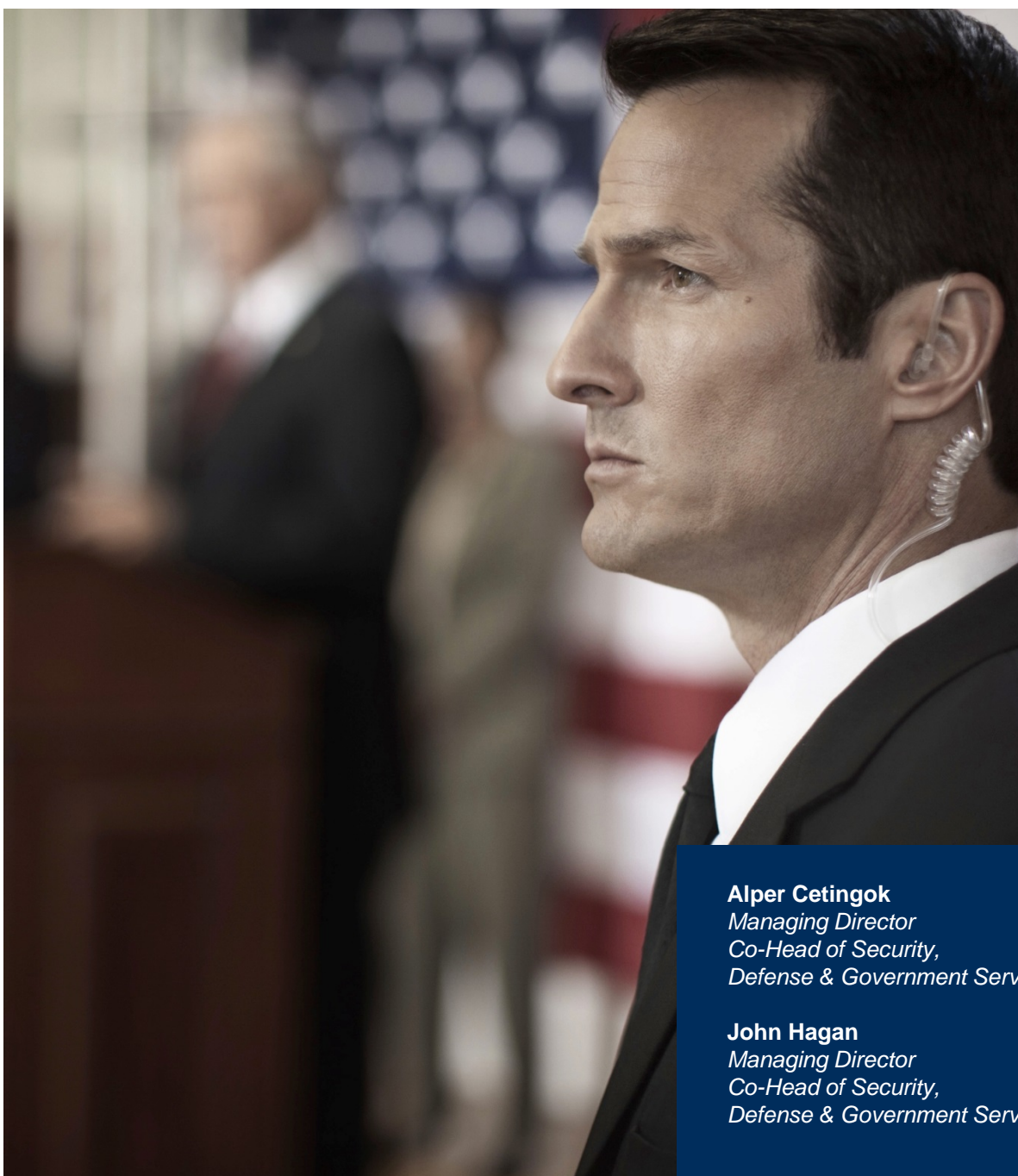


# MARKET INTEL REPORT

MONTHLY INSIGHTS ON THE SECURITY, DEFENSE & GOVERNMENT SERVICES MARKETS



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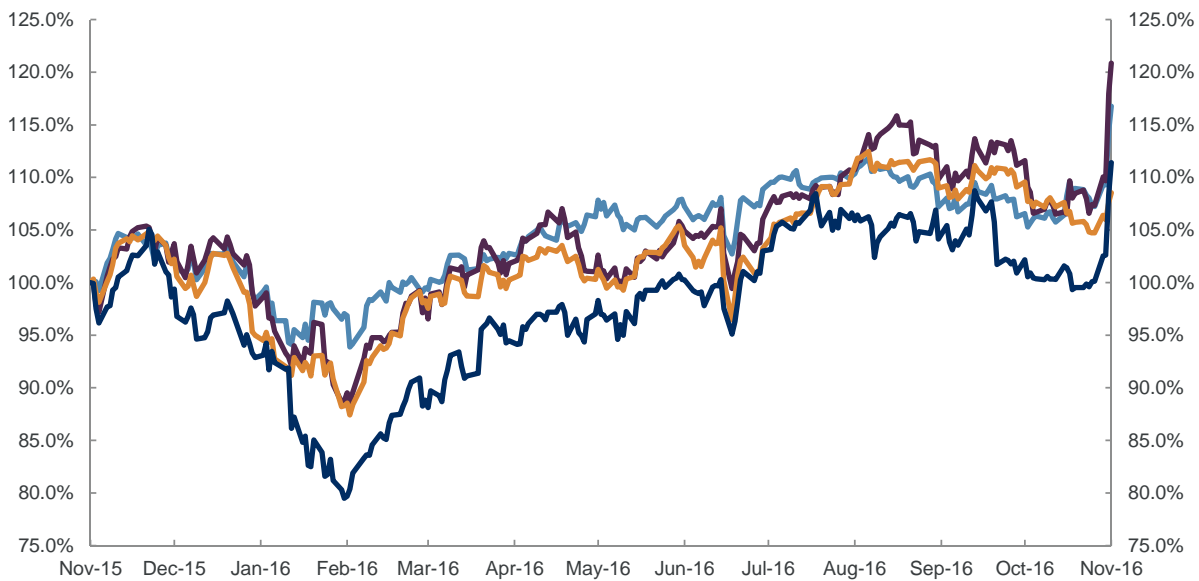
## Security Spotlight

- ▶ Consistent with the balance of the stock market, public valuation performance across the Security industry decreased over the last month, with the exception of the Video Surveillance sector's slight increase. The lower valuations across the Security industry were broadly impacted by uncertainty related to the U.S. presidential election following news that the FBI reopened its investigation into Secretary Hillary Clinton's use of an unauthorized email server. Despite the lower performance over the month of October, the Raymond James Security Index is up approximately 4% relative to the value of the Composite at the end of calendar year 2015. Additionally, since the election, the Security Index has increased by roughly 3%.
- ▶ M&A activity across the Security sector dominated the news with several notable transactions announced this past month across a range of sub-segments. Some of the notable transactions include Convergent Technologies' acquisition of Go Security Solutions, L-3 Communications' acquisition of Implant Sciences' explosives detection business and FLIR Systems' acquisition of Point Grey Research Inc., a provider of visible imaging solutions.

## Defense & Government Services Spotlight

- ▶ After a hard-fought presidential race, Donald J. Trump was elected as the nation's 45th president. While the new president's initial agenda will become clearer in coming weeks, his campaign and early statements after the