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Industry Observations – June 30, 2020

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

Select Aerospace, Defense and Other Government Contractor Public Company Industry Data As of June 30, 2020

(USD in millions, except per share data)

Company Name	Ticker	Market Data			LTM Operating Data			Forward Estimates			
		Price at 06/30/20	% 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
Diversified Contractors											
General Dynamics Corporation	GD	\$149.46	77.1%	\$42,776.48	\$57,302.10	59.5%	\$53,710.00	\$38,838.00	\$5,451.00	\$38,860.32	\$5,206.61
Juniper Networks, Inc.	JNPR	\$22.86	82.9%	\$7,574.71	\$8,056.43	29.8%	\$8,609.50	\$4,441.70	\$708.40	\$4,325.98	\$873.55
Kratos Defense & Security Solutions, Inc.	KTOS	\$15.63	62.3%	\$1,914.73	\$2,417.48	38.9%	\$1,183.30	\$726.00	\$61.50	\$749.59	\$74.26
MasTec, Inc.	MTZ	\$44.87	60.9%	\$3,230.30	\$4,502.56	49.3%	\$4,893.55	\$7,081.45	\$784.56	\$7,350.14	\$781.02
Motorola Solutions, Inc.	MSI	\$140.13	74.7%	\$23,831.54	\$29,375.11	116.7%	\$10,716.00	\$7,885.00	\$2,123.00	\$7,310.75	\$1,999.85
QUALCOMM Incorporated	QCOM	\$91.21	94.8%	\$102,604.68	\$107,395.29	84.4%	\$31,938.00	\$24,741.00	\$9,693.00	\$22,428.40	\$7,318.66
Teledyne Technologies Incorporated	TDY	\$310.95	77.9%	\$11,400.55	\$12,330.88	26.4%	\$4,585.00	\$3,203.00	\$624.60	\$3,078.75	\$576.90
Information Technology and Consulting Contractors											
CACI International Inc	CACI	\$216.88	75.2%	\$5,440.73	\$7,030.53	43.0%	\$5,546.48	\$5,598.34	\$529.48	\$5,903.02	\$593.98
Fortinet, Inc.	FTNT	\$137.27	91.7%	\$22,189.50	\$20,490.22	7.4%	\$3,206.20	\$2,260.50	\$436.20	\$2,499.14	\$695.24
L3Harris Technologies, Inc.	LHX	\$169.67	73.5%	\$36,626.72	\$44,661.33	26.4%	\$38,105.00	\$21,424.00	\$4,018.00	\$18,559.89	\$3,665.07
ManTech International Corporation	MANT	\$68.49	72.9%	\$2,757.49	\$2,829.56	13.8%	\$2,230.45	\$2,331.54	\$209.26	\$2,408.15	\$211.41
NetApp, Inc.	NTAP	\$44.37	67.9%	\$9,841.99	\$8,836.97	88.2%	\$7,522.00	\$5,412.00	\$1,085.00	\$5,133.81	\$1,139.21
NIC Inc.	EGOV	\$22.96	88.5%	\$1,537.63	\$1,261.65	4.0%	\$386.70	\$360.14	\$68.27	\$379.64	\$88.12
Tyler Technologies, Inc.	TYL	\$346.88	90.6%	\$13,792.51	\$14,133.45	1.3%	\$2,219.38	\$1,115.90	\$203.94	\$1,149.38	\$314.28
Verint Systems Inc.	VRNT	\$45.18	75.5%	\$2,915.27	\$3,378.36	48.0%	\$3,094.71	\$1,275.67	\$147.96	\$1,253.36	\$313.14
Viasat, Inc.	VSAT	\$38.37	45.3%	\$2,384.59	\$4,296.33	51.5%	\$4,883.87	\$2,309.24	\$327.60	\$2,296.84	\$461.05
VSE Corporation	VSEC	\$31.39	76.3%	\$346.65	\$620.73	45.1%	\$811.41	\$760.13	\$90.99	\$612.50	\$52.95

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 June 30, 2020

(USD in millions, except per share data)

