the aerospace industry	NA	NA	NA	NA	NA	NA
03/27/17	GE Aviation	Critical Technologies, Inc.	Provides web-based records management solutions, including aircraft maintenance records	NA	NA	NA	NA	NA	NA
03/24/17	Greenbriar Equity Partners	Whitcraft Group	Provides precision formed, machined and fabricated parts, and components to the aerospace industry	NA	NA	NA	NA	NA	NA
03/22/17	Valence Surface Technologies	Magnetic & Penetrant Services Company	Provides metal finishing services to the aerospace and defense industries	NA	NA	NA	NA	NA	NA
03/20/17	Sussex Wire, Inc.	Marox Corp.	Provides precision machined orthopedic implants and aerospace components that utilize multi-axis machining and additive manufacturing technologies	NA	NA	NA	NA	NA	NA
03/14/17	American Securities, LLC	Air Methods Corp.	Provides air medical transportation services	\$2,486.5	\$1,170.5	\$286.2	24.5%	2.12x	8.7x
03/08/17	HEICO Corp.	Air Cost Control SAS	Provides connectors, wires, cables, protection, and fastening systems	NA	NA	NA	NA	NA	NA
03/08/17	West Star Aviation, LLC	Avant Aerospace, Inc.	Provides Dassault Falcon Jet spares and equipment	NA	NA	NA	NA	NA	NA
03/07/17	Leonardo S.p.A. (sub Leonardo DRS)	Daylight Solutions, Inc.	Provides quantum cascade laser products and technology	150.0	NA	16.7 ⁽³⁾	NA	NA	9.0x ⁽³⁾
03/07/17	CeramTec GmbH	Morgan Advanced Materials plc's UK Electro-Ceramics Business	Provides a range of piezo and dielectric ceramic products used in a wide range of industrial, electronics, medical, and defense applications	49.6	24.0	NA	NA	2.07x	NA
03/07/17	Samuel, Son and Co., Ltd.	Burloak Technologies, Inc.	Provides additive metal and plastic components for aerospace, defense, and commercial high-tech companies	NA	NA	NA	NA	NA	NA
03/06/17	Rockwood Equity Partners, LLC	Ibis Tek, LLC	Provides transparent armor and accessory products for tactical and combat vehicles	NA	NA	NA	NA	NA	NA
03/02/17	Defense and Government Solutions	Ti-Nanotech	Provides titanium plating for end products within the aerospace, defense, and commercial sectors	NA	NA	NA	NA	NA	NA
03/01/17	Jabil Circuit, Inc.	Lewis Engineering, Inc.	Provides rapid prototyping and manufacturing aerospace products, turbine engine components, and industrial pumps	NA	NA	NA	NA	NA	NA
02/24/17	MacDonald, Dettwiler and Associates Ltd.	DigitalGlobe, Inc.	Provides high-resolution Earth-imagery products and services	3,600.0	725.8	400.0	54.7%	4.96x	9.0x
02/22/17	Aerojet Rocketdyne Holdings, Inc.	Coleman Aerospace (Sub of L-3)	Provides a variety of suborbital launch vehicles, payloads, and launch services	15.0	40.0 ⁽³⁾	NA	NA	0.38x	NA
02/22/17	Gooch & Housego plc	StingRay Optics, LLC	Provides high performance optical and opto-mechanical subsystems for demanding defense and commercial applications	10.0 ⁽⁴⁾	7.7	NA	NA	1.30x	NA
02/22/17	TransDigm Group, Inc.	Takata Corp. Aerospace Business	Provides specialty technical restraints, passenger belts, and structural monument airbags for Airbus and Boeing platforms	90.0	NA	NA	NA	NA	NA
02/21/17	BAE Systems, Inc.	IAP Research, Inc.	Provides electromagnetic launchers, power electronics, and advanced materials	NA	NA	NA	NA	NA	NA
02/20/17	Gowanda Components Group	Microwave Circuits	Provides microwave components for commercial and military applications	NA	NA	NA	NA	NA	NA
02/17/17	Hunt Valve Co., Inc.	Precision Technology	Provides electro-mechanical actuation with a wide range of rod-less and rod-style linear actuators, screw jacks, linear tables, and custom motion control solutions	NA	NA	NA	NA	NA	NA

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

(2) KippsDesanto & Co. served as exclusive financial advisor

(3) Based on 2017E Revenue / EBITDA

(4) Transaction value excludes \$10.0M earnout

Select Recent Aerospace / Defense M&A, cont.⁽¹⁾

(\$ in millions)

