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Industry Observations – March 31, 2020

**Aerospace, Defense and Other
Government-Contracted Industries**

Select Aerospace, Defense and Other Government Contractor Public Company Industry Data As of March 31, 2020

(USD in millions, except per share data)

Company Name	Ticker	Market Data				Debt / Total Capital	LTM Operating Data			Forward Estimates	
		Price at 03/31/20	% of 52 Week High	Equity Value	Enterprise Value		Total Assets	LTM Revenue	LTM EBITDA	CY 2020 Revenue Estimate	CY 2020 EBITDA Estimate
Diversified Contractors											
General Dynamics Corporation	GD	\$132.31	68.3%	\$38,311.05	\$52,898.63	50.4%	\$48,841.00	\$39,350.00	\$5,493.00	\$40,107.46	\$5,541.05
Juniper Networks, Inc.	JNPR	\$19.14	66.5%	\$6,326.29	\$7,400.44	29.0%	\$8,837.70	\$4,445.40	\$712.80	\$4,316.78	\$929.54
Kratos Defense & Security Solutions, Inc.	KTOS	\$13.84	55.2%	\$1,480.07	\$1,823.85	39.3%	\$1,186.00	\$717.50	\$64.60	\$769.16	\$75.12
MasTec, Inc.	MTZ	\$32.73	44.4%	\$2,466.62	\$4,171.24	48.2%	\$4,997.01	\$7,183.19	\$813.44	\$7,654.13	\$843.17
Motorola Solutions, Inc.	MSI	\$132.92	70.9%	\$22,673.37	\$31,676.26	113.5%	\$10,642.00	\$7,887.00	\$2,122.00	\$8,032.91	\$2,306.78
QUALCOMM Incorporated	QCOM	\$67.65	70.3%	\$77,326.85	\$91,577.57	77.9%	\$33,111.00	\$24,508.00	\$9,800.00	\$23,021.65	\$7,331.09
Teledyne Technologies Incorporated	TDY	\$297.27	74.5%	\$10,893.13	\$12,445.48	26.7%	\$4,579.80	\$3,163.60	\$614.80	\$3,213.43	\$606.27
Information Technology and Consulting Contractors											
CACI International Inc	CACI	\$211.15	73.2%	\$5,293.89	\$8,042.47	44.4%	\$5,526.70	\$5,397.70	\$504.66	\$5,787.39	\$604.83
Fortinet, Inc.	FTNT	\$101.17	83.0%	\$17,453.31	\$17,467.76	3.4%	\$3,885.50	\$2,156.20	\$405.80	\$2,495.60	\$650.93
L3Harris Technologies, Inc.	LHX	\$180.12	78.0%	\$39,067.34	\$51,335.38	25.7%	\$38,336.00	\$18,526.00	\$3,558.00	\$19,032.78	\$3,780.11
ManTech International Corporation	MANT	\$72.67	77.3%	\$2,920.15	\$3,323.54	10.2%	\$2,107.91	\$2,222.56	\$195.40	\$2,395.44	\$209.56
NetApp, Inc.	NTAP	\$41.69	53.2%	\$9,220.87	\$8,294.61	87.6%	\$7,483.00	\$5,603.00	\$1,120.00	\$5,361.43	\$1,194.86
NIC Inc.	EGOV	\$23.00	94.3%	\$1,560.10	\$1,453.87	4.3%	\$362.36	\$354.21	\$69.46	\$385.64	\$92.02
Tyler Technologies, Inc.	TYL	\$296.56	87.0%	\$11,683.28	\$12,738.69	1.4%	\$2,191.61	\$1,086.43	\$203.20	\$1,186.36	\$324.23
Verint Systems Inc.	VRNT	\$43.00	67.3%	\$2,757.38	\$3,354.85	43.9%	\$3,016.06	\$1,303.63	\$159.10	\$1,368.09	\$321.21
Viasat, Inc.	VSAT	\$35.92	36.9%	\$2,231.68	\$4,427.69	48.5%	\$4,513.68	\$2,274.74	\$314.97	\$2,403.66	\$472.83
VSE Corporation	VSEC	\$16.39	39.8%	\$180.06	\$495.69	45.1%	\$845.86	\$752.63	\$87.59	\$0.00	\$0.00

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt);

EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

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Select Aerospace, Defense and Other Government Contractor Public Company Industry Data As of March 31, 2020

(USD in millions, except per share data)

