Flight Plan At-a-Glance - Spring 2020

What You Need to Know

Commercial Air Travel and Coronavirus
- Commercial Air Travel could fall 25% ... and permanently shift the demand curve downward.
- Airlines are drastically cutting flight capacity, and pushing out deliveries and orders.
- Boeing and Airbus have reduced backlogs and production schedules are being reexamined.
- The Moss Adams Aerospace Index (mid-caps) is down 6% over the last year compared to flat S&P500 (3/9/20).
- Boeing is down 46% year-over-year. Spirit, a supplier heavily reliant on Boeing, is down 52% Y-O-Y.

Aerospace Valuations and M&A Activity
- 2019 saw increases in deal volume and median deal size for Moss Adams tracked Aerospace & Defense transactions.
- The percentage of Aerospace & Defense M&A activity accounted for by Private Equity buyers also rose in 2019.
- The patina of being a Boeing supplier has worn off, as many suppliers with heavy concentrations to the major OEM have seen valuations fall as a result of the 737 Max grounding and production halt.
- Boeing announced a 16-year low in aircraft orders for 2019 and revealed one of the largest write-downs in history along with Q4 results. Boeing halted production of the 737 Max, sending shockwaves through the supply chain.
- Suppliers with customer diversification have seen their valuations hold strong or increase in most cases.

Cybersecurity
- Advanced Persistent Threats (APTs) remain a top concern for A&D companies.
- A&D industry in the United States has much more to offer adversaries than monetary rewards alone.

Actions to Take Now
- Prepare and be ready for a potential M&A transaction ... with a Readiness Review or an Evaluation of Strategic Alternatives.
- Get up to speed on the new Department of Defense cybersecurity capability maturity model certification (CMMC) framework.
Aerospace Stocks Hit Hard by Coronavirus Outbreak

Selected Public Companies
($US in millions, except where noted and per share amounts)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Market Cap</th>
<th>Enterprise Value</th>
<th>Sales</th>
<th>EBITDA</th>
<th>EBITDA Margin</th>
<th>TTM Sales</th>
<th>TTM EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moss Adams Small/Mid Cap Aerospace Index</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransDigm Group Incorporated</td>
<td>24,267</td>
<td>38,750</td>
<td>5,695</td>
<td>2,491</td>
<td>43.7%</td>
<td>6.8x</td>
<td>15.6x</td>
</tr>
<tr>
<td>Spirit AeroSystems Holdings, Inc.</td>
<td>4,415</td>
<td>5,149</td>
<td>7,863</td>
<td>1,055</td>
<td>13.4%</td>
<td>0.7x</td>
<td>4.9x</td>
</tr>
<tr>
<td>Hexcel Corporation</td>
<td>4,691</td>
<td>5,753</td>
<td>2,356</td>
<td>567</td>
<td>24.1%</td>
<td>2.4x</td>
<td>10.1x</td>
</tr>
<tr>
<td>Teledyne Technologies Incorporate</td>
<td>11,132</td>
<td>11,922</td>
<td>3,164</td>
<td>615</td>
<td>19.4%</td>
<td>3.8x</td>
<td>19.4x</td>
</tr>
<tr>
<td>Triumph Group, Inc.</td>
<td>754</td>
<td>2,182</td>
<td>3,076</td>
<td>296</td>
<td>9.6%</td>
<td>0.7x</td>
<td>7.4x</td>
</tr>
<tr>
<td>Moog Inc.</td>
<td>2,245</td>
<td>3,168</td>
<td>2,980</td>
<td>372</td>
<td>12.5%</td>
<td>1.1x</td>
<td>8.5x</td>
</tr>
<tr>
<td>Curtiss-Wright Corporation</td>
<td>4,659</td>
<td>5,212</td>
<td>2,488</td>
<td>528</td>
<td>21.2%</td>
<td>2.1x</td>
<td>9.9x</td>
</tr>
<tr>
<td>HEICO Corporation</td>
<td>12,060</td>
<td>12,855</td>
<td>2,096</td>
<td>560</td>
<td>26.7%</td>
<td>6.1x</td>
<td>23.0x</td>
</tr>
<tr>
<td>AAR Corp.</td>
<td>1,040</td>
<td>1,296</td>
<td>2,195</td>
<td>169</td>
<td>7.7%</td>
<td>0.6x</td>
<td>7.7x</td>
</tr>
<tr>
<td>Astronics Corporation</td>
<td>512</td>
<td>698</td>
<td>773</td>
<td>83</td>
<td>10.8%</td>
<td>0.9x</td>
<td>8.4x</td>
</tr>
<tr>
<td>Ducommun Incorporated</td>
<td>452</td>
<td>742</td>
<td>721</td>
<td>87</td>
<td>12.1%</td>
<td>1.0x</td>
<td>8.5x</td>
</tr>
</tbody>
</table>