Company Name	Ticker	Market Data			LTM Operating Data			Forward Estimates			
		Price at 06/30/20	% 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	\$20.67	39.2%	\$714.54	\$934.83	42.6%	\$2,079.00	\$2,072.00	\$86.90	\$1,753.25	\$105.10
OSI Systems, Inc.	OSIS	\$74.64	63.7%	\$1,344.36	\$1,524.69	41.2%	\$1,286.59	\$1,197.45	\$159.99	\$1,180.28	\$187.23
Ball Corporation	BLL	\$69.49	83.9%	\$22,653.86	\$31,314.87	75.3%	\$16,545.00	\$11,474.00	\$1,888.00	\$11,509.59	\$1,875.78
Cubic Corporation	CUB	\$48.03	63.9%	\$1,503.27	\$2,253.02	52.5%	\$2,273.69	\$1,504.20	\$120.01	\$1,535.48	\$167.73
FLIR Systems, Inc.	FLIR	\$40.57	68.3%	\$5,308.27	\$6,049.12	34.0%	\$3,122.24	\$1,893.21	\$392.34	\$1,906.40	\$359.65
Hexcel Corporation	HXL	\$45.22	52.0%	\$3,775.45	\$4,960.65	49.4%	\$3,433.30	\$2,286.80	\$541.30	\$1,735.61	\$346.69
Huntington Ingalls Industries, Inc.	HII	\$174.49	62.4%	\$7,062.35	\$9,236.20	54.2%	\$7,615.00	\$9,082.00	\$1,067.00	\$8,968.19	\$1,207.82
Northrop Grumman Corporation	NOC	\$307.44	79.9%	\$51,251.09	\$67,022.96	66.7%	\$43,203.00	\$34,272.00	\$4,082.00	\$35,217.74	\$4,949.87
The Boeing Company	BA	\$183.30	46.9%	\$103,440.83	\$123,280.21	131.7%	\$143,075.00	\$70,550.00	-\$2,481.00	\$65,953.99	\$1,354.27
TransDigm Group Incorporated	TDG	\$442.05	65.6%	\$23,902.67	\$40,027.02	128.4%	\$16,635.00	\$5,970.20	\$2,623.44	\$4,696.29	\$2,001.63
Triumph Group, Inc.	TGI	\$9.01	30.7%	\$467.60	\$1,793.12	171.4%	\$2,980.33	\$2,900.12	\$287.43	\$2,169.44	\$172.30

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 June 30, 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	5.7%	27.1%	9.6%	2.4%	1.3%	14.0%	1.5x	1.5x	10.3x	10.8x
Juniper Networks, Inc.	JNPR	3.4%	7.2%	4.6%	-2.7%	-10.5%	15.9%	1.8x	1.8x	11.2x	9.1x
Kratos Defense & Security Solutions, Inc.	KTOS	2.0%	1.3%	2.4%	14.3%	12.0%	8.5%	3.0x	2.9x	35.8x	29.6x
MasTec, Inc.	MTZ	7.0%	24.8%	10.3%	0.7%	8.9%	11.1%	0.7x	0.6x	5.9x	5.9x
Motorola Solutions, Inc.	MSI	10.4%	N/A	20.6%	4.7%	9.4%	26.9%	3.6x	3.9x	13.3x	13.7x
QUALCOMM Incorporated	QCOM	15.7%	117.1%	26.1%	16.8%	86.1%	39.2%	4.5x	4.9x	11.4x	15.1x
Teledyne Technologies Incorporated	TDY	6.8%	14.9%	8.6%	5.4%	4.6%	19.1%	4.1x	4.1x	21.2x	21.8x
	Mean	7.3%	32.1%	11.7%	5.9%	16.0%	19.2%	2.7x	2.8x	15.6x	15.1x
	Median	6.8%	19.8%	9.6%	4.7%	8.9%	15.9%	3.0x	2.9x	11.4x	13.7x
Information Technology and Consulting Contractors											
CACI International Inc	CACI	4.9%	11.3%	6.1%	17.1%	16.5%	9.5%	1.2x	1.2x	13.1x	11.7x
Fortinet, Inc.	FTNT	7.3%	46.6%	27.8%	20.6%	41.9%	19.3%	9.0x	8.1x	46.4x	29.1x
L3Harris Technologies, Inc.	HRS	0.0%	0.0%	0.0%	0.0%	0.0%	18.8%	2.0x	2.4x	10.9x	12.0x
MariTech International Corporation	MANT	4.4%	8.3%	5.5%	17.3%	25.4%	9.0%	1.2x	1.2x	13.5x	13.3x
NetApp, Inc.	NTAP	7.2%	123.0%	23.6%	-11.9%	-19.3%	20.0%	1.7x	1.8x	8.3x	7.9x
NIC Inc.	EGOV	10.7%	21.7%	16.0%	4.9%	-13.3%	19.0%	3.6x	3.4x	19.0x	14.8x
Tyler Technologies, Inc.	TYL	4.7%	10.9%	6.1%	16.1%	8.0%	18.3%	12.9x	12.5x	70.4x	45.7x
Verint Systems Inc.	VRNT	1.7%	2.3%	2.3%	1.6%	-20.2%	11.6%	2.7x	2.7x	23.0x	10.9x
Viasat, Inc.	VSAT	0.5%	0.7%	0.6%	11.7%	60.1%	14.2%	1.9x	1.9x	13.1x	9.3x
VSE Corporation	VSEC	5.0%	9.6%	6.2%	10.1%	15.3%	12.0%	0.8x	1.0x	6.9x	11.8x
	Mean	4.6%	23.4%	9.4%	8.7%	11.4%	15.2%	3.7x	3.6x	22.5x	16.6x
	Median	4.8%	10.2%	6.1%	10.9%	11.6%	16.2%	2.0x	2.1x	13.3x	11.9x