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		Price at 03/31/20	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM EBITDA	CY 2020 Revenue Estimate	CY 2020 EBITDA Estimate
Aerospace and Defense Contractors											
AAR Corp.	AIR	\$17.76	33.6%	\$613.94	\$875.04	23.5%	\$1,828.90	\$2,218.20	\$143.20	\$1,715.01	\$96.10
OSI Systems, Inc.	OSIS	\$68.92	58.8%	\$1,261.58	\$1,645.86	40.6%	\$1,301.93	\$1,208.86	\$155.64	\$1,229.65	\$203.62
Ball Corporation	BLL	\$64.66	78.1%	\$21,065.27	\$29,198.12	72.7%	\$17,360.00	\$11,474.00	\$1,854.00	\$11,899.87	\$1,943.75
Cubic Corporation	CUB	\$41.31	54.9%	\$1,292.86	\$1,844.02	38.7%	\$1,920.03	\$1,520.06	\$132.05	\$1,605.21	\$189.48
FLIR Systems, Inc.	FLIR	\$31.89	53.7%	\$4,287.79	\$5,024.28	27.7%	\$3,137.54	\$1,887.03	\$417.19	\$1,843.30	\$372.16
Hexcel Corporation	HXL	\$37.19	42.7%	\$3,099.57	\$3,755.65	43.8%	\$3,128.60	\$2,355.70	\$566.90	\$2,033.53	\$454.57
Huntington Ingalls Industries, Inc.	HII	\$182.21	65.1%	\$7,420.30	\$9,390.25	48.3%	\$7,031.00	\$8,899.00	\$982.00	\$8,964.50	\$1,253.77
Northrop Grumman Corporation	NOC	\$302.55	78.6%	\$50,718.61	\$72,809.57	63.7%	\$41,089.00	\$33,841.00	\$3,987.00	\$35,583.19	\$4,894.89
The Boeing Company	BA	\$149.14	37.4%	\$84,148.64	\$105,709.78	141.0%	\$133,625.00	\$76,559.00	\$169.00	\$73,885.01	\$2,905.64
TransDigm Group Incorporated	TDG	\$320.19	47.5%	\$17,190.26	\$32,597.22	129.9%	\$18,156.00	\$5,695.20	\$2,491.44	\$5,291.35	\$2,329.04
Triumph Group, Inc.	TGI	\$6.76	23.0%	\$350.50	\$1,790.74	156.2%	\$2,625.39	\$3,076.03	\$296.38	\$2,312.95	\$219.98

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt);

EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

Select Aerospace, Defense and Other Government Contractor Public Company Valuation Metrics As of March 31, 2020

(USD in millions, except per share data)

Company Name	Ticker	LTM Operating Statistics						Trading Multiples			
		Return On Assets	Return On Equity	Return On Capital	Revenue Growth	EBITDA Growth	EBITDA Margin	TEV/ LTM Revenue	TEV/ CY 2020 Revenue	TEV/ LTM EBITDA	TEV/ CY 2020 EBITDA
Diversified Contractors											
General Dynamics Corporation	GD	6.2%	27.5%	11.3%	8.7%	4.7%	14.0%	1.3x	1.3x	9.6x	9.5x
Juniper Networks, Inc.	JNPR	3.4%	7.3%	4.6%	-4.3%	-10.3%	16.0%	1.7x	1.7x	10.4x	8.0x
Kratos Defense & Security Solutions, Inc.	KTOS	2.3%	2.0%	2.9%	16.1%	23.8%	9.0%	2.5x	2.4x	28.2x	24.3x
MasTec, Inc.	MTZ	7.7%	24.8%	11.5%	4.0%	19.1%	11.3%	0.6x	0.5x	5.1x	4.9x
Motorola Solutions, Inc.	MSI	10.8%	N/A	23.7%	7.4%	12.0%	26.9%	4.0x	3.9x	14.9x	13.7x
QUALCOMM Incorporated	QCOM	15.6%	104.4%	26.0%	13.8%	51.7%	40.0%	3.7x	4.0x	9.3x	12.5x
Teledyne Technologies Incorporated	TDY	7.5%	16.3%	9.4%	9.0%	11.6%	19.4%	3.9x	3.9x	20.2x	20.5x
	Mean	7.6%	30.4%	12.8%	7.8%	16.1%	19.5%	2.5x	2.5x	14.0x	13.4x
	Median	7.5%	20.5%	11.3%	8.7%	12.0%	16.0%	2.5x	2.4x	10.4x	12.5x
Information Technology and Consulting Contractors											
CACI International Inc	CACI	5.1%	11.1%	6.4%	16.3%	9.5%	9.3%	1.5x	1.4x	15.9x	13.3x
Fortinet, Inc.	FTNT	6.2%	28.0%	18.1%	19.7%	41.5%	18.8%	8.1x	7.0x	43.0x	26.8x
L3Harris Technologies, Inc.	HRS	0.0%	0.0%	0.0%	0.0%	0.0%	19.2%	2.8x	2.7x	14.4x	13.6x
MariTech International Corporation	MANT	4.5%	7.9%	5.7%	13.5%	18.2%	8.8%	1.5x	1.4x	17.0x	15.9x
NetApp, Inc.	NTAP	7.6%	134.8%	23.1%	-9.6%	-16.5%	20.0%	1.5x	1.5x	7.4x	6.9x
NIC Inc.	EGOV	12.1%	22.0%	17.3%	2.7%	-14.7%	19.6%	4.1x	3.8x	20.9x	15.8x
Tyler Technologies, Inc.	TYL	4.9%	10.0%	6.6%	16.2%	6.2%	18.7%	11.7x	10.7x	62.7x	39.3x
Verint Systems Inc.	VRNT	2.1%	2.9%	2.9%	6.0%	-9.6%	12.2%	2.6x	2.5x	21.1x	10.4x
Viasat, Inc.	VSAT	0.5%	0.7%	0.5%	16.6%	101.5%	13.8%	1.9x	1.8x	14.1x	9.4x
VSE Corporation	VSEC	5.1%	10.7%	6.5%	7.9%	12.7%	11.6%	0.7x	N/A	5.7x	N/A
	Mean	4.8%	22.8%	8.7%	8.9%	14.9%	15.2%	3.6x	3.6x	22.2x	16.8x
	Median	5.0%	10.3%	6.5%	10.7%	7.9%	16.3%	2.3x	2.5x	16.5x	13.6x

Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)

Source: Capital IQ

Select Aerospace, Defense and Other Government Contractor Public Company Valuation Metrics As of March 31, 2020

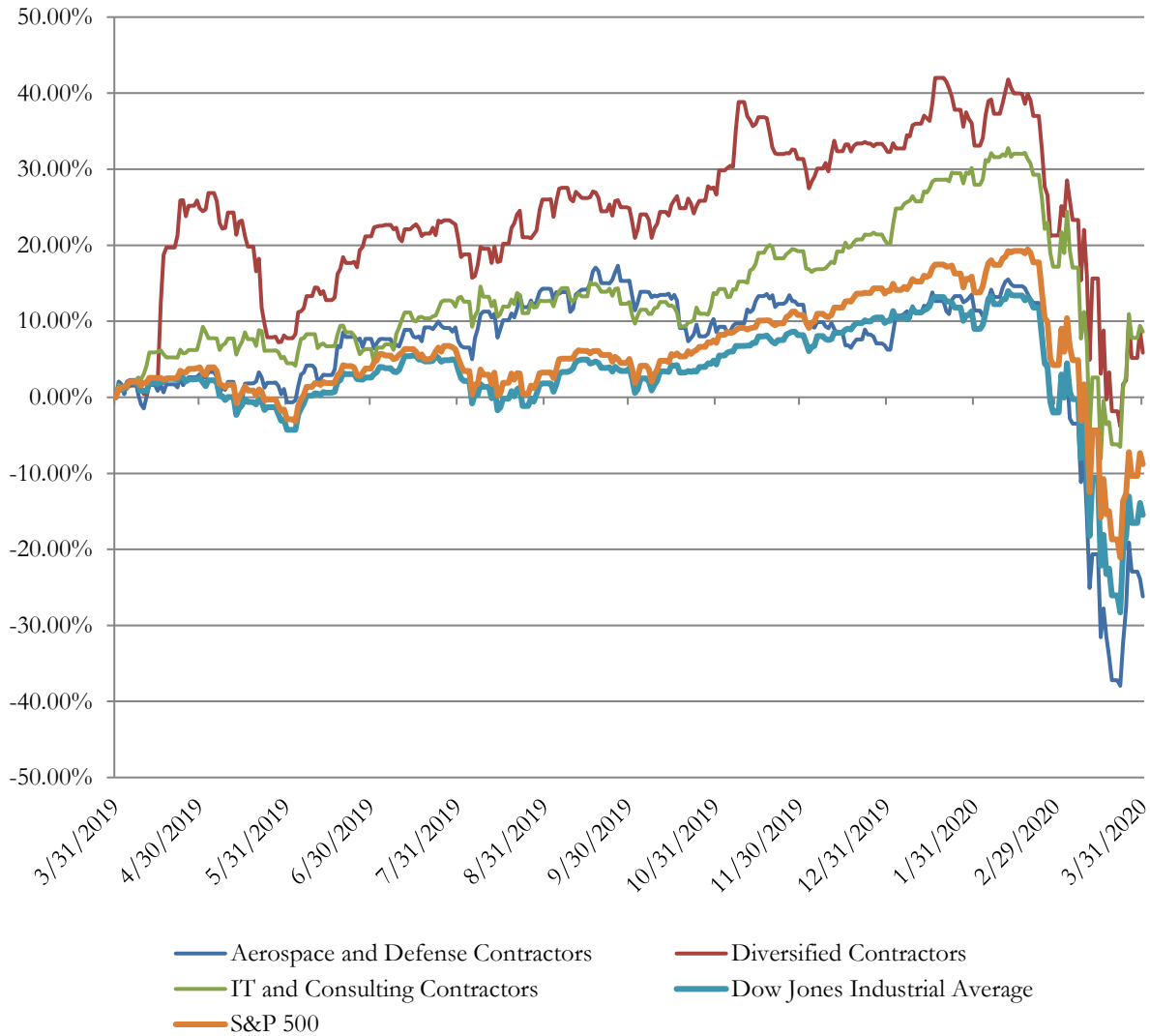
(USD in millions, except per share data)

