



# May 2015 Market Update:

## *Defense Technology & Government Services*

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While M&A activity is on track with 2014 deal volume, buyers primarily remain focused on acquisition targets with capabilities and access to coveted customers and contract vehicles. What can contractors that are not in priority segments of the M&A market or with a high degree of set-aside contracts do to achieve liquidity in the near term? Below are a few alternative options that can create a partial liquidity event without selling the entire company or giving up a controlling interest:

	Control	SBSA Status	Liquidity	Pros	Cons
<b>P/E Minority Investment</b>	✓	✓	< 50% of Enterprise Value	Team with an experienced investor to drive growth	Dilutive transaction; Shared future upside potential
<b>Employee Stock Ownership Plans (ESOP)</b>	✓ If selling < 50%	May have to recertify status if selling a majority	Capped at the senior debt raised (2 – 3x EBITDA)	Favorable tax treatments	Loss of control / limited upside; increased compliance
<b>Leveraged Dividend Recap</b>	✓	✓	2 – 3x EBITDA	Non-dilutive financing option	High Leverage
<b>Sale of Assets</b>	✓	✓	Depends on divested asset	Not disruptive to operations	Tax implications if a C Corp; Resize indirect cost structure

## P/E Minority Investment

Much like a P/E control investment, a minority P/E investment can yield many benefits for the selling shareholders in addition to just partial liquidity. In a minority deal, the shareholders sell less than 50% of their equity to a private equity group familiar with investing in the federal space. An experienced, sector-focused private equity firm can add significant value to the company by bringing access to both capital and industry contacts, as well as providing ongoing strategic guidance, operational support and management expertise. Existing shareholders enjoy a meaningful liquidity event and retain control while growing the business and benefiting from a second liquidity event with the private equity sponsor at a later time. The recent equity infusion by Lindsay Goldberg into ECS Federal, Inc. is an excellent example of this type of transaction.

## Employee Stock Ownership Plans (ESOP)

ESOPs offer management and employees an ownership stake in the business while providing partial liquidity to selling shareholders. Businesses with steady cash flow, healthy borrowing capacities, and a sizable labor base are ideal candidates, as external debt financing is required to facilitate a liquidity event. The acquisition of stock is financed through bank debt and the selling shareholders (in the form of subordinated seller debt). Each year, the Company first pays interest and principal to the senior lender and eventually to the subordinated note holders, both of which are tax deductible up to certain levels. The substantial tax benefits that ESOPs provide can allow for an accelerated debt pay off and capital gains tax deferral for selling shareholders (1042 election for C Corp shareholders). In addition to providing liquidity to selling shareholders, ESOPs allow employees to participate in the growth of the Company and may allow for the continued pursuit of small business set aside contracts.

## Leveraged Dividend Recapitalization

In a dividend recapitalization, the Company raises external debt financing to make a dividend payment to the existing shareholders. Profitable businesses with steady cash flow and a low level of existing debt are ideal candidates for dividend recapitalizations. Depending on the business' borrowing capacity, this can present a sizable liquidity event that does not dilute ownership. In addition to providing liquidity, a dividend recapitalization allows the shareholders to retain control of the Company without any new recertification requirement on existing preferential contracts. The result is a far more financially leveraged company with ongoing interest and principal repayment requirements, which may restrict future growth or investment opportunities.

## Sale of Assets

A company that has recently won both F&O and set aside contracts may generate liquidity by divesting some or its entire F&O contract portfolio to a strategic buyer through an asset sale involving contract novation. The sale of F&O contracts may enable the company to stay within its relevant NAICS size code so that it can continue to pursue set aside opportunities and maintain a "lifestyle" type business. Assets sales can potentially take longer to complete since government approval is often a funding requirement, and the selling shareholders need to closely assess their indirect cost structure to insure that their company will remain profitable after selling a portion of the revenue base.

## PAE Acquires A-T Solutions, Inc.

On May 7, PAE, a leading provider of enduring support for essential global missions, announced that it has entered into a definitive agreement to acquire A-T Solutions.

A-T Solutions is comprised of approximately 725 highly-skilled employees who assist the USG and allied nations in investigating, preventing and defeating attacks by providing industry-leading training and identity operations solutions, full lifecycle forensic and biometric support, identification and analysis of asymmetric threats, and data management solutions.

John Heller, PAE CEO, stated, "In the thirteen years since its founding, A-T Solutions has grown into an internationally recognized leader in the defense and national security industry, and this team is trusted by over 200 government customers to provide highly specialized counter-threat services. The addition of A-T Solutions will enable PAE to offer our customers a full spectrum of trusted solutions, and we will lever our international platform to effectively support increasingly complex national security missions worldwide." Terms of the transaction were not disclosed.

Acquirer



Target



## ManTech Acquires Welkin Associates, Ltd.

On April 28, ManTech announced that it had completed the acquisition of Welkin Associates, Ltd., formerly a wholly-owned subsidiary of CSC, for \$34 million.

