



# PCE Industry Report

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Aerospace & Defense



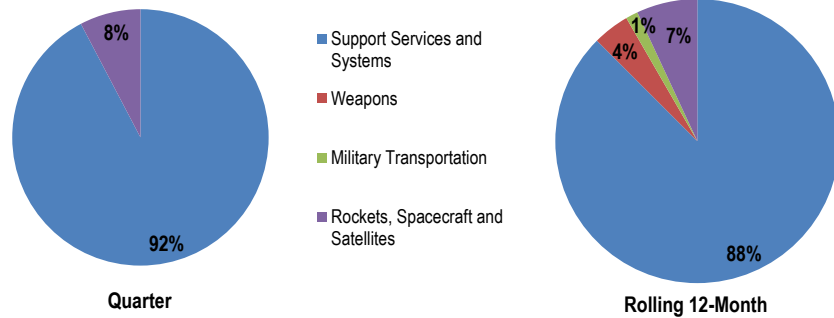
## Aerospace & Defense - For the Quarter Ended 03/31/15

### Industry Trends During Quarter

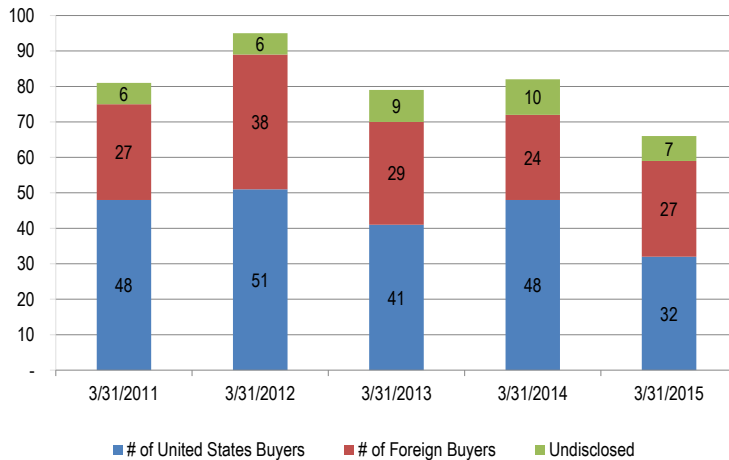
Sector	Transaction Volume	TEV/ Revenue	TEV/EBITDA
Support Services and Systems	↓	↑	Market Data Not Available
Weapons	↓	Market Data Not Available	Market Data Not Available
Military Transportation	↓	Market Data Not Available	Market Data Not Available
Rockets, Spacecraft and Satellites	→	Market Data Not Available	Market Data Not Available

\* Based on transactions with reported financial data only; historically ~ 30% to 40% of transactions report financial data

### Transaction Volume as % of Industry



### Rolling 12-Month Transaction Volume Trends by Buyer Origin



### Representative Transactions Closed During Quarter

Sector	Target	Buyer	Transaction Value
Support Services & Systems	Exelis Inc.	Harris Corporation	\$5,193.2
Support Services & Systems	Avioserv San Diego, Inc.	Aergen Aviation Finance Limited	Not available
Support Services & Systems	Air-Pro, LLC (nka:STS Distribution Solutions Inc)	STS Component Solutions, LLC	Not available
Support Services & Systems	Angeles Composite Technologies, Inc.	Shimtech Industries Limited	Not available
Support Services & Systems	SAF Industries, LLC	Loar Group, Inc.	Not available
Support Services & Systems	GFK Flight Support, Inc.	Avflight Corporation	Not available
Support Services & Systems	Quest Aircraft Company LLC	Setouchi Trading, Inc.	Not available
Support Services & Systems	DHS Technologies LLC	Kanders & Company, Inc.; HDT Global, Inc.	Not available
Support Services & Systems	Harter Industries, Inc.	Flight Support Group, Inc.	Not available
Support Services & Systems	Sensintel, Inc.	Raytheon Missile Systems Company	Not available