election indicate that he plans significant increases in defense and infrastructure spending. His pledge to rebuild and modernize the military is wide ranging, including calls for more troops, warships and aircraft, while his infrastructure plans focus on the nation's roads, bridges and airports. While the defense priorities may draw broad support from the Republican congressional majorities, the infrastructure spending may require the Administration to work across the aisle. On page eight of this month's newsletter, we provide our key takeaways on the effect that the Trump administration may have on the government contracting community.
- ▶ M&A activity across the sector continued at a strong pace, with several notable transactions recently announced, including Huntington Ingalls Industries, Inc.'s acquisition of Camber Corp., DigitalGlobe, Inc.'s acquisition of The Radiant Group, and Accenture plc's acquisition of Defense Point Security, LLC. Additionally, defense sector participants will be paying close attention to the recently released portions of the draft request for proposal ("RFP") for the Global Tactical Advanced Communications Systems ("GTACS") II contract, a 10-year, \$5.0 billion opportunity that will largely shape the competitive landscape for defense communications.

## Last Twelve Months Public Equity Index Chart



— Multi-Platform Large Contractors Index — Defense Technology Index — Security Composite Index — Government Services Index  
 Source: Capital IQ, DACIS / Infobase, Bloomberg Government, Washington Technology; Data as of 11/10/2016  
 Note: Companies included are those tracked internally by Raymond James – Individual assets disclosed on pages 5, 6 and 9