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		Return On Assets	Return On Equity	Return On Capital	Revenue Growth	EBITDA Growth	EBITDA Margin	TEV/ LTM Revenue	TEV/ CY 2020 Revenue	TEV/ LTM EBITDA	TEV/ CY 2020 EBITDA
Aerospace and Defense Contractors											
AAR Corp.	AIR	3.7%	7.3%	5.4%	13.0%	8.9%	6.5%	0.4x	0.5x	6.1x	9.1x
OSI Systems, Inc.	OSIS	5.5%	14.8%	7.8%	7.5%	7.9%	12.9%	1.4x	1.3x	10.6x	8.1x
Ball Corporation	BLL	4.3%	16.3%	6.9%	-1.4%	1.4%	16.2%	2.5x	2.5x	15.7x	15.0x
Cubic Corporation	CUB	2.4%	3.7%	2.9%	20.7%	13.2%	8.7%	1.2x	1.1x	14.0x	9.7x
FLIR Systems, Inc.	FLIR	6.6%	9.2%	8.0%	6.3%	2.5%	22.1%	2.7x	2.7x	12.0x	13.5x
Hexcel Corporation	HXL	8.9%	22.2%	11.0%	7.6%	14.6%	24.1%	1.6x	1.8x	6.6x	8.3x
Huntington Ingalls Industries, Inc.	HII	7.0%	35.4%	16.1%	8.8%	-18.9%	11.0%	1.1x	1.0x	9.6x	7.5x
Northrop Grumman Corporation	NOC	4.7%	26.4%	7.9%	12.4%	-20.3%	11.8%	2.2x	2.0x	18.3x	14.9x
The Boeing Company	BA	-1.0%	N/A	-7.6%	-24.3%	-98.8%	0.2%	1.4x	1.4x	625.5x	36.4x
TransDigm Group Incorporated	TDG	9.1%	N/A	10.9%	44.0%	31.4%	43.7%	5.7x	6.2x	13.1x	14.0x
Triumph Group, Inc.	TGI	4.9%	N/A	12.5%	-9.3%	38.4%	9.6%	0.6x	0.8x	6.0x	8.1x
	Mean	5.1%	16.9%	7.4%	7.8%	-1.8%	15.2%	1.9x	2.0x	67.0x	13.1x
	Median	4.9%	15.5%	7.9%	7.6%	7.9%	11.8%	1.4x	1.4x	12.0x	9.7x

Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)

Source: Capital IQ

Aerospace, Defense and Other Government Contractor Public Company LTM Equity Performance As of March 31, 2020



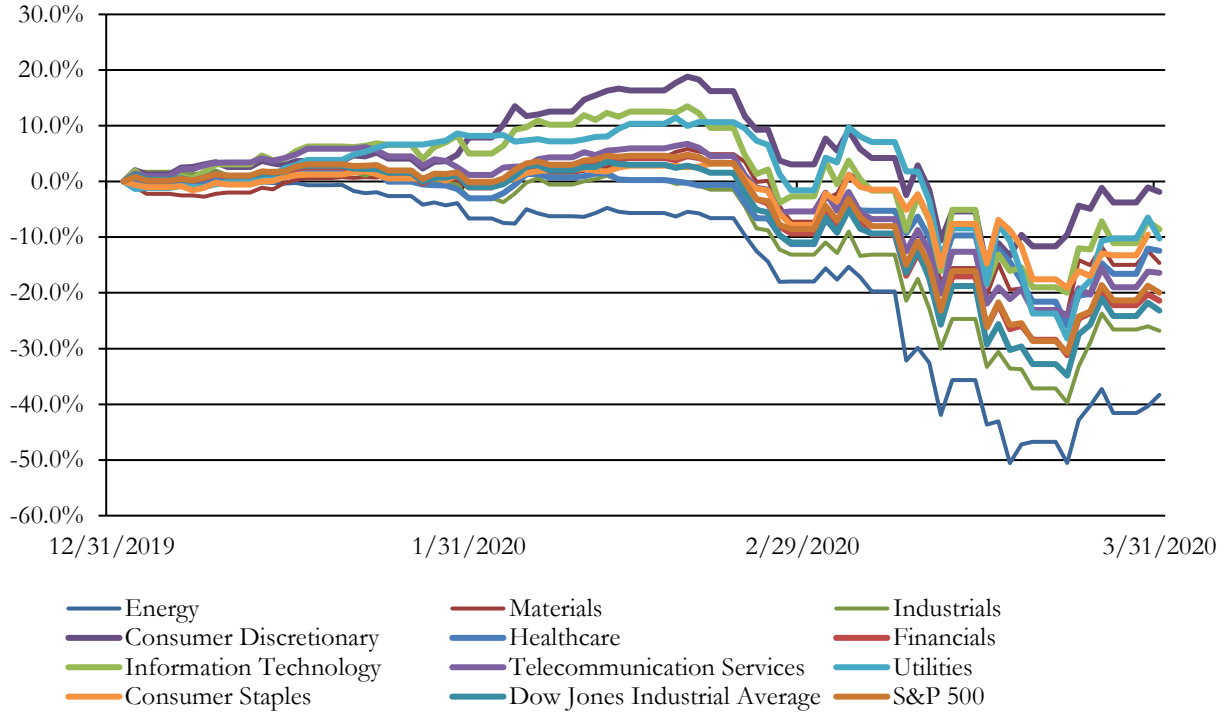
Note: The indices are derived from the equity performance of the previously listed companies. Source: Capital IQ

