



*MERGERS AND ACQUISITIONS*

# 2017's Most Interesting Transactions In Aerospace, Defense, & Government Services

# FAIRMONT

## CONSULTING GROUP

January 2018

## Reflections On 2017 M&A In ADG

During 2017 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 **commercial aerospace**, we saw mega-deals as key Tier One players sought to offset increasing OEM pricing pressure and gain both operating and negotiating leverage. At the opposite end of the market, we saw commoditized Tier 3 players seek exits at relatively lower multiples (“I knew we should have sold to Precision Castparts in 2015!”) And while the prospect of “digital aviation” continued to attract attention, most of the midmarket activity in aerospace continued to focus on traditional drivers – founder exits, supply chain consolidation, and synergies achieved through scale and scope. As with last year, we continue to 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 Northrop finally make its move with the Orbital ATK deal, gaining a range of key capabilities and contracts in space, missiles and munitions. Defense electronics saw further consolidation among mid-market players such as TTM/ Anaren, Teledyne/e2v, and Curtiss-Wright/Teletronics. But overall, 2017 felt more like a prelude to 2018 than a distinct and notable year in its own right for defense M&A. Many sellers (and buyers) watched and waited to see how the Trump Administration would affect budgets and mission priorities before committing to a transaction. Now that those questions are (arguably) being settled, we anticipate a much busier year for defense M&A globally in 2018.

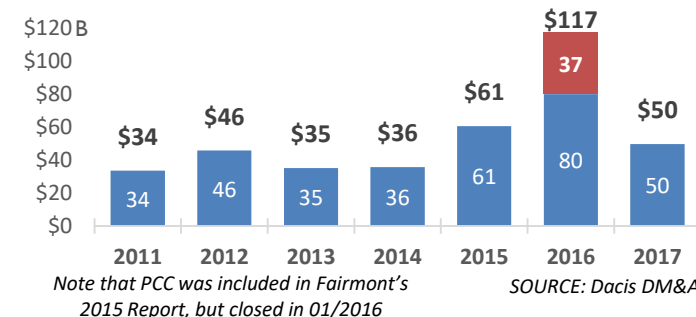
Finally, in **government services** the story remains largely unchanged. We believe that government services – and particularly Federal, defense, and intel IT services – are on the cusp of a significant shift as commercial tools and techniques are applied more broadly to public sector challenges in ways 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 look forward to.

- Jay Wynn, Managing Director

### A Look at the Numbers

ADG deal value fell back in 2017 from \$117B to just \$50B – but still well ahead of 2011-2014 average; note as well that deals announced in 2017 and closing in the following year will likely drive 2018 to a new record.

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



### Looking Ahead to 2018

What events are currently on our radar that could significantly impact the A&D Merger & Acquisition environment in 2018?

#### Potential Headwinds:

- Valuations, valuations, valuations...
- Rising interest rates
- Overall market downturn
- Major conflict, esp. North Korea
- Better returns elsewhere (esp. tech)

#### Tailwinds:

- Founder-owned businesses seeking exit
- Abundance of corporate and PE capital
- Synergy potential for corporate acquirers
- OEM pressure to consolidate supply chain