Welkin delivers mission-centric services in high-end systems engineering and advanced national security technology and business services. Welkin's contributions to its customers are notable for technical depth and criticality for mission execution. The Company has built a strong, multi-decade legacy of success with its customers across the IC and DOD.

Welkin will become part of ManTech's Mission, Cyber & Intelligence Solutions Group, led by L. William Varner. The acquisition will be funded from cash on hand. ManTech expects Welkin to contribute solid growth and operating margins and to be accretive to ManTech's earnings per share in 2015.

Acquirer



Target



## Raytheon to Acquire Websense, Inc.

On April 20, Raytheon entered into a definitive agreement with Vista Equity Partners to form a new company combining Websense, a Vista portfolio company, with Raytheon Cyber Products, a business unit of Raytheon's IIS segment. The new company will leverage Raytheon's advanced cybersecurity technologies and Websense's industry leading TRITON platform to provide a new level of defense-grade cybersecurity to combat the evolving cyber threat environment.

The \$1.9B in cash plus \$400M in value for Raytheon Cyber Products results in an enterprise value for the venture of \$2.3B, with capitalization of \$1.7B in equity and \$600M in intercompany debt to Raytheon. Vista Equity will subsequently invest approximately \$335M for a 19.7% equity stake in the new company. Following successful completion of the transaction, the new company will be a separately reported Raytheon business segment.