Recent M&A Activity in Aerospace, Defense and Other Government Contracted Industries YTD as of March 31, 2020

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Enterprise Value
6/29/2019	L3 Technologies, Inc.	Harris Corporation (nka:L3Harris Technologies,	Aerospace and Defense	\$19,215.95
1/9/2020	Wesco Aircraft Holdings, Inc.	Pattonair Limited	Aerospace and Defense	\$1,903.81
1/31/2020	Dynetics, Inc.	Leidos, Inc.	Aerospace and Defense	\$1,650.00
11/21/2019	AIM Aerospace, Inc.	Sekisui America Corporation	Aerospace and Defense	\$510.00
9/30/2019	EDAC Technologies Corporation (nka:Hanwha Aerospace USA)	Hanwha Aerospace Co., Ltd.	Aerospace and Defense	\$295.33
9/4/2019	Pacific Design Technologies, Inc.	AMETEK, Inc.	Aerospace and Defense	\$122.10
1/2/2020	Advanced Ballistic Protection Business of 3M	Avon Rubber p.l.c.	Aerospace and Defense	\$116.00
2/19/2020	Custom MMIC Design Services, Inc.	Qorvo, Inc.	Aerospace and Defense	\$105.00
12/19/2019	Arotech Corporation	Greenbriar Equity Group, L.P.; Greenbriar Equity	Aerospace and Defense	\$103.04
3/2/2020	RSA Engineered Products, LLC	TriMas Corporation	Aerospace and Defense	\$85.00
6/7/2019	Systron Donner Inertial, Inc.	EMCORE Corporation	Aerospace and Defense	\$24.95
2/27/2020	Prime Turbines, LLC	PTB Group Limited	Aerospace and Defense	\$21.00
8/30/2019	Substantially All of the Assets and Technical Data Rights of	Extant Components Group Holdings, Inc.	Aerospace and Defense	\$20.00
9/29/2019	HighCom Armor Solutions, Inc.	XTEK Limited	Aerospace and Defense	\$2.55
6/25/2019	Green Island Operations of LAI International, Inc.	Ross Precision Manufacturing Inc.	Aerospace and Defense	\$2.50
3/9/2020	UAS Drone Corp.	Duke Robotics, Inc. (nka:UAS Drone Corp.)	Aerospace and Defense	NA
3/3/2020	Neva Ridge Technologies, Inc.	General Atomics Corp.	Aerospace and Defense	NA
3/2/2020	Adcole Maryland Aerospace, LLC	AE Industrial Partners, LP	Aerospace and Defense	NA
2/29/2020	MAST Technology, Inc.	UDC USA, Inc.	Aerospace and Defense	NA
2/24/2020	FreeFlight Systems, Inc.	ACR Electronics, Inc.	Aerospace and Defense	NA
2/18/2020	Premier Processing, Inc.	Cadence Aerospace, LLC	Aerospace and Defense	NA
2/17/2020	North State Aviation Holdings, LLC	MRO Holdings, Inc.	Aerospace and Defense	NA
2/14/2020	Department 13, Inc.	Department 13 Pty Ltd ACN	Aerospace and Defense	NA
2/4/2020	Certain Assets of International Aero	PrimeFlight Aviation Services, Inc.	Aerospace and Defense	NA
2/4/2020	IntellWare Systems, Inc.	Trowbridge & Trowbridge, LLC	Aerospace and Defense	NA
2/1/2020	California Associated Products	H C Merchandisers, Inc.	Aerospace and Defense	NA
1/31/2020	ILC Dover, Incorporated	New Mountain Capital, L.L.C	Aerospace and Defense	NA
1/31/2020	Flightcheck Commercial Aviation Services, LLC	Lineage Capital, LLC	Aerospace and Defense	NA
1/31/2020	Elliott Aviation, Inc.	Spp Management Services, LLC; Summit Park III,	Aerospace and Defense	NA
1/31/2020	North America Civil Nuclear Systems and Services Businesses of	Westinghouse Electric Company LLC	Aerospace and Defense	NA