## 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



### 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

# 2017's Most Interesting Transactions

## Transformational



## Consolidation



## Commercial Aero



## A&D Electronics



## Big Data Analytics



## Security



## Federal IT



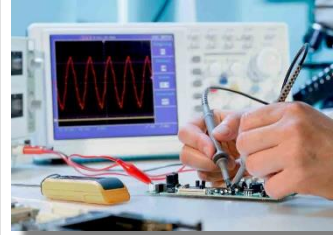
## Gov't Services



## Infrastructure



## Test/Measurement



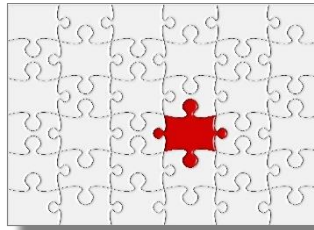
## PE Platforms



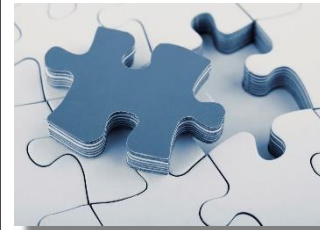
## Portfolio Expansion



## Tuck-Ins



## Divestitures





Acquired by



**Closing Date:** Pending  
**Price:** \$30.4B

**Revenue:** \$8.4B  
**TEV/EBITDA:** 17.9x

The Collins / UTC merger is a clear play for greater leverage in the perpetual give and take with the combined entity's single largest customer, Boeing. Among the reasons UTC management cited for the deal - world-class mechanical / electronics design and software development, broad field support network, \$500M in cost synergies, enhanced digital service offerings, and expanded R&D capabilities.

**Mega-Supplier to Boeing & Airbus has greater negotiating leverage**



Acquired by



**Closing Date:** Pending  
**Price:** \$9.2B

**Revenue:** \$4.5B  
**TEV/EBITDA:** 15.2x

Orbital ATK gives Northrop key capabilities in launch & propulsion systems, missiles and armament, aero structures, and space systems – and the scale to challenge peers for new defense opportunities that might otherwise be out of reach. Management cites greater access to investment resources, increased competitiveness in select mission areas, and enhanced ability to meet customer needs as key drivers.

**Complementary capabilities in small space systems, launch & propulsion, missiles & munitions**



Acquired by



**Closing Date:** Pending  
**Price:** \$8.2B

**Revenue:** \$5.9B  
**TEV/EBITDA:** 21.6x

Recurring revenue & competitive positioning is the name of the game... Safran cited “Recurring revenue streams from equipment and services, notably as aircraft cabins are refurbished several times during the life of the aircraft... Tier I position in the sector’s value chain, with direct access to customers (airlines) in field which are crucial for their differentiation and hence competitive edge.”

**Strategic refocusing at Safran on aerospace & defense**



Acquired by



**Closing Date: Q2 2017**

**Price: \$191M**

**Revenue: \$308M**

**TEV/EBITDA: 5.9x**



Acquired by



**Closing Date: Q3 2018 (Est.)**

**Price: \$235M**

**Revenue: \$419M**

**TEV/EBITDA: 7.6x**



Acquired by



**Closing Date: Q4 2017**

**Price: \$2,400M**

**Revenue: \$702M**

**TEV/EBITDA: 9.8x**

LMI Aerospace is a leading supplier of composite structural assemblies, kits and components and provider of engineering services to the commercial, business/regional, and military aerospace markets. Critical to this deal is LMI's continued shipset value growth on the 737 MAX, which had grown to ~\$350k per aircraft. For Sonaca Group, the acquisition of LMI offers expanded market access for its structures on major commercial platforms.

**Sonaca continues to grow commercial aero platform presence**

With the acquisition of Sparton (still pending), Ultra brings into the fold a long-standing JV partner for sonobuoys, a defense technology enjoying a newfound renaissance with resurgent fears of peer threats lurking below the ocean surface. Sparton also comes with a suite of contract manufacturing businesses that are likely to find a new home once the deal closes in 2018.

**Logical combination for long-standing JV partners in sonobuoys**

The acquisition of DigitalGlobe allows MDA to provide value-added services with recurring revenue in the earth imagery market by owning DigitalGlobe's image analysis capabilities. The move also brings MDA access to the US government satellite imagery market, the largest globally, with a monopoly position on NGA's EnhancedView contract. The combined entity, called Maxar, will be fully incorporated in the US by 2020.