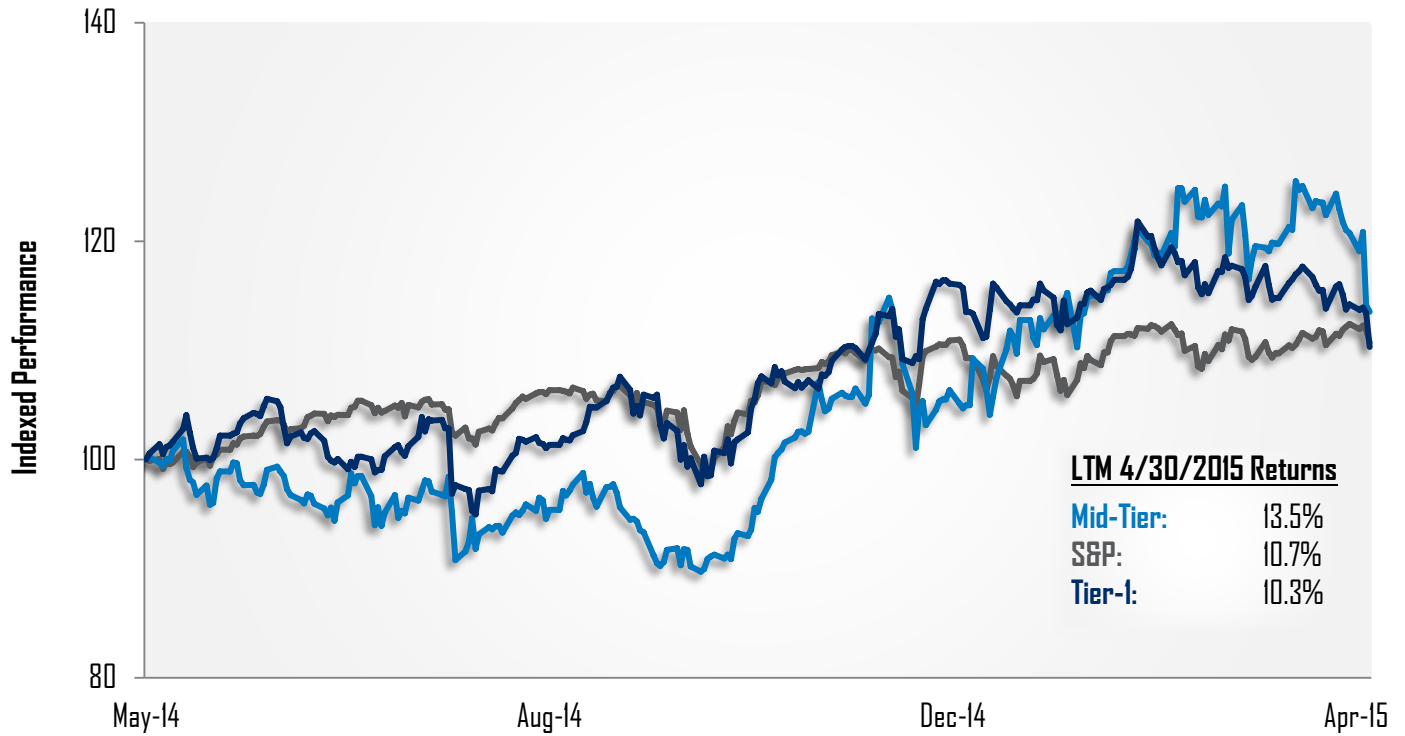
Acquirer



Target



## Last 12-Month Returns



## Last 12-Month Enterprise Value / EBITDA



Source: CapIQ

Mid-Tier Index: BAH, LDOS, CACI, MANT, EGL, ICFI, KEYW, VEC, VSEC, NCIT

Tier-1 Index: BA, LMT, GD, RTN, NOC, LLL

# Public Company Comparables



Company	USD In Millions, excluding share prices				EV as a Multiple of								EBITDA Margin		Revenue Growth		
	Price 04/30/15	Annual High	Annual Low	% of High	Equity Value	Enterprise Value	LTM Rev.	LTM EBITDA	LTM Rev.	LTM EBITDA	NTM Rev.	NTM EBITDA	CY14A	CY15P	CY14A	CY15P	
<b>Mid-Tier Federal Service Providers</b>																	
Booz Allen Hamilton Holding Corporation	\$ 27.50	\$ 31.30	\$ 20.65	87.9%	\$ 4,067	\$ 5,506	\$ 5,332	\$ 521	1.0x	10.6x	1.0x	10.1x	9.8%	10.1%	(5.2%)	1.6%	
Leidos Holdings, Inc.	41.64	47.18	31.76	88.3%	3,091	3,814	5,063	418	0.8x	9.1x	0.7x	9.1x	8.3%	7.6%	(12.0%)	(4.0%)	
CACI International Inc.	88.24	92.20	67.01	95.7%	2,132	3,176	3,354	308	0.9x	10.3x	0.9x	9.7x	9.2%	9.3%	(4.0%)	(1.0%)	
Science Applications International Corporation	50.10	55.99	36.26	89.5%	2,307	2,503	3,885	261	0.6x	9.6x	0.6x	9.2x	6.7%	7.1%	(5.7%)	3.3%	
Engility Holdings, Inc.	27.87	49.00	27.66	56.9%	1,023	1,320	1,367	106	1.0x	12.5x	0.6x	6.2x	7.7%	9.9%	(2.9%)	59.8%	
ManTech International Corporation	29.23	35.23	26.09	83.0%	1,093	1,050	1,692	125	0.6x	8.4x	0.6x	8.6x	7.1%	7.5%	(23.2%)	(9.5%)	
ICF International Inc.	38.50	43.73	30.33	88.0%	753	1,091	1,050	96	1.0x	11.4x	0.9x	8.9x	9.1%	10.1%	10.6%	14.1%	
VSE Corp.	71.14	84.06	47.51	84.6%	382	455	424	60	1.1x	7.6x	1.0x	5.5x	14.1%	18.2%	(10.1%)	7.1%	
The KEYW Holding Corporation	9.65	14.41	7.01	67.0%	363	447	291	6	1.5x	70.2x	1.4x	24.3x	2.2%	3.6%	(2.7%)	10.9%	
Vectrus, Inc.	25.56	33.76	19.22	75.7%	269	364	1,203	55	0.3x	6.6x	0.3x	9.3x	4.6%	3.8%	(20.4%)	(4.8%)	
NCI, Inc.	10.16	13.13	8.03	77.4%	132	159	309	23	0.5x	6.8x	0.5x	5.9x	6.4%	8.0%	(4.6%)	5.2%	
									<b>Mean</b>	<b>0.9x</b>	<b>14.8x</b>	<b>0.8x</b>	<b>9.7x</b>	<b>7.7%</b>	<b>8.7%</b>	<b>(7.3%)</b>	<b>7.5%</b>
									<b>Median</b>	<b>0.9x</b>	<b>9.6x</b>	<b>0.7x</b>	<b>9.1x</b>	<b>7.7%</b>	<b>8.0%</b>	<b>(5.2%)</b>	<b>3.3%</b>
<b>Tier 1 Prime Contractors</b>																	