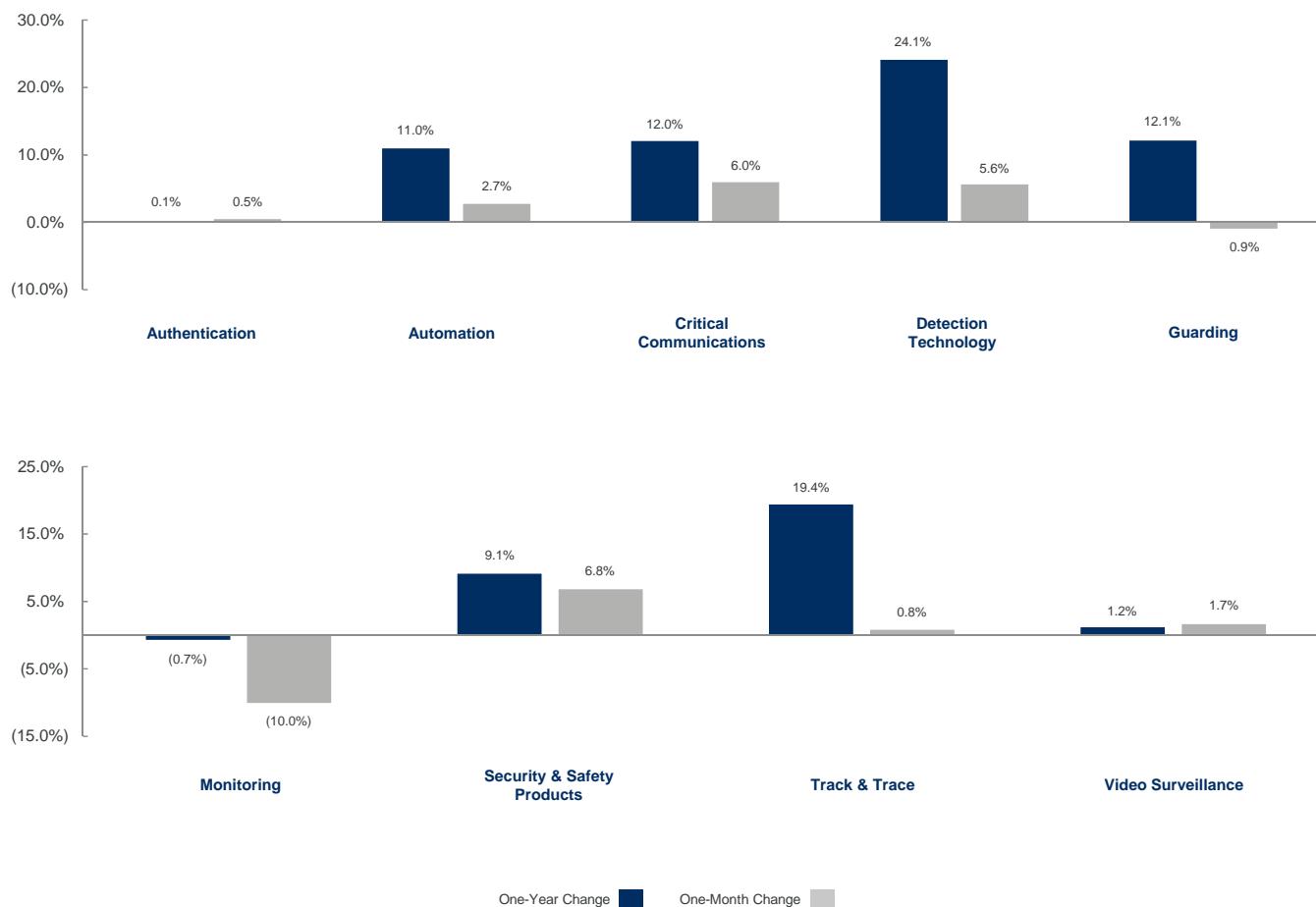
## Security Overview & Key Trends

The Video Surveillance sector continues to experience significant consolidation as evidenced by FLIR Systems' \$255 million acquisition of Point Grey Research, Inc., a provider of machine vision cameras for a wide range of end markets. In his prepared remarks discussing the transaction, FLIR's CEO, Andy Teich, explained the rationale and benefits of the acquisition by stating, "Point Grey's global presence and credibility in industrial vision systems provides a strong platform for us to integrate our leading thermal technology. Point Grey is a proven, high-performing business with an impressive set of products, customers, processes and people, all of which we see as being highly synergistic and strategically significant to FLIR."

The Detection Technology sector also saw a boost in transaction activity last month with L-3 Communications' \$117 million acquisition of Implant Sciences' explosives detection business, which includes desktop and handheld scanners. As a result of the transaction, L-3 improved its market position and solution offering within aviation security, infrastructure protection and military operations.

