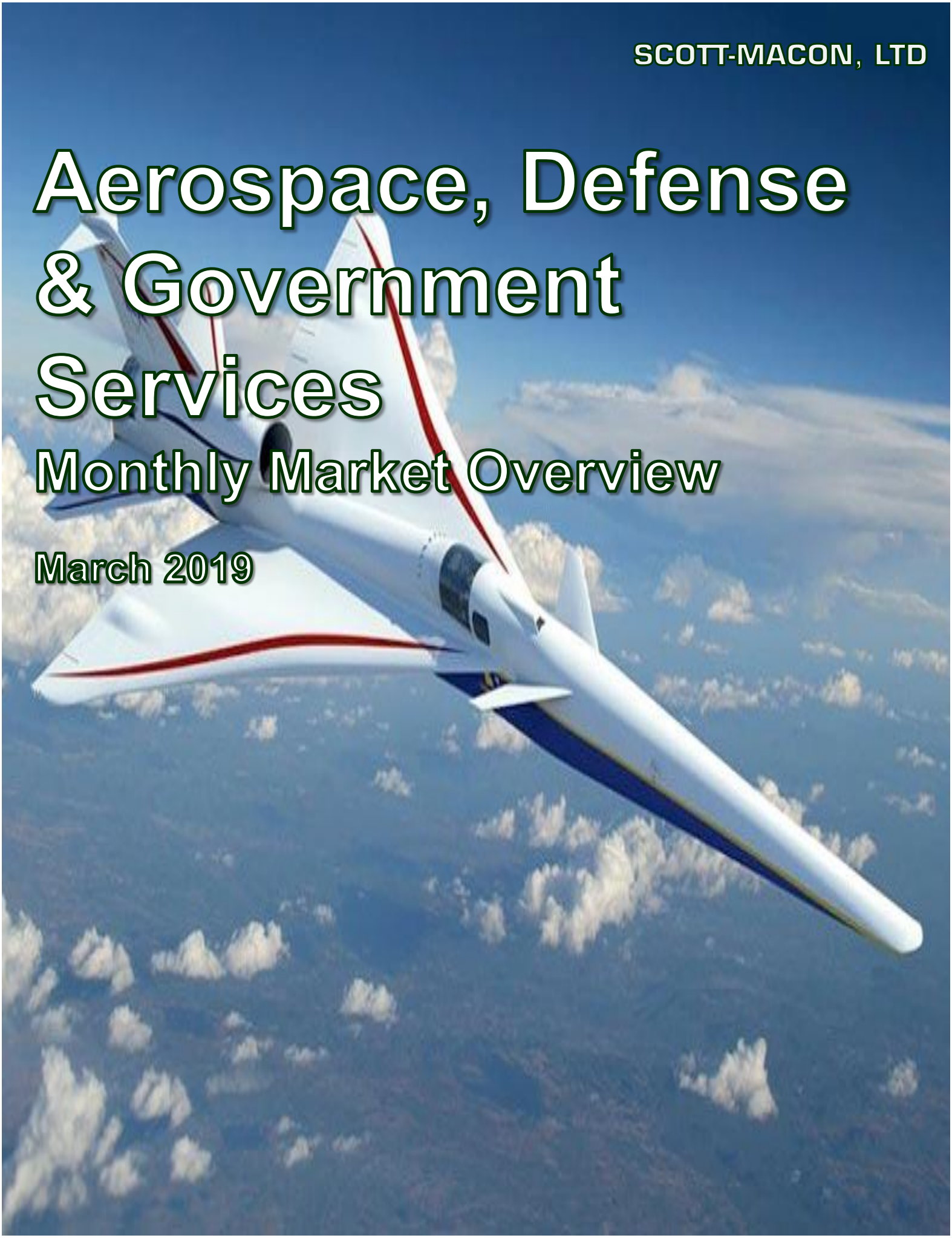
SCOTT-MACON, LTD

Aerospace, Defense & Government Services

Monthly Market Overview

March 2019



A note from SCOTT-MACON

We are pleased to present you with the March 2019 Edition of the Scott-Macon Aerospace, Defense and Government Services monthly newsletter! Our team strives to provide industry professionals such as yourself with the critical market information necessary to execute your strategic goals and initiatives. Please let us know if you would like to discuss any of the emerging trends presented in this review and how they can potentially impact your firm.

Our team can help you with the following services:

- **Mergers and Acquisitions**
  - **Sale of company**
  - **Acquisition of target companies**
- **Private Debt and Equity Financing**
- **Dividend Recapitalization**

We look forward to speaking to you soon!

Best,

Michael

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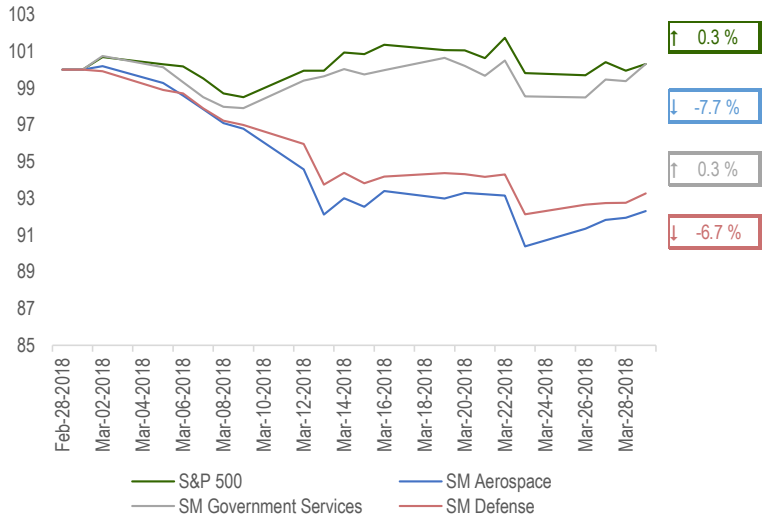
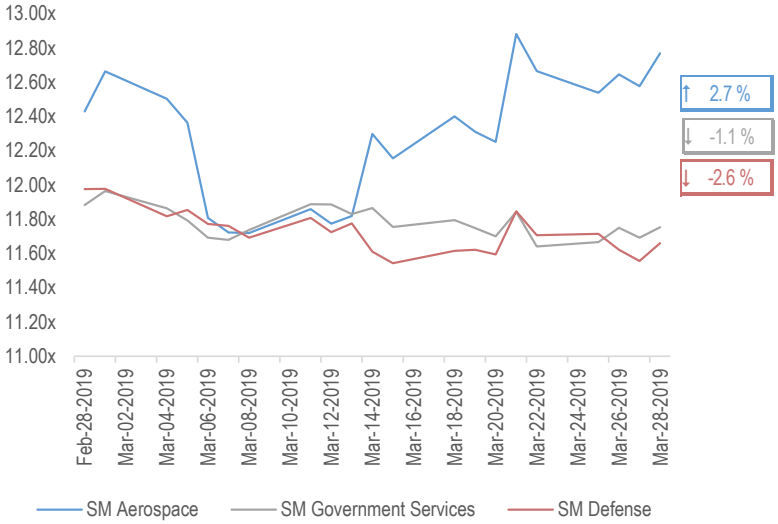
Section 1: Market Snapshot

Monthly as of March 2019

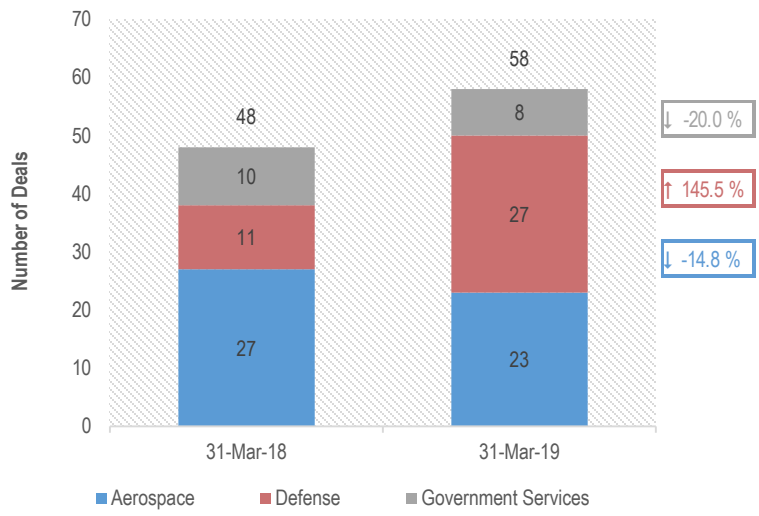
Share Price Performance



Trading Valuation (TEV / LTM EBITDA)

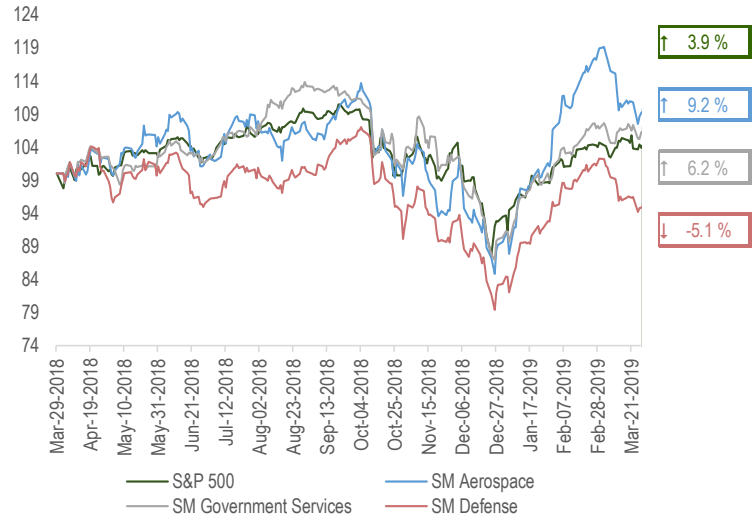


M&A Transactions



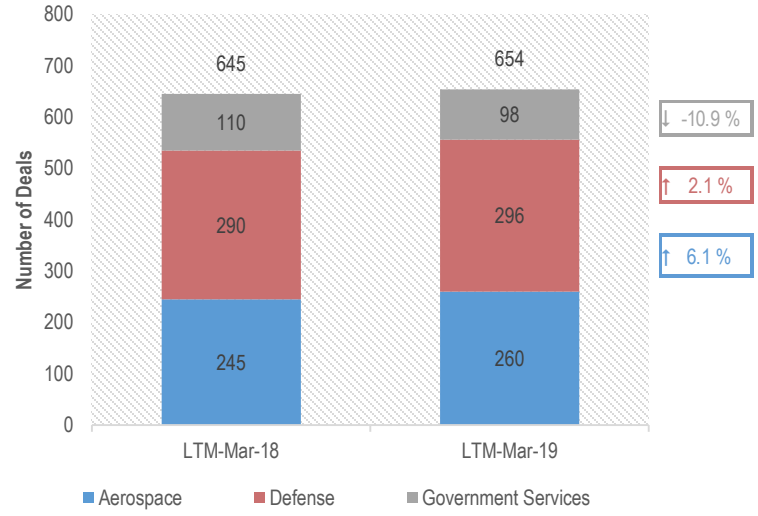
LTM as of March 2019

Share Price Performance



Trading Valuation (TEV / LTM EBITDA)