The Boeing Company	\$ 143.34	\$ 158.83	\$ 116.32	90.2%	\$ 99,122	\$ 98,691	\$ 92,446	\$ 9,569	1.1x	10.3x	1.0x	9.1x	10.0%	11.3%	4.8%	4.2%	
Lockheed Martin Corporation	186.60	207.06	156.23	90.1%	58,734	63,652	45,061	6,430	1.4x	9.9x	1.4x	9.6x	13.5%	14.6%	0.5%	(2.3%)	
General Dynamics Corporation	137.32	146.13	109.18	94.0%	45,142	44,141	31,371	4,508	1.4x	9.8x	1.4x	9.5x	14.2%	14.5%	(0.3%)	3.0%	
Raytheon Company	104.00	113.36	89.17	91.7%	31,735	33,125	22,606	3,410	1.5x	9.7x	1.5x	9.3x	15.5%	15.3%	(3.7%)	(0.9%)	
Northrop Grumman Corporation	154.04	172.30	117.50	89.4%	29,851	33,623	24,088	3,583	1.4x	9.4x	1.4x	9.5x	15.3%	14.8%	(2.8%)	(1.0%)	
L-3 Communications Holdings Inc.	114.91	132.92	99.33	86.5%	9,514	13,216	11,880	1,271	1.1x	10.4x	1.1x	9.8x	11.1%	11.3%	(3.9%)	(4.6%)	
									<b>Mean</b>	<b>1.3x</b>	<b>9.9x</b>	<b>1.3x</b>	<b>9.5x</b>	<b>13.3%</b>	<b>13.6%</b>	<b>(0.9%)</b>	<b>(0.3%)</b>
									<b>Median</b>	<b>1.4x</b>	<b>9.8x</b>	<b>1.4x</b>	<b>9.5x</b>	<b>13.9%</b>	<b>14.6%</b>	<b>(1.5%)</b>	<b>(1.0%)</b>
<b>Defense System / Electronics Firms</b>																	
Rockwell Collins Inc.	\$ 97.33	\$ 99.19	\$ 71.89	98.1%	\$ 12,874	\$ 15,059	\$ 5,233	\$ 1,185	2.9x	12.7x	2.8x	11.5x	22.5%	23.8%	15.3%	4.8%	
Harris Corporation	80.24	82.79	60.78	96.9%	8,355	9,536	4,959	1,063	1.9x	9.0x	2.0x	8.9x	21.4%	27.3%	(0.4%)	(3.6%)	
Teledyne Technologies Inc.	104.97	110.08	90.54	95.4%	3,705	4,425	2,386	395	1.9x	11.2x	1.8x	10.9x	16.4%	16.4%	2.4%	2.8%	
Cubic Corporation	49.58	55.73	40.69	89.0%	1,332	1,217	1,398	124	0.9x	9.8x	0.9x	9.0x	9.2%	10.1%	4.4%	2.6%	
Kratos Defense & Security Solutions, Inc.	5.47	9.08	4.21	60.2%	319	948	868	61	1.1x	15.6x	1.1x	11.5x	7.0%	9.7%	(8.7%)	(1.6%)	
Mercury Systems, Inc.	13.81	17.59	10.47	78.5%	472	405	224	28	1.8x	14.5x	1.7x	8.8x	11.2%	18.8%	11.0%	10.2%	
									<b>Mean</b>	<b>1.7x</b>	<b>12.1x</b>	<b>1.7x</b>	<b>10.1x</b>	<b>14.6%</b>	<b>17.7%</b>	<b>4.0%</b>	<b>2.5%</b>
									<b>Median</b>	<b>1.8x</b>	<b>12.0x</b>	<b>1.7x</b>	<b>10.0x</b>	<b>13.8%</b>	<b>17.6%</b>	<b>3.4%</b>	<b>2.7%</b>
<b>Foreign Contractors</b>																	
Airbus Group N.V.	\$ 69.41	\$ 74.00	\$ 44.38	93.8%	\$ 54,474	\$ 51,836	\$ 64,611	\$ 6,727	0.8x	7.7x	0.7x	7.2x	8.1%	10.1%	(7.3%)	(1.8%)	