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 June 30, 2020

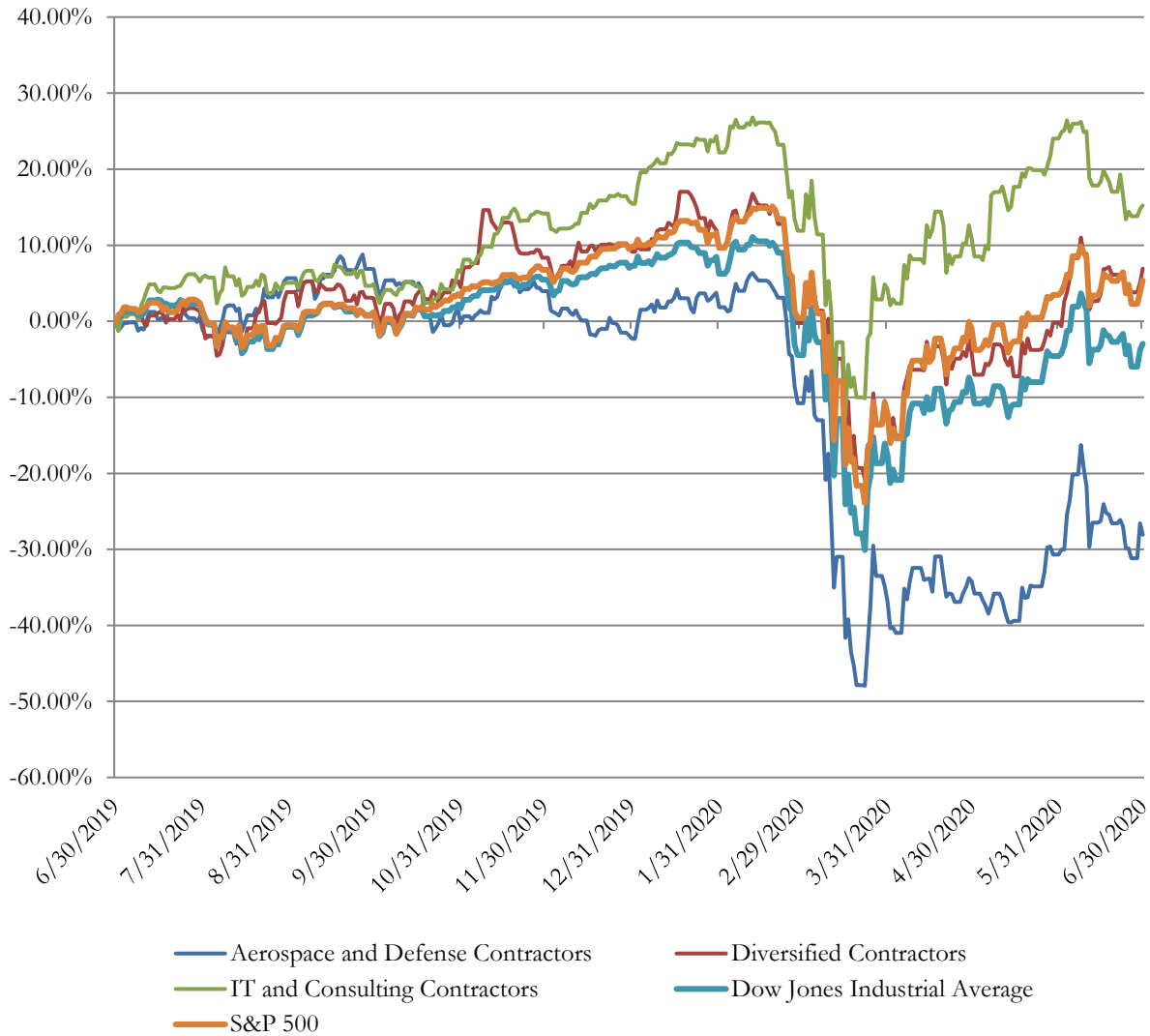
(USD in millions, except per share data)