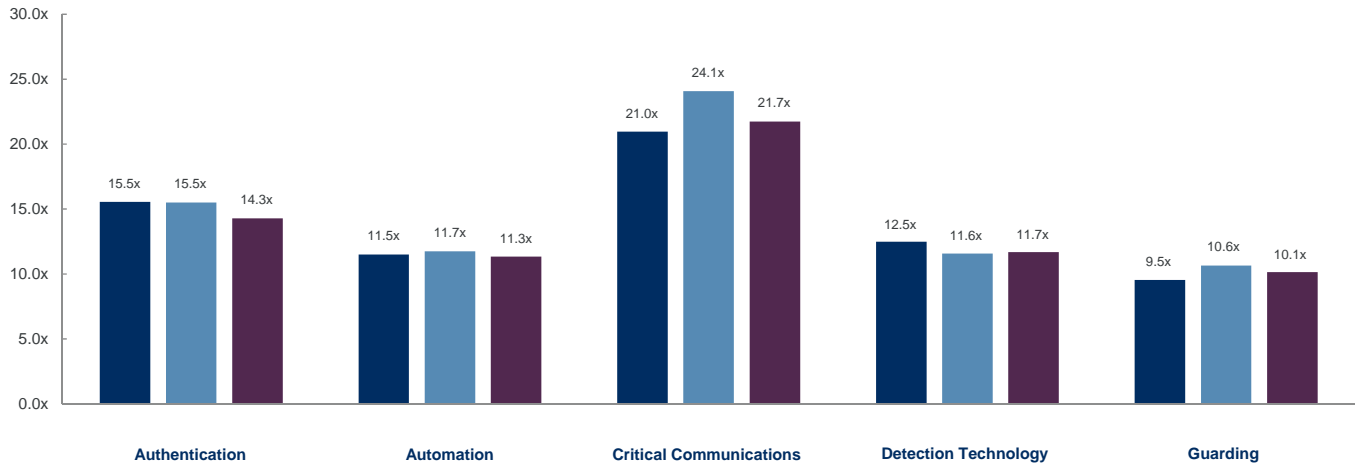
Other sectors within the Security industry that encountered strong M&A activity during the last month include the Systems Integration and Guarding sectors. Within the Systems Integration sector, Convergent Technologies continued its market expansion strategy by acquiring Go Security Solutions, which will increase its presence within higher education and financial services customer segments. Within the Guarding sector, Allied Universal expanded its footprint in the Northeast by acquiring FJC Security Services, a provider of uniformed security professionals.

## Change in Stock Prices



Source: Capital IQ; Data as of 11/10/2016  
 Note: Sector returns are weighted by market capitalization as of 11/10/2016

## Security EBITDA Valuation Multiples<sup>1</sup>



Source: Capital IQ; Data as of 11/10/2016

(1) Total enterprise value is defined as equity value plus total debt less cash. Past performance is no guarantee of future results

Note: Companies included are those tracked internally by Raymond James – Individual assets disclosed on pages 5 and 6. Sector EBITDA multiples are weighted by market capitalization as of 11/10/2016

## Publicly Traded Security Companies

\$ in millions (except for stock price)