Announce Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
02/17/17	Aernnova Aerospace S.A.	Brek Manufacturing Company	Provides machined parts and sub-assemblies for the aerospace industry	NA	\$43.0	NA	NA	NA	NA
02/17/17	Sonaca S.A.	LMI Aerospace, Inc.	Provides structural assemblies, kits, components, and engineering services to the commercial, business and regional, and military aerospace markets	\$430.9	346.2	\$34.3	9.9%	1.24x	12.6x
02/17/17	Verizon	Skyward	Provides drone management platforms to help industries that use drones to plan their flights, avoid restricted airspace, and register aircraft with the Federal Aviation Administration ("FAA")	NA	NA	NA	NA	NA	NA
02/08/17	Soaring Pine Capital	ETI Tech, Inc.	Provides more than 200 flight hardware parts for military aircraft and ground support equipment for fixed and rotary wing aircrafts and unmanned aerial vehicles	NA	NA	NA	NA	NA	NA
02/02/17	Carpenter Technology Corp.	Puris, LLC	Provides titanium powder for additive manufacturing and other applications	35.0	NA	NA	NA	NA	NA
02/02/17	Tata Power	NELCO Ltd.'s Unattended Ground Sensor (UGS) Business	Provides supplying, installing, and servicing capabilities for a range of sensors under Ministry of Defense ("MoD") contracts	1.3	NA	NA	NA	NA	NA
02/01/17	Liberty Hall Capital Partners, L.P.	Quatro Composites, LLC	Provides highly engineered advanced composite structures, components, and assemblies for the aerospace industry and medical and industrial markets	NA	NA	NA	NA	NA	NA
01/30/17	Dos Rios Partners	Pathfinder Aviation, Inc.	Provides helicopter services and logistical support, specializing in remote operations and extreme climates	NA	NA	NA	NA	NA	NA
01/19/17	Safran S.A.	Zodiac Aerospace S.A.	Provides aerospace equipment and systems for commercial, regional, and business aircraft, as well as helicopters and space applications	9,035.5	5,536.3	382.7	6.9%	1.63x	23.6x
01/12/17	Atec, Inc.	Vital Link, Inc.	Provides military and commercial jet engine test cells, hush houses, and associated facilities and systems	NA	NA	NA	NA	NA	NA
01/11/17	Odyssey Investment Partners LLC	Avtron Aerospace	Provides generator, electronic, and hydraulic aircraft component test solutions for the global, commercial, and military aerospace markets	NA	NA	NA	NA	NA	NA
01/09/17	The Safariland Group	Aegis Engineering Limited	Provides personal, protective apparel and equipment, including body armor, ballistic helmets, shields, and rifle plates	NA	NA	NA	NA	NA	NA
01/09/17	The Safariland Group	LBA International Limited	Provides protective equipment, including hard armor plates and ballistic helmets to law enforcement officers	NA	NA	NA	NA	NA	NA
01/04/17	Rockwell Collins, Inc.	Pulse.Aero Ltd	Provides self-service bag drop solutions and airline applications to enhance the company's passenger processing services for airports and airlines	NA	NA	NA	NA	NA	NA
01/03/17	Fincantieri S.p.A.	STX France of Saint-Nazaire	Provides shipbuilding services for military and commercial clients	NA	NA	NA	NA	NA	NA
01/03/17	Airborne Maintenance and Engineering Services, Inc.	PEMCO World Air Services, Inc.	Provides outsourced heavy MRO aircraft services and passenger-to-freighter aircraft conversion solutions	NA	NA	NA	NA	NA	NA
01/03/17	Puglia Engineering, Inc.	San Francisco Ship Repair Business From BAE Systems plc	Provides maintenance, alteration, and repair services to cruise liners, military support vessels, local bay traffic, bulk carriers, and container ships	NA	NA	NA	NA	NA	NA
01/03/17	BBA Aviation plc Aircraft Management Business	To merge with U.S. Business of Gama Aviation plc	Provides aircraft management services for aircraft owners, such as fuel and insurance, crew, and maintenance services	NA	NA	NA	NA	NA	NA
01/03/17	Admiralty Partners, Inc.	GE Santa Ana Defense Business	Provides flight products for military and commercial aircraft, including landing gear components, external fuel tanks, and mounted fuel pumps	NA	NA	NA	NA	NA	NA
12/27/16	Leonardo - Finmeccanica S.p.A	Sistemi Dinamici S.p.A	Provides remotely piloted aircraft systems	NA	NA	NA	NA	NA	NA
12/26/16	SC Strength Capital	Universal Aerospace	Provides machined and sheet metal parts to the aerospace and commercial aircraft industries	NA	NA	NA	NA	NA	NA
12/23/16	Arlington Capital Partners	Molecular Products Group, Ltd	Provides advanced chemistry-based products for the defense and healthcare markets	NA	NA	NA	NA	NA	NA
12/22/16	Advanced Integration Technology, Inc.	Nova-Tech Engineering	Provides critical assembly automation, materials handling and friction stir welding equipment, and tooling for the aerospace and space launch industries	NA	NA	NA	NA	NA	NA
12/21/16	United Flexible, Inc.	Scotia Technology	Provides small-diameter precision fixed tubular components for the aerospace and defense industries	NA	NA	NA	NA	NA	NA