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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	1.5%	2.7%	2.1%	1.0%	-38.5%	4.2%	0.5x	0.5x	10.8x	8.9x
OSI Systems, Inc.	OSIS	5.4%	14.5%	7.6%	3.1%	9.8%	13.4%	1.3x	1.3x	9.5x	8.1x
Ball Corporation	BLL	4.5%	13.9%	6.9%	-1.4%	5.1%	16.5%	2.7x	2.7x	16.6x	16.7x
Cubic Corporation	CUB	1.5%	-0.8%	1.8%	14.1%	0.6%	8.0%	1.5x	1.5x	18.8x	13.4x
FLIR Systems, Inc.	FLIR	5.6%	6.9%	6.7%	6.3%	-7.3%	20.7%	3.2x	3.2x	15.4x	16.8x
Hexcel Corporation	HXL	7.6%	19.8%	9.3%	1.2%	3.3%	23.7%	2.2x	2.9x	9.2x	14.3x
Huntington Ingalls Industries, Inc.	HII	7.1%	37.6%	15.3%	8.4%	-8.5%	11.7%	1.0x	1.0x	8.7x	7.6x
Northrop Grumman Corporation	NOC	4.6%	25.3%	7.3%	8.6%	-21.8%	11.9%	2.0x	1.9x	16.4x	13.5x
The Boeing Company	BA	-2.3%	N/A	-13.1%	-29.9%	N/A	-3.5%	1.7x	1.9x	N/A	91.0x
TransDigm Group Incorporated	TDG	8.5%	N/A	9.5%	42.4%	31.4%	43.9%	6.7x	8.5x	15.3x	20.0x
Triumph Group, Inc.	TGI	4.8%	N/A	14.0%	-13.8%	43.1%	9.9%	0.6x	0.8x	6.2x	10.4x
	Mean	4.4%	15.0%	6.1%	3.6%	1.7%	14.6%	2.1x	2.4x	12.7x	20.1x
	Median	4.8%	14.2%	7.3%	3.1%	2.0%	11.9%	1.7x	1.9x	13.0x	13.5x

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 June 30, 2020



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

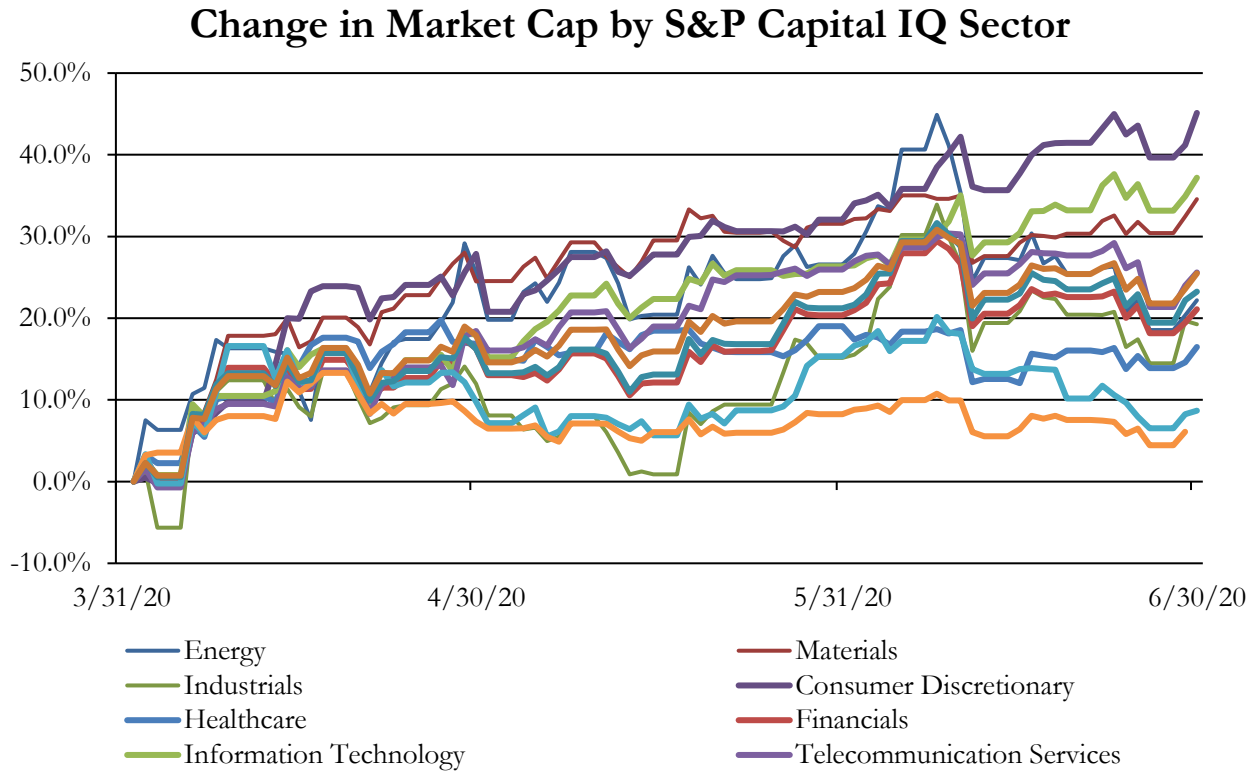
Recent M&A Activity in Aerospace, Defense and Other Government Contracted Industries YTD as of June 30, 2020