Median                          $5,149  $2,488  $528   13.4%  1.1x  8.5x
Average                         $7,975  $3,037  $620   18.3%  2.4x  11.2x

As of March 9, 2020

Moss Adams Index of 11 Mid-Cap Aerospace Suppliers

- S&P outperforms index for the first time since May 2019.
- EBITDA multiples median and average have dropped to around 8.5x and 11.2x.
- EBITDA multiples highly correlated with EBITDA margins.
- All continue to target a growing share of aerospace supply chain.

Source: S&P Capital IQ; Moss Adams Research; Commercial News Reports
737 Max Halt a Shock to the Supply Chain

• Boeing announced a total of 246 new orders for jets of all types in 2019, a 16 year low.

• Boeing told its suppliers to stop shipments of 737 Max parts in January following the Company’s production halt of the aircraft.

• Spirit AeroSystems announced plans to lay off 2,800 employees in response to the 737 Max production suspension.

• Diversified suppliers with less exposure to Boeing have largely been able to maintain value, as can be seen in the Moss Adams Mid-Cap Aerospace Index (pg. 3).

Source: Moss Adams Research; Commercial News Reports
Defense Stocks – Down but Still Ahead of S&P500

Selected Public Companies
($US in millions, except where noted and per share amounts)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Market Cap</th>
<th>Enterprise Value</th>
<th>Sales</th>
<th>EBITDA Margin</th>
<th>TTM Sales</th>
<th>TTM EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FLIR Systems, Inc.</td>
<td>4,851</td>
<td>5,284</td>
<td>1,887</td>
<td>22.1%</td>
<td>2.8x</td>
<td>12.7x</td>
</tr>
<tr>
<td>Aerojet Rocketdyne Holdings, Inc.</td>
<td>3,511</td>
<td>3,267</td>
<td>1,982</td>
<td>14.5%</td>
<td>1.6x</td>
<td>11.4x</td>
</tr>
<tr>
<td>Kratos Defense &amp; Security Solutions, In</td>
<td>1,636</td>
<td>1,860</td>
<td>718</td>
<td>9.0%</td>
<td>2.6x</td>
<td>28.8x</td>
</tr>
<tr>
<td>AeroVironment, Inc.</td>
<td>1,331</td>
<td>1,061</td>
<td>320</td>
<td>13.9%</td>
<td>3.3x</td>
<td>23.8x</td>
</tr>
<tr>
<td>Cubic Corporation</td>
<td>1,506</td>
<td>2,082</td>
<td>1,520</td>
<td>8.7%</td>
<td>1.4x</td>
<td>15.8x</td>
</tr>
<tr>
<td>Comtech Telecommunications Corp.</td>
<td>532</td>
<td>680</td>
<td>679</td>
<td>12.0%</td>
<td>1.0x</td>
<td>8.3x</td>
</tr>
<tr>
<td>Mercury Systems, Inc.</td>
<td>4,076</td>
<td>3,957</td>
<td>723</td>
<td>18.6%</td>
<td>5.5x</td>
<td>29.5x</td>
</tr>
<tr>
<td>Teledyne Technologies Incorporated</td>
<td>11,132</td>
<td>11,922</td>
<td>3,164</td>
<td>19.4%</td>
<td>3.8x</td>
<td>19.4x</td>
</tr>
<tr>
<td>OSI Systems, Inc.</td>
<td>1,414</td>
<td>1,701</td>
<td>1,209</td>
<td>12.9%</td>
<td>1.4x</td>
<td>10.9x</td>
</tr>
</tbody>
</table>