BAE Systems plc	7.81	8.44	6.05	92.5%	24,686	26,349	24,047	2,698	1.1x	9.8x	1.0x	8.4x	10.7%	12.0%	(13.9%)	11.2%	
Finmeccanica SpA	12.82	13.47	6.16	95.2%	7,411	12,582	17,919	1,840	0.7x	6.8x	0.9x	6.5x	9.3%	12.8%	(5.7%)	(18.6%)	
Thales SA	60.72	62.52	40.75	97.1%	12,507	11,827	15,704	1,552	0.8x	7.6x	0.8x	6.9x	10.1%	11.5%	(10.2%)	(4.1%)	
Cobham plc	4.56	5.36	3.97	85.1%	5,168	7,053	2,886	521	2.4x	13.5x	2.0x	10.3x	18.0%	21.0%	(2.7%)	18.6%	
Sercos Group plc	2.05	5.94	1.93	34.6%	2,233	3,225	6,164	(914)	0.5x	(3.5x)	0.5x	14.0x	(15.6%)	3.5%	(13.2%)	1.8%	
Ultra Electronics Holdings plc	26.68	29.34	25.29	90.9%	1,861	2,039	1,112	195	1.8x	10.5x	1.9x	10.2x	17.2%	18.3%	(9.9%)	(0.3%)	
QinetiQ Group Plc	3.11	3.56	2.75	87.4%	1,847	1,531	1,914	251	0.8x	6.1x	1.3x	7.6x	15.0%	16.6%	(15.4%)	(12.1%)	
									<b>Mean</b>	<b>1.1x</b>	<b>7.3x</b>	<b>1.1x</b>	<b>8.9x</b>	<b>9.1%</b>	<b>13.2%</b>	<b>(9.8%)</b>	<b>(0.7%)</b>
									<b>Median</b>	<b>0.8x</b>	<b>7.7x</b>	<b>0.9x</b>	<b>8.0x</b>	<b>10.4%</b>	<b>12.4%</b>	<b>(10.0%)</b>	<b>(1.1%)</b>
<b>Commercial IT Firms</b>																	
International Business Machines Corporation	\$ 171.29	\$ 196.74	\$ 149.52	87.1%	\$ 168,675	\$ 198,841	\$ 90,147	\$ 23,608	2.2x	8.4x	2.4x	8.5x	26.3%	27.7%	(5.7%)	(10.0%)	
Accenture plc	92.65	96.78	73.98	95.7%	58,023	54,545	30,902	4,893	1.8x	11.1x	1.8x	10.8x	15.8%	16.5%	6.4%	0.5%	
Xerox Corporation	11.50	14.36	11.28	80.1%	12,695	19,808	19,238	2,522	1.0x	7.9x	1.1x	8.0x	12.8%	13.0%	(2.3%)	(5.0%)	
Computer Sciences Corporation	64.45	73.29	54.23	87.9%	9,090	9,446	12,593	1,319	0.8x	7.2x	0.8x	4.5x	10.5%	17.9%	(4.4%)	(4.2%)	
Unisys Corporation	21.77	30.65	18.72	71.0%	1,087	919	3,316	197	0.3x	4.7x	0.3x	8.0x	6.2%	5.0%	(2.9%)	(6.4%)	
Kforce Inc.	22.74	24.99	17.20	91.0%	671	764	1,248	59	0.6x	12.9x	0.6x	9.6x	4.6%	5.8%	13.4%	9.9%	
Navigant Consulting Inc.	14.46	18.19	12.39	79.5%	698	874	793	123	1.1x	7.1x	1.0x	7.2x	15.2%	14.4%	4.4%	8.5%	
Black Box Corporation	19.90	25.30	19.34	78.7%	306	449	986	56	0.5x	8.0x	0.4x	7.1x	5.7%	0.0%	1.5%	3.4%	
									<b>Mean</b>	<b>1.0x</b>	<b>8.4x</b>	<b>1.0x</b>	<b>7.9x</b>	<b>12.1%</b>	<b>12.5%</b>	<b>1.3%</b>	<b>(0.4%)</b>
									<b>Median</b>	<b>0.9x</b>	<b>7.9x</b>	<b>0.9x</b>	<b>8.0x</b>	<b>11.6%</b>	<b>13.7%</b>	<b>(0.4%)</b>	<b>(1.9%)</b>