(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Enterprise Value
4/3/2020	Raytheon Company	United Technologies Corporation (nka:Raytheon	Aerospace and Defense	\$91,064.47
1/9/2020	Wesco Aircraft Holdings, Inc.	Pattonair Limited	Aerospace and Defense	\$1,903.81
9/16/2019	Exotic Metals Forming Company LLC	Parker-Hannifin Corporation	Aerospace and Defense	\$1,705.57
1/31/2020	Dynetics, Inc.	Leidos, Inc.	Aerospace and Defense	\$1,650.00
2/24/2020	Consolidated Aerospace Manufacturing, LLC	Stanley Black & Decker, Inc.	Aerospace and Defense	\$1,500.00
11/1/2019	Ontic Engineering and Manufacturing, Inc.	CVC Capital Partners Limited; CVC Capital	Aerospace and Defense	\$1,321.00
3/13/2020	Unisys Federal	Science Applications International Corporation	Aerospace and Defense	\$1,200.00
11/21/2019	AIM Aerospace, Inc.	Sekisui America Corporation	Aerospace and Defense	\$510.00
9/13/2019	Night Vision business of Harris Corporation	Elbit Systems of America, LLC	Aerospace and Defense	\$350.00
9/30/2019	EDAC Technologies Corporation (nka:Hanwha Aerospace USA)	Hanwha Aerospace Co., Ltd.	Aerospace and Defense	\$295.33
5/2/2020	Airborne Tactical Radios Business of Raytheon Company	BAE Systems plc	Aerospace and Defense	\$275.00
8/1/2019	Naval Systems Business Unit And Certain Related Contracting	Serco Inc.	Aerospace and Defense	\$225.00
7/22/2019	Pacific Cast Technologies, Inc.	WP CPP Holdings, LLC	Aerospace and Defense	\$127.00
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
12/19/2019	Arotech Corporation	Greenbriar Equity Group, L.P.; Greenbriar Equity	Aerospace and Defense	\$103.04
3/31/2020	TeraThink Corporation	CGI Federal Inc.	Aerospace and Defense	\$101.35
9/23/2019	American Panel Corporation	Mercury Systems, Inc.	Aerospace and Defense	\$100.00
2/6/2020	Custom MMIC Design Services, Inc.	Qorvo, Inc.	Aerospace and Defense	\$96.00
2/27/2020	RSA Engineered Products, LLC	TriMas Corporation	Aerospace and Defense	\$84.30
10/8/2019	Nobles Worldwide, Inc.	Ducommun LaBarge Technologies, Inc.	Aerospace and Defense	\$77.00
5/1/2020	Certain Assets of DHPC Technologies Inc.	Perspecta Inc.	Aerospace and Defense	\$53.00
6/12/2020	Spaceflight Systems, Inc.	Mitsui & Co., Ltd.; Yamasa Co., Ltd.	Aerospace and Defense	\$48.00
2/27/2020	Prime Turbines, LLC	PTB Group Limited	Aerospace and Defense	\$21.00
10/22/2019	SEMCO Aerospace, LLC	SK AeroSafety Group	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
5/7/2020	Chemring Ordnance, Inc.	Nammo AS	Aerospace and Defense	\$17.00
11/27/2019	Substantially All Assets of Surefly, Inc.	Moog Inc.	Aerospace and Defense	\$4.00
9/29/2019	HighCom Armor Solutions, Inc.	XTEK Limited	Aerospace and Defense	\$2.55
10/3/2019	Damping Technologies, Inc.	Graham Partners, Inc.	Aerospace and Defense	NA
3/18/2020	AEVEX Aerospace, LLC	Madison Dearborn Partners, LLC; CoVant	Aerospace and Defense	NA