	Market Data						Financial Performance			Valuation Multiples		Valuation Multiples	
	Company Name	Ticker	Stock Price at 11/10/2016	% of 52-Week High	Equity Value	Enterprise Value	LTM			TEV / LTM		TEV / CY 2016 (P)	
							Total Sales	EBITDA	EBITDA Margin	Total Sales	EBITDA	Total Sales	EBITDA
Authentication	ASSA ABLOY AB	OMASSA B	\$19.21	91.7%	\$21,343	\$23,794	\$8,182	\$1,502	18.4%	2.9x	15.8x	3.0x	17.2x
	Avery Dennison Corporation	NYSE:AVY	\$70.28	88.7%	\$6,254	\$7,347	\$5,991	\$708	11.8%	1.2x	10.4x	1.2x	9.4x
	Brady Corp.	NYSE:BRC	\$35.95	98.6%	\$1,816	\$1,891	\$1,121	\$150	13.4%	1.7x	12.6x	1.7x	12.5x
	De La Rue plc	LSE:DLAR	\$7.21	88.9%	\$728	\$870	\$642	\$103	16.1%	1.4x	8.4x	1.5x	7.6x
	Digimarc Corporation	NasdaqGS:DMRC	\$29.60	65.9%	\$298	\$244	\$22	(\$19)	(88.8%)	11.3x	N.M.	11.0x	N.M.
	Gemalto NV	ENXTAM:GTO	\$51.53	70.9%	\$4,586	\$4,955	\$3,462	\$609	17.6%	1.4x	8.1x	1.5x	7.7x
	<b>Median:</b>			<b>88.8%</b>	<b>\$3,201</b>	<b>\$3,423</b>	<b>\$2,291</b>	<b>\$380</b>	<b>14.8%</b>	<b>1.6x</b>	<b>10.4x</b>	<b>1.6x</b>	<b>9.4x</b>
<b>Average:</b>			<b>84.1%</b>	<b>\$5,838</b>	<b>\$6,517</b>	<b>\$3,237</b>	<b>\$509</b>	<b>(1.9%)</b>	<b>3.3x</b>	<b>11.1x</b>	<b>3.3x</b>	<b>10.9x</b>	
Automation	ABB Ltd.	SWX:ABBN	\$21.27	93.3%	\$45,425	\$48,200	\$34,077	\$4,352	12.8%	1.4x	11.1x	1.4x	10.5x
	Alarm.Com Holdings, Inc.	NasdaqGS:ALRM	\$30.17	91.1%	\$1,377	\$1,249	\$234	\$37	15.9%	5.3x	33.5x	5.1x	29.0x
	Cognex Corporation	NasdaqGS:CGNX	\$53.94	96.4%	\$4,621	\$4,231	\$489	\$146	29.9%	8.6x	28.9x	8.3x	25.3x
	Honeywell International Inc.	NYSE:HON	\$113.19	94.3%	\$86,265	\$93,709	\$39,299	\$7,798	19.8%	2.4x	12.0x	2.4x	11.6x
	Numerex Corp.	NasdaqGS:NMRX	\$7.72	92.2%	\$151	\$159	\$72	\$0	0.4%	2.2x	527.2x	2.2x	42.1x
	Sensata Technologies Holding NV	NYSE:ST	\$36.60	78.0%	\$6,253	\$9,264	\$3,140	\$781	24.9%	2.9x	11.9x	2.9x	11.6x
	Schneider Electric SE	ENXTPA:SU	\$69.62	98.7%	\$40,513	\$46,865	\$28,472	\$4,181	14.7%	1.6x	11.2x	1.7x	10.8x
Telit Communications PLC	AIM:TCM	\$3.29	92.3%	\$381	\$408	\$343	\$24	7.1%	1.2x	16.7x	1.1x	7.3x	
<b>Median:</b>			<b>92.8%</b>	<b>\$5,437</b>	<b>\$6,748</b>	<b>\$1,815</b>	<b>\$464</b>	<b>15.3%</b>	<b>2.3x</b>	<b>14.3x</b>	<b>2.3x</b>	<b>11.6x</b>	
<b>Average:</b>			<b>92.0%</b>	<b>\$23,123</b>	<b>\$25,511</b>	<b>\$13,266</b>	<b>\$2,165</b>	<b>15.7%</b>	<b>3.2x</b>	<b>81.6x</b>	<b>3.1x</b>	<b>18.5x</b>	
Critical Communications	CalAmp Corp.	NasdaqGS:CAMP	\$13.85	64.9%	\$503	\$529	\$327	\$40	12.3%	1.6x	13.2x	1.6x	10.1x
	Constellation Software Inc.	TSX:CSU	\$472.70	98.1%	\$10,017	\$10,057	\$2,073	\$490	23.7%	4.9x	20.5x	4.7x	18.5x