Source: Capital IQ

EV: Enterprise Value

LTM: Trailing Twelve Months

NTM: Next Twelve Months

# Recent M&A Transactions

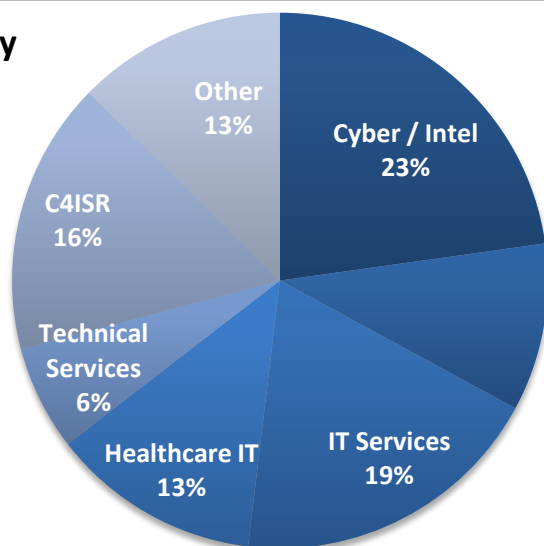


Target Information			Buyer Information		EV Information		
Close Date	Name	Industry	Buyer	Buyer Classification	\$M	/LTM Rev	/LTM EBITDA
Pending	Exelis Inc.	C4ISR	Harris Corporation	Public Strategic	4,750.0	1.4 x	9.2 x
Pending	WebSense, Inc.	Cyber / Intel	Raytheon Co.	Public Strategic	1,570.0	N/A	N/A
Pending	MegaPath (Managed Services Business)	IT Services	GTT Communications	Private Strategic	152.3	N/A	N/A
Pending	Eclipse Electronic Systems	C4ISR	BAE Systems	Public Strategic	28.0	N/A	N/A
Pending	General Dynamics Fidelis Cybersecurity Solutions, Inc.	Cyber / Intel	Marlin Equity Partners	P/E Sponsor	N/A	N/A	N/A
05/07/15	A-T Solutions, Inc.	IT Services	PAE	P/E Backed Strategic	N/A	N/A	N/A
05/05/15	Scitor Corporation	Cyber / Intel	SAIC Corporation	Public Strategic	790.0	1.3 x	12.4 x
04/28/15	Welkin Associates, Ltd.	C4ISR	ManTech International Corp.	Public Strategic	34.0	N/A	N/A
04/28/15	Linx Global Solutions, Inc.	Other	Mosaic Capital Partners	P/E Sponsor	N/A	N/A	N/A
04/23/15	Kutta Technologies, Inc.	C4ISR	Sierra Nevada Corp.	Private Strategic	N/A	N/A	N/A
04/21/15	Triad Technology Partners' ServiceNow Professional Services	IT Services	KPMG	Private Strategic	N/A	N/A	N/A
04/20/15	Tri Star Engineering, Inc.	Other	G/Force, Inc.	Private Strategic	N/A	N/A	N/A
04/16/15	Qbase (Business Assets)	IT Services	SRA International	P/E Backed Strategic	N/A	N/A	N/A
04/10/15	2d3 Sensing, Inc.	C4ISR	Boeing Co.	Public Strategic	N/A	N/A	N/A
04/07/15	Critical Intelligence, Inc.	Cyber / Intel	iSIGHT Partners, Inc.	Private Strategic	N/A	N/A	N/A
04/06/15	Acentia, LLC	Healthcare IT	Maximus, Inc. (Federal Service, Inc.)	Public Strategic	300.7	1.4 x	N/A
04/02/15	LTC Engineering Associates	C4ISR	CACI International Inc.	Public Strategic	N/A	N/A	N/A
04/01/15	Public Engines, Inc.	IT Services	Motorola Solutions, Inc.	Public Strategic	N/A	N/A	N/A
03/31/15	immixGroup	Technical Services	Arrow Electronics	Public Strategic	N/A	N/A	N/A
03/26/15	Agilex Technologies, Inc.	IT Services	Accenture Federal Services LLC	Public Strategic	N/A	N/A	N/A
03/13/15	Ponte Technologies, LLC	Cyber / Intel	KEYW Holding Corp.	Public Strategic	N/A	N/A	N/A
03/05/15	Urban Robotics, Inc.	C4ISR	OGSystems, Inc.	Private Strategic	N/A	N/A	N/A
02/26/15	TASC	C4ISR	Engility Holdings, Inc.	Public Strategic	1,100.0	1.0 x	12.2 x
02/24/15	iNapogee Information Systems (Mercury Systems)	Cyber / Intel	iNovex Information Systems	Private Strategic	N/A	N/A	N/A
02/23/15	Washington Management Group (Deltek)	Other	Aronson	Private Strategic	N/A	N/A	N/A
02/19/15	Autonomic Resources	Cloud / Data Analytics	CSC	Public Strategic	N/A	N/A	N/A
02/02/15	DLT Solutions	IT Services	Millstein & Co.	P/E Backed Strategic	N/A	N/A	N/A
01/28/15	Killick Aerospace Group	Other	VSE Corp.	Public Strategic	184.0	N/A	N/A
01/26/15	Sensintel, Inc.	Technical Services	Raytheon Missile Systems Company	Public Strategic	NA	N/A	N/A
01/16/15	Milestone Intelligence Group, Inc.	C4ISR	KEYW Holding Corp.	Public Strategic	N/A	N/A	N/A
01/05/15	Tripwire, Inc.	Cyber / Intel	Belden, Inc.	Public Strategic	710.0	N/A	N/A
01/02/15	TATE Incorporated	Other	CENTRA Technology	Private Strategic	N/A	N/A	N/A
01/01/15	Computech, Inc.	IT Services	NCI, Inc.	Public Strategic	56.0	1.4 x	N/A
12/19/14	CRGT, Inc.	Cyber / Intel	Bridge Growth Partners	P/E Sponsor	225.0	N/A	N/A
12/17/14	DTECH LABS, Inc.	C4ISR	Cubic Corp.	Public Strategic	129.5	N/A	N/A
12/16/14	Compuware Corp.	IT Services	Thoma Bravo, LLC	P/E Sponsor	2,400.0	3.3 x	N/A
12/12/14	SilverSky	Cyber / Intel	BAE Systems	Public Strategic	232.5	3.1 x	N/A
12/11/14	ExaTech Solutions	Cyber / Intel	Vistrionix	P/E Backed Strategic	N/A	N/A	N/A
12/11/14	Agency Consulting Group	Cloud / Data Analytics	Vistrionix	P/E Backed Strategic	N/A	N/A	N/A
12/11/14	Objective Solutions, Inc.	Cyber / Intel	Vistrionix	P/E Backed Strategic	N/A	N/A	N/A
12/10/14	Government Contract Solutions	IT Services	Preferred Systems Solutions (PSS) (CM Equity)	P/E Backed Strategic	N/A	N/A	N/A
12/02/14	Systems Made Simple	Healthcare IT	Lockheed Martin Corporation	Public Strategic	N/A	N/A	N/A
11/20/14	DefenseWeb Technologies	Cloud / Data Analytics	Three Wire Systems	Private Strategic	N/A	N/A	N/A
11/12/14	G4S Government Solutions, Inc. (USG Division)	Other	A&M Capital Advisors	P/E Backed Strategic	135.0	N/A	N/A
11/05/14	Blackbird Technologies	C4ISR	Raytheon Company	Public Strategic	420.0	N/A	N/A
10/29/14	Epidemico	Healthcare IT	Booz Allen Hamilton	Public Strategic	N/A	N/A	N/A
10/24/14	Zemax	Other	Arlington Capital	P/E Backed Strategic	N/A	N/A	N/A
10/22/14	Sotera Engineered Solutions	Technical Services	Outdoor Venture Corporation	Private Strategic	N/A	N/A	N/A
10/22/14	Olson	IT Services	ICF International	Public Strategic	N/A	N/A	N/A
10/20/14	Genova Technologies (Healthcare Unit)	Healthcare IT	Booz Allen Hamilton	Public Strategic	N/A	N/A	N/A