4/30/2020	Southern Air Custom Interiors, Inc.	Lowden Street Capital	Aerospace and Defense	NA
1/31/2020	North America Civil Nuclear Systems and Services Businesses of	Westinghouse Electric Company LLC	Aerospace and Defense	NA
12/20/2019	Manufacturing Facility in Rogers, Arkansas	Ferra Aerospace Inc.	Aerospace and Defense	NA
3/2/2020	Adcole Maryland Aerospace, LLC (nka:RedWire, LLC)	AE Industrial Partners, LP	Aerospace and Defense	NA
6/1/2020	Private Aircraft Management & Charter Services of Western	Wing Aviation Charter Services LLC	Aerospace and Defense	NA
2/24/2020	FreeFlight Systems, Inc.	ACR Electronics, Inc.	Aerospace and Defense	NA
9/17/2019	Assets of XJet Holdings, LLC	Modern Aviation Inc.	Aerospace and Defense	NA
6/2/2020	United States based Commercial Nuclear Services Business of	Framatome	Aerospace and Defense	NA
11/12/2019	Numet Machining Techniques Inc.	Bromford Industries Limited	Aerospace and Defense	NA
10/1/2019	Co-Operative Industries Defense, LLC	kSARIA Corporation	Aerospace and Defense	NA
6/23/2020	Made In Space, Inc.	Redwire, LLC	Aerospace and Defense	NA
6/23/2020	Shadin L.P.	Gardner Standard LLC	Aerospace and Defense	NA
6/17/2020	Solers, Inc.	Peraton Corporation	Aerospace and Defense	NA
6/10/2020	WaveStrike, LLC	Novetta Solutions, LLC	Aerospace and Defense	NA
6/1/2020	Deep Space Systems Inc.	Adcole Maryland Aerospace, LLC (nka:RedWire,	Aerospace and Defense	NA
5/28/2020	Business Assets and Contracts of ArmorStruxx, LLC	Leading Technology Composites, Inc.	Aerospace and Defense	NA
5/18/2020	Enterprise Information Services, Inc.	Cognosante, LLC	Aerospace and Defense	NA
5/18/2020	AMERGINT Technologies, Inc.	The Blackstone Group Inc.; The Boundary Group	Aerospace and Defense	NA
5/6/2020	Tethers Unlimited, Inc.	AMERGINT Technologies, Inc.	Aerospace and Defense	NA
5/5/2020	Assets of TTF Aerospace, Inc.	Commercial Aircraft Interiors, LLC	Aerospace and Defense	NA
5/4/2020	FlightWire Technology, Inc.	New Wave Design and Verification, LLC	Aerospace and Defense	NA
4/30/2020	Aerox Aviation Oxygen Systems, LLC	O2 Aero Acquisitions, LLC	Aerospace and Defense	NA
4/15/2020	EMRC Heli	The AEgis Technologies Group, Inc.	Aerospace and Defense	NA
3/31/2020	Unique Airmotive Services, LLC	The Auxiliary Group, LLC	Aerospace and Defense	NA
3/25/2020	Jet Engine Solutions LLC	Hong Kong Aircraft Engineering Company Limited	Aerospace and Defense	NA
3/9/2020	UAS Drone Corp.	Duke Robotics, Inc. (nka:UAS Drone Corp.)	Aerospace and Defense	NA
3/5/2020	Sky Night, LLC	Exclusive Jets LLC	Aerospace and Defense	NA
3/3/2020	Neva Ridge Technologies, Inc.	General Atomics Corp.	Aerospace and Defense	NA
3/2/2020	TECT Corp	Whitcraft LLC	Aerospace and Defense	NA
2/29/2020	MAST Technology, Inc.	UDC USA, Inc.	Aerospace and Defense	NA
2/17/2020	North State Aviation Holdings, LLC	MRO Holdings, Inc.	Aerospace and Defense	NA
2/18/2020	Premier Processing, Inc.	Cadence Aerospace, LLC	Aerospace and Defense	NA

