



*MERGERS AND ACQUISITIONS*

# 2016's Most Interesting Transactions In Aerospace, Defense, & Government Services

# FAIRMONT

## CONSULTING GROUP

January 2017

## Reflections On 2016 M&A In ADG

During 2016 Fairmont supported clients across a wide range of transactions, including many discussed in this report. That exposure gives us a perspective on M&A in aerospace, defense, and government services which we hope you will find interesting and useful as you contemplate the year ahead.

In the realm of **commercial aerospace**, we observed increasing concern among buyers that the cycle was nearing a peak, coupled with parallel worries regarding pricing and margin pressures, particularly among OEM suppliers. We don't think the aero market is verging on a significant downturn, but we do believe that preferred platform exposure and well-defined, stable contract/LTA positions and meaningful, proprietary aftermarket presence will become more important than ever to both corporate and financial acquirers.

In the **defense sector** we saw sustained, growing interest in C4ISR, cybersecurity, and unmanned systems, coupled with continuing rationalization of prime contractor and Tier 2 portfolios. The looming question now is how the Trump Administration will affect defense spending and priorities. The public markets certainly delivered a meaningful boost to defense players following the election, but Trump's calls for greater accountability and productivity in the defense industry – notably focusing on the Joint Strike Fighter – portend pricing and margin pressures to come. And of course in defense, urgent operational requirements in the Middle East and elsewhere remain paramount, and may drive unanticipated reprioritization of programs and budgets should new conflicts emerge. Acquirers should remain watchful as new opportunities emerge.

Finally, in **government services** we watched as the long-awaited rationalization of the sector reached its conclusion, and a new generation of players began to take shape. We believe that government services – and particularly Federal, defense, and intel IT services – are on the cusp of a significant shift as commercial tools and techniques are applied more quickly and more broadly to public sector challenges in ways that reduce personnel requirements but provide far greater benefit to the citizen or the warfighter. That is an outcome that industry and taxpayers alike can all look forward to.

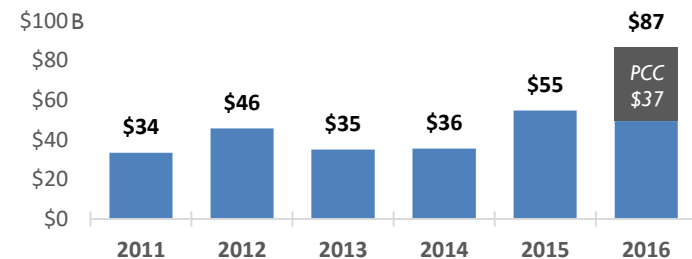
- Jay Wynn, Managing Director



## A Look at the Numbers

After a record year for M&A announcements in 2015 including PCC and Sikorsky, 2016 acquisitions slowed due in part to uncertainties around global economic recovery, government spending, and the U.S. election

### Global A&D M&A; 2011-2016



Note that PCC was included in Fairmont's 2015 Report, but closed in 01/2016

SOURCE: Dacis DM&A

## Looking Ahead to 2017

What events are currently on our radar that could significantly impact the A&D Merger & Acquisition environment in 2017?

### Potential Headwinds:

- Rising interest rates
- Rising valuations
- Commercial aero cycle shift
- Defense sector margin pressure
- Pressure on international trade and partnerships

### Tailwinds:

- Market confidence
- Access to / availability of capital
- Application of technology
- Business aviation resurgence



## WHAT DOES FAIRMONT DO?

### TRANSACTIONS

We provide critical market & competitive diligence in support of the acquisition and sale of businesses; detailed, objective independent financial forecasts and critical transaction support

**FAIRMONT**  
CONSULTING GROUP

### STRATEGY

We help clients understand evolving markets and changing competitive environments in order to decide where and how to invest time and capital in support of profitable long-term growth

## WHO RELIES ON FAIRMONT AND WHY?

### CLIENTS

Aerospace, defense and government services primes  
Tier 2 and Tier 3 suppliers & small/midmarket svc firms  
Global private equity investors and hedge funds  
PE portfolio companies