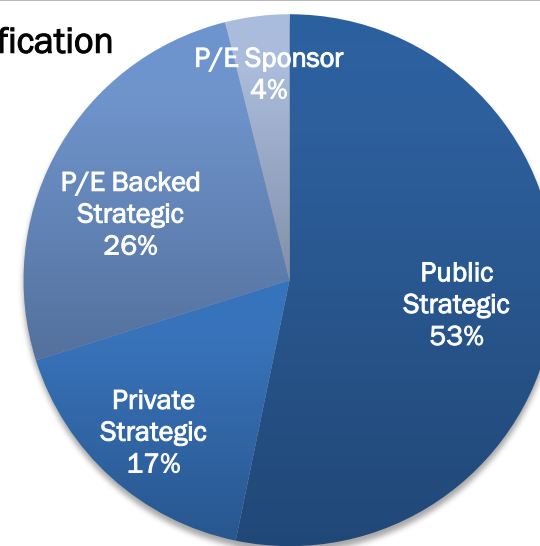
# Recent M&A Transactions

Target Information			Buyer Information		EV Information		
Close Date	Name	Industry	Buyer	Buyer Classification	\$M	/LTM Rev	/LTM EBITDA
10/17/14	Optimos, Inc.	IT Services	Acentia, LLC (Snow Phipps Group)	P/E Backed Strategic	N/A	N/A	N/A
10/16/14	North American Aircraft Services, Inc. (NAAS)	Technical Services	Triumph Group	Public Strategic	N/A	N/A	N/A
10/07/14	Impresa Aerospace	C4ISR	Twin Haven Capital	P/E Backed Strategic	N/A	N/A	N/A
10/03/14	Digital Results Group	Cloud / Data Analytics	Novetta	P/E Backed Strategic	N/A	N/A	N/A
10/03/14	Sentinel Applied Analytics, LLC	Cloud / Data Analytics	Novetta	P/E Backed Strategic	N/A	N/A	N/A
10/03/14	Advanced Systems (General Dynamics Division)	C4ISR	MacDonald Dettwiler & Associates Ltd.	Public Strategic	N/A	N/A	N/A
10/01/14	UNSI	IT Services	GTT	Public Strategic	37.8	N/A	N/A
09/30/14	Signal Innovations Group, Inc.	Cyber / Intel	BAE Systems	Public Strategic	N/A	N/A	N/A
09/29/14	Aerospace and Defense Display (Division of Barco NV)	C4ISR	Esterline Corp.	Public Strategic	188.9	N/A	N/A
09/05/14	Global Net Services, Inc.	Healthcare IT	Information Innovators, Inc. (DFW Capital Partners, Inc.)	P/E Backed Strategic	N/A	N/A	N/A
08/25/14	Sun Catalytic	Other	Lockheed Martin Corporation	Public Strategic	N/A	N/A	N/A
08/20/14	Astrotech Space Operations, Inc.	Healthcare IT	Lockheed Martin Corporation	Public Strategic	N/A	N/A	N/A
08/18/14	Evolve Technology Group	Healthcare IT	ePlus	Public Strategic	N/A	N/A	N/A
08/15/14	Global Services & Solutions, Inc.	Cyber / Intel	Preferred Systems Solutions (PSS) (CM Equity)	P/E Backed Strategic	N/A	N/A	N/A
08/14/14	Zeta Associates	Cyber / Intel	Lockheed Martin Corporation	Public Strategic	N/A	N/A	N/A
08/11/14	SigInt Technologies	Cyber / Intel	Novetta	P/E Backed Strategic	N/A	N/A	N/A
08/11/14	Lighthouse Security Group	Cloud / Data Analytics	IBM Corp.	Public Strategic	N/A	N/A	N/A
08/04/14	NetCentrics Inc.	Cyber / Intel	Haystax Technology, Inc.	P/E Backed Strategic	N/A	N/A	N/A
08/04/14	MdotLabs	Cloud / Data Analytics	comScore	Public Strategic	4.5	N/A	N/A
08/01/14	Barco Orthogon	Technical Services	Exelis	Public Strategic	N/A	N/A	N/A
07/29/14	Global News Intelligence	Cyber / Intel	Novetta	P/E Backed Strategic	N/A	N/A	N/A
07/29/14	Marbella Technologies	Healthcare IT	GetWellNetwork	Private Strategic	N/A	N/A	N/A
07/15/14	Deposition Sciences, Inc.	Other	Lockheed Martin Corporation	Public Strategic	N/A	N/A	N/A
07/01/14	JM Waller Associates	Other	Versar	Public Strategic	13.0	N/A	N/A
07/01/14	Verizon Communications (Federal Network Systems)	IT Services	Jacobs Engineering	Public Strategic	N/A	N/A	N/A
06/30/14	MicroTechnologies LLC (SIGCOM, Inc.)	Cyber / Intel	UNICOM Government	Private Strategic	N/A	N/A	N/A
06/27/14	Ventura Solutions	Cyber / Intel	Boeing	Public Strategic	N/A	N/A	N/A