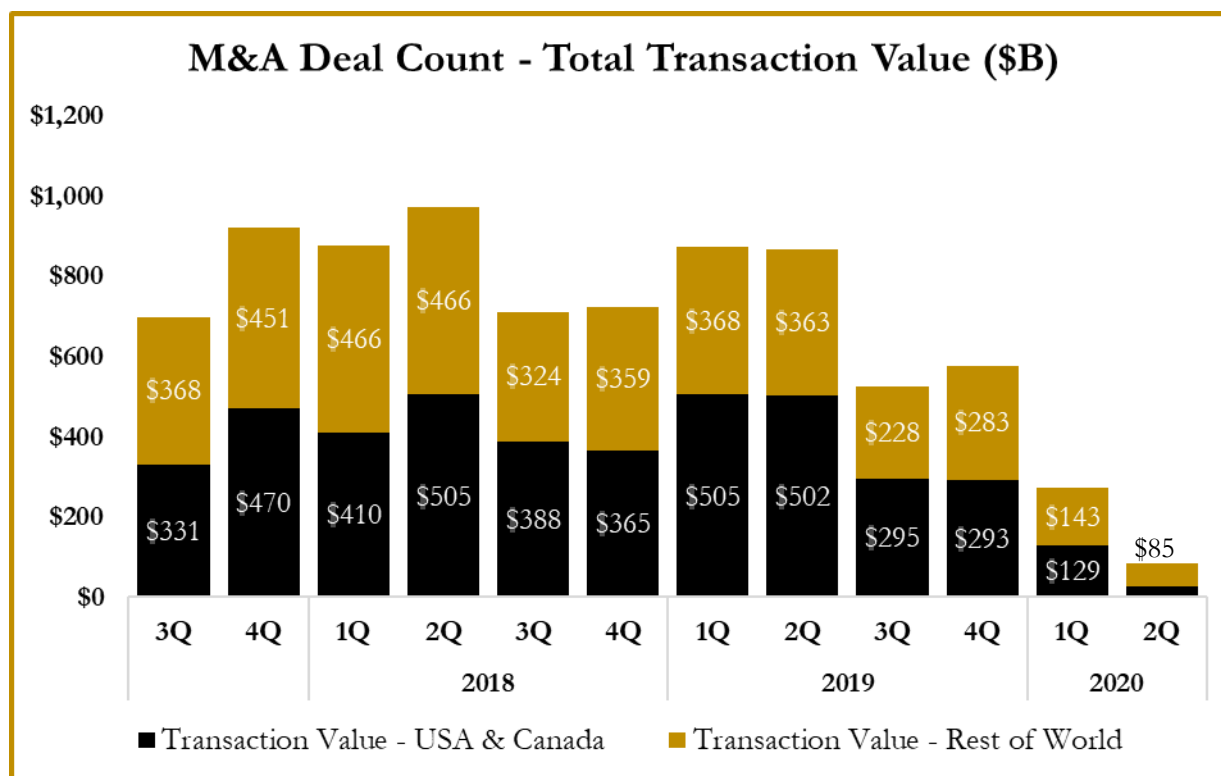
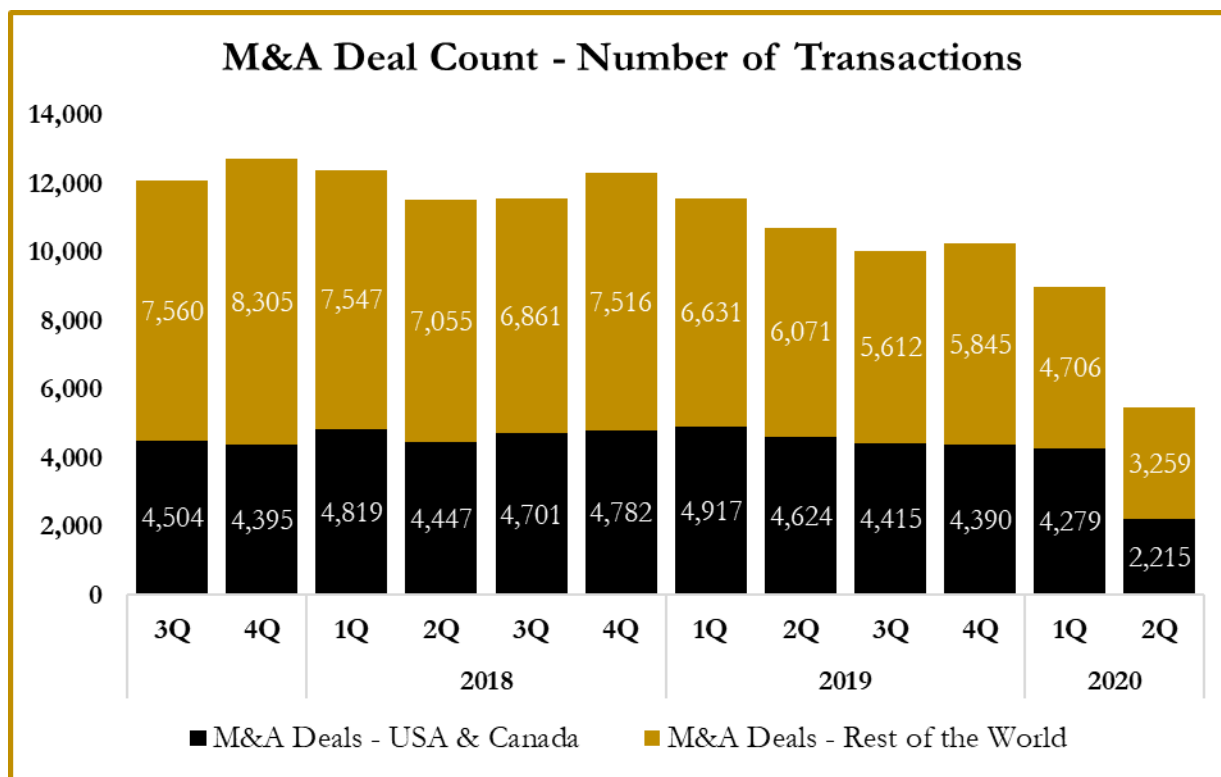
Source: Capital IQ