### EXPERIENCE

Advisors to CEOs, boards, and leading investors in ADG  
100+ strategy engagements  
100+ transactions worth \$10B+ in total enterprise value  
100+ collective person-years of A&D experience

### CAPABILITIES

Deep domain knowledge across ADG and all subsectors  
Technology-enabled, data-driven analytical techniques  
Global network of SME's in operations, finance, technology, government

# 2016's Most Interesting Transactions

## Big Deals



## Additive Mfg.



## Non-A&D Buyers



## Svcs. Divestitures



## TransDigm M&A

**TRANSDIGM**  
GROUP INC.

## Security Systems



## A&D Electronics



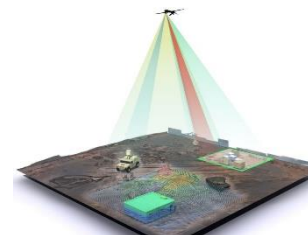
## Gov't Services



## Cybersecurity



## C4ISR



## Aero Engines



## Distribution



## Unmanned Sys.



## Business Aviation



## Chinese Buyers







Acquired by



**Closing Date:** Pending

**Price:** \$3,410M

**Revenue:** \$2,110M

**TEV/EBITDA:** n/a

Safran divested Morpho Detection to Smiths Group (\$710M price and \$320M revenue) and the remainder of its Identity & Security business to Oberthur Technologies, a portfolio company of Advent International (\$2,700M price; \$1,790M revenue). National politics likely played a role in the Safran-Advent transaction, but the combination will create a market leader in the nascent, but quickly-growing, digital security market.

**Safran divested a non-core asset to two appropriate strategic bidders**



Acquired by



**Closing Date:** Pending

**Price:** \$8,300M

**Revenue:** \$2,726M

**TEV/EBITDA:** 13.5x

This big deal was the largest in Rockwell Collins' history and almost six times larger than the next largest. The high multiple (3.0x revenue and 13.5x EBITDA) is a bet on aerospace interiors, especially within the commercial aftermarket as aircraft come off-lease or are resold to new operators. Since the October 2016 announcement, Rockwell stock is up 10.4%, suggesting favorable market sentiment for this transaction.

**Rockwell made a big, and pricey, bet on aircraft interiors and aftermarket**



Acquired by



**Closing Date:** Q1 2017

**Price:** \$1,200M

**Revenue:** \$1,125M

**TEV/EBITDA:** 10.7x

Airbus D&S divested its German Optronics business and both the German and French Electronics and Border Security businesses. The sale includes mostly non-U.S. defense sales in EW, radar, and periscopes but also includes a huge – and troubled – border security deal in Saudi Arabia. If the contract becomes profitable and other border security projects materialize, this deal could become a great acquisition for KKR.

**Process was delayed by a troubled Saudi contract, which remains a risk**



Acquired by



**Closing Date:** Pending

**Price:** \$3,410M

**Revenue:** \$2,110M

**TEV/EBITDA:** n/a

On September 6<sup>th</sup> 2016 GE announced intentions to buy both Arcam AB and SLM Solutions Group AG. Arcam AB, based out of Sweden, is the industry leader in electron beam metal-based additive manufacturing (AM). It is the only major manufacturer for this process. With this purchase GE became the majority stakeholder in Arcam significantly bolstering its AM capabilities.



Offered/Withdrawn



**Offer Date:** Sep 2016

**Price:** \$732.9M

*Offer withdrawn after minimum completion commitments failed to be met*

The German based SLM Solutions is another industry leader in industrial AM machines. Founded in 2011 it is one of the newest major OEMs in the AM industry, yet generated over \$74M in 2015. As its name suggests, SLM Solutions is a leader in Selective Laser Melting (SLM) technology, a slightly different process from Arcam. Both Arcam and SLM have been successful in developing aerospace and medical businesses.

**CONCEPTLASER**

Acquired by



**Closing Date:** Oct 2016

**Price:** \$599M

**Revenue:** n/a

**TEV/EBITDA:** n/a

In its latest acquisition, GE has purchased another leader in AM: Concept Laser. Founded in 2000, Concept Laser is one of the largest providers of industrial metal AM printers using its proprietary LaserCUSING printing process. This process is in the family of Direct Metal Laser Sintering (DMLS).