### Target Industry



### Buyer Classification





# Representative ACP Transactions

<p>Advised</p> <p><b>Tri Star</b> Engineering Inc.</p> <p>on its sale to</p> <p><b>G/FORCE</b></p>	<p>Advised</p> <p><b>TATE</b> INCORPORATED</p> <p>on its sale to</p> <p><b>CENTRA TECHNOLOGY</b></p>	<p>Advised</p> <p><b>OPTIMOS.</b></p> <p>on its sale to</p> <p><b>ACENTIA</b> ESSENTIAL TO THE MISSION</p> <p>portfolio company of <b>SNOW Phipps</b></p>	<p>Advised</p> <p><b>VENTURA</b> SOLUTIONS, INC.</p> <p>on its sale to</p> <p><b>BOEING</b></p>	<p>Advised</p> <p><b>BIOQUAL, INC.</b></p> <p>on its acquisition of the Preclinical Services Business of</p> <p><b>ABL inc.</b> ADVANCED BIOSCIENCE LABORATORIES</p>
<p>Advised</p> <p><b>KSSI</b></p> <p>on its sale to</p> <p><b>Vistrionx, Inc.</b></p>	<p>Advised</p> <p><b>GENERAL DYNAMICS</b></p> <p>on its divestiture of IC SETA assets to</p> <p><b>Scitor</b> Corporation</p> <p>portfolio company of</p> <p><b>IG&amp;P</b></p>	<p>Advised</p> <p><b>Haystax</b> Technology</p> <p>portfolio company of the edgewater funds</p> <p>on its acquisition of</p> <p><b>FlexPoint</b> TECHNOLOGY</p>	<p>Advised</p> <p><b>Hawthorne</b> SERVICES</p> <p>on its sale to</p> <p><b>The Berger Group</b></p>	<p>Advised</p> <p><b>NOVONICS</b></p> <p>on its sale to</p> <p><b>Gambler</b></p> <p>portfolio company of</p> <p><b>NMC</b> NEW MOUNTAIN CAPITAL</p>
<p>Advised</p> <p><b>SOTECH</b> <b>ZLI INDUSTRIES</b></p> <p>on their sale to</p> <p><b>Ultra</b> ELECTRONICS</p>	<p>Advised</p> <p><b>TexelTek, Inc.</b> Global Intelligence Solutions</p> <p>on its sale to</p> <p><b>TASC</b></p> <p>portfolio company of</p> <p>General Atlantic <b>KKR</b></p>	<p>Advised</p> <p><b>zytel</b></p> <p>on its sale to</p> <p><b>SOTERA</b> DEFENSE SOLUTIONS</p>	<p>Advised</p> <p><b>Applied Signal</b> Technology, Inc.</p> <p>on its acquisition of</p> <p><b>SEISMIC</b></p>	<p>Advised</p> <p><b>capital city</b> TECHNOLOGIES</p> <p>on its sale to</p> <p><b>ERNST &amp; YOUNG</b> Quality In Everything We Do</p>
<p>Advised</p> <p>GCI, Incorporated a wholly owned subsidiary of</p> <p><b>at&amp;t</b></p> <p>on its sale to</p> <p><b>GENERAL DYNAMICS</b></p>	<p>Advised</p> <p><b>i2s</b></p> <p>on its sale to</p> <p><b>Gambler</b></p> <p>portfolio company of</p> <p><b>NMC</b> NEW MOUNTAIN CAPITAL</p>	<p>Advised</p> <p><b>accelligence</b></p> <p>on its sale to</p> <p><b>ACT SOLUTIONS, INC.</b></p> <p>portfolio company of</p> <p><b>COVANT</b></p>	<p>Advised</p> <p><b>DDK</b> Technology Group, Inc.</p> <p>on its sale to</p> <p><b>ManTech</b> International Corporation</p>	<p>Advised</p> <p><b>RAVENWING</b></p> <p>on its sale to</p> <p><b>BOEING</b></p>

## WHO IS ARONSON CAPITAL PARTNERS?

Aronson Capital Partners is a leading financial advisor to government services and technology firms. We exercise our special domain expertise in the Defense, Intelligence, and Federal Civilian markets to achieve exceptional results for our clients. In addition to completing more than 100 transactions in the federal sector, our principals have decades of executive level, hands-on experience in the industry – a key differentiator that leads to success.

### Mergers & Acquisitions

- Sell-Side M&A
- Buy-Side M&A
- Private Equity Platform Acquisitions
- Management & Leveraged Buyouts
- Divestitures
- ESOPs
- Asset Sales

### Corporate Finance

- Recapitalizations & Restructurings
- Common & Preferred Equity
- Senior Debt
- Subordinated Debt
- Convertible Debt
- Private Equity Investments
- Minority Equity Investments

### Financial Advisory

- Internal Capital Transaction Advisory
- Independent Corporate Valuations
- Fairness Opinions
- Strategic Alternatives Assessments