M&A Transactions



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Section 2: Public Comparables

Aerospace Public Comparables

Aerospace OEMs	Price	% of 52 Wk High	Market Value	Total Enterprise Value (TEV)	TEV / LTM EBITDA	% Change TEV / LTM EBITDA 30 Day	% Change TEV / LTM EBITDA 1 Year	TEV / LTM Rev.	% Change TEV / LTM Rev. 30 Day	% Change TEV / LTM Rev. 1 Year
Airbus SE	$132.32	98.7%	$102,655.0	$98,664.0	15.1 x	24.8%	46.4%	1.4 x	4.1%	32.9%
Boeing Company	381.42	85.5	215,304.7	220,658.7	15.8	-2.3	7.9	2.2	-12.2	5.2
Bombardier Inc.	1.92	46.1	4,576.4	12,337.5	10.9	-17.9	-18.8	0.7	-0.9	-20.5
Embraer S.A.	4.74	65.9	3,486.6	4,541.1	17.6	-32.1	-37.2	0.9	-17.5	-8.2
Median		**75.7%**	**$53,615.7**	**$55,500.8**	**15.5 x**	**16.5%**	**-27.6%**	**1.2 x**	**1.5%**	**5.0%**
Mean		**74.0%**	**$81,505.7**	**$84,050.3**	**14.9 x**	**7.2%**	**-30.4%**	**1.3 x**	**-0.1%**	**7.9%**

Aerospace Systems / Equipment	Price	% of 52 Wk High	Market Value	Total Enterprise Value (TEV)	TEV / LTM EBITDA	% Change TEV / LTM EBITDA 30 Day	% Change TEV / LTM EBITDA 1 Year	TEV / LTM Rev.	% Change TEV / LTM Rev. 30 Day	% Change TEV / LTM Rev. 1 Year
AAR Corp.	$32.51	63.1%	$1,117.8	$1,266.1	8.8 x	-23.5%	-24.2%	0.6 x	-16.1	-26.4%
AMETEK, Inc.	82.97	100.8	18,877.2	21,156.0	16.3	10.9	18.2	4.4	3.9	-1.8
Astronics Corporation	32.72	80.8	1,064.5	1,281.9	13.3	-8.5	-7.6	1.6	-10.1	-23.3
CAE Inc.	22.15	98.5	5,871.5	6,668.5	15.9	9.4	21.3	3.0	5.8	14.3
Crane Co.	84.62	84.5	5,067.2	5,675.9	9.8	5.8	14.8	1.7	23.6	-15.2
HEICO Corporation	94.87	99.9	11,754.1	12,556.0	NM	13.2	20.8	6.8	5.2	20.3
Héroux-Devtek Inc.	11.88	94.8	432.0	626.4	13.4	42.2	39.7	1.9	-0.4	24.9
Meggitt PLC	6.55	86.1	5,050.4	6,449.1	12.6	11.5	19.3	2.4	-5.1	11.9
Moog Inc.	86.95	89.9	3,176.4	3,882.1	10.9	4.7	9.4	1.4	-4.7	1.6
MTU Aero Engines AG	226.49	99.8	11,694.5	12,829.5	14.7	3.4	23.0	2.5	4.5	56.9
Textron Inc.	50.66	69.5	11,846.7	14,643.7	9.2	-7.9	0.8	1.0	-6.4	-17.9
TransDigm Group Incorporated	453.99	99.6	24,014.8	34,575.3	18.2	6.1	15.0	8.7	3.9	14.8
Woodward, Inc.	94.89	97.2	5,891.0	7,008.7	15.2	8.1	8.9	2.8	-1.4	19.9
Median		**94.8%**	**$5,871.5**	**$6,668.5**	**13.3 x**	**4.1%**	**11.5%**	**2.4 x**	**13.4%**	**34.9%**
Mean		**89.6%**	**$8,142.9**	**$9,893.8**	**13.2 x**	**4.8%**	**4.4%**	**3.0 x**	**8.4%**	**16.4%**

Aerospace Structures	Price	% of 52 Wk High	Market Value	Total Enterprise Value (TEV)	TEV / LTM EBITDA	% Change TEV / LTM EBITDA 30 Day	% Change TEV / LTM EBITDA 1 Year	TEV / LTM Rev.	% Change TEV / LTM Rev. 30 Day	% Change TEV / LTM Rev. 1 Year
CPI Aerostructures, Inc.	$6.50	55.3%	$76.2	$111.0	12.6 x	10.4%	17.5%	1.3 x	-6.5%	-7.4%
Ducommun Incorporated	43.52	92.0	497.3	716.3	11.1	-2.4	2.9	1.1	-2.0	13.8
RBC Bearings Incorporated	127.17	74.9	3,048.0	3,080.9	16.9	-13.6	-8.7	4.4	-10.3	-6.6
Hexcel Corporation	69.16	94.2	5,869.5	6,794.1	13.6	1.7	13.7	3.1	-3.5	-6.4
Kaman Corporation	58.44	77.8	1,628.2	1,903.4	11.7	-3.5	0.0	1.0	-4.2	-12.6
Latécoère S.A.	3.50	56.2	331.5	389.1	5.0	NA	NA	0.5	-10.4	-31.3
Magellan Aerospace Corporation	13.29	89.2	773.5	784.4	7.2	11.6	12.7	1.1	0.7	-11.2
Senior plc	2.84	64.8	1,181.2	1,380.5	8.5	-3.1	14.5	1.0	-8.7	-29.0
Spirit AeroSystems Holdings, Inc.	91.53	91.2	9,672.1	10,794.4	9.8	6.0	20.2	1.5	-5.6	1.1
Triumph Group, Inc.	19.06	69.1	950.5	2,555.5	NM	50.1	70.5	0.8	-7.6	-5.3
Median		**76.4%**	**$1,065.9**	**$1,642.0**	**11.1 x**	**-3.0%**	**-1.6%**	**1.1 x**	**1.8%**	**8.3%**
Mean		**76.5%**	**$2,402.8**	**$2,851.0**	**10.7 x**	**-8.8%**	**-21.6%**	**1.6 x**	**-2.7%**	**5.4%**
Total Aerospace Median		**86.1%**	**$4,576.4**	**$5,675.9**	**12.6 x**	**4.2%**	**7.6%**	**1.5 x**	**5.6%**	**12.2%**
Total Aerospace Mean		**82.4%**	**$16,885.5**	**$18,271.5**	**12.6 x**	**1.1%**	**-8.6%**	**2.2 x**	**4.5%**	**12.5%**

Government Services Public Comparables

Government Services	Price	% of 52 Wk High	Market Value	Total Enterprise Value (TEV)	TEV / LTM EBITDA	% Change TEV / LTM EBITDA 30 Day	% Change TEV / LTM EBITDA 1 Year	TEV / LTM Rev.	% Change TEV / LTM Rev. 30 Day	% Change TEV / LTM Rev. 1 Year
Booz Allen Hamilton Holding Corp.	$58.14	100.4%	$8,144.4	$9,706.7	14.6 x	10.7%	17.1%	1.5 x	8.5%	26.4%
CACI International Inc	182.02	90.6	4,525.5	5,509.9	12.1	11.5	16.0	1.2	0.5	8.2
CGI Inc.	68.74	99.6	18,777.9	20,152.7	13.7	6.3	6.9	2.3	3.2	10.2
Cyient Limited	9.35	73.0	1,034.6	865.7	10.9	4.5	-1.6	1.3	1.2	-27.0
ICF International, Inc.	76.08	92.5	1,431.4	1,620.1	13.4	2.6	3.3	1.2	0.8	16.0
KeyW Holding Corp.	8.62	85.7	427.9	682.7	16.7	15.8	19.0	1.3	8.2	-6.4
Leidos Holdings, Inc.	64.09	88.6	9,205.1	12,040.1	11.5	5.3	13.6	1.2	-1.1	-5.1
ManTech International Corp.	54.02	79.3	2,148.4	2,150.6	13.0	-3.6	1.6	1.1	-0.8	-14.2
MAXIMUS, Inc.	70.98	96.2	4,528.4	4,601.9	13.2	15.0	21.8	1.9	-0.3	11.7
Navigant Consulting, Inc.	19.47	71.1	788.9	586.0	10.3	55.1	68.5	0.9	-12.4	-17.5
QinetiQ Group plc	3.92	95.6	2,196.7	1,870.1	9.9	2.9	6.1	1.7	-2.2	41.2
Science Applications International Corp.	76.95	82.5	4,553.9	6,405.9	18.0	28.2	74.7	1.4	19.3	44.1
Serco Group plc	1.67	92.6	1,818.9	2,070.5	10.3	-35.7	-27.5	0.6	-1.3	45.0
Vectrus, Inc.	26.59	66.8	299.6	307.0	5.6	-6.4	5.0	0.2	-2.5	-35.4
VSE Corp.	31.58	59.4	344.4	525.1	6.7	-4.5	0.5	0.8	-8.2	-24.2
Median		**88.6%**	**$2,148.4**	**$2,070.5**	**12.1 x**	**4.9%**	**11.1%**	**1.2 x**	**7.1%**	**12.9%**
Mean		**84.9%**	**$4,015.1**	**$4,606.3**	**12.0 x**	**5.8%**	**12.8%**	**1.2 x**	**7.9%**	**13.5%**

Engineering & Construction	Price	% of 52 Wk High	Market Value	Total Enterprise Value (TEV)	TEV / LTM EBITDA	% Change TEV / LTM EBITDA 30 Day	% Change TEV / LTM EBITDA 1 Year	TEV / LTM Rev.	% Change TEV / LTM Rev. 30 Day	% Change TEV / LTM Rev. 1 Year
AECOM	$29.67	80.3%	$4,631.3	$7,886.0	9.4 x	3.8%	12.6	0.4 x	-2.2%	-18.9%
Fluor Corp.	36.80	59.3	5,137.6	5,001.3	6.7	0.0	12.7	0.3	-4.3	-34.8
Jacobs Engineering Group Inc.	75.19	91.4	10,490.3	12,363.6	12.9	7.0	15.5	0.8	0.5	-22.4
KBR, Inc.	19.09	85.9	2,691.9	3,247.9	7.5	-10.7	-1.0	0.7	-2.8	18.2
Tetra Tech, Inc.	59.59	82.1	3,290.1	3,486.8	14.4	16.2	13.0	1.6	-0.2	9.6
Median		**82.1%**	**$4,631.3**	**$5,001.3**	**9.4 x**	**3.8%**	**12.6%**	**0.7 x**	**-2.0%**	**8.6%**
Mean		**79.8%**	**$5,248.2**	**$6,397.1**	**10.2 x**	**4.7%**	**11.2%**	**0.7 x**	**8.3%**	**13.9%**
Total Government Services Median		**85.8%**	**$2,991.0**	**$3,367.3**	**11.8 x**	**5.1%**	**10.7%**	**1.2 x**	**17.3%**	**15.6%**
Total Government Services Mean		**83.6%**	**$4,323.4**	**$5,054.0**	**11.5 x**	**5.6%**	**12.4%**	**1.1 x**	**7.9%**	**13.6%**