**MDA makes key strategic buy in growing earth imagery market**



Acquired by



**Closing Date:** H1 2018 (est.)  
**Price:** \$775M

**Revenue:** \$219M  
**TEV/EBITDA:** 14.2x

Anaren's EBITDA margins of 25% combined with its sole-sourced, custom-designed, highly integrated subsystems and components made it a very attractive target. In addition to boosting TTM's margin, the deal also increases TTM's exposure to high growth markets of AESA radars and networking/communications and TTM gains deep technical expertise in RF engineering to complement its volume manufacturing capabilities.

**Financially attractive deal; increases exposure to high growth markets**



Acquired by



**Closing Date:** Q2 2017  
**Price:** \$40M

**Revenue:** \$13M  
**TEV/EBITDA:** n/a

Delta Microwave designs and manufactures high-value RF, microwave, and millimeter wave subassemblies and components for military, aerospace and space markets. In addition to bringing key defense program positions on F-35 among others, Delta brings strong relationships with space OEMs, representing a new growth area for Mercury.

**Deal represents a new growth area for Mercury – space**



Acquired by



**Closing Date:** Q1 2017  
**Price:** \$789M

**Revenue:** \$297M  
**TEV/EBITDA:** 14.8x

“Complementary” well describes this acquisition. Both companies lead in space and astronomy imaging, produce microwave devices, and make vision systems. Yet each brings different technologies and approaches to bear in these areas, and the result is two companies that are aligned but have minimal product overlap. In addition, the transaction is anticipated to be accretive to earnings in the first year.

**Highly complementary acquisition expands offerings and channels**



Majority  
program  
Stake  
acquired by



**Closing Date:** Q3 2018 (Est.)  
**Price:** n/a

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**Revenue:** n/a  
**TEV/EBITDA:** n/a

Airbus agreed in October to acquire a majority 50.01% stake in CSALP, the embattled Bombardier Aerospace entity that manufactures the C Series. Having reportedly previously declined an offer to invest in the program last year, Airbus' offer came as a surprise to the market. The move brings a deep-pocketed and experienced single-aisle partner into Bombardier's corner as they face dumping claims from Boeing and the threat of a 300% US tariff on the aircraft. Though the tariff ruling was recently overturned by the US International Trade Commission, Airbus remains committed to supporting and assembling the C Series at their Mobile, AL facility. C Series broadens Airbus' 100-150 seat offerings & will benefit from their experienced global sales team.

**Blockbuster deal serves lifeline to Bombardier; will reshape 100-seat aircraft market dynamics**



To split core  
business units



**Closing Date:** Q3 2018 (Est.)  
**Price:** n/a

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**Revenue:** \$12,900 (2016A)  
**TEV/EBITDA:** n/a

In response to Melrose's rejected second unsolicited \$9.5B takeover attempt, GKN announced a wide-ranging restructuring program to be led by the firm's new permanent CEO. Most notably, the firm will follow through on a long-theorized split of its Automotive and Aerospace businesses. The split is a key component of "Project Boost" – the firm's plan to boost margins and cash flow by 2020. The plan will undoubtedly see some non-core asset divestitures, alongside the possibility of the entirety of Aero or Auto divisions being spun off. However, UK takeover rules allow Melrose to revise/formalize their bid through Feb. 9<sup>th</sup>, meaning GKN will likely find itself fending off a third takeover attempt.

**GKN restructuring plans accelerated by persistent takeover pressure**





Acquired by



**Closing Date:** Q3 2017  
**Price:** \$215M

**Revenue:** \$30M  
**TEV/EBITDA:** n/a

Guavus began as a Silicon Valley startup in 2006 and provides machine learning and big data analytics capabilities to the top communications services providers worldwide. Perhaps being unencumbered by prior aerospace and defense experience will help Guavus bring a fresh Silicon Valley approach to these markets. Thales sees Guavus as accelerating its digital strategy, and wants to bring Guavus's commercial experience to bear on the airlines, satellite, air traffic control, railway operations, defense, security, and infrastructure protection markets.