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

Select Recent Government Technology Solutions M&A⁽¹⁾

(\$ in millions)

Announce Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM Rev.	EBITDA
03/27/17	Deloitte Consulting LLP	Day1 Solutions LLC	Provides systems integration and value-added resale of cloud-based technology	NA	NA	NA	NA	NA	NA
03/15/17	Timothy Cooke	ASI Government, Inc.	Provides consulting and advisory services for acquisition policy and strategy, category management, cost-price analysis, capital planning, IT, and process improvement	NA	NA	NA	NA	NA	NA
03/13/17	Contsellis Holdings, LLC	Centerra Group, LLC	Provides security and fire support services for federal and commercial customers, including nuclear security protection, base operations and support, and facilities and fleet management	NA	NA	NA	NA	NA	NA
03/08/17	KeyW Corporation	Sotera Defense Solutions, Inc.	Provides technology-based systems, solutions, and services for national security agencies and programs of the Federal Government, including counterterrorism and cyber solutions	\$235.0	\$225.0	\$20.0	8.5%	1.04x	11.8x
02/28/17	Veritas Capital	Capital Services business of CB&I	Provides comprehensive and integrated maintenance services, environmental engineering and remediation, program management, and disaster response and recovery services	755.0	2,179.3	93.3	12.4%	0.35x	8.1x
02/21/17	STG Group, Inc.	Preferred Systems Solutions, Inc.	Provides advanced computing, analytics, program and acquisition management, and cyber and software solutions to defense, intelligence, and federal customers	119.0	NA	NA	NA	NA	NA
02/13/17	Convergence Technology Consulting, LLC	Deep Run Security Services, LLC	Provides cyber security services, including its proprietary SPECTRUM risk management portal, cyber security due diligence for mergers and acquisitions, and other consulting services	NA	NA	NA	NA	NA	NA
02/09/17	Accenture Security	iDefense Security Intelligence Services	Provides information security intelligence services for commercial and government clients	NA	NA	NA	NA	NA	NA
02/08/17	Accenture Federal Services	Federal Services Business of Endgame, Inc.	Provides sophisticated cybersecurity solutions, specializing in proactive cyber defense, hunt-as-a-service, and red-teaming	NA	NA	NA	NA	NA	NA
02/06/17	Salient CRGT, Inc.	Information Innovators Inc. ⁽²⁾	Provides a full suite of next generation solutions, including health IT, enterprise IT solutions, and agile development capabilities	NA	NA	NA	NA	NA	NA
01/31/17	Concept Plus, LLC	Thao, Inc. (THAOINC)	Provides federal-specific expertise in EHR interoperability, identity management, and care delivery	NA	NA	NA	NA	NA	NA
01/30/17	Analytic Services, Inc. (ANSER)	Advanced Technology International (ATI)	Provides a research & development consortia on behalf of the Federal Government	40.0	NA	NA	NA	NA	NA
01/27/17	Altuiq, LLC	Alcyon, Inc.	Provides systems engineering, laboratory, and IT services to various federal agencies and aerospace companies	NA	NA	NA	NA	NA	NA
01/27/17	Millstein & Co. LLC	PRA Group's Government Services Business	Provides revenue discovery, recovery, and compliance services to states and over 1,000 municipalities nationwide	91.5	NA	NA	NA	NA	NA
01/27/17	Veritas Capital	Harris Corporation's Government IT Business	Provides IT and managed services to U.S. government agencies, including NASA and others	690.0	1,070.0	NA	NA	0.64x	NA
01/25/17	Octo Consulting Group	Booz Allen Hamilton: (Aquilent's SeaPort business)	Provides the operation of the SeaPort business of Aquilent, including the operation of the SeaPort portal	NA	NA	NA	NA	NA	NA
01/19/17	Polaris Alpha	Intelesys Corporation	Provides computer network operations and cyber solutions to the IC	NA	NA	NA	NA	NA	NA
01/13/17	Associated Veterans, LLC	Curis IT	Provides innovation and technology related to RFID, mobile applications, and DoD / VA health systems	NA	NA	NA	NA	NA	NA
01/09/17	Research Triangle Institute	International Resources Group Ltd.	Provides critical solutions to the U.S. Agency for International Development in developing nations around the world	24.0	NA	NA	NA	NA	NA
01/09/17	LLR Partners	Northrop Grumman's BluVector	Provides machine learning to provide advanced threat detection for public and private sector clients	NA	NA	NA	NA	NA	NA
01/05/17	Belcan, LLC	The Kemtah Group	Provides IT support services, enterprise-wide IT services, software development, and cybersecurity solutions for the scientific community and Federal Government	NA	NA	NA	NA	NA	NA
01/03/17	VOR Technology, LLC	SINTEL Group, Inc.	Provides intelligence analysis services and offensive cyber solutions primarily to the IC	NA	NA	NA	NA	NA	NA
01/03/17	Macaulay-Brown, Inc.	Enlighten IT Consulting Inc.	Provides advanced and mission-critical big data infrastructure, secure cloud engineering, and analytic solutions for federal, state, and local clients	NA	NA	NA	NA	NA	NA
12/30/16	Zenetex LLC	Delex Systems, Inc. ⁽²⁾	Provides information security, intelligence data analysis, modeling and simulation, training, and test and engineering solutions for DoD, IC, and international customers	NA	NA	NA	NA	NA	NA