***In just one year, GE has become the world-leader in metal additive manufacturing. With these acquisitions, GE has defensively maneuvered to prevent competitors from gaining ground on a cornerstone of GE's technology strategy***

# Deltek

Acquired by



**Closing Date:** Dec 2016

**Price:** \$2,800M

**Revenue:** \$535M

**TEV/EBITDA:** 14.0x

PE Firm Thoma Bravo is divesting Deltek after more than doubling the company's valuation over its four year holding period. Multiple add-ons over holding period helped to consolidate major federal government data providers. Deltek maintains enterprise software that could be leveraged by Roper to serve markets such as healthcare and education in which they currently participate

**Roper's foray into Govt./Defense markets hinge on software synergies**

# CAMP

Acquired by

# HEARST

**Closing Date:** Oct 2016

**Price:** \$2,000M

**Revenue:** n/a

**TEV/EBITDA:** n/a

Hearst is primarily known for its media portfolio but has been slowly diversifying into data and information based companies. CAMP's tracking software is tailored towards business aircraft owners and provides Hearst with a quality foundation within this sector from which to expand portfolio of aerospace data tracking solutions.

**Hearst plans to leverage global network to expand CAMP's user base**

# Penton

inform engage advance

Acquired by

# informa

**Closing Date:** Sep 2016

**Price:** \$1,560M

**Revenue:** n/a

**TEV/EBITDA:** n/a

Informa, the UK-based business information provider acquired Penton in order to expand international presence in the US. Informa, with revenues of ~\$6b, continues expansion strategy, with emphasis on mitigating exchange rate risk. Acquisition is focused on acquiring capabilities portfolio including digital products, print, and events rather than an entrance into A&D market specifically.

**Acquisition of Penton balances and increases scale and reach of portfolio**



Acquired by



**Closing Date:** Aug 2016

**Price:** \$4,600M

**Revenue:** \$5,000M

**TEV/EBITDA:** 10.0x

In Washington Technology's 2015 Top 100 list, Lockheed Martin sat on top with nearly \$12 billion of IT-related prime contracts. After acquiring Lockheed's Information Systems and Global Solutions (IS&GS) business, Leidos became the largest federal IT services vendor (and nearly double the size of second place). Leidos management predicted that EBITDA margins would increase across the combined entity from ~8% to ~10%.

**Lockheed divested its lower-margin services, creating a new services king**



National Security Solutions

Acquired by



**Closing Date:** Feb 2016

**Price:** \$547M

**Revenue:** \$1,088M

**TEV/EBITDA:** 7.9x

Amidst a portfolio restructuring, L-3 chose to divest its National Security Solutions (NSS) business that focused on enterprise IT, intelligence services, and other national security related solutions. CACI's acquisition allowed the company to increase both the topline, through new customers within the Intelligence Community, and the bottom line, through presumed management and overhead cost reductions.

**CACI's acquisition of NSS increased presence in Fed IT by one third**

# Honeywell

HTSI

Acquired by



**Closing Date:** Sep 2016

**Price:** \$266M

**Revenue:** \$600M

**TEV/EBITDA:** 6.3x

Consistent with other federal services contractors, KBR acquired Honeywell Technology Solutions Inc. (HTSI) to expand its service offering into higher-end, higher-margin lines of business. HTSI provides KBR with technical and mission support service contracts including logistics and maintenance, cybersecurity, and physical security to government clients within NASA, the DoD, and the Intelligence Community.

**KBR adds IT & cyber services to its Eng. & Construction-heavy portfolio**





Acquired by

**TRANSDIGM**  
GROUP INC.

**Closing Date:** Jun 2016

**Price:** \$1,000M

**Revenue:** \$200M

**TEV/EBITDA:** n/a

DDC is a supplier of power controls and related products for established military avionics, comm'l aerospace, and space applications. After owning DDC for 13 years, Behrman Cap nearly tripled original investment. Despite paying approx. 5x revenue to acquire DDC, Transdigm has been successful executing this strategy time and time again, paying large multiples to build a portfolio of companies with proprietary products.