\* Results exclude transactions that did not disclose buyer information

Source: S&P Capital IQ as of 5/7/2015 and PCE Proprietary Data

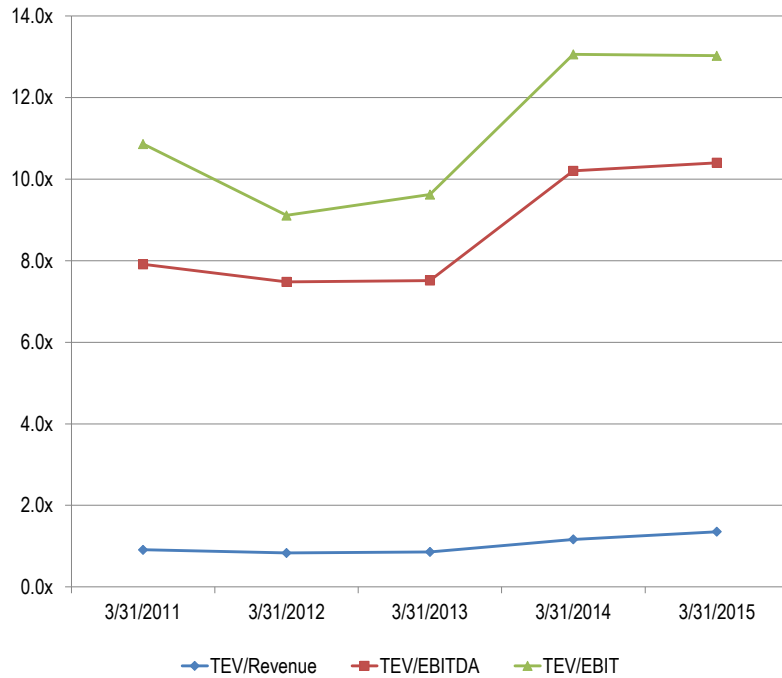
# Aerospace & Defense - For the Quarter Ended 03/31/15

## Summary of Public Comparables as of Quarter End (\$ in millions)

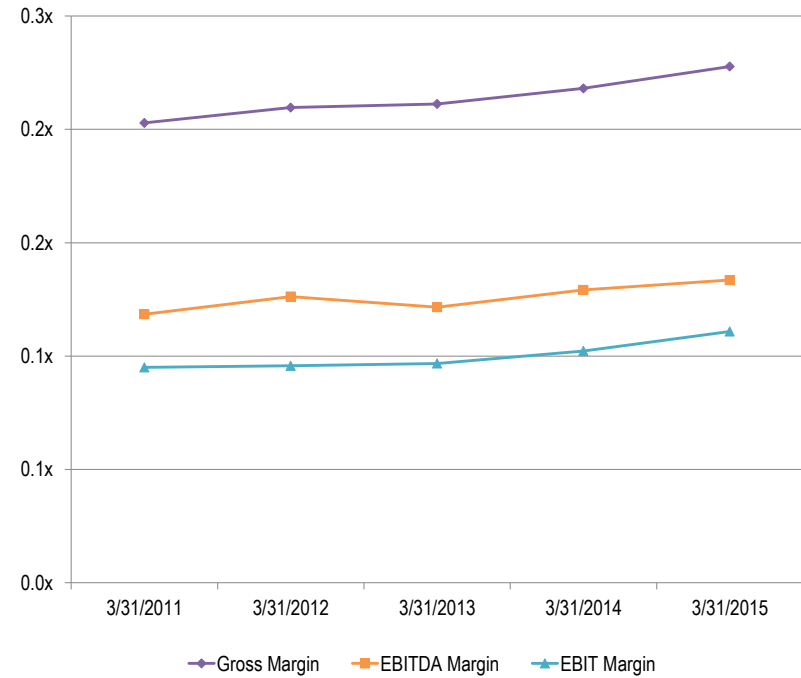
	TEV				LTM 3/31/2015 Trends	
	Market Cap	Revenue	EBITDA	EBIT		
Average	\$25,901	1.6x	11.8x	16.6x	TEV/Revenue	↑
Median	\$9,911	1.4x	10.4x	13.0x	TEV/EBITDA	↑
					TEV/EBIT	↓

	Margins			LTM 3/31/2015 Trends	
	Gross Profit	EBITDA	EBIT		
Average	22.7%	9.7%	12.5%	Gross Margin	↑
Median	22.8%	13.4%	11.1%	EBITDA Margin	↑
				EBIT Margin	↑

### Valuation Trends



### Margin Trends



Source: S&P Capital IQ as of 5/7/2015 and PCE Proprietary Data

## Data Assumptions

At PCE, we consider transaction activity as mergers & acquisitions, consolidations, restructurings and spin-offs. Targets are defined as U.S. based companies with either foreign or U.S. based buyers. Transaction information provided is based on announced dates.

## Glossary

EBIT - Earnings Before Interest and Taxes

EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization

LTM - Last Twelve Months

TEV - Total Enterprise Value



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## About PCE

Eighteen years ago, PCE was formed to provide professional investment banking, business valuation and advisory services to middle market companies. We determined from our experience as business owners that there was a need that was not being professionally fulfilled.

We understand the importance of creating a relationship and the value of trust when providing our services. PCE's professionals are successful business owner, entrepreneurs, lenders, former Federal Reserve board members, CPA's, CFA's, national & international valuation experts, international analysts and investors. PCE offers senior level attention, sound advice, skilled execution and personalized attention you can trust.

Our mission is to be the premier investment bank serving middle market companies. PCE is committed to providing individualized strategies throughout your business life-cycle, focused on maximizing shareholder value.

PCE Investment Bankers, Inc. – member FINRA & SIPC; PCE Valuations, LLC; PCE Advisory, LLC