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

(2) KippsDesanto & Co. served as exclusive financial advisor

About KippsDeSanto & Co.

KippsDeSanto is an investment banking firm focused on delivering M&A and financing expertise. Our solutions are focused on the sectors we know – aerospace / defense and government technology solutions. We are recognized for our depth of industry experience, knowledge of sector-specific transaction drivers, and long-standing relationships with industry participants.

We welcome the opportunity to have a more detailed discussion of developments in our focus industries. For more information, please contact us:

Robert D. Kipps

Managing Director

bkipps@kippsdesanto.com

Kevin P. DeSanto

Managing Director

kdesanto@kippsdesanto.com

Michael J. Misantone

Managing Director

mmisantone@kippsdesanto.com

Karl M. Schmidt

Managing Director

kschmidt@kippsdesanto.com

Marc B. Marlin

Managing Director

mmarlin@kippsdesanto.com

Jon Yim

Director

jyim@kippsdesanto.com

Toby Albright

Director

talbright@kippsdesanto.com

Kate W. Troendle

Director

ktroendle@kippsdesanto.com

Robert G. Dowling

Vice President

rdowling@kippsdesanto.com

Brian T. Tunney

Vice President

btunney@kippsdesanto.com

Stephen M. Jonas

Associate

sjonas@kippsdesanto.com

Alexia N. Marchetta

Associate

amarchetta@kippsdesanto.com

Salman J. Husain

Associate

shusain@kippsdesanto.com

Connect with KippsDeSanto:



The information and opinions in this newsletter were prepared by KippsDeSanto & Co. and the information herein is believed to be reliable and has been obtained from and based upon public sources believed to be reliable. KippsDeSanto & Co. makes no representation as to the accuracy or completeness of such information. Opinions, estimates, and analyses in this newsletter constitute the current judgment of the author as of the date of this newsletter. They do not necessarily reflect the opinions of KippsDeSanto & Co. and are subject to change without notice. This newsletter is meant to impart general knowledge about a sector or industry and is not expected to provide reasonably sufficient information upon which to make any investment decisions.

KippsDeSanto & Co. is not affiliated with any of the companies identified in this newsletter. Unless otherwise described, the companies identified are also not affiliated with one another.

This newsletter may contain information obtained from third parties. Reproduction and distribution of third party content in any form is prohibited except with the prior written permission of the related third party. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs or losses caused by negligence) in connection with any use of their content, including ratings.

KippsDeSanto 
INVESTMENT BANKING

8000 Towers Crescent Drive
Suite 1200
Tysons Corner, Virginia 22182
703.442.1400
www.kippsdesanto.com