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Defense Public Comparables

Defense Primes	Price	% of 52 Wk High	Market Value	Total Enterprise Value (TEV)	TEV / LTM EBITDA	% Change TEV / LTM EBITDA 30 Day	% Change TEV / LTM EBITDA 1 Year	TEV / LTM Rev.	% Change TEV / LTM Rev. 30 Day	% Change TEV / LTM Rev. 1 Year
BAE Systems plc	$6.28	70.9%	$20,067.6	$21,463.6	8.5 x	-9.7%	-0.2%	1.0 x	3.2%	-7.7%
Boeing Company	381.42	85.5	215,304.7	220,658.7	15.8	-2.3	7.9	2.2 x	-12.2	5.2
General Dynamics Corporation	169.28	73.7	48,883.0	60,337.0	11.5	-0.4	-4.1	1.7	0.1	-22.8
Leonardo S.p.a.	11.63	94.4	6,683.9	9,571.7	6.1	-3.7	0.8	0.7	-9.3	-3.4
Lockheed Martin Corporation	300.16	82.9	84,887.6	98,274.6	11.7	5.2	0.3	1.8	-2.0	-13.7
Northrop Grumman Corporation	269.60	74.7	45,761.2	58,780.2	11.7	-11.4	-1.5	2.0	-4.7	-22.2
Raytheon Company	182.08	79.3	51,390.1	53,248.1	14.0	-1.1	9.7	2.0	-1.7	-22.6
Thales S.A.	119.81	85.8	25,457.0	22,178.7	9.8	9.5	4.5	1.2	-0.5	7.7
Median		**81.1%**	**$47,322.1**	**$56,014.2**	**11.6 x**	**2.3%**	**-1.7%**	**1.7 x**	**1.2%**	**4.4%**
Mean		**80.9%**	**$62,304.4**	**$68,064.1**	**11.1 x**	**-2.0%**	**2.5%**	**1.6 x**	**-2.3%**	**5.3%**

Defense Systems	Price	% of 52 Wk High	Market Value	Total Enterprise Value (TEV)	TEV / LTM EBITDA	% Change TEV / LTM EBITDA 30 Day	% Change TEV / LTM EBITDA 1 Year	TEV / LTM Rev.	% Change TEV / LTM Rev. 30 Day	% Change TEV / LTM Rev. 1 Year
Aerojet Rocketdyne Holdings, Inc.	$35.53	86.7%	$2,795.1	$2,685.2	11.1 x	-0.3%	9.4%	1.4 x	-4.1%	22.3%
AeroVironment, Inc.	$68.41	56.4%	$1,614.5	$1,320.3	NM	-20.2%	-10.5%	3.9 x	-22.9%	39.7
Cobham plc	1.44	81.8	3,421.1	3,409.6	10.2	-2.2	8.8	1.4	-5.7	-12.8
Cubic Corporation	56.24	72.7	1,751.9	1,980.7	NM	NM	NM	1.6	-8.5	19.1
Curtiss-Wright Corporation	113.34	79.0	4,853.8	5,340.3	10.8	-4.9	4.7	2.2	-8.0	-20.4
FLIR Systems, Inc.	47.58	74.5	6,452.5	6,362.3	15.6	-2.3	9.2	3.6	-10.0	-5.8
Huntington Ingalls Industries, Inc.	207.20	77.4	8,631.3	9,674.3	8.0	-4.6	3.5	1.2	-1.0	-27.3
Kongsberg Gruppen ASA	15.23	64.2	2,734.1	2,074.0	12.8	-19.4	-19.0	1.2	-0.9	-21.8
L3 Technologies, Inc.	206.37	92.2	16,368.2	18,731.2	13.9	4.4	17.5	1.8	-1.0	-8.0
Safran SA	137.21	99.9	60,291.5	64,804.4	16.5	4.3	18.9	2.7	4.3	29.5
Textron Inc.	50.66	69.5	11,846.7	14,643.7	9.2	-7.9	0.8	1.0	-6.4	-17.9
Median		**77.4%**	**$4,853.8**	**$5,340.3**	**11.1 x**	**-2.8%**	**6.9%**	**1.6 x**	**-10.4%**	**2.3%**
Mean		**77.7%**	**$10,978.2**	**$11,911.4**	**12.0 x**	**-3.7%**	**5.5%**	**2.0 x**	**-7.1%**	**3.1%**

Defense Electronics / Equipment	Price	% of 52 Wk High	Market Value	Total Enterprise Value (TEV)	TEV / LTM EBITDA	% Change TEV / LTM EBITDA 30 Day	% Change TEV / LTM EBITDA 1 Year	TEV / LTM Rev.	% Change TEV / LTM Rev. 30 Day	% Change TEV / LTM Rev. 1 Year
AMETEK, Inc.	$82.97	100.8%	$18,877.2	$21,156.0	16.3 x	10.9%	18.2%	4.4 x	3.9%	-1.8%
Chemring Group PLC	1.81	58.0	506.1	612.7	NM	NM	NM	1.6	-4.9	35.4
Comtech Telecommunications Corp.	23.22	62.9	560.2	690.5	8.4	-13.1	-11.3	1.1	-16.5	-33.4
Crane Co.	84.62	84.5	5,067.2	5,675.9	9.8	5.8	14.8	1.7	23.6	-15.2
Ducommun Incorporated	43.52	92.0	497.3	716.3	11.1	-2.4	2.9	1.1	-2.0	13.8
Elbit Systems Ltd.	129.03	95.9	5,521.4	6,130.0	14.1	9.4	13.8	1.6	-6.1	-0.1
Harris Corporation	159.71	91.0	18,818.6	22,294.6	14.7	2.6	8.0	3.5	-1.2	-8.7
Héroux-Devtek Inc.	11.88	94.8	432.0	626.4	13.4	42.2	39.7	1.9	-0.4	24.9
Kratos Defense & Security Solutions, Inc.	15.63	87.5	1,626.3	1,737.8	NM	16.4	23.3	2.8	14.3	71.9
Meggitt PLC	6.55	86.1	5,050.4	6,449.1	12.6	11.5	19.3	2.4	-5.1	11.9
Mercury Systems, Inc.	64.08	94.4	3,105.3	3,251.4	NM	9.6	20.5	5.7	0.1	10.4
Moog Inc.	86.95	89.9	3,176.4	3,882.1	10.9	4.7	9.4	1.4	-4.7	1.6
OSI Systems, Inc.	87.60	96.1	1,583.1	1,891.4	12.7	-0.9	16.9	1.7	0.4	18.0
Teledyne Technologies Incorporated	237.01	94.5	8,585.0	9,193.1	16.7	4.9	7.3	3.2	0.0	7.4
Ultra Electronics Holdings plc	20.78	90.5	1,467.3	1,672.3	11.1	28.4	28.8	1.7	22.3	16.4
Viasat, Inc.	77.50	98.5	4,687.3	5,808.0	NM	-11.2	-8.5	3.0	2.3	-1.1
Woodward, Inc.	94.89	97.2	5,891.0	7,008.7	15.2	8.1	8.9	2.8	-1.4	19.9
Median		**92.0%**	**$3,176.4**	**$3,882.1**	**12.7 x**	**12.0%**	**18.9%**	**1.9 x**	**10.0%**	**22.5%**
Mean		**89.1%**	**$5,026.6**	**$5,811.5**	**12.9 x**	**8.4%**	**16.4%**	**2.4 x**	**7.5%**	**15.9%**

Homeland Security	Price	% of 52 Wk High	Market Value	Total Enterprise Value (TEV)	TEV / LTM EBITDA	% Change TEV / LTM EBITDA 30 Day	% Change TEV / LTM EBITDA 1 Year	TEV / LTM Rev.	% Change TEV / LTM Rev. 30 Day	% Change TEV / LTM Rev. 1 Year
Elbit Systems Ltd.	129.03	95.9	5,521.4	6,130.0	14.1	9.4	13.8	1.6	-6.1	-0.1
MSA Safety Incorporated	103.40	93.3	3,984.0	4,159.3	15.0	4.6	8.9	3.1	-0.5	3.8
OSI Systems, Inc.	87.60	96.1	1,583.1	1,891.4	12.7	-0.9	16.9	1.7	0.4	18.0
American Outdoor Brands Corporation	9.34	58.6	509.6	699.9	6.8	-19.7	-24.0	1.1	-21.4	-3.4
Smiths Group plc	18.69	79.3	7,399.2	8,642.9	11.6	2.9	9.8	2.0	-0.5	-5.7
Median		**93.3%**	**$3,984.0**	**$4,159.3**	**12.7 x**	**-0.9%**	**16.9%**	**1.7 x**	**-0.9%**	**8.7%**
Mean		**84.6%**	**$3,799.4**	**$4,304.7**	**12.0 x**	**0.7%**	**6.5%**	**1.9 x**	**-2.2%**	**2.2%**

Total Defense Median		**86.1%**	**$5,067.2**	**$6,130.0**	**11.7 x**	**3.3%**	**8.5%**	**1.7 x**	**-2.2%**	**8.9%**
Total Defense Mean		**83.9%**	**$17,649.9**	**$19,411.2**	**12.1 x**	**1.8%**	**9.0%**	**2.1 x**	**0.8%**	**9.2%**