1/27/2020	Novaria Holdings, LLC	KKR & Co. Inc.; KKR Americas Fund XII LP	Aerospace and Defense	NA
1/24/2020	Cassavant Machining, Inc.	CMI Group Holdings, LLC	Aerospace and Defense	NA
1/16/2020	Spectranetix, Inc.	Pacific Defense	Aerospace and Defense	NA
1/15/2020	Chaparral Jet Center Inc.	Lubbock Aero, Inc.	Aerospace and Defense	NA
1/14/2020	Star Lab Corporation	Wind River Systems, Inc.	Aerospace and Defense	NA
1/7/2020	Aero Parts Mart, Inc.	Jet Parts Engineering, Inc.	Aerospace and Defense	NA
1/7/2020	California Amforge Corporation	Premier Forge Group	Aerospace and Defense	NA
1/6/2020	Aerospace Welding Minneapolis, Inc./Aerospace Manufacturing,	Tailwind Technologies Inc.	Aerospace and Defense	NA
1/2/2020	Kleen-Bore, Inc.	Pro-Shot Products, Inc.	Aerospace and Defense	NA
12/31/2019	Assets of Aero-Bond Corporation	WHI Global, LLC	Aerospace and Defense	NA
12/23/2019	AeroRepair Corp.	GenNx360 Capital Partners	Aerospace and Defense	NA
12/23/2019	Bob Fields Aerocessories, Inc.	TALCO Aviation Corporation	Aerospace and Defense	NA
12/20/2019	Manufacturing Facility in Rogers, Arkansas	Ferra Aerospace Inc.	Aerospace and Defense	NA
12/17/2019	Assets of PAE ISR LLC	American Aerospace Technologies, Inc.	Aerospace and Defense	NA
12/17/2019	APPEARANCE GROUP, Inc.	PrimeFlight Aviation Services, Inc.	Aerospace and Defense	NA
12/17/2019	AMTAC, Inc.	AE GIX Global, LLC	Aerospace and Defense	NA
12/16/2019	Unique Airmotive Services, LLC	Mill Hill Capital	Aerospace and Defense	NA
12/16/2019	Fastener Technology Corporation	Shimtech Industries Us, Inc.	Aerospace and Defense	NA
12/4/2019	Antenna Development Corporation	Blue Canyon Technologies, Inc.	Aerospace and Defense	NA
11/13/2019	Damping Technologies, Inc.	Graham Partners, Inc.	Aerospace and Defense	NA
10/17/2019	Baum, Romstedt Technology Research Corporation	Whitney, Bradley and Brown, Inc.	Aerospace and Defense	NA
10/14/2019	Beechjet Business of GlobalParts Group, Inc.	C&L Aerospace, LLC	Aerospace and Defense	NA
9/24/2019	ARGUS International, Inc.	SGS SA	Aerospace and Defense	NA
9/5/2019	Momentum Services Corporation	Precision Aviation Group, Inc.	Aerospace and Defense	NA
8/31/2019	Digital Age Experts, LLC	Applied Insight, LLC	Aerospace and Defense	NA
7/10/2019	Bushwacker, Backpack, and Supply Inc.	Tender Corporation	Aerospace and Defense	NA
7/10/2019	TAVCO, Inc.	Kellstrom Defense Aerospace, Inc.	Aerospace and Defense	NA
7/8/2019	Valence Surface Technologies, LLC	British Columbia Investment Management	Aerospace and Defense	NA
6/6/2019	Napa Jet Center, Inc.	Lynx FBO Network	Aerospace and Defense	NA
6/1/2019	Global Aerospace Operations of Jardine Lloyd Thompson Group	Arthur J. Gallagher & Co.	Aerospace and Defense	NA
5/9/2019	API Technologies Corp.	AEA Investors LP	Aerospace and Defense	NA
5/2/2019	Assets of LAI International's operations in Scarborough and	Whitcraft LLC	Aerospace and Defense	NA
4/4/2019	Automated Business Power, Inc.	Medallion Capital, Inc.; Rockmont Capital Partners,	Aerospace and Defense	NA