Median $2,082 $1,209 $134 13.9% 2.6x 15.8x
Average $3,535 $1,356 $215 14.6% 2.6x 17.8x

As of March 9, 2020

Moss Adams Index of 10 Mid-Cap Defense Companies

- EBITDA multiples median and average have fallen to approximately 16x and 18x, respectively.
- Cybersecurity continues to receive highest valuations.
- Both the S&P 500 and the Defense Index had the majority of the past year’s gains wiped out.

Source: S&P Capital IQ; Moss Adams Research; Commercial News Reports
Cybersecurity in Aerospace and Defense – Current Threats

As with every enterprise in the world, Aerospace and Defense companies are under continuous cyber-attack. A major difference is: the A&D industry in the United States has much more to offer adversaries than monetary rewards. They are not simply ‘targets of opportunity’, but key to our country’s defense capabilities AND our technical leadership.

Advanced Persistent Threats (APTs) remain a top concern for A&D companies.

- Nation-states are targeting our A&D industry, seeking intellectual property secrets, attempting to disrupt supply chain channels, traditional espionage.
- Attackers gain unauthorized access (usually malware insertion), and remain undetected for an average of 71 days\(^\text{(1)}\).
- Attacks are specific, with a precise goal – sometimes to infiltrate a client company, sometimes to collect credentials.

Companies in all Aerospace and Defense sectors have been compromised with increased attacks against:

- Products and parts manufacturing.
- Guided missile and space systems.
- Unmanned vehicle (drone) manufacturing.
- Parts wholesalers.

Case study – a threat group based in China compromises a U.S. aerospace manufacturing company.

- Attacker group gained access through an email attached malware program.
- Seven systems were compromised, and the group stole documentation on communications standards.
- Company email addresses were listed on public documents, allowing the spear-phishing campaign.

\(^{\text{(1)}}\) U.S. data 2018, FireEye
Cybersecurity in Aerospace and Defense – Current Threats

Aerospace and Defense companies have more than the usual threats to consider. In addition to the traditional protection methods, how can A&D companies defend against APTs? User awareness is key, but technology is available that can help mitigate risk.

Focus on solutions that address malware and its attack vectors.
- Malware delivered through email is the most common attack vector, by far. Any person with an email address can open the company to these risks.
- User awareness is key, but technology is available that can mitigate risk.

Put adequate emphasis on targeted attacks.
- All companies need to have mature cyber security programs. Aerospace and Defense companies need to go beyond basic ‘blocking and tackling’ of security and stress the importance of defending against APTs within their program.
- Event log and network traffic analyses are of paramount importance.

Implement a robust vulnerability management program.
- Most malware attacks are successful because they exploit known vulnerabilities in software. Keep software current.

Understand and communicate the business case for APT defense.
- APT attacks result in lost confidence of the supplier. The average estimate for diminished brand and reputation for firms in all industries is $9.4 million, with more than business disruption, technical support, and lost productivity combined\(^1\).
- All companies in the supply chain risk being the target of an attack that could impact operations, and also as a vector to reach out to trusted relationships and partners.

\(^{(1)}\) Ponemon Institute
Cybersecurity in Aerospace and Defense – New Regulations

Companies in the Aerospace and Defense industries that are in the supply chain for government contracts or other organizations that handle controlled unclassified information (CUI) must comply with the NIST 800-171 framework, as required by DFARS 252.204-7012.