***2<sup>nd</sup> purchase of a Silicon Valley firm accelerates Thales's digital strategy***



Acquired by



**Closing Date:** Q4 2017  
**Price:** \$500M

**Revenue:** \$72M  
**TEV/EBITDA:** n/a

With the acquisition of Exa Corporation, Dassault Systemes expands its already robust product development software suite and 3DEXPERIENCE platform by adding Exa's leading fluid simulation technologies for aerodynamic, thermal management, and acoustics simulation solutions. Product development software tools decrease engineering design cycle time and increase the likelihood of product performance success. Exa's established foothold with nearly every transportation and mobility manufacturer will accelerate Dassault Systemes penetration and future growth in that market.

***Exa deal accelerates Dassault Systemes' growth in transport and mobility markets***



Acquired by



**Closing Date:** Q2 2017

**Price:** \$3.4B

**Revenue:** \$2.1B

**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:** H2 2018 (Est.)

**Price:** \$5.6B

**Revenue:** \$3.7B

**TEV/EBIT:** 17x

Through the acquisition of Gemalto, headquartered in the Netherlands, Thales will create a digital services behemoth. With over 15,000 employees, Gemalto is one of the fastest growing enterprise security and industrial IoT companies. Thales intends to fold their own digital services under the Gemalto brand and run the entity as one of their business units. This move is consistent with Thales' announced strategy of growing its digital offerings.

***Thales continues its strategy of growing a digital services and enterprise security offerings***



Acquired by



**Closing Date:** Q3 2017  
**Price:** \$283M

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**Revenue:** \$322M  
**TEV/Adj. EBITDA:** 9.8x

Billed as an opportunity for NCI to accelerate its growth strategy and optimize its delivery of differentiated solutions such as artificial intelligence and agile software development for defense, intelligence, and civilian agencies. NCI has prime positions on IDIQ contracts with \$190B in ceiling value although almost 75% of its revenues are from US Army and Center for Medicare and Medicaid Services.

**Expansive contracts allow sales growth with differentiated solutions**

**HARRIS**  
 (Government IT Services BU)

Acquired by



**Closing Date:** Q2 2017  
**Price:** \$690M

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**Revenue:** \$1,070M  
**TEV/EBITDA:** n/a

Following a trend of IT services-related divestments from defense OEMs, Harris sold its Government IT Services Business (now "Peraton" under Veritas ownership) which includes its NASA Space Communications Network and Deep Space Network programs; Harris kept "Harris Mission Networks," its FAA air traffic control management business. Portfolio optimization cited as reason for the divestiture.

**Harris continued to divest business lines deemed not core to portfolio**



Merged with



**Closing Date:** Q1 2017  
**Price:** \$8,500M

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**Revenue:** \$18,872M  
**TEV/EBITDA:** 9.7x

The merger of HPE with CSC is expected to produce \$1.5B of synergies by the end of year one with HEP and CSC shareholders each holding 50% stock in the new entity, called DXC Technology. The scale of the combined business is intended to yield one of the lowest risk vendors of IT operations in the world for areas including financial services, healthcare, transportation, consumer products, and insurance.

**Results in one of the largest providers of IT services in the world**



Acquired by



**Closing Date:** Q4 2017  
**Price:** \$235M

**Revenue:** ~\$124M  
**TEV/EBITDA:** n/a

Praxis was CSRA's second acquisition in 2017 (NES Associates was the first), which will provide CSRA with ~350 highly cleared employees performing mission software application development for the DoD and Intelligence Community; most notably NSA. Praxis has a position on the US Army Technical Information Engineering Services (TIES) IDIQ contract that has a ceiling of \$995M.