**At 5x TEV/Revenue, one of the most expensive transactions for Transdigm**



Acquired by

**TRANSDIGM**  
GROUP INC.

**Closing Date:** Sep 2016

**Price:** \$260M

**Revenue:** \$75M

**TEV/EBITDA:** n/a

Young & Franklin manufactures proprietary, highly engineered valves and actuators with 70% of revenue coming from aftermarket sales. Established positions with strong aftermarket content on substantial platforms in aerospace sector. Nearly 100% of revenues are from proprietary products, in line with Transdigm's established investment strategy.

**Fits the mold of buying assets with proprietary products and customers**



BREEZE-EASTERN

Acquired by

**TRANSDIGM**  
GROUP INC.

**Closing Date:** Jan 2016

**Price:** \$206M

**Revenue:** \$89.8M

**TEV/EBITDA:** n/a

Breeze-Eastern is a global designer and manufacturer of high performance lifting and pulling devices for military and civilian aircraft. The company has established positions on current generations of H-60, CH-53, V-22, CH-47. Major customers include US Govt, UTC, Airbus Defense, and Finmeccanica. Breeze Eastern's customers, product, and served platforms align with other Transdigm portfolio customers.

**Breeze-Eastern's served platforms overlap with current portfolio**



Acquired by



**Closing Date:** Sep 2016

**Price:** \$1,000M

**Revenue:** n/a

**TEV/EBITDA:** 5.9x

Apollo Global Management led a management buyout of Constellis, the product of a series of M&A transactions to combine ACADEMI, Triple Canopy, and Olive Group. Despite a troubled history as the former Blackwater, the outlook for Constellis' advisory, security, and training services to the U.S. Government and foreign militaries is strong as worldwide threats increase and caps for deployed troops persist.

**Ongoing withdrawal from war zones will require contractors to fill gaps**



Acquired by



**Closing Date:** Sep 2016

**Price:** \$187M

**Revenue:** \$103M

**TEV/EBITDA:** n/a

OSI Systems, after experiencing its own difficulties when it lost a major TSA contract in 2013, acquired competitor American Science and Engineering (AS&E) despite revenues declining 63% from a 2011 peak. ASE cited the increased use of LPTA in detection system procurements for declining revenues, but the combined entity stands to benefit from increasing demand for border security and inspection products.

**Competitive and growing market where acquisition increases value**



Acquired by



**Closing Date:** Jan 2017

**Price:** \$118M

**Revenue:** n/a

**TEV/EBITDA:** n/a

L-3 Security & Detection Systems acquired the Explosives Trace Detection (ETD) business of Implant Sciences, a provider of technology products for the homeland security, semiconductor, and medical device industries. Implant Sciences had filed for Chapter 11 bankruptcy in October 2016, but was acquired with cash by L-3. L-3 is already a market leader in aviation security and adds two new ETD products.

**L-3 expands detection & inspection offering from a bankrupt target**



Acquired by



**Closing Date:** Pending

**Price:** \$789M

**Revenue:** \$297M

**TEV/EBITDA:** n/a

E2v's portfolio of sensors and arrays for the space market, components and subsystems for RF power generation, and semiconductors is highly complementary to Teledyne. From a product perspective, Teledyne's CEO believes that they have minimal overlap and will strengthen their offerings within their core markets. Additionally, e2v will increase Teledyne's exposure to UK and European platforms.

**Acquisition builds out product portfolio in core markets of focus**



Acquired by

**CURTISS -  
WRIGHT**

**Closing Date:** Jan 2017

**Price:** \$233M

**Revenue:** \$65M

**TEV/EBITDA:** n/a

Curtiss-Wright acquired Teletronics (TTC), a pioneer of airborne test instrumentation equipment with positions on the F-35, F-22, and F/A-18. Most of Curtiss-Wright's defense sales are through subcontracts and TTC provides prime contract exposure on key programs. TTC will operate under the Defense segment, which also includes the company's 2011 acquisition of Acra Control, a commercial test equipment provider.