Additionally, on January 31 of this year the Department of Defense released a new cybersecurity capability maturity model certification (CMMC) framework with five levels of maturity covering 17 capability domains. https://www.acq.osd.mil/cmmc/draft.html

Levels of required certification will depend on the scope of access to CUI or other sensitive information, for example – in some cases Level 1 certification (Performed) will be required just to receive contract information.

Getting up to speed on the new CMMC and what it means for most companies should be top priority.

The CMMC Accreditation Body has not yet certified any auditors or assessors and training dates have not been announced. Visit https://www.cmmcab.org for more information
Washington Business & Occupation Tax – New Legislation

- In the midst of an international trade dispute with the World Trade Organization, Boeing has requested the Washington State Legislature eliminate the preferential B&O tax rates for manufacturers of commercial airplanes and the tooling/components for such airplanes to avoid retaliatory tariffs by the European Union.

- On March 12, 2020 the Washington legislature passed a new law that increases by 40% the B&O tax rate paid by commercial aerospace manufacturers effective April 1, 2020.

- To mitigate the costs associated with the increase in the B&O tax rate, commercial aerospace manufacturers should evaluate whether they are fully maximizing other aerospace incentive programs available to them, including:

  - **Property and Leasehold Excise Tax Credit** – The real property tax credit is applied against B&O taxes paid equal to county property taxes paid on land and buildings used solely for commercial aerospace related manufacturing. The personal property tax credit is equal to county property taxes paid on qualifying machinery and equipment used in commercial aerospace manufacturing activities.

  - **Qualified Aerospace Product Development Expenditures Credit** – The Product Development credit is applied against B&O taxes and is equal to 1.5% of qualified aerospace research expenditures, including wages, employee benefits, and supplies.

- To the extent the aerospace incentives have not been claimed, taxpayers can generally seek a refund of overpaid Washington taxes for the four immediately preceding calendar years plus the current tax period (provided the annual incentive survey/report has been timely filed each year).
## Selected Aerospace M&A Activity