S&P Capital IQ - Sector Last 3 Month Equity Performance
As of June 30, 2020

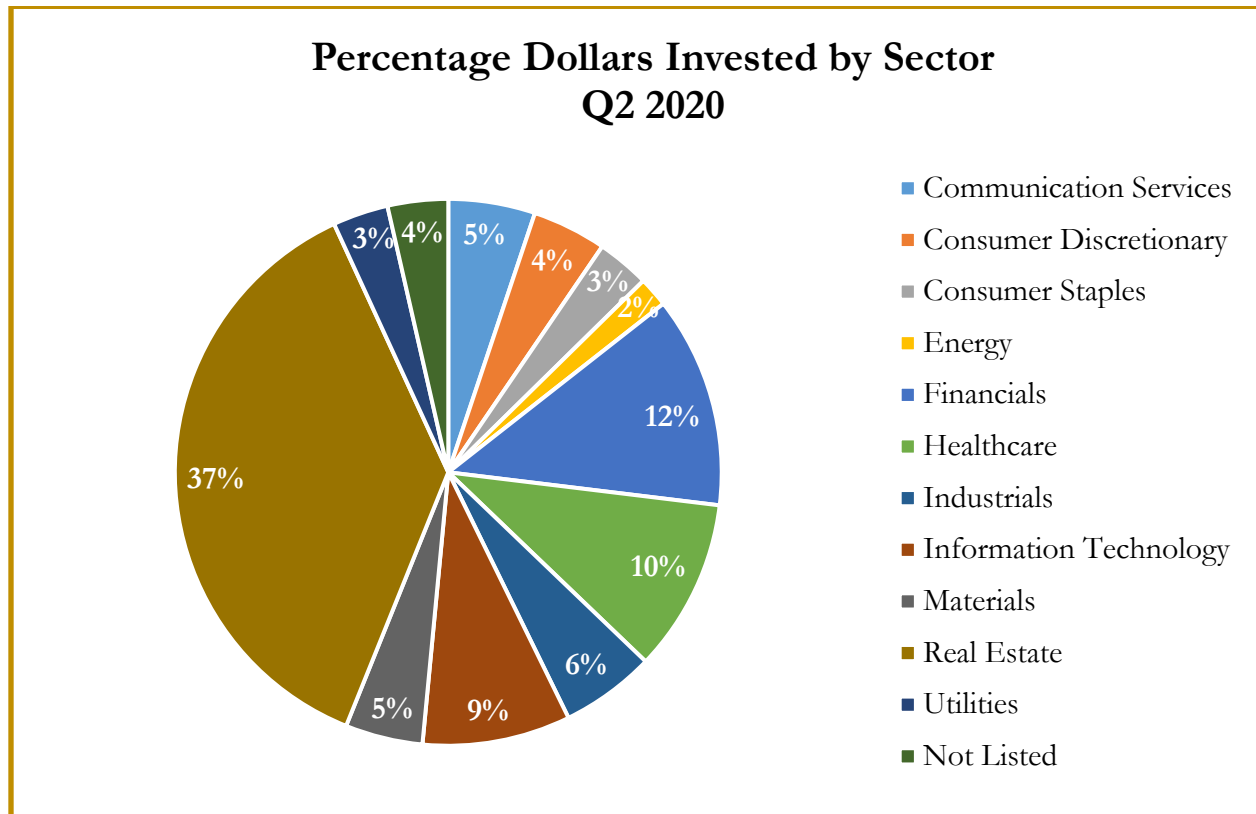


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector
As of June 30, 2020



M&A Deal Flow Statistics by S&P Capital IQ Sector
As of June 30, 2020





About Us

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