**Provides Curtiss-Wright with broader exposure in military aviation**



Acquired by



**Closing Date:** May 2016

**Price:** \$300M

**Revenue:** \$100M

**TEV/EBITDA:** 10.7x

Mercury continues to build out "commercial embedded systems" portfolio, competing with other industry leaders such as Curtiss Wright. The acquisition nearly doubles the size of Mercury's RF and Microwave business and will affect all three major operating segments of Mercury. Both strategic buyers and private equity owners have been very active in this space for several years.

**Mercury continues to focus on growing micro-solution capabilities**



Acquired by



**Closing Date:** Jul 2016

**Price:** \$570M

**Revenue:** \$836M

**TEV/EBITDA:** 8.5x

KBR acquired Wyle Laboratories, a SETA service provider to the DoD, NASA, and other federal agencies, from Court Square Capital Partners. Wyle's expertise includes systems engineering, program management, IT, and test & evaluation which expanded KBR's architectural engineering and construction-heavy portfolio. The acquisition creates a \$2 billion Government Services organization globally.

**KBR adds customers, longer-term Gov't contracts, and SETA services**



Acquired by



**Closing Date:** Dec 2016

**Price:** \$380M

**Revenue:** \$364M

**TEV/EBITDA:** 8.6x

Huntington Ingalls Industries (HII), the largest naval shipbuilder in the world, acquired Camber from New Mountain Capital. Camber is a SETA-service provider to the Navy, Army, USPS, and Intelligence Community. In a sharp departure from its shipbuilding core, HII acquired a company that works on sensors, simulation, training, CBRNE R&D, high-end IT, and intel analysis in an interesting example of diversification.

**Camber acquisition represents an interesting new strategic vector for HII**



Acquired by



**Closing Date:** Nov 2016

**Price:** \$3,060M

**Revenue:** n/a

**TEV/EBITDA:** n/a

NTT Data Corp. acquired Dell's services business segment, formerly Perot Systems before being acquired by Dell in 2009 for \$3.9 billion. The acquisition is expected to increase NTT's vertical solutions in key segments such as healthcare & life sciences, financial services, insurance, and government. NTT also said the combination would accelerate innovation and investments in digital, cloud, autonomy, and analytics.

**Dell exits services business, creating one of the world's largest IT firms**



Acquired by

**THALES**

**Closing Date:** May 2016

**Price:** \$400M

**Revenue:** \$70M

**TEV/EBITDA:** n/a

Thales is expanding their e-Security business, diversifying from hardware security modules into data security solutions spanning physical, virtual, and cloud infrastructure. Thales plans to create a comprehensive offering of data protection systems, from the data center to the cloud. Both parties have established relationships with blue chips (Thales-19/20 largest banks; Vormetrics – 17 Fortune 25 companies)

**Thales builds out e-Security business with focus on the cloud**



Acquired by

**ManTech**  
International Corporation ®

**Closing Date:** Jun 2016

**Price:** \$47.7M

**Revenue:** n/a

**TEV/EBITDA:** 0.0x

Oceans Edge Cyber conducts vulnerability research, focusing on protocol analysis, vulnerability analysis, and penetration testing for cyber networks. The move will increase ManTech's ability to service the US govt. including US Cyber Command. Oceans Edge expands presence with critical customers and will bring a cadre of experienced cyber professionals to ManTech's team.

**Relatively small acquisition gives ManTech access to CYBERCOM**

**BLUE COAT**

Acquired by



**Closing Date:** Aug 2016

**Price:** \$4.65B

**Revenue:** \$598M

**TEV/EBITDA:** see text

Blue Coat represents a major commitment to becoming the industry's largest cyber security company, with the intent of becoming the single go-to source for integrated cyber defense solutions for both internal IT and external cloud solutions. On a non-GAAP reporting basis, this deal represents a 34x multiple on EBITDA. Blue Coat reported net negative cash flow by GAAP reporting standards.

**Confirms Symantec's intention to become the largest security player**





Acquired by



**Closing Date:** Feb 2016

**Price:** \$221M

**Revenue:** n/a

**TEV/EBITDA:** n/a

Cubic Corporation acquired GATR Technologies, a manufacturer of lightweight, deployable SATCOM terminals. The company's inflatable antennas are designed for ground use and are particularly applicable in remote, austere, or harsh weather environments. The patent-protected technology was a step forward in Cubic's strategy of building a C4ISR segment, centered around the GATR and DTECH Labs acquisitions ('14).