	Harris Corporation	NYSE:HRS	\$102.81	99.8%	\$12,777	\$16,980	\$7,410	\$1,678	22.6%	2.3x	10.1x	2.3x	10.9x
	Motorola Solutions, Inc.	NYSE:MSI	\$79.19	99.2%	\$13,143	\$16,471	\$5,837	\$1,444	24.7%	2.8x	11.4x	2.7x	10.0x
	NIC Inc.	NasdaqGS:EGOV	\$23.90	99.6%	\$1,577	\$1,425	\$311	\$81	26.0%	4.6x	17.6x	4.5x	16.7x
	NICE Ltd.	TASE:NICE	\$68.97	98.8%	\$4,178	\$3,505	\$965	\$224	23.2%	3.6x	15.6x	3.4x	12.6x
	Tyler Technologies, Inc.	NYSE:TYL	\$150.16	81.6%	\$5,500	\$5,487	\$722	\$147	20.4%	7.6x	37.2x	7.2x	24.2x
Verint Systems Inc.	NasdaqGS:VRNT	\$37.70	76.3%	\$2,380	\$2,770	\$1,072	\$117	10.9%	2.6x	23.7x	2.5x	10.9x	
<b>Median:</b>			<b>98.4%</b>	<b>\$4,839</b>	<b>\$4,496</b>	<b>\$1,019</b>	<b>\$186</b>	<b>22.9%</b>	<b>3.2x</b>	<b>16.6x</b>	<b>3.1x</b>	<b>11.7x</b>	
<b>Average:</b>			<b>89.8%</b>	<b>\$6,259</b>	<b>\$7,153</b>	<b>\$2,340</b>	<b>\$528</b>	<b>20.5%</b>	<b>3.7x</b>	<b>18.7x</b>	<b>3.6x</b>	<b>14.2x</b>	
Detection Technology	Bruker Corporation	NasdaqGS:BRKR	\$22.91	76.8%	\$3,700	\$3,624	\$1,619	\$246	15.2%	2.2x	14.8x	2.3x	13.5x
	Chemring Group plc	LSE:CHG	\$1.98	77.4%	\$53	\$697	\$579	\$77	13.3%	1.2x	9.0x	1.3x	8.0x
	FLIR Systems, Inc.	NasdaqGS:FLIR	\$34.20	99.6%	\$4,656	\$4,495	\$1,625	\$353	21.7%	2.8x	12.7x	2.7x	12.1x
	Landauer Inc.	NYSE:LDR	\$44.75	90.0%	\$430	\$531	\$153	\$41	26.6%	3.5x	13.1x	3.5x	12.7x
	OSI Systems, Inc.	NasdaqGS:OSIS	\$72.83	75.3%	\$1,388	\$1,613	\$850	\$103	12.1%	1.9x	15.7x	1.8x	12.7x
	QinetiQ Group Plc	LSE:QQ	\$3.13	90.5%	\$1,778	\$1,434	\$1,088	\$192	17.6%	1.3x	7.5x	1.5x	8.6x
	Smiths Group plc	LSE:SMIN	\$18.11	93.7%	\$7,160	\$8,402	\$3,916	\$696	17.8%	2.1x	12.1x	2.1x	10.9x
<b>Median:</b>			<b>90.0%</b>	<b>\$1,778</b>	<b>\$1,613</b>	<b>\$1,088</b>	<b>\$192</b>	<b>17.6%</b>	<b>2.1x</b>	<b>12.7x</b>	<b>2.1x</b>	<b>12.1x</b>	
<b>Average:</b>			<b>86.2%</b>	<b>\$2,809</b>	<b>\$2,971</b>	<b>\$1,404</b>	<b>\$244</b>	<b>17.8%</b>	<b>2.1x</b>	<b>12.1x</b>	<b>2.2x</b>	<b>11.2x</b>	
Guarding	Command Security Corp.	AMEX:MOC	\$2.55	44.4%	\$25	\$33	\$144	(\$1)	(0.9%)	0.2x	N.M.	NA	NA
	G4S plc	LSE:GFS	\$3.10	97.4%	\$4,795	\$7,157	\$9,272	\$715	7.7%	0.8x	10.0x	0.8x	9.9x
	Prosegur Compañía de Seguridad, S.A.	BME:PSG	\$6.48	86.9%	\$3,877	\$4,677	\$4,339	\$483	11.1%	1.1x	9.7x	1.1x	9.5x
	Securitas AB	OM:SECU B	\$14.95	88.8%	\$5,459	\$7,056	\$9,976	\$642	6.4%	0.7x	11.0x	NA	NA
<b>Median:</b>			<b>87.8%</b>	<b>\$4,336</b>	<b>\$5,867</b>	<b>\$6,805</b>	<b>\$562</b>	<b>7.1%</b>	<b>0.7x</b>	<b>10.0x</b>	<b>1.0x</b>	<b>9.7x</b>	
<b>Average:</b>			<b>79.4%</b>	<b>\$3,539</b>	<b>\$4,731</b>	<b>\$5,933</b>	<b>\$460</b>	<b>6.1%</b>	<b>0.7x</b>	<b>10.2x</b>	<b>1.0x</b>	<b>9.7x</b>	