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SECTION 3: M&A TRANSACTIONS

Announced	Closed	Buyer	Target	Target Sector	EV	EV / LTM Rev	EV / LTM EBITDA
3/28/2019	3/28/2019	Arcadis NV	EAMS Group Ltd.	Aerospace	NA	NA	NA
3/27/2019	Pending	Cathay Pacific Airways Limited	Hong Kong Express Airways Ltd.	Aerospace	$628	NA	NA
3/27/2019	Pending	Singapore Technologies Engineering	Newtec Cy NV	Defense	$281	2.7 x	14.6 x
3/26/2019	Pending	Shanghai KangDa New Materials Co., Ltd.	Beijing Aerospace Hengrong Electromagnetic Technology Co., Ltd.	Defense	$7	NA	NA
3/22/2019	12/31/2018	Cobepa S.A.	Scalian	Defense	$226	0.9 x	NA
3/19/2019	Pending	Apax Partners LLP	Inmarsat Plc	Aerospace	$5,533	3.8 x	7.6 x
3/18/2019	3/18/2019	Curtiss-Wright Corporation	Tactical Communications Group, LLC	Defense	$50	3.3 x	NA
3/12/2019	Pending	Mivtach Shamir Holdings Ltd	Danya Cebus Ltd	Government Services	$144	NA	NA
3/11/2019	Pending	Times Publishing Limited	Print Lab Pte Ltd	Government Services	$30	NA	NA
3/11/2019	Pending	Azul S.A.	Selected Assets of Avianca Brasil	Aerospace	$105	NA	NA
3/7/2019	Pending	Shenzhen Sunshine Laser & Electronics Technology Co., Ltd.	Chengdu Tongyu Aviation Equipment Manufacturing Co., Ltd.	Aerospace	$55	10.9 x	NA
2/28/2019	3/1/2019	Vesuvius plc	CCPI Inc.	Aerospace	$43	0.1 x	0.6 x
2/18/2019	Pending	Kordsa, Incorporated	Axiom Materials, Inc.	Defense	$182	NA	NA
2/18/2019	3/4/2019	Magnetic MRO AS	Direct Maintenance Holding B.V.	Aerospace	$9	1.1 x	NA
2/13/2019	Pending	King-Strong New Material Technology Co., Ltd.	Guangdong Kuanpu Technology Co., Ltd.	Defense	$97	5.4 x	NA
2/12/2019	2/12/2019	Advanced Technology Ventures Limited	Graticules Limited	Defense	$4	1.8 x	NA
2/11/2019	3/4/2019	FLIR Detection, Inc.	Endeavor Robotics	Defense	$382	4.8 x	47.8 x
2/1/2019	2/1/2019	Ansell Limited	Ringers Gloves, Inc.	Defense	$70	2.1 x	NA
2/1/2019	2/1/2019	Fondi Italiani per le Infrastrutture SGR SpA	Aeroporto Friuli Venezia Giulia SpA	Aerospace	$68	NA	NA
1/31/2019	Pending	NTT DATA Corporation	Paygent Co.,Ltd.	Government Services	$116	1.7 x	NA
1/30/2019	3/1/2019	CACI, Inc. - Federal	LGS Innovations LLC and Mastodon Design LLC	Government Services	$975	2.0 x	11.9 x
1/29/2019	2/7/2019	Pennant International Group plc	Aviation Skills Partnership Limited	Aerospace	$9	NA	NA
1/29/2019	1/29/2019	Mercury Systems, Inc.	GECO Inc.	Aerospace	$37	NA	10.6 x
1/28/2019	1/28/2019	FLIR Systems, Inc.	Aeryon Labs Inc.	Defense	$200	NA	NA

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*LGS Innovations transaction multiples based off combined acquisition including Mastodon Design LLC from CACI press release

Announced	Closed	Buyer	Target	Target Sector	EV	EV / LTM Rev	EV / LTM EBITDA
1/28/2019	1/28/2019	ECS Federal, LLC	DHA Group Inc.	Government Services	$46	0.9 x	NA
1/22/2019	2/25/2019	John Bean Technologies Corporation	LEKTRO, Inc.	Defense	$48	NA	NA
1/18/2019	2/25/2019	Huntington Ingalls Industries, Inc.	Fulcrum IT Services, LLC	Defense	$193	NA	NA
1/15/2019	2/20/2019	Zix Corporation	AppRiver, LLC	Defense	$275	NA	NA
1/15/2019	1/15/2019	GREEN4T Solucoes Ti LTDA.	Aceco TI S.A.	Government Services	$72	NA	NA
1/13/2019	Pending	Rafael Advanced Defense Systems Ltd.	Aeronautics Ltd.	Defense	$255	2.8 x	NA
1/11/2019	3/11/2019	Connect Airways Limited	Flybe Group PLC	Aerospace	$129	NA	2.5 x
1/11/2019	2/22/2019	Connect Airways Limited	Comhfhorbairt	Aerospace	$13	NA	NA
1/11/2019	Pending	MCS Solutions	Axxerion B.V.	Government Services	$86	NA	NA
1/10/2019	1/10/2019	VSE Aviation, Inc	1st Choice Aerospace Inc.	Aerospace	$152	NA	NA
1/8/2019	2/28/2019	Comtech Telecommunications Corp.	Solacom Technologies, Inc.	Defense	$33	NA	NA
12/31/2018	1/8/2019	Paya, Inc.	First Billing Services, LLC	Government Services	$58	NA	NA
12/27/2018	1/6/2019	Nistec Golan Ltd.	Eltek Ltd.	Defense	$20	0.6 x	NA
12/24/2018	Pending	AS Air Lease Holdings 5T DAC	Merah Aviation Asset Holding Limited	Aerospace	$768	NA	NA
12/21/2018	Pending	Hubline Berhad	Layang Layang Aerospace Sdn Bhd	Aerospace	$7	0.9 x	NA
12/18/2018	Pending	The Carlyle Group L.P.	StandardAero Inc*	Aerospace	$5,000	1.7 x	12.5 x
12/17/2018	12/17/2018	Dinamika Group S.A.C.	JSC Technodinamika Holding	Aerospace	$280	NA	NA
12/13/2018	Pending	Kongsberg Defence & Aerospace AS	Aerospace Industrial Maintenance Norway AS	Defense	$18	1.3 x	NA
12/12/2018	12/21/2018	Temenos AG	Avoka Technologies Pty, Ltd.	Government Services	$245	NA	NA
12/12/2018	12/12/2018	Abdul Razzaq Abdul Hameed Al-Sane & Sons Group	New Technology Bottling Company K.S.C.C	Defense	$72	NA	NA
12/3/2018	12/31/2018	Olive Investor, L.P.	Navistar Defense LLC	Defense	$200	NA	NA
11/30/2018	2/15/2019	Kitron Inc.	API Defence USA, Inc.	Defense	$16	0.7 x	NA
11/29/2018	11/29/2018	AerSale Inc.	Avborne Accessory Group, Inc.	Defense	$22	NA	NA
11/9/2018	Pending	Bristow Group Inc.	Columbia Helicopters, LLC	Defense	$559	2.0 x	4.8 x

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* StandardAero transaction multiples based off Scott-Macon estimates

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Announced	Closed	Buyer	Target	Target Sector	EV	EV / LTM Rev	EV / LTM EBITDA
11/9/2018	11/28/2018	VIQ Solutions Inc.	Net Transcripts, Inc.	Defense	$7	NA	NA
11/8/2018	Pending	Longview Aircraft Company of Canada Limited	All Assets, Intellectual Property and Type Certificates of Dash 8 Series and Q400 Program	Aerospace	$300	NA	NA
11/5/2018	Pending	Glarun Technology Co., Ltd.	Nanjing Guorui Defense System Co., Ltd.	Defense	$1,002	NA	NA
11/5/2018	11/15/2018	TP Group plc	Westek Technology Limited	Defense	$5	1.0 x	NA
11/5/2018	Pending	Glarun Technology Co., Ltd.	Nanjing Guorui Defense System Co., Ltd.	Defense	$1,002	NA	NA
11/5/2018	12/27/2018	Nitto Kogyo Corporation	Kitagawa Industries Co., Ltd.	Aerospace	$161	1.5 x	10.8 x
10/30/2018	Pending	GMR Hyderabad International Airport Limited	Hyderabad Menzies Air Cargo Pvt Ltd.	Aerospace	$16	NA	NA
10/26/2018	12/27/2018	SK Telecom Co., Ltd.	SK infosec Co., Ltd.	Defense	$313	1.7 x	9.6 x
10/24/2018	2/18/2019	Rubis Energie SAS	KenolKobil Plc	Aerospace	$424	NA	11.2 x
10/22/2018	Pending	Hanwha Aerospace Co., Ltd.	Aviation Business of Hanwha Corporation	Aerospace	$147	1.1 x	NA
10/22/2018	11/20/2018	QinetiQ Group plc	Inzpire Group Limited	Defense	$31	1.8 x	11.8 x
10/19/2018	10/19/2018	Guangzhou Shipyard International Company Limited	Guangzhou Wenchong Dockyard Co., Ltd.	Aerospace	$72	0.8 x	NA
10/14/2018	Pending	Harris Corporation	L3 Technologies, Inc.	Defense	$19,216	1.9 x	13.7 x
10/11/2018	10/17/2018	SolarEdge Technologies, Inc.	Kokam Co., Ltd.	Defense	$136	3.6 x	NA
10/11/2018	10/11/2018	Quest Solution, Inc.	HTS Image Processing, Inc.	Defense	$6	NA	NA
10/10/2018	3/14/2019	TransDigm Group Incorporated	Esterline Technologies Corporation	Defense	$3,995	2.0 x	13.0 x
10/10/2018	1/10/2019	Thoma Bravo, LLC	Imperva, Inc.	Defense	$1,815	5.2 x	NA
10/4/2018	10/11/2018	Vaisala Oyj	Leosphere, Inc.	Aerospace	$44	1.4 x	NA
10/4/2018	Pending	Smiths Group plc	United Flexible, Inc.	Aerospace	$345	NA	NA
10/2/2018	11/9/2018	Air Transport Services Group, Inc.	Omni Air International, LLC	Government Services	$845	NA	5.8 x
10/2/2018	10/2/2018	Civil Aviation Group SRL	Air Moldova, S.A.	Aerospace	$71	NA	NA
10/1/2018	10/18/2018	Supply Technologies	Hydrapower Dynamics Limited	Defense	$8	NA	NA
10/1/2018	10/1/2018	Extant Components Group Holdings, Inc.	All Assets and Technical Data Rights of NavCom Defense Electronics, Inc.	Defense	$27	2.1 x	NA
9/27/2018	10/1/2018	AMMO, Inc.	SW Kenetics, Inc.	Government Services	$7	NA	NA