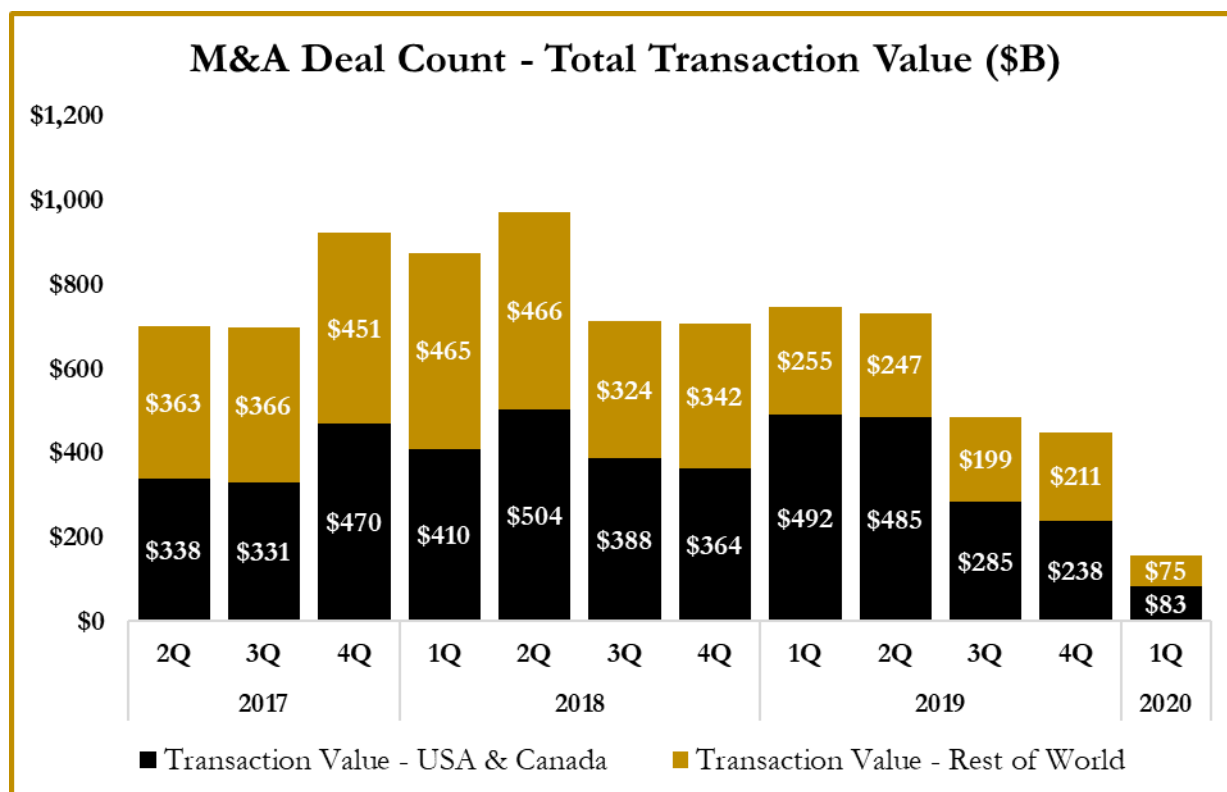
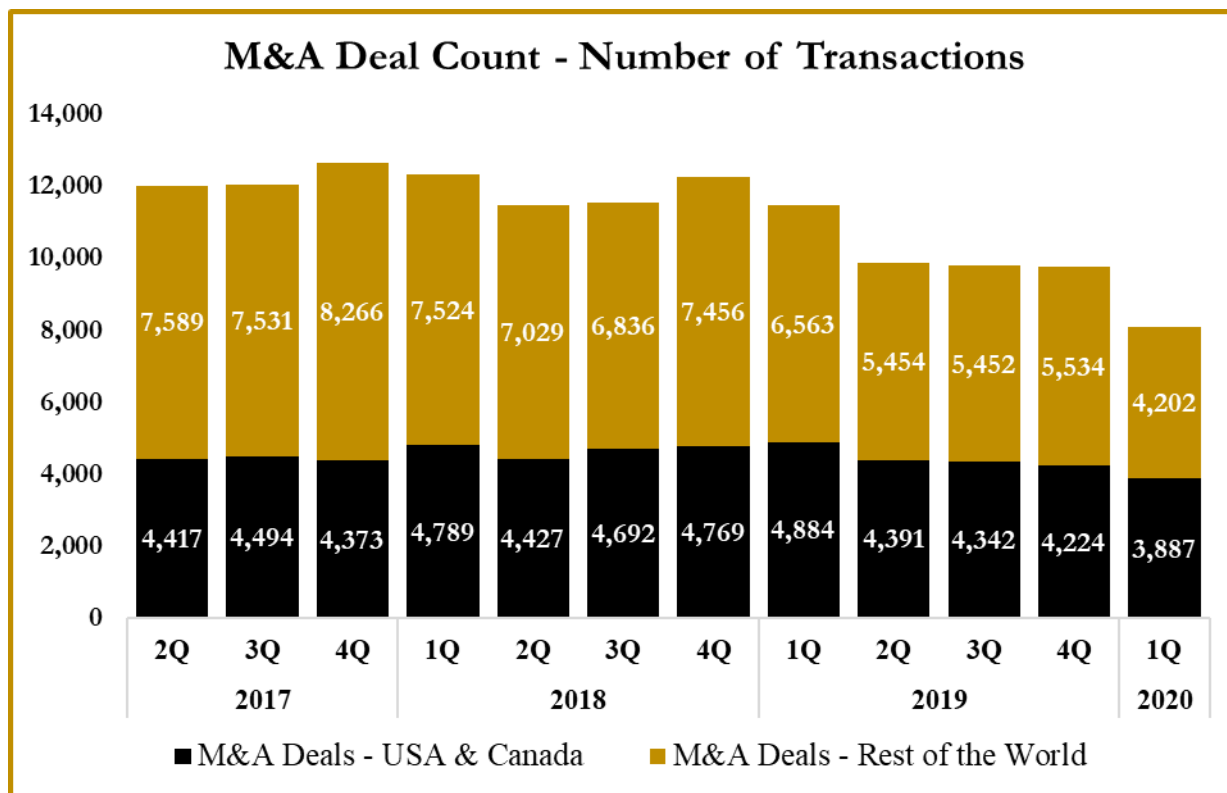
S&P Capital IQ - Sector Last 3 Month Equity Performance
As of March 31, 2020