Source: Capital IQ; Data as of 11/10/2016

Financial projections are sourced from Capital IQ consensus estimates; foreign traded companies are listed in U.S. dollars at 11/10/2016 spot exchange rate; TEV / EBITDA valuation multiples less than 0.0x are considered not material ("N.M.") in the analysis

Definitions: Last Twelve Months ("LTM"), Projected Calendar Year 2016 ("CY 2016 (P)"), Total Enterprise Value ("TEV")

## Publicly Traded Security Companies (Cont.)

\$ in millions (except for stock price)

	Market Data						Financial Performance			Valuation Multiples		Valuation Multiples	
	Company Name	Ticker	Stock Price at 11/10/2016	% of 52-Week High	Equity Value	Enterprise Value	LTM			TEV / LTM		TEV / CY 2016 (P)	
							Total Sales	EBITDA	EBITDA Margin	Total Sales	EBITDA	Total Sales	EBITDA
Monitoring	AlarmForce Industries Inc.	TSX:AF	\$7.51	87.4%	\$87	\$78	\$46	\$10	21.7%	1.7x	7.8x	1.8x	7.7x
	Ascent Capital Group, Inc.	NasdaqGS:ASCMA	\$18.94	72.4%	\$222	\$1,911	\$571	\$304	53.2%	3.3x	6.3x	3.3x	5.5x
	<b>Median:</b>			<b>79.9%</b>	<b>\$154</b>	<b>\$994</b>	<b>\$309</b>	<b>\$157</b>	<b>37.5%</b>	<b>2.5x</b>	<b>7.0x</b>	<b>2.6x</b>	<b>6.6x</b>
	<b>Average:</b>			<b>79.9%</b>	<b>\$154</b>	<b>\$994</b>	<b>\$309</b>	<b>\$157</b>	<b>37.5%</b>	<b>2.5x</b>	<b>7.0x</b>	<b>2.6x</b>	<b>6.6x</b>
Security & Safety Products	Allegion Plc	NYSE:ALLE	\$69.11	94.0%	\$6,628	\$7,893	\$2,214	\$488	22.1%	3.6x	16.2x	3.5x	15.2x
	dormakaba Holding AG	SWX:DOKA	\$728.46	92.7%	\$3,057	\$3,133	\$2,170	\$313	14.4%	1.4x	10.0x	1.4x	9.0x
	Drägerwerk AG & Co. KGaA	DB:DRW3	\$75.41	94.3%	\$1,215	\$1,321	\$2,843	\$187	6.6%	0.5x	7.1x	0.5x	6.0x
	Fortune Brands Home & Security, Inc.	NYSE:FBHS	\$55.74	86.5%	\$8,601	\$9,910	\$4,908	\$753	15.3%	2.0x	13.2x	2.0x	12.7x
	Honeywell International Inc.	NYSE:HON	\$113.19	94.3%	\$86,265	\$93,709	\$39,299	\$7,798	19.8%	2.4x	12.0x	2.4x	11.6x
	Johnson Controls International plc	NYSE:JCI	\$45.25	92.4%	\$42,345	\$59,220	\$37,674	\$2,942	7.6%	1.6x	20.1x	1.6x	13.5x
	MSA Safety Incorporated	NYSE:MSA	\$59.50	98.7%	\$2,237	\$2,608	\$1,167	\$205	17.6%	2.2x	12.7x	2.2x	12.3x
	Stanley Black & Decker, Inc.	NYSE:SWK	\$125.07	99.9%	\$18,847	\$22,492	\$11,332	\$1,881	16.6%	2.0x	12.0x	2.0x	11.8x
	United Technologies Corporation	NYSE:UTX	\$108.41	98.7%	\$89,265	\$106,715	\$56,885	\$10,155	17.9%	1.9x	10.5x	1.9x	9.9x
	<b>Median:</b>			<b>94.3%</b>	<b>\$8,601</b>	<b>\$9,910</b>	<b>\$4,908</b>	<b>\$753</b>	<b>16.6%</b>	<b>2.0x</b>	<b>12.0x</b>	<b>2.0x</b>	<b>11.8x</b>
<b>Average:</b>			<b>94.6%</b>	<b>\$28,718</b>	<b>\$34,111</b>	<b>\$17,610</b>	<b>\$2,747</b>	<b>15.3%</b>	<b>1.9x</b>	<b>12.6x</b>	<b>1.9x</b>	<b>11.3x</b>	
Track & Trace	Cubic Corporation	NYSE:CUB	\$46.95	94.3%	\$1,267	\$1,512	\$1,481	\$94	6.3%	1.0x	16.2x	1.0x	11.3x
	Garmin Ltd.	NasdaqGS:GRMN	\$49.47	88.0%	\$9,776	\$8,662	\$2,939	\$692	23.6%	2.9x	12.5x	2.9x	13.0x
	ID Systems Inc.	NasdaqGM:IDSY	\$4.93	90.8%	\$68	\$65	\$38	(\$5)	(12.0%)	1.7x	N.M.	1.8x	N.M.
	Init Innovation in Traffic Systems AG	XTRA:IXX	\$17.09	82.1%	\$170	\$182	\$111	\$14	12.2%	1.6x	13.5x	1.6x	10.8x
	Kapsch TrafficCom AG	WBAG:KTCG	\$41.96	93.7%	\$545	\$529	\$624	\$92	14.7%	0.8x	5.8x	0.8x	6.3x
	Trimble Inc.	NasdaqGS:TRMB	\$27.14	91.1%	\$6,801	\$7,195	\$2,336	\$373	16.0%	3.1x	19.3x	3.1x	16.8x
	Zebra Technologies Corporation	NasdaqGS:ZBRA	\$68.18	84.2%	\$3,598	\$6,364	\$3,595	\$526	14.6%	1.8x	12.1x	1.8x	10.5x
	<b>Median:</b>			<b>90.8%</b>	<b>\$1,267</b>	<b>\$1,512</b>	<b>\$1,481</b>	<b>\$94</b>	<b>14.6%</b>	<b>1.7x</b>	<b>13.0x</b>	<b>1.8x</b>	<b>11.0x</b>
<b>Average:</b>			<b>89.2%</b>	<b>\$3,175</b>	<b>\$3,501</b>	<b>\$1,589</b>	<b>\$255</b>	<b>10.8%</b>	<b>1.9x</b>	<b>13.2x</b>	<b>1.8x</b>	<b>11.4x</b>	
Video Surveillance	Avigilon Corporation	TSX:AVO	\$6.04	47.9%	\$263	\$339	\$307	\$32	10.6%	1.1x	10.5x	1.0x	8.6x
	FLIR Systems, Inc.	NasdaqGS:FLIR	\$34.20	99.6%	\$4,656	\$4,495	\$1,625	\$353	21.7%	2.8x	12.7x	2.7x	12.1x
	Hangzhou Hikvision Digital Technology Co., Ltd.	SZSE:002415	\$3.57	89.9%	\$21,785	\$20,633	\$4,458	\$910	20.4%	4.6x	22.7x	4.3x	18.5x
	IndigoVision Group plc	AIM:IND	\$1.90	67.3%	\$14	\$10	\$46	\$1	1.7%	0.2x	12.1x	0.2x	3.2x
	Mobotix AG	DB:MBQ	\$15.22	82.1%	\$200	\$198	\$93	\$5	5.3%	2.1x	40.1x	2.1x	16.1x
	Shenzhen Infinova Limited	SZSE:002528	\$1.20	62.6%	\$1,250	\$1,215	\$277	\$8	3.0%	4.4x	143.7x	NA	NA
	Vivtek Inc.	TSEC:3454	\$2.47	81.4%	\$197	\$167	\$148	\$20	13.7%	1.1x	8.3x	1.1x	7.3x
<b>Median:</b>			<b>81.4%</b>	<b>\$263</b>	<b>\$339</b>	<b>\$277</b>	<b>\$20</b>	<b>10.6%</b>	<b>2.1x</b>	<b>12.7x</b>	<b>1.6x</b>	<b>10.4x</b>	
<b>Average:</b>			<b>75.8%</b>	<b>\$4,052</b>	<b>\$3,865</b>	<b>\$993</b>	<b>\$190</b>	<b>10.9%</b>	<b>2.3x</b>	<b>35.7x</b>	<b>1.9x</b>	<b>11.0x</b>	