<table>
<thead>
<tr>
<th>$ in millions Announced</th>
<th>Acquirer/Investor (Primary)</th>
<th>Target (Primary)</th>
<th>Target Description</th>
<th>Transaction Value (MM)</th>
<th>EV/Revenue</th>
<th>EV/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/12/20</td>
<td>Woodward, Inc. (NasdaqGS:WWD)</td>
<td>Hexcel Corporation (NYSE:HXL)</td>
<td>Hexcel Corporation, together with its subsidiaries, develops, manufactures, and markets structural materials for use in commercial aerospace, space and defense, and industrial markets.</td>
<td>$7,665</td>
<td>3.2x</td>
<td>13.4x</td>
</tr>
<tr>
<td>12/09/19</td>
<td>Monolite Acquisition Corporation (NasdaqCM:MNCL)</td>
<td>AerSale Inc.</td>
<td>AerSale Inc. supplies aftermarket aircraft, engines, components, and OEM materials.</td>
<td>$433</td>
<td>1.4x</td>
<td>7.9x</td>
</tr>
<tr>
<td>11/19/19</td>
<td>TT Electronics plc (LSE:TTG)</td>
<td>Aerospace And Defence Power Supply Business Of Excelitas Technologies Corp.</td>
<td>Excelitas Technologies Corp. designs, tests, and manufactures customized optoelectronics and advanced electronic systems to OEMs worldwide.</td>
<td>$18</td>
<td>1.9x</td>
<td>10.4x</td>
</tr>
<tr>
<td>11/05/19</td>
<td>Kaman Aerospace Group, Inc.</td>
<td>Ball Seal Engineering, Inc.</td>
<td>Ball Seal Engineering, Inc. provides custom-engineered sealing, connecting, conducting, and EMI shielding solutions.</td>
<td>$330</td>
<td>3.5x</td>
<td>12.5x</td>
</tr>
<tr>
<td>10/31/19</td>
<td>Spirit AeroSystems, Inc.</td>
<td>Short Brothers plc/Bombardier Aerospace North America</td>
<td>Bombardier Aerospace North America SAS and Short Brothers PLC manufacture aircraft components.</td>
<td>$1,090</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10/02/19</td>
<td>QinetiQ Group plc (LSE:QQ.)</td>
<td>Manufacturing Techniques, Inc.</td>
<td>Manufacturing Techniques, Inc. manufactures integrated, portable, and fixed sensor systems.</td>
<td>$105</td>
<td>0.7x</td>
<td>11.0x</td>
</tr>
<tr>
<td>09/04/19</td>
<td>AMETEK, Inc. (NYSE:AME)</td>
<td>Pacific Design Technologies, Inc.</td>
<td>Pacific Design Technologies, Inc. designs and manufactures liquid cooling systems and components for commercial aerospace, defense, and space platforms.</td>
<td>$125</td>
<td>3.1x</td>
<td>-</td>
</tr>
<tr>
<td>08/09/19</td>
<td>Pattonair Limited</td>
<td>Wesco Aircraft Holdings, Inc. (NYSE:WRAIR)</td>
<td>Wesco Aircraft Holdings, Inc. distributes aerospace products and provides supply chain management services to the aerospace industry in North America and internationally.</td>
<td>$1,949</td>
<td>1.1x</td>
<td>13.8x</td>
</tr>
<tr>
<td>07/30/19</td>
<td>CVC Capital Partners Limited</td>
<td>Ortic Engineering and Manufacturing, Inc.</td>
<td>Ortic Engineering and Manufacturing, Inc. designs, manufactures, and delivers OEM-pedigree parts and accessories for legacy aerospace platforms.</td>
<td>$1,365</td>
<td>-</td>
<td>20.1x</td>
</tr>
<tr>
<td>07/29/19</td>
<td>Parker-Hannifin Corporation (NYSE:PH)</td>
<td>Exotic Metals Forming Company LLC</td>
<td>Exotic Metals Forming Company LLC manufactures, manufactures, and provides aftermarket support services for vital systems and components of aerospace industries.</td>
<td>$1,725</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>07/26/19</td>
<td>Edgewater Services, LLC</td>