***Provides additional access to IC customers & mission-focused IDIQs***



Acquired by



**Closing Date:** Q1 2017  
**Price:** \$235M

**Revenue:** \$225M  
**TEV/EBITDA:** 11.8x

KeyW acquired Sotera from Ares Management in March 2017. Sotera provides KeyW with ~1,100 employees performing enterprise IT, cybersecurity, data analytics, and intelligence analysis to the DoD, IC, Department of Homeland Security, and other agencies. The combined entity was expected to achieve revenue of ~\$535M in 2017 from customers in the Intelligence, Cyber, and Counterterrorism communities.

***Bolsters position as solutions provider to nat'l security customers***



Acquired by

Booz | Allen | Hamilton

**Closing Date:** Q1 2017  
**Price:** \$254M

**Revenue:** ~\$120M - \$140M  
**TEV/EBITDA:** n/a

Aquilent brings digital, agile, DevOps, and cloud capabilities with emphasis on "citizen-focused" digital services for agencies such as Health and Human Services, Post Office, and General Services Administration. Aquilent is said to have grown by 28% CAGR in last five years and was expected to add \$20M to Booz Allen's fiscal 2017 (ends 30 September) revenues. SEAPORT-E contract divested as part of deal.

***Expands BAH digital solution offerings for USG civilian agencies***



Acquired by



**Closing Date:** Q2 2017

**Price:** \$793M

**Revenue:** n/a

**TEV/EBITDA:** n/a

One of Element's largest acquisitions to date, Exova expands Element's capabilities and geographies. Exova's US focus has catalyzed Element to become a formidable player in the aerospace, oil & gas, fire & building, and automotive testing markets in both the US and Europe. In recent years, Element has acquired 18 companies. With the most recent announced on January 23, 2018, Element does not appear to be slowing their acquisition tempo.

**Acquisition further increases Element's ever-expanding reach**



Acquired by



**Closing Date:** Pending

**Price:** \$789M

**Revenue:** \$318M

**TEV/EBITDA:** n/a

Since first acquiring Trescal in 2013, its previous owner Ardian completed 25 follow-on acquisitions to create an international company providing calibration, repair and maintenance of test and measurement equipment to a diverse range of industries in North & South America, Europe, and Asia. Omers' acquisition represents a new phase for Trescal focusing on both top line growth and bottom line efficiency improvements.

**New portfolio platform for Omers appears primed for additional M&A**



Acquired by



**Closing Date:** Q1 2017

**Price:** \$233M

**Revenue:** \$65M

**TEV/EBITDA:** n/a

TTC, a designer and manufacturer of flight-test instrumentation, adds niche capabilities to Curtiss-Wright's sensor division. Curtiss-Wright was likely drawn by TTC's high margins and exposure to attractive defense aviation programs. However, they will have to carefully monitor the commercial sector due to limited new platforms expected before NMA in the mid-2020s. Since the acquisition was completed, TTC won a key \$73 million USAF contract.

**High-margin specialist adds exposure to attractive programs**



Acquired by



**Closing Date: Q4 2017**

**Price: \$3,270M**

**Revenue: \$4,400M**

**TEV/EBITDA: 10.1x**

Jacobs, a publicly held engineering services firm serving the infrastructure needs of a broad array of industries ranging from oil and gas to paper to food, acquired similarly diverse peer CH2M Hill. The combination is expected to create significant cost savings, strengthen capabilities and reinforce leading market positions. Anticipated synergies reduce the multiple by more than 3 turns.

**Consolidation expected to create significant cost synergies**



Capital Services Group

Acquired by



**Closing Date: Q2 2017**

**Price: \$700M**

**Revenue: \$2,179M**

**TEV/EBITDA: N/A**

Divesting loss-making Capital Services Group will allow CB&I to optimize balance sheet and pay down debt. Veritas gains an environmental engineering, remediation, and program management business that serves numerous federal, state and local, and commercial clients. Veritas is bringing resources to focus the business on organizational development and cultural transformation.