Source: Capital IQ; Data as of 11/10/2016

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Definitions: Last Twelve Months ("LTM"), Projected Calendar Year 2016 ("CY 2016 (P)"), Total Enterprise Value ("TEV")

## Select M&A Activity – Security

Closed Date	Target Name	Target Description	Sector Classification	Acquiror(s)	Seller(s)
Pending	Implant Sciences Corporation's Explosive Detection Business	The Explosive Detection Business of Implant Sciences Corporation offers products capable of real-time, simultaneous detection of explosives, particulates and vapors without physical contact. Implant Sciences Corporation primarily offers its products for use in aviation and transportation security markets.	Detection Technology	L-3 Communications Holdings, Inc. (NYSE: LLL)	Implant Sciences Corporation (OTCPK: IMSC.Q)
Pending	Safran Identity and Security SAS	Safran Identity and Security SAS develops security and identity solutions for people, government and business applications. The Company offers civil identity, public security, commercial identity, and biometric terminal solutions. Safran is based in France and serves customers worldwide.	Authentication	Advent International Corporation; Bpifrance Investissement	Safran SA (ENXTPA:SAF)
Pending	iControl Networks, Inc., Networks Division	iControl Networks, Inc.'s Networks division includes "Converge," a connected home software platform which supports a range of security sensors and home automation devices.	Automation	Comcast Corporation (NasdaqGS: CMCS.A)	iControl Networks, Inc.
Pending	Morpho Detection, Inc.	Morpho Detection manufactures detection systems for explosives, narcotics and chemical, biological, radiological, and nuclear material for governments, militaries, first responders, airports, critical infrastructure, and other high-risk organizations. The company was formerly known as GE Homeland Protection, Inc. and changed its name to Morpho Detection, Inc. in September of 2009.	Detection Technology	Smiths Group plc (LSE: SMIN)	Safran SA (ENXTPA: SAF)
Pending	Mobotix AG (DB: MBQ)	Mobotix, a software company, manufactures and sells professional video management software and smart IP cameras worldwide. The company sells its products through distributors, dealers and partners, as well as to professional installers and service providers for video surveillance, home automation, and industrial applications.	Video Surveillance	Konica Minolta, Inc. (TSE: 4902)	Dr. Ralf Hinkel Holding GmbH
11/4/2016	Point Grey Research, Inc.	Point Grey Research, Inc. designs and manufactures digital cameras for industrial, medical and life science, traffics, biometric and other people-counting applications. The company's products are also used in security and surveillance applications such as public safety, facility monitoring, and crime prevention.	Video Surveillance	FLIR Systems Inc. (NasdaqGS: FLIR)	Private
11/2/2016	Access Control Technology Ltd	Access Control Technology, along with its subsidiary Sicura Systems, designs and manufactures access control and door entry products for the security industry. The company also offers services such as technical support, training, on-site assistance, tender & specification consultation, bespoke system design, and system integration.	Access Control	Vanderbilt LLC	Private
10/6/2016	iControl Networks Canada, Inc.	iControl Networks Canada delivers connected home solutions through its Connect and Piper business segments. Connect, based in Redwood City, California, provides an interactive security and home automation platform that powers several service providers' solutions including ADT Pulse <sup>®</sup> with over 1.6 million subscribers. Piper, based in Ottawa, Canada, designs, produces and sells a Wi-Fi-enabled video and home automation hub.	Automation	Alarm.com Holdings, Inc. (NasdaqGS: ALRM)	iControl Networks, Inc.
9/19/2016	Apollo International, Inc.	Apollo International, Inc. provides security risk management services, including uniformed personnel, concierge / desk attendant services, consulting and investigative services, and global / operations services. Apollo is based in Walpole, Massachusetts, and serves customers in the United States and internationally.	Guarding	Allied Universal	Private
9/12/2016	American Science and Engineering (NasdaqGS: ASEI)	American Science and Engineering develops, manufactures, markets, and sells X-ray inspection and other detection products for homeland security, force protection, public safety, and other defense and security applications in the United States and internationally.	Detection Technology	OSI Systems, Inc. (NasdaqGS: OSIS)	Public
9/2/2016	Tyco International plc (NYSE: TYC)	Tyco designs, sells, installs, and services electronic security systems and fire detection and suppression systems, as well as fire protection, security and life safety products, including intrusion security, anti-theft devices, breathing apparatus and access control, and video management