<td>Orizon Aerostuctures Inc.</td>
<td>Orizon Aerostuctures Inc. manufactures and supplies parts and subassemblies for commercial aerospace, military fixed wing, rotorcraft, mixer/ground support, and general aviation manufacturers and suppliers.</td>
<td>$28</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>06/17/19</td>
<td>Sekisui Chemical Co., Ltd. (TSE:4204)</td>
<td>AIM Aerospace, Inc.</td>
<td>AIM Aerospace, Inc. designs, manufactures, and supplies composite ducting, sub structural, and interior parts for airlines and original equipment manufacturers worldwide.</td>
<td>$510</td>
<td>2.9x</td>
<td>-</td>
</tr>
<tr>
<td>06/11/19</td>
<td>AeroVironment, Inc. (NasdaqGS:AVAV)</td>
<td>Pulse Aerospace, Inc.</td>
<td>Pulse Aerospace, Inc. develops, manufactures, and supplies unmanned helicopters and associated systems.</td>
<td>$26</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>06/10/19</td>
<td>Hanwha Aerospace Co., Ltd. (KOSHE.012450)</td>
<td>EDAC Technologies Corporation</td>
<td>EDAC Technologies Corporation provides design, manufacturing, and services for tooling, fixtures, molds, jet engine components, and machine spindles.</td>
<td>$295</td>
<td>2.0x</td>
<td>-</td>
</tr>
<tr>
<td>05/01/19</td>
<td>II-VI Incorporated (NasdaqGS:IIIV)</td>
<td>Redstone Aerospace Corporation</td>
<td>Redstone Aerospace Corporation manufactures and markets cryogenic systems and high precision pointing subsystems to aerospace and defense sector.</td>
<td>$30</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>03/04/19</td>
<td>Arthur J. Gallagher &amp; Co. (NYSE:AG)</td>
<td>Global Aerospace Operations of Jardine Lloyd Thompson Group plc</td>
<td>Comprises aerospace retail and wholesale insurance broking business.</td>
<td>$250</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>02/28/19</td>
<td>Kratos Defense &amp; Security Solutions, Inc. (NasdaqGS:KTOS)</td>
<td>Florida Turbine Technologies Inc. / FTT Core LLC</td>
<td>Specializes in the development of turbomachinery systems and components for aircraft engines, space propulsion, and power.</td>
<td>$64</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>01/29/19</td>
<td>Mercury Systems, Inc. (NasdaqGS:MRVC)</td>
<td>GECO Inc.</td>
<td>Designs and manufactures hardware and software solutions of avionics for aerospace industry.</td>
<td>$37</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>01/10/19</td>
<td>VSE Aviation, Inc</td>
<td>1st Choice Aerospace Inc. (Florida) and 1st Choice Aerospace Inc. (Ohio)</td>
<td>The companies provide component maintenance, repair, and overhaul (MRO) services for new generation and legacy commercial aircraft families.</td>
<td>$152</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11/29/18</td>
<td>AerSale Inc.</td>
<td>Avborne Accessory Group, Inc.</td>
<td>Provides repair and overhaul services to the commercial and military aviation industry worldwide.</td>
<td>$22</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10/10/18</td>
<td>TransDigm Group Incorporated</td>
<td>Esterline Technologies Corporation</td>
<td>Designs, manufactures, and markets engineered products and systems primarily for aerospace and defense customers in the United States and internationally.</td>
<td>$4,367</td>
<td>1.9x</td>
<td>11.8x</td>
</tr>
</tbody>
</table>