**PE adding focus to group that generated losses for former parent**



Acquired by



**Closing Date: Q3 2017**

**Price: N/A**

**Revenue: \$104M**

**TEV/EBITDA: N/A**

Jacobs acquired a well regarded small business, with focus areas in cyber, data analytics and application development. In contrast to the larger CH2M Hill acquisition, this acquisition reinforces a significant new growth path for Jacobs – its Jacobs Connected Enterprise Solutions announced Jan 2017. This acquisition follows an investment in its ION software platform to deliver Industrial Internet of Things solutions.

**Jacobs expanding enterprise IT solutions to infrastructure offerings**



Acquired by



**Closing Date:** Q4 2017

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

Excelitas' sale by Veritas to AEA in Q4 of 2017 marked AEA's entry into the photonics (electronic components) space. Veritas formed Excelitas via the combined acquisitions of PerkinElmer Inc., Kaiser Systems Inc., and Qioptiq, among others. While the photonics domain is new to AEA, it has historically operated within the industrial technology sector making this acquisition a natural progression for the firm.

***AEA widens its aperture in the industrial technology sector***



Acquired by



**Closing Date:** Q2 2017

**Price:** ~\$800M

**Revenue:** n/a

**TEV/EBITDA:** n/a

With the acquisition of CPI, Odyssey Investment Partners broadened its aerospace and defense positioning. A manufacturer of highly engineered component parts used within radio frequency systems, CPI offers Odyssey clear growth potential from positions on critical DoD radar and communications programs. The acquisition of CPI follows shortly after the 2016 acquisition of Testek, which highlights Odyssey's recent A&D focus.

***Odyssey enters Defense RF components space with CPI purchase***



Acquired a significant stake in



**Closing Date:** Pending

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

Representing Ardian's second investment in Alvest, they regain a strong commercial and military GSE entry point. In this rapidly consolidating market, there are still attractive avenues to complete logical follow-on acquisitions. In particular, Alvest may look to bolster Aero Specialties, Alvest's business jet GSE manufacturer or focus on expanding TLD's military footprint.

***Ardian's second investment in Alvest re-adds a GSE launch point***



Acquired by



**Closing Date:** Q4 2017

**Price:** n/a

**Revenue:** \$705M  
**TEV/EBITDA:** n/a

Amid continuing efforts to shed non-core assets, Airbus sold Canada-based Vector Aerospace to Veritas portfolio company StandardAero. Following March acquisition of IGT-focused PAS, the move further broadens SA's engine & airframe MRO capabilities to rotary-wing & turboprops. Overnight, the combined entity became the most capable independent North American player in regional, business, & rotary-wing powerplant MRO.

**StandardAero diversifies, expands dominant engine MRO position**



Acquired by



**Closing Date:** Pending

**Price:** n/a

**Revenue:** n/a  
**TEV/EBITDA:** n/a

Golden Gate continues to build on its Tronair platform acquisition with the further acquisition of Malabar and Columbus Jack. In addition to product expansion, the companies provide footholds for Tronair to expand into the commercial and military GSE markets. Prior to Golden Gate ownership, Tronair was largely focused on the business jet GSE market.

**Strategic market expansion gives foothold into commercial market**



Composite Structures Inc.

Acquired by



**Closing Date:** Q4 2017

**Price:** n/a

**Revenue:** n/a  
**TEV/EBITDA:** n/a

Encore Composite Structures adds significant high growth commercial program exposure to the expanding AC&A portfolio. ECS has evidenced rapid growth and new customer wins following its 2011 acquisition from deep within the BAE Systems portfolio. ECS, which was the first element of the Encore Group, leaves behind a business focused on interiors composites and seating products.

**Sale of strong composite business adds heft to AC&A; focus to Encore**





Acquired by



**Closing Date:** Q3 2017

**Price:** n/a

**Revenue:** \$35M

**TEV/EBITDA:** n/a

Both companies are recent carve-outs: Kelvin Hughes (owned by ECI) came out of Smiths Group and HENSOLDT (owned by KKR) was the former Airbus Defence Electronics. This acquisition brings HENSOLDT the ability to enter more price-sensitive sensor markets, and with Kelvin Hughes's security solutions capabilities, HENSOLDT will be able to offer complete sensor solutions instead of just systems.