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Announced	Closed	Buyer	Target	Target Sector	EV	EV / LTM Rev	EV / LTM EBITDA
9/25/2018	Pending	Universal mCloud Corp.	Ascent Aerosystems LLC	Defense	$7	NA	NA
9/25/2018	9/25/2018	Guangdong Shenglu Telecommunication Tech. Co., Ltd.	Chengdu Chuangxinda Microwave Electronics Co., Ltd.	Defense	$85	7.1 x	NA
9/18/2018	11/26/2018	Ontic Engineering and Manufacturing, Inc.	Firstmark Corporation	Defense	$97	NA	NA
9/18/2018	2/21/2019	Prosegur SIS	Command Security Corporation	Aerospace	$46	NA	17.8 x
9/13/2018	Pending	Vision Technologies Aerospace Incorporated	MRA Systems, LLC	Aerospace	$630	1.2 x	10.0 x
9/12/2018	9/12/2018	HEXPOL AB	Kirkhill-TA Co.	Defense	$49	1.1 x	NA
9/10/2018	1/14/2019	Science Applications International Corporation	Engility Holdings, Inc.	Defense	$2,450	1.3 x	13.7 x
9/6/2018	9/6/2018	Zhejiang Huazheng New Material Co., Ltd.	Yangzhou Maxi-CUBE Tong Composite Co., Ltd.	Aerospace	$6	0.4 x	6.3 x
9/6/2018	11/7/2018	Polaris Industries Inc.	WSI Industries, Inc.	Defense	$22	0.6 x	8.7 x
9/5/2018	9/5/2018	Ideagen plc	Extensible CAD Technologies, Inc.	Defense	$7	NA	35.0 x
8/31/2018	8/31/2018	NorthEdge Capital LLP	Orbis Protect Limited	Defense	$18	0.5 x	NA
8/22/2018	Pending	Mahindra Engineering Services	Inter-Informatics spol. s r.o.	Defense	$6	0.5 x	NA
8/17/2018	10/17/2018	Shearwater Group PLC	Brookcourt Solutions Limited	Aerospace	$40	1.4 x	15.1 x
8/9/2018	Pending	Rafael Advanced Defense Systems Ltd.	Aeronautics Ltd.	Defense	$124	1.2 x	12.3 x
8/9/2018	Pending	Cyber Security 1 AB	Infonet Bilgi Teknolojileri Ticaret Anonim Sirketi	Defense	$10	0.4 x	6.1 x
8/8/2018	8/31/2018	One Stop Systems, Inc.	Concept Development, Inc.	Defense	$6	NA	NA
7/31/2018	2/12/2019	Mission Ready Solutions Inc.	Unifire, Inc.	Defense	$8	NA	NA
7/31/2018	7/31/2018	Themis Computer, Inc.	Germane Systems LC	Government Services	$45	NA	10.0 x
7/26/2018	8/9/2018	Imperva, Inc.	Prevoty, Inc.	Defense	$141	NA	NA
7/25/2018	12/4/2018	AGC Inc.	Nelco Products Inc./ Neltec Inc./ Neltec SA/ Nelco Products Pte. Ltd.	Aerospace	$145	NA	NA
7/16/2018	8/14/2018	Orange Business Services SAS	Basefarm AS	Defense	$410	3.5 x	NA
7/13/2018	7/13/2018	TransDigm Group Incorporated	SKANDIA, Inc.	Aerospace	$84	3.2 x	NA
7/10/2018	10/24/2018	Aptiv PLC	Winchester Interconnect	Defense	$650	2.6 x	NA
7/10/2018	7/10/2018	First Israel Mezzanine Investors Ltd.	Bird Aerosystems Ltd	Aerospace	$80	NA	NA

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Announced	Closed	Buyer	Target	Target Sector	EV	EV / LTM Rev	EV / LTM EBITDA
7/9/2018	7/10/2018	Mimecast Limited	Ataata, Inc.	Defense	$24	NA	NA
7/6/2018	7/6/2018	Shenzhen SDG Information Co., Ltd.	Beijing Senfetech Corporation	Aerospace	$58	6.5 x	NA
7/5/2018	7/6/2018	Hickok Incorporated	CAD Enterprises, Inc.	Aerospace	$21	NA	NA
7/5/2018	Pending	Boeing Brasil Serviços Técnicos Aeronáuticos Ltda	Commercial Aircraft Operations of Embraer	Defense	$5,250	NA	NA
7/2/2018	7/2/2018	L3 Technologies, Inc.	Applied Defense Solutions, Inc.	Aerospace	$50	NA	NA
6/29/2018	6/29/2018	China Aviation Oil	Navires Aviation Limited	Defense	$8	NA	NA
6/22/2018	Pending	Eastern Pioneer International Aviation Development Co., Ltd.	Shandong Hairuo General Aviation Co., Ltd.	Government Services	$13	NA	NA
6/21/2018	9/12/2018	EnviroStar, Inc.	Scott Equipment, Inc.	Aerospace	$15	NA	NA
6/21/2018	9/13/2018	Goshawk Aviation Limited	SKY Aviation Leasing International Limited	Government Services	$2,800	NA	NA
6/19/2018	10/2/2018	Cerberus Capital Management, L.P.	WFS Global SAS	Defense	$1,389	1.0 x	NA
6/18/2018	7/2/2018	F-Secure Oyj	MWR InfoSecurity Limited	Defense	$139	4.9 x	NA
6/8/2018	7/23/2018	Gardner Aerospace Holdings Limited	Northern Aerospace Limited	Aerospace	$59	NA	NA
6/8/2018	Pending	EchoStar Corporation	Inmarsat Plc	Defense	$5,879	4.1 x	8.4 x
6/7/2018	6/7/2018	Sichuan Changhong Electric Co.,Ltd.	Lingbayi Electronic Group Co., Ltd.	Defense	$270	2.8 x	NA
6/4/2018	6/4/2018	TT Electronics plc	Precision, Inc.	Aerospace	$28	1.3 x	NA
5/31/2018	7/2/2018	Ciena Corporation	Packet Design, LLC	Defense	$40	NA	NA
5/23/2018	7/12/2018	Zhejiang Tiancheng Controls Co., Ltd.	Acro Aircraft Seating Ltd.	Aerospace	$75	NA	NA
5/23/2018	7/2/2018	BBA Aviation plc	EPIC Aviation, LLC	Defense	$88	NA	NA
5/17/2018	5/18/2018	PCL	EMOSS Mobile Systems B.V.	Government Services	$17	2.4 x	NA
5/8/2018	5/9/2018	ON Semiconductor Corporation	SensL Technologies, Ltd.	Defense	$71	NA	NA
5/8/2018	5/8/2018	COMSYS Holdings Corporation	SYSKEN Corporation	Government Services	$89	0.3 x	7.4 x
5/7/2018	5/8/2018	Trinity Gate Limited	Grandshores Technology Group Limited	Government Services	$88	2.1 x	16.7 x
5/3/2018	5/4/2018	Axon Enterprise, Inc.	VIEVU LLC	Defense	$13	NA	NA
5/3/2018	7/2/2018	OSRAM Licht AG	Vixar Inc.	Defense	$79	NA	NA

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Announced	Closed	Buyer	Target	Target Sector	EV	EV / LTM Rev	EV / LTM EBITDA
5/3/2018	Pending	Tata Advanced Systems Limited	Defense Business of Tata Motors Limited	Aerospace	$277	NA	NA
5/3/2018	Pending	Tata Advanced Systems Limited	TAL Manufacturing Solutions Limited	Aerospace	$94	1.9 x	7.1 x
5/3/2018	7/10/2018	Aviation Links Ltd.	Pegasus Tourism Holdings Ltd	Aerospace	$20	NA	NA
5/2/2018	8/20/2018	M.T.I Wireless Edge Ltd.	MTI Computers and Software Services	Defense	$17	0.5 x	6.7 x
5/2/2018	Pending	Spirit AeroSystems Holdings, Inc.	S.R.I.F N.V.	Defense	$650	NA	NA
5/1/2018	6/29/2018	American Industrial Partners	L-3 Communications Vertex Aerospace LLC and Related Assets	Defense	$540	NA	NA
4/30/2018	5/1/2018	MSC Industrial Direct Co., Inc.	All Integrated Solutions	Aerospace	$86	1.3 x	NA
4/30/2018	5/1/2018	Tyler Technologies, Inc.	Sage Data Security, LLC	Aerospace	$12	NA	NA
4/26/2018	9/23/2018	Inypsa Informes y Proyectos, S.A.	Carbures Europe, S.A.	Defense	$126	1.4 x	NA
4/24/2018	10/18/2018	QinetiQ Group plc	E.I.S. Aircraft Operations of E.I.S. Group	Aerospace	$86	3.5 x	13.0 x
4/24/2018	4/24/2018	LDC	Precision Micro Ltd.	Aerospace	$31	1.5 x	NA
4/24/2018	6/26/2018	CS Communication & Systemes SA	Novidy's SAS	Aerospace	$44	1.1 x	NA
4/23/2018	10/11/2018	Saber Serviços Educacionais S.A.	Somos Educação S.A.	Aerospace	$2,161	3.9 x	18.2 x
4/19/2018	5/31/2018	Valiant Integrated Services LLC	Cubic Global Defense, Inc. and Omega Training Group, Inc.	Defense	$138	0.4 x	NA
4/18/2018	4/30/2018	Tyler Technologies, Inc.	Socrata, Inc.	Aerospace	$150	6.0 x	NA
4/10/2018	10/1/2018	Tenneco Inc.	Federal-Mogul LLC	Government Services	$5,400	0.7 x	7.2 x
4/10/2018	5/2/2018	Eagle Enterprises, Inc.	Hawker Pacific Airservices Limited	Defense	$250	NA	NA
3/28/2018	5/14/2018	Aero Structures Long Island, Inc.	Triumph Structures-Long Island, LLC	Aerospace	$11	NA	NA
Aerospace Median						**1.5 x**	**10.8 x**
Aerospace Mean						**2.5 x**	**10.7 x**
Defense Median						**1.8 x**	**12.1 x**
Defense Mean						**2.2 x**	**14.7 x**
Government Services Median						**1.7 x**	**8.7 x**
Government Services Mean						**1.5 x**	**9.8 x**