Source: Capital IQ and Moss Adams research as of 1/14/2020
## Selected Defense M&A Activity

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>Acquirer/Investor</th>
<th>Target</th>
<th>Target Description</th>
<th>Transaction Value</th>
<th>EV/Revenue</th>
<th>EV/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/17/19</td>
<td>Leidos, Inc.</td>
<td>Dynetics, Inc.</td>
<td>Dynetics, Inc. provides engineering, scientific, and information technology (IT) solutions to security, cybersecurity, space, and critical infrastructure security sectors in the United States.</td>
<td>$1,650.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11/21/19</td>
<td>Nammo AS</td>
<td>Chemring Ordnance, Inc.</td>
<td>Chemring Ordnance, Inc. designs, develops, and manufactures ordnance, pyrotechnic, and other munition components for military, homeland security, and first responders.</td>
<td>$17.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11/01/19</td>
<td>Gores Holdings III, Inc. (NasdaqCM:GRSH)</td>
<td>Pacific Architects and Engineers Inc.</td>
<td>Pacific Architects and Engineers Inc. provides integrated and defense support services to support missions worldwide.</td>
<td>$1,535.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10/09/19</td>
<td>Ducommun LaBarge Technologies, Inc.</td>
<td>Nobles Worldwide, Inc.</td>
<td>Nobles Worldwide, Inc. designs and manufactures flexible ammunition chutes in the United States and internationally.</td>
<td>$77.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>09/23/19</td>
<td>Greenbriar Equity Group LLC</td>
<td>Arotech Corporation (NasdaqGM:ARTX)</td>
<td>Arotech Corporation provides defense and security products worldwide.</td>
<td>$106.4</td>
<td>1.1x</td>
<td>21.3x</td>
</tr>
<tr>
<td>08/07/19</td>
<td>Avon Rubber p.l.c. (LSE:AVON)</td>
<td>Advanced Ballistic Protection Business of 3M</td>
<td>Advanced Ballistic Protection Business of 3M comprises ballistic helmets, body armor, flat armor, and related helmet-attachment products serving government and law enforcement.</td>
<td>$116.0</td>
<td>1.4x</td>
<td>10.7x</td>
</tr>
<tr>
<td>07/30/19</td>
<td>Mercury Systems, Inc. (NasdaqGS:MRCY)</td>
<td>American Panel Corporation</td>
<td>American Panel Corporation manufactures display products for military vehicles and commercial aircraft.</td>
<td>$100.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>06/07/19</td>
<td>EMCORE Corporation (NasdaqGM:EMKR)</td>
<td>Systron Donner Inertial, Inc.</td>
<td>Manufactures and supplies micro-electro-mechanical systems inertial sensors (MEMS) and systems. The company offers tactical grade navigation systems; inertial measurement units; multi-axis inertial sensing systems; accelerometers; and gyroscopes.</td>
<td>$25.8</td>
<td>0.9x</td>
<td>-</td>
</tr>
<tr>
<td>05/23/19</td>
<td>Serco Inc.</td>
<td>Naval Systems Business Unit of Aeronautics Science and Technology</td>
<td>Naval systems business unit and related contracting entities operations.</td>
<td>$225.0</td>
<td>0.7x</td>
<td>10.4x</td>
</tr>
<tr>
<td>04/22/19</td>
<td>Jacobs Engineering Group Inc. (NYSE:JEC)</td>
<td>The KeyW Holding Corporation (NasdaqGS:KEYW)</td>
<td>The KeyW Holding Corporation, together with its subsidiaries, provides national security solutions to the intelligence, cyber, and counterterrorism communities in the United States.</td>
<td>$602.5</td>
<td>1.9x</td>
<td>NM</td>
</tr>
<tr>
<td>04/05/19</td>
<td>Elbit Systems of America, LLC</td>
<td>Night Vision business of Harris Corporation</td>
<td>Night Vision business of Harris Corporation comprises night vision technology business for the U.S. and allied military and security forces, and for the federal homeland security market.</td>
<td>$350.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>01/30/19</td>
<td>CACI International Inc (NYSE:CACI)</td>
<td>Mastodon Design, LLC</td>
<td>Mastodon Design, LLC designs and manufactures rugged signals intelligence, electronic warfare, and cyber operations products and solutions.</td>
<td>$225.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>01/28/19</td>
<td>ECS Federal, LLC</td>
<td>DHA Group Inc.</td>
<td>DHA Group Inc. provides information technology, and management and consulting services to federal government and commercial clients.</td>
<td>$46.0</td>
<td>0.9x</td>
<td>-</td>
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<tr>
<td>12/12/18</td>
<td>Cerberus Capital Management, L.P.</td>
<td>Spartan Corporation</td>
<td>Spartan Corporation, together with its subsidiaries, designs, develops, and produces proprietary products for domestic and foreign defense, and commercial applications.</td>
<td>$256.4</td>
<td>0.7x</td>
<td>9.1x</td>
</tr>
<tr>
<td>12/03/18</td>
<td>Olive Investor, L.P.</td>
<td>Navistar Defense LLC</td>
<td>Navistar Defense LLC designs and manufactures military vehicles and engines.</td>
<td>$140.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12/12/18</td>
<td>Cerberus Capital Management, L.P.</td>
<td>Spartan Corporation (NYSE:SPA)</td>
<td>Spartan Corporation, together with its subsidiaries, designs, develops, and produces proprietary products for domestic and foreign defense, and commercial applications.</td>
<td>$183.3</td>
<td>0.7x</td>
<td>9.1x</td>
</tr>
<tr>
<td>12/03/18</td>
<td>Olive Investor, L.P.</td>
<td>Navistar Defense LLC</td>
<td>Navistar Defense LLC designs and manufactures military vehicles and engines.</td>
<td>$140.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10/01/18</td>
<td>Extant Components Group Holdings, Inc.</td>
<td>All Assets and Technical Data Rights of NavCom Defense Electronics, Inc.</td>
<td>All Assets and Technical Data Rights of NavCom Defense Electronics, Inc. comprises designs and manufactures navigation systems, radar altimetry systems, and test equipment.</td>
<td>$27.0</td>
<td>2.1x</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Capital IQ and Moss Adams research as of 1/14/2020
## Moss Adams: Your Aerospace Deal Partner

Regardless of your transaction size or geographic footprint, we’re committed to helping you cultivate transaction value.