**Deal moves HENSOLDT closer to being a solutions provider**



Acquired by



**Closing Date:** Q1 2017

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

The acquisition of Information Innovators Inc. (Triple-i) solidifies Salient CRGT as a mid-tier player in the Federal IT market and gives it the scale it needs to compete more effectively and profitably with large-scale professional services providers. In addition to scale, Triple-i brings important prime positions on key contract vehicles in the coveted healthcare information technology market.

**Adds critical scale and key contract vehicles in federal healthcare IT**



Acquired by



**Closing Date:** Q1/2 2017

**Price:** n/a

**Revenue:** n/a

**TEV/EBITDA:** n/a

Belcan's acquisition of Schafer and Kentah gained the company a place in the government services market. While Kentah brought IT services to Belcan, Schafer brought technical experts and government prime contract positions in DoD offices, DARPA, and DHS. While others are exiting the federal services market, Belcan is embracing it and growing its capabilities, expertise, and customer base.

**Two acquisitions bring Belcan into the Government Services market**



Acquired by



**Closing Date:** Q3 2017

**Price:** \$60M

**Revenue:** n/a  
**TEV/EBITDA:** n/a

Lightning Diversion Systems (LDS), as the name suggests, provides lightning protection systems including diversion strips, surge suppressors, and conformal shields, for the aerospace and defense industries using its proprietary technology. The advanced, proprietary nature of the LDS products lends itself perfectly to a tuck-in acquisition strategy designed to enhance top-line growth. And this is exactly what Ducommun said about the deal.

***Proprietary, advanced, mission critical technology adds to Ducommun portfolio***



Acquired by



**Closing Date:** Q2 2017

**Price:** \$160M

**Revenue:** \$51M  
**TEV/EBITDA:** 9.4x

Thinklogical manufactures secure, high-performance Keyboard/Video/Mouse (KVM) signal extension and fiber-optic-based video and switching equipment. These products are used for real time enterprise video management and they support military, command and control, and broadcast markets. Thinklogical brings Belden exposure to growing military and intelligence markets that it hadn't been able to access previously.

***Thinklogical gives Belden access to growing military and intel markets for video mgt***



Acquired by



**Closing Date: Q1 2017**

**Price: \$60M**

**Revenue: \$81M**  
**TEV/EBITDA: n/a**

This move is consistent with Triumph's 2016 announced plans to transform the company for long term success by divesting non-core assets. The Gores Group will likely look to reposition this engine and APU production and repair business to address the growing commercial market. Aftermarket services may be challenged by the growing trend of engine OEM ownership through power by the hour contracts.

***Selling non-core assets concentrates TGI's focus on remaining business***



Acquired by



**Closing Date: Q3 2017**

**Price: n/a**

**Revenue: \$42M**  
**TEV/EBITDA: n/a**

All Metals Processing (AMP) purchased another non-core Triumph asset with the purchase of its processing unit – Embee Division. Embee is a producer of aerospace metal finishing and specialty coating services. Embee is likely one of the final divestitures for Triumph as they now focus on restructuring into three announced business units: Integrated Systems, Product Support, and Aerospace Structures.

***AMP is logical buyer of Triumph's metals processing business***



Acquired by



**Closing Date: Q2 2017**

**Price: \$110M**

**Revenue: n/a**  
**TEV/EBITDA: n/a**

This deal was a mutually beneficial move to free up cash for AM General and gain a relatively inexpensive auto plant for a growing electric vehicle maker, SF Motors. AM General has clearly decided to strategically focus on their core defense markets and exit the commercial contract manufacturing market. This sale provides them with enough dry powder to make new investments.

***AM General shed declining business / asset to add dry powder***