**Innovative, proprietary product acquisition that is used by SOF**



Acquired by



**Closing Date:** Oct 2016

**Price:** \$140M

**Revenue:** \$100M

**TEV/EBITDA:** n/a

Chantilly-based The Radiant Group is a provider of geospatial analysis to the NRO, NGA, DIA, USSOCOM, and others. This acquisition combines two industry leaders in geospatial services and expands DigitalGlobe's capabilities by adding smart tasking, collection, processing, and big data analytics. The Radiant Group provides growth into the Intelligence and Special Forces communities with ~80 contract vehicles.

**Creates the leading comm'l source of geospatial data for the U.S. Gov't**



Acquired by



**Closing Date:** Nov 2016

**Price:** n/a

**Revenue:** \$250M\*

**TEV/EBITDA:** n/a

\*Arlington Capital est. of total combination's 2017 revenue

Arlington Capital announced that 3 acquisitions were being combined to create Polaris Alpha, a provider of mission-critical technology, software, and solutions to defense and intelligence customers. EOIR provides big data analytics, C4ISR, and rapid prototyping; Intelligent Software Solutions provides data analysis and visualization; Proteus is an Annapolis Junction-based SIGINT firm.

**Strong combination of SIGINT, big data analysis, and visualization**



&amp;



Acquired by



**Closing Date:** April & July

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

After being acquired itself by Blackstone in 2015, MB Aerospace made two acquisitions in 2016 – Centrax Turbine Components (automated machining and grinding of rotating parts) and the Polish operations of VAC Aero Intl. (which provides surface finishing). These acquisitions are a good example of the ongoing consolidation of Tier 2 engine components manufacturers

**Lower tier consolidation of the engine market continued in 2016**



Acquired by



**Closing Date:** July 2016

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

Continuing the trend of acquisitions in the aeroengine components space, Moeller offers, among other precision machining capabilities, strong capabilities in titanium aluminide. The business was divested by Moeller Manufacturing Company Inc., representing another example of a more diversified business selling its aero-focused segment.

**Interest remains strong for uniquely positioned aero-engine component suppliers**



Acquired by



**Closing Date:** July 2016

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

Part of the attraction of aeroengine businesses is access to aftermarket demand. CTS, an overhaul shop with a focus in CF6 engines, represents direct access to the aftermarket. Though engine OEMs are enhancing their control of the aftermarket, CTS is an example of the opportunities to address the aftermarket beyond component suppliers.

**Engine MRO provides an additional route to access aftermarket demand**



Acquired by



**Closing Date:** May 2016

**Price:** \$210M

**Revenue:** \$132M

**TEV/EBITDA:** 10.3x

KLX's acquisition of Herndon gives them access to new government customers and depots, with the intention of securing long term contracts for supply chain management and consumable distribution. KLX's Aerospace Solutions Group is recognized as a leading industry supplier of fasteners, consumables, and kitting solutions for both commercial aero and business aviation markets.

**Secures KLX's presence in military fastener distribution and supply chain**



Acquired by

ODYSSEY INVESTMENT PARTNERS, LLC

**Closing Date:** Aug 2016

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

The acquisition of AeroPrecision from Greenwich AeroGroup reflects confidence in growing demand associated with the military aviation aftermarket. AeroPrecision should benefit from maintenance and upgrade of legacy platforms worldwide. The company has stocking distribution agreements with Honeywell, UTAS, and others, including numerous exclusive agreements for certain products.

**Signals ongoing interest from PE-firms in the aero distribution market**



Acquired by



**Closing Date:** Aug 2016

**Price:** \$1.5B

**Revenue:** \$900M

**TEV/EBITDA:** n/a

Intelligrated offers supply chain and warehouse automation solutions which Honeywell plans on combining with their workflow performance technology, enabling customers to harness the power of Industrial IoT to optimize productivity and increase fulfillment speed. The expansion into warehouse execution systems will give Honeywell access to established customer base that includes 30 of top 50 US retailers.