<table>
<thead>
<tr>
<th>Timely, Decisive Support</th>
<th>Single Point of Contact</th>
<th>Deal Flow</th>
<th>A Life-Cycle Approach to Client Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>The success of your transactions hinges on well-timed input.</td>
<td>When you’re working with complex stakeholder teams, clear and constructive communication is vital.</td>
<td>Keeping a pulse on prospective investments is imperative.</td>
<td>Your mission to create value is constant.</td>
</tr>
</tbody>
</table>

We equip you with time-sensitive data and deal points to address issues and refine your strategy.

A key leader on your Moss Adams engagement team will deploy resources where needed and serve as your frontline point person.

We can facilitate introductions to select client organizations whose operations we know firsthand, including many midsize companies.

From acquisition to exit and all points between, we provide guidance to help you in each stage of the investment life cycle.
Contact Us

Harman Wales ("Jet")
Partner – Aerospace M&A
jet.wales@mossadams.com

Kurt Lippmann
Tax Partner
kurt.lippmann@mossadams.com

Roger Rancourt
Partner
roger.rancourt@mossadams.com

Larry Schultz
Partner
larry.schultz@mossadams.com

Jim Chevalier
Partner
jim.chevalier@mossadams.com

Brandon Clewett
Managing Director – Aerospace M&A
brandon.clewett@mossadams.com

FOR ADDITIONAL INFORMATION CONTACT MEMBERS OF OUR AEROSPACE TEAM WITHIN MOSS ADAMS TAX, ASSURANCE AND INVESTMENT BANKING & ADVISORY GROUPS

SEATTLE, WA
(206) 302-6500

EVERETT, WA
(425) 259-7227

IRVINE, CA
(949) 221-4000

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(310) 477-0450

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WWW.MOSSADAMS.COM/INDUSTRIES/AEROSPACE-AND-DEFENSE
250+ Aerospace & Defense Clients
20+ Aerospace M&A transactions advised in 2019

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Phoenix

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Fresno
Los Angeles
Manhattan Beach
Napa
Orange County
Silicon Valley
Sacramento
San Diego
San Francisco
Santa Rosa
Stockton
Walnut Creek
Woodland Hills

COLORADO
Denver

KANSAS
Kansas City

NEW MEXICO
Albuquerque

OREGON
Eugene
Medford
Portland

TEXAS
Dallas
Houston

WASHINGTON
Bellingham
Everett
Issaquah
Seattle
Spokane
Tacoma
Tri-Cities
Wenatchee
Yakima

30+ locations west of the Mississippi

Moss Adams Location

Satellite
Praxity Partners: Access to Global Markets

Our Global Reach

North America
- Canada
- United States

Latin & South America
- Argentina
- Bermuda
- Brazil
- Cayman Islands
- Chile
- Colombia
- Costa Rica
- Dominican Republic
- El Salvador
- Guatemala
- Honduras
- Jamaica
- Mexico
- Nicaragua
- Panama
- Peru
- Puerto Rico
- Uruguay
- Venezuela

Europe
- Austria
- Azerbaijan
- Belgium
- Bosnia-Herzegovina
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Italy
- Jersey
- Luxembourg
- Malta
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Russia
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- Ukraine

Middle East
- Bahrain
- Israel
- Jordan
- Kuwait
- Lebanon
- Oman
- Pakistan
- Palestinian territories
- Qatar
- Saudi Arabia
- Tajikistan
- United Arab Emirates

Asia
- Bangladesh
- China
- Indonesia
- India
- Japan
- Malaysia
- Singapore
- South Korea
- Sri Lanka
- Taiwan
- Thailand
- Vietnam

Australia
- Australia
- New Zealand
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