Change in Market Cap by S&P Capital IQ Sector

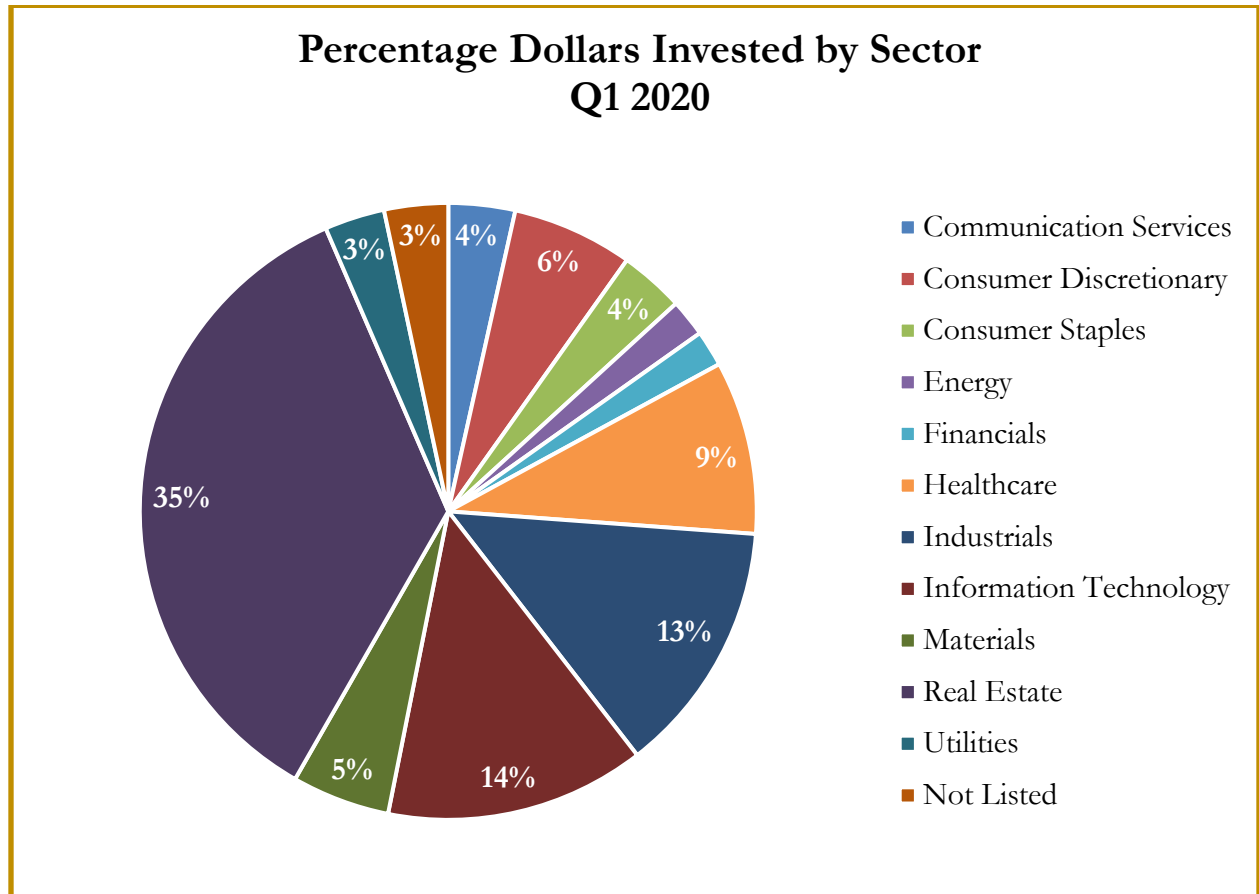


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector
As of March 31, 2020



M&A Deal Flow Statistics by S&P Capital IQ Sector
As of March 31, 2020





About Us

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