**Increases distrib.-related products and expands retail customer base**



Acquired by



**Closing Date:** Nov 2016

**Price:** \$134M

**Revenue:** n/a

**TEV/EBITDA:** n/a

FLIR acquired Prox Dynamics, a Norwegian-based UAS manufacturer. Founded in 2007, the company builds the Black Hornet – a 2 pound, pocket-sized UAS that has up to 25 minutes of endurance. Black Hornet is an ISR platform that utilizes the FLIR's Lepton micro thermal camera.



LIQUID ROBOTICS

Acquired by



**Closing Date:** Dec 2016

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

After partnering with Liquid Robotics for several years, Boeing acquired the UUV manufacturer in 2016. Founded in 2007 and employing ~100 people, Liquid Robotics developed the SHARC system that can transmit data from undersea platforms to satellites.



**UUV growth will require increases to communication and data bandwidth**



Acquired by



**Closing Date:** Feb 2016

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

The largest U.S. Navy submarine manufacturer, General Dynamics, acquired the leading developer of autonomous UUVs. Bluefin has designed over 50 different UUV configurations, including 70 sensors on over 80+ UUVs for mine warfare, anti-submarine warfare, and ISR.



**GD expands its market-leading position in undersea platforms**



Acquired by



GOLDEN GATE CAPITAL

**Closing Date:** Sep 2016

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

Golden Gate acquired Tronair from Levine Leichtman. Tronair provides an array of ground support equipment for the business aviation market, as well as military and commercial markets. Tronair, a well-recognized brand itself, is notable for having acquired Eagle tugs and WASP's commercial towbar and tailstand product lines in 2015.



Acquired by



Norwest Equity Partners

**Closing Date:** May 2016

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

West Star Aviation is an independent provider of MRO and related services to the business aviation industry. The nature of the MRO-oriented business and its locations yields an emphasis on North American markets.



Fly. Connect. Succeed.

Acquired by



satcom direct.

**Closing Date:** Pending

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

TrueNorth provides satellite communication solutions to the business aviation market for both cockpit and cabin connectivity. Satcom Direct emphasized that the acquisition was intended to broaden their avionics product portfolio and accelerate efforts to bring fully integrated communications solutions to customers.

**Cockpit data links and Cabin connectivity are areas of emphasis in business aviation, as they are in the commercial transport segment**

**Growing interest in Business Aviation has often focused on the aftermarket**





Acquired by

CAST  
CHENGDU AEROSPACE  
SUPERALLOY TECHNOLOGY CO.,LTD

**Closing Date:** Pending

**Price:** \$401M

**Revenue:** \$184M

**TEV/EBITDA:** n/a

Chendu Aerospace Superalloy Technology (CAST), acquired the UK-based Gardner Aerospace. Gardner produces metallic aero-structures and various engine components; notably, the company was the UK's largest independently owned supplier of metallic aerospace details and subassemblies. Gardner provides its Chinese buyer with new relationships (Airbus, Rolls-Royce) and commercial aircraft programs.

**Chinese acquisition of aero-supplier, to help domestic and int'l growth**



Acquired by

SpeedCast

**Closing Date:** Jan 2017

**Price:** \$425M

**Revenue:** \$363M

**TEV/EBITDA:** 7.0x

Hong Kong-based SpeedCast Int'l acquired CapRock Communications from Harris in one of the largest satellite-related deals of 2016. The acquisition expands SpeedCast's position in the energy and maritime (cruise ships) markets; however, CapRock has a number of U.S. Gov't contracts for mission-critical data & comm. transmissions, including UAS operations so **all U.S. contracts will remain with Harris**.

**Activist investor pushes for a divestiture to a strategic acquirer**



Acquired by



**Closing Date:** May 2016

**Price:** \$4,386M

**Revenue:** \$2,969M

**TEV/EBITDA:** 20.5x

A Chinese appliance manufacturer acquired KUKA, a German robotics company. Despite concerns about German-owned IP departing for China, no competing European buyer stepped forward. Midea hopes to increase automation in its Chinese factories due to rising labor costs. However, the U.S. Gov't did have concerns and **KUKA's N. American aero business was sold to AIT**, an Onex Partners (Canada) company.

**Rising labor costs in China prompt a high-priced robotics acquisition**