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SECTION 4: RECENT CONTRACTS

Date Signed	Contractor Name	Funding Agency	Value ($mm)	Description of Services
3/20/2019	The Boeing Co.	Dept of The Navy	$4,040.5	Full-Rate Production and Delivery of 78 F/A-18 Aircraft, Specifically 61 F/A-18E and 17 F/A-18F Aircraft For Fiscal Years 2018 Through 2021
3/18/2019	General Dynamics Electric Boat	Dept of The Navy	$2,039.8	Additional Material (To Include Long Lead Time Material and Economic Ordering Quantity) Associated With The Fiscal 2019 – Fiscal 2023 Virginia Class Submarines (Ssns 802 – 811)
3/12/2019	Kbr Inc.	National Aeronautics and Space Administration	$1,576.2	R&D- Space: Aeronautics/Space Technology (Basic Research)
3/26/2019	Huntington Ingalls Industries	Dept of The Navy	$1,471.3	Detail Design and Construction of Landing Platform Dock (Lpd) 30, The First Lpd 17 Flight Ii Ship Which Will Meet All The Capabilities and Capacities Requirements For The Amphibious Ship Replacement
3/1/2019	General Dynamics Land Systems	Dept of The Army	$1,357.1	Stryker Wholesale Supply, Performance-Based, Logistics Services
3/1/2019	General Dynamics Land Systems	Dept of The Army	$1,357.1	Retrofit, Damage Repair, and Reset-Refurbishment Services To Support The Stryker Family of Vehicles
3/27/2019	Lockheed Martin Missiles And Fire Control	Dept of The Army	$1,135.4	Guided Multiple Launch Rocket Systems Full Rate Production
3/11/2019	Jacobs Technology Inc.	Dept of The Army	$785.0	Instructors
3/19/2019	Mccarthy Hitt – Next Nga West Jv	Dept of The Army	$711.7	Construction of The National Geospatial-Intelligence Agency'S New Facility
3/1/2019	Lockheed Martin Corp.	Dept of The Army	$680.0	All Technical, Planning, Management, Manufacturing, and Testing Efforts To Produce Phased Array Tracking Radar To Intercept On Target Advanced Capability-3 Missilesand Missile Segment Enhancement Configuration
3/19/2019	Pinnacle Solutions Inc.	Dept of The Army	$553.2	Instruction, Mission Support, Information Technology Network Support, Operations and Logistics
3/14/2019	Vectrus Systems Corp.	Dept of The Army	$547.6	Kuwait Base Operations and Security Support Services
3/14/2019	Lockheed Martin Corp.	Dept of The Army	$506.9	Incidental Services, Hardware, Facilities, Equipment, and All Technical, Planning, Management, Manufacturing, and Testing Efforts To Produce Phased Array Tracking Radar To Intercept On Target Advanced Capability-3 Missiles
3/21/2019	General Dynamics National Steel And Shipbuilding Co.-Bremerton	Dept of The Navy	$465.2	Aircraft Carrier (Cvn) Shipyard Availabilities Including Work Required To Support The Puget Sound Naval Shipyard and Intermediate Maintenance Facility In Accomplishing Repair, Maintenance, and Modernization
3/28/2019	Merck & Co. Inc.	Centers For Disease Control and Prevention	$447.3	Drugs and Biologicals
3/1/2019	The Boeing Co.	Dept of The Navy	$428.9	Long-Lead Material and Activities In Support of 16 P-8A Lot 11 Aircraft To Include Six For The Navy, Four For The Government of New Zealand, and Six For The Republic of Korea
3/14/2019	Raytheon Co.	Dept of The Navy	$402.7	Air and Missile Defense Radar Program (Amdr) Low-Rate Initial Production (Lrip) Deployed On Ddg 51 Flight Iii-Class Ships
3/13/2019	Northrop Grumman	Dept of The Army	$349.4	Procurement of Two Complete Battery Sets of Integrated Air and Missile Defense Battle Command System Production Hardware and Software
3/1/2019	Millennium Engineering And Integration Co.	Dept of The Air Force	$340.0	Research, Engineering, and Technical Management For Performing Space Technology Concept Development, Analysis, Development, Integration, Experimentation, Demonstration, and Evaluation
3/19/2019	The Boeing Co.	Dept of The Navy	$326.3	Develop, Integrate and Test Increment 3 Block Capabilities Into The P-8A Aircraft For The Navy and The Government of Australia
3/7/2019	Northrop Grumman Innovation Systems	Dept of The Navy	$322.5	Engineering and Manufacturing Development (Emd) of The Agm-88G, Advanced Anti-Radiation Guided Missile – Extended Range (Aargm-Er) For Use On The F/A-18E/F, Ea-18G and F-35A/C Aircraft Platforms
3/26/2019	Sierra Nevada Corp.	Dept of The Air Force	$317.0	Precision Strike Package Program. This Contract Provides Contractor Logistics Support For The Precision Strike Package In Support of The Ac-130W and Ac-130J
3/28/2019	Pfizer Inc.	Centers For Disease Control and Prevention	$305.3	Drugs and Biologicals
3/22/2019	California Institute of Technology	National Aeronautics and Space Administration	$295.3	R&D- Space: Science/Applications (Applied Research/Exploratory Development)
3/12/2019	Northrop Grumman Systems Corp. - Marine Systems	Dept of The Navy	$273.1	Technical Engineering Services, Design and Development Engineering, Component and Full Scale Test and Evaluation Engineering, and Tactical Underwater Launcher Hardware Production To Support The Development and Production of The Common Missile Compartment

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Date Signed	Contractor Name	Funding Agency	Value ($mm)	Description of Services
3/19/2019	Lockheed Martin Corp., Lockheed Martin Aeronautics Co.	Dept of The Navy	$264.7	Additional Operation and Technical Services In Support of The Government of Korea'S F-35 Lightning Ii Program
3/25/2019	Austal Usa	Dept of The Navy	$261.8	Detail Design and Construction (Dd&C) of The 13Th and 14Th Expeditionary Fast Transport (Epf) Ships, and To Definitize The Long-Lead-Time Material Undefinitized Contract Actions For Epfs 13 and 14
3/13/2019	The Boeing Co.	Dept of The Air Force	$250.0	Long Range Stand-off Cruise Missile Weapon System Integration On The B-52H Bomber Platform
3/25/2019	Avon Protection Systems Inc.	Dept of The Army	$246.0	Production of M53A1 Chemical Biological Protective Mask Systems
3/22/2019	Northrop Grumman Systems Corp.	Dept of The Navy	$245.0	Joint Counter-Radio-Controlled Improvised Explosive Device Electronic Warfare (Jcrew) Increment 1 Block 1 (I1B1) Systems Full-Rate Production In Support of The Expeditionary Warfare Program office
3/18/2019	Oakland Consulting Group	Dept of The Navy	$244.0	(Sap) Commercial-off-The-Shelf Software; Software Maintenance Support; Information Technology Professional Services; and Cloud Services In Support of Dod Esi and Under The Direction of office of Management and Budget Enterprise Software Category Team
3/18/2019	Carahsoft Technology Corp.	Dept of The Navy	$244.0	(Sap) Commercial-off-The-Shelf Software; Software Maintenance Support; Information Technology Professional Services; and Cloud Services In Support of Dod Esi and Under The Direction of office of Management and Budget Enterprise Software Category Team
3/18/2019	Alamo City Engineering	Dept of The Navy	$244.0	(Sap) Commercial-off-The-Shelf Software; Software Maintenance Support; Information Technology Professional Services; and Cloud Services In Support of Dod Esi and Under The Direction of office of Management and Budget Enterprise Software Category Team
3/18/2019	Advantaged Solutions Inc.	Dept of The Navy	$244.0	(Sap) Commercial-off-The-Shelf Software; Software Maintenance Support; Information Technology Professional Services; and Cloud Services In Support of Dod Esi and Under The Direction of office of Management and Budget Enterprise Software Category Team
3/11/2019	Dell Marketing Lp	Dept of The Navy	$231.2	Vmware Brand-Name Software Licenses, Software Maintenance and Services To The Department of The Navy (Don)
3/4/2019	Corvid Technologies Llc	Dept of The Navy	$223.3	Manufacturing and Integration of Short- and Medium-Range Sub-Orbital Flight Vehicles
3/27/2019	Cgi Federal Inc.	Dept of The Navy	$222.9	Provide Electronic Procurement System (Eps), A Contract Writing System To The Department of The Navy With Standardized, Comprehensive, End-To-End Contract Management of Services, Supplies, Construction and Grants. Eps Will Provide The Flexibility To Interface With Navy, Department of Defense and Federal Electronic Systems As Needed
3/22/2019	Denali Holding Inc	Department of Veterans Affairs	$220.7	IT and Telecom- Annual Software Maintenance Service Plans
3/6/2019	General Dynamics Information Technology	Dept of The Air Force	$217.0	Support of The Distributed Common Ground System Network Weapon System Including The Development, Integration, Maintenance, Administration, Management, Documentation, Assessment, Disposal and Troubleshooting
3/18/2019	East Coast Repair And Fabrication Llc	Dept of The Navy	$213.0	Ship Repair, Maintenance, and Modernization of Surface Combatants (Ddg and Cg) Class Ships and Amphibious (Lsd, Lpd and Lhd) Class Ships Homeported In Mayport, Florida, Under Lot 1
3/28/2019	Glaxosmithkline Plc	Centers For Disease Control and Prevention	$207.8	Drugs and Biologicals
3/25/2019	South Carolina Commission For The Blind	Dept of The Army	$186.6	Full Food Services At Fort Jackson, South Carolina
3/27/2019	Honeywell International Inc.	Department of Energy	$159.2	Operation of Miscellaneous Buildings
3/25/2019	Fedmine Llc	Dept of The Navy	$148.7	Commercially Available Technology In This Category For The Dod, U.S. Intelligence Community, and Coast Guard Activities Worldwide
3/25/2019	Forrester Research Inc.	Dept of The Navy	$148.7	Commercially Available Technology In This Category For The Dod, U.S. Intelligence Community, and Coast Guard Activities Worldwide
3/25/2019	Gartner Inc.	Dept of The Navy	$148.7	Commercially Available Technology In This Category For The Dod, U.S. Intelligence Community, and Coast Guard Activities Worldwide
3/27/2019	L-3 Technologies	Dept of The Air Force	$142.0	Procurement of Group B Material and The Ground System Integration Lab
3/21/2019	L3 Technologies Systems Co.	Dept of The Air Force	$131.8	Cockpit-Selectable Height-of-Burst Sensor
3/8/2019	Unit-Asrc Construction Llc	Dept of The Army	$128.7	Construction of Long Range Discrimination Radar Power Plant At Clear Air Force Station, Alaska
3/4/2019	Accenture Inc.	Department of Education	$125.6	Support- Management: Financial

Total Top 50	**$26,133.6**
Total Other Signed in March	**$18,461.6**

Continued on Next Page

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Top 20 Agencies Ranked by Total Contract Value Signed in March

Rank	Funding Agency	Contract Value ($mm)	# of Contracts
1	Dept of The Navy	$ 17,918	183
2	Dept of The Army	10,927	114
3	Dept of The Air Force	2,942	58
4	National Aeronautics and Space Administration	2,885	473
5	Centers For Disease Control and Prevention	1,493	110
6	Department of Veterans Affairs	972	845
7	Federal Acquisition Service	798	439
8	Department of Energy	675	194
9	Centers For Medicare and Medicaid Services	539	95
10	Department of Education	429	64
11	Department of State	353	212
12	National Institutes of Health	308	225
13	Federal Aviation Administration	251	241
14	Public Buildings Service	247	206
15	U.S. Marshals Service	242	142
16	Agency For International Development	240	93
17	U.S. Coast Guard	200	193
18	U.S. Immigration and Customs Enforcement	200	92
19	Office of Procurement Operations	168	115
20	Transportation Security Administration	167	52
Total Top 20 by Funding Agency		**$ 41,953**	**4,146**

Top 20 NAICS Codes Ranked by Total Contract Value Signed in March

Rank	NAICS Code Description	Contract Value ($mm)	# of Contracts
1	Other Computer Related Services	$ 5,599	393
2	Aircraft Manufacturing	4,715	17
3	Ship Building And Repairing	3,790	44
4	Military Armored Vehicle, Tank, And Tank Component Manufacturing	3,082	16
5	Other Heavy And Civil Engineering Construction	2,930	56
6	Guided Missile And Space Vehicle Manufacturing	2,679	17
7	Other Support Activities For Air Transportation	1,946	59
8	Computer Systems Design Services	1,890	301
9	Research And Development In The Physical, Engineering, And Life Sciences (Except Biotechnology)	1,690	88
10	Facilities Support Services	1,681	147
11	Commercial And Institutional Building Construction	1,250	182
12	Professional And Management Development Training	800	15
13	Engineering Services	797	237
14	Small Arms, Ordnance, And Ordnance Accessories Manufacturing	739	18
15	Other Electronic Component Manufacturing	521	9
16	Security Guards And Patrol Services	376	197
17	Administrative Management And General Management Consulting Services	331	257
18	Remediation Services	216	40
19	Other Aircraft Parts And Auxiliary Equipment Manufacturing	155	12
20	Custom Computer Programming Services	143	108
Total Top 20 by NAICS Code Description		**$ 35,329**	**2,213**

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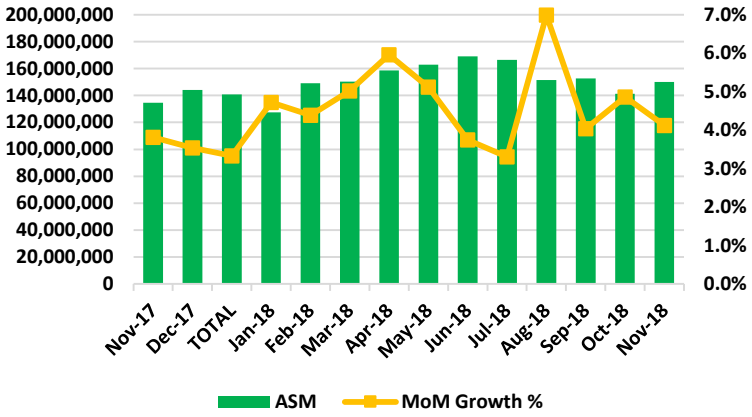
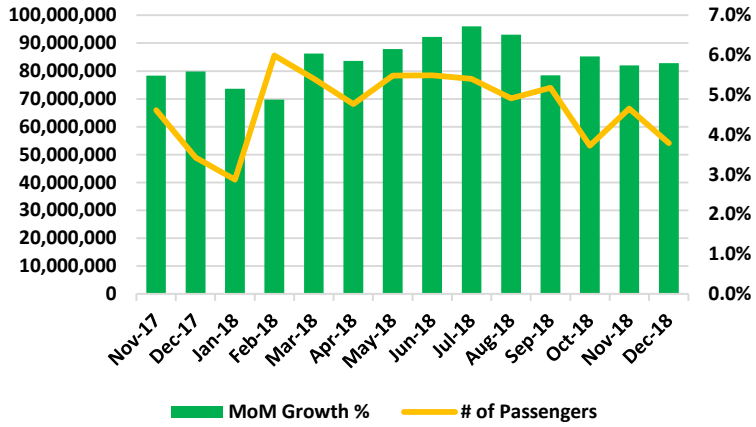
* Only includes contracts with value greater than $150,000

Section 5: Key Aerospace & Defense Stats

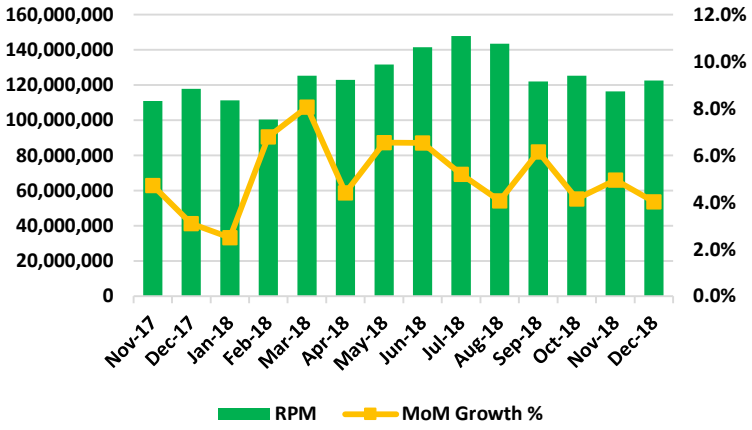
ASM – Global (in thousands)



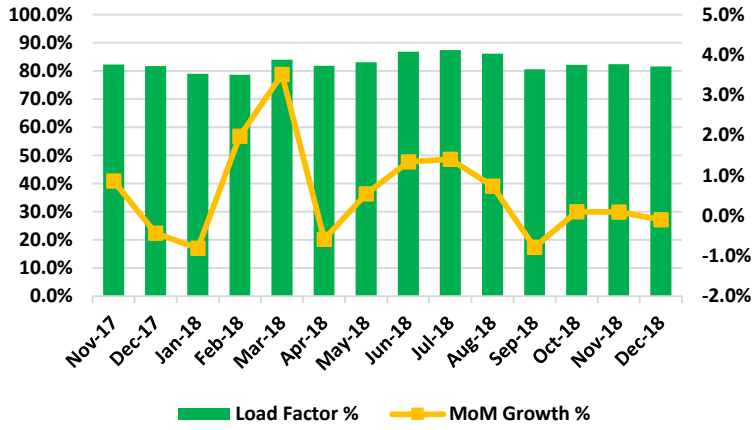
of Passengers - Global



RSM – Global (in thousands)



Load Factor % - Global



Commercial Aerospace Orders

	LTM as of 2/2019	LTM as of 2/2018	YoY % Change	2/2019	1/2019	12/2018	11/2018	10/2018	9/2018	8/2018	7/2018	6/2018	5/2018	4/2018	3/2018	2/2018
Narrowbody Unit Orders	**1,308**	**1,916**	***-31.7%***	**-20**	**20**	**556**	**78**	**66**	**69**	**95**	**15**	**174**	**33**	**62**	**160**	**22**
Boeing	**693**	**822**	***-15.7%***	**1**	**25**	**181**	**41**	**0**	**32**	**90**	**15**	**126**	**24**	**0**	**158**	**2**
737	693	822	*-15.7%*	1	25	181	41	0	32	90	15	126	24	0	158	2
Airbus	**615**	**1,094**	***-43.8%***	**-21**	**-5**	**375**	**37**	**66**	**37**	**5**	**0**	**48**	**9**	**62**	**2**	**20**
A320	615	1,094	*-43.8%*	-21	-5	375	37	66	37	5	0	48	9	62	2	20
Widebody Unit Orders	**219**	**252**	***-13.1%***	**-61**	**10**	**14**	**10**	**24**	**33**	**4**	**20**	**75**	**35**	**26**	**29**	**29**
Boeing	**229**	**186**	***23.1%***	**4**	**18**	**22**	**7**	**6**	**33**	**4**	**12**	**28**	**19**	**47**	**29**	**21**
787	137	100	*37.0%*	0	18	0	0	5	15	3	10	0	15	47	24	0
777	48	62	*-22.6%*	0	0	17	6	1	0	1	2	15	4	0	2	3
767	40	4	*900.0%*	4	0	1	1	0	18	0	0	13	0	0	3	4
747	4	20	*-80.0%*	0	0	4	0	0	0	0	0	0	0	0	0	14
Airbus	**2**	**66**	***-97.0%***	**-65**	**-8**	**4**	**3**	**18**	**0**	**0**	**8**	**47**	**16**	**-21**	**0**	**8**
A350	40	33	*21.2%*	0	0	4	0	0	0	0	8	35	15	-22	0	0
A380	-31	14	*NM*	-23	-8	0	0	0	0	0	0	0	0	0	0	14
A330	35	19	*84.2%*	0	0	0	3	18	0	0	0	12	1	1	0	-6

Source: FAA

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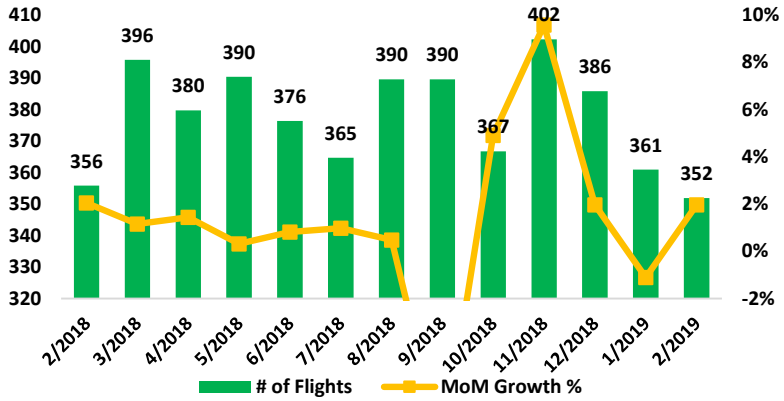
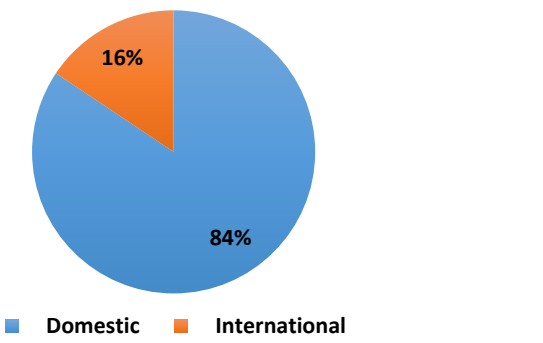
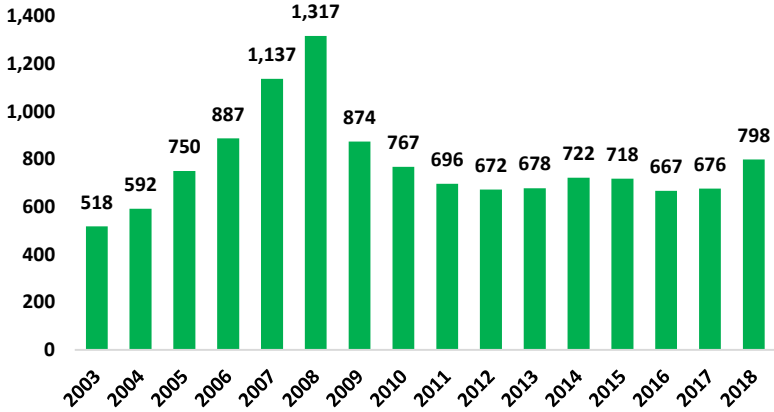
Global Business Jet Traffic (Flights in Thousands)



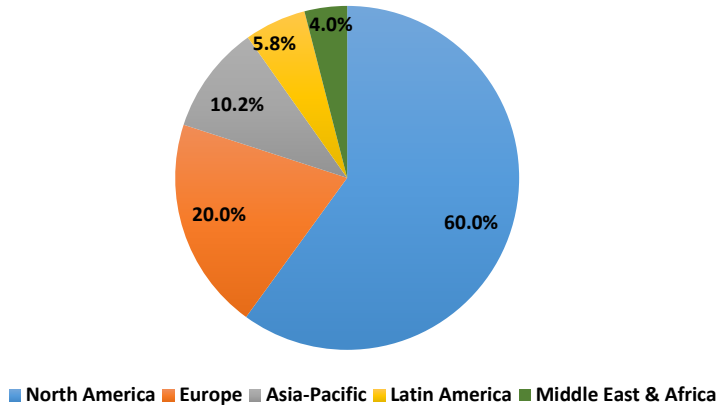
2/2019 Global Business Jet Traffic by Type (352K Flights)



Global Business Jet Deliveries



2018 Global Business Jet Deliveries By Market (798 Deliveries)



U.S. Defense Budget

By Appropriation Title ($ in billions)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020*	FY 2019 vs FY 2020 Dollar Δ	FY 2019 vs FY 2020 % Δ
Military Personnel	$ 135.3	$ 135.4	$ 141.7	$ 150.7	$ 155.8	$ 5.0	3.3%
Operation and Maintenance	197.5	197.1	223.3	278.8	292.7	13.9	5.0%
Procurement	110.7	110.7	115.0	147.3	143.1	(4.2)	-2.9%
RDT&E	68.8	69.6	82.7	95.3	104.3	9.0	9.5%
Military Construction/Family Housing	6.9	6.5	8.4	11.3	21.1	9.8	87.4%
Other	2.5	2.4	3.5	1.7	1.4	(0.2)	-12.7%
Total	**$ 521.7**	**$ 521.8**	**$ 574.5**	**$ 685.0**	**$ 718.3**	**$ 33.4**	**19.2%**

By Military Department ($ in billions)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020*	FY 2019 vs FY 2020 Dollar Δ	FY 2019 vs FY 2020 % Δ
Army	$ 123.3	$ 122.9	$ 137.1	$ 178.9	$ 191.4	$ 12.5	7.0%
Navy	159.3	159.1	171.5	195.6	205.6	9.9	5.1%
Air Force	145.7	146.5	165.5	192.9	204.8	11.8	6.1%
Defense Wide	93.4	93.3	100.4	117.6	116.6	(0.9)	-0.8%
Total	**$ 521.7**	**$ 521.8**	**$ 574.5**	**$ 685.0**	**$ 718.3**	**$ 33.4**	**19.2%**

* Base Budget Request
Source: GAMA, Office of the Under Secretary of Defense

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SECTION 6: ABOUT SCOTT-MACON

Michael N. Papazis

Managing Director
Aerospace, Defense & Government Services
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Fax: (212) 583-9262
mpapazis@scott-macon.com
www.scott-macon.com

Michael Papazis has over 15 years of investment banking experience. Prior to joining Scott-Macon, Mr. Papazis was a Vice President of Aerospace & Defense Investment Banking at Oppenheimer & Co. Before Oppenheimer, Michael was a Senior Associate within the Aerospace & Defense Investment Banking Group at Jefferies & Company. Mr. Papazis began his career as an Analyst at Deutsche Banc Alex Brown in Baltimore, Maryland. Throughout his career, Mr. Papazis has worked on several M&A, equity and debt financing transactions for various Aerospace & Defense clients including Lockheed Martin, Kratos Defense & Security and Essex Corporation.

Mr. Papazis is a graduate of Dartmouth College with a B.A. in Economics and Government, *Cum Laude*. He also holds an M.A. in International Affairs from the Johns Hopkins University School of Advanced International Studies (SAIS).

Selected Transaction Experience

Undisclosed McCallie Associates, Inc. Sale to Afognak Native Corporation	**Undisclosed** olympic aviation a division of consolidated trading co. of america Sale to The Anderson Group	**$8,000,000** INI POWER TACTICAL HYBRID SOLUTIONS Senior Secured Notes & Preferred Shares with CORBEL STRUCTURED EQUITY PARTNERS	**Undisclosed** Chamberlain Sale to GENERAL DYNAMICS	**$80,000,000** ERICKSON **Initial Public Offering** Joint Bookrunner	**$590,000,000** ESSEX Sale to NORTHROP GRUMMAN
£115,000,000 Esterline Acquisition of RACAL ACOUSTICS	**$38,000,000** SEACON phoenix a portfolio company of Hastings Equity Partners and Admiralty Partners, Inc. Sale to AMETEK	**Undisclosed** SYAGEN Sale to SAFRAN Morpho	**$61,000,000** KRATOS DEFENSE & SECURITY SOLUTIONS Equity Financing for Acquisition of HERLEY Industries, Inc.	**$268,000,000** KRATOS DEFENSE & SECURITY SOLUTIONS Debt Financing for Acquisition of HERLEY Industries, Inc.	**$270,000,000** KRATOS DEFENSE & SECURITY SOLUTIONS Acquisition of HERLEY Industries, Inc.

Undisclosed Zefon International Sale of Securement Division to TIDI Products	**£80,000,000** AIM AVIATION Sale to LDC	**$66,000,000** McClendon Corporation Sale to L-1 Identity Solutions	**$380,000,000** LOCKHEED MARTIN Acquisition of Savi	**Undisclosed** ATG Advanced Technology Group Sale to JLL

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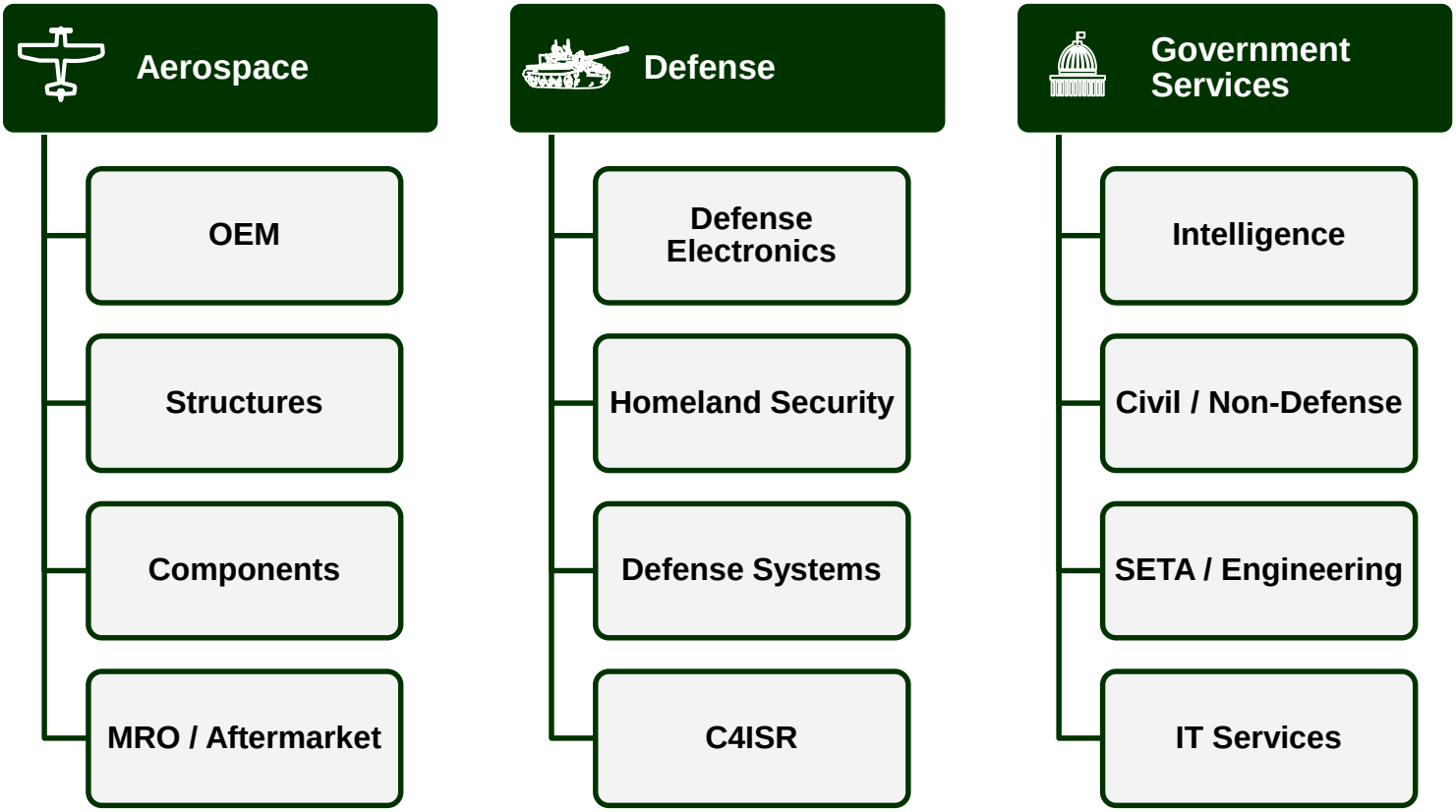
Aerospace Defense & Government Services Coverage



About Scott-Macon

Scott-Macon, Ltd. is one of the oldest independent investment banks in the United States focused on middle market transactions in the range of $10 million to $500 million. The firm is comprised of senior professionals who have had extensive transaction experience in the areas of mergers and acquisitions, debt and equity financing, valuations and fairness opinions and general corporate financial consulting.

Founded in 1973 by Alfred L. Scott, Scott-Macon has remained unique in its commitment to provide clients with senior level advisors who have had significant investment banking experience as well as, in many cases, direct operating experience. The firm's philosophy of providing advice, ideas and solutions tempered by the perspective of actual operating experience has benefited clients over the firm's long history.

Another cornerstone of Scott-Macon's operating philosophy is a client-oriented approach to investment banking services, in contrast to today's transaction-oriented environment. Scott-Macon professionals strive to understand the unique aspects of each client's operations and will not hesitate to counsel against a transaction if it does not appear to be in the long-term best interests of a client. The firm's ownership by its own management team enables and encourages a truly unbiased and independent perspective; free from the inherent conflicts and cross-selling that can occur when advisory services are integrated into broader financial services platforms incorporating banking, securities or accounting. The success of Scott-Macon's client-oriented approach has been validated over the firm's history by the high percentage of repeat engagements which the firm has experienced from its clients.

Prepared by SCOTT-MACON, LTD

Over 40 Years of Senior Level Experience, Attention & Execution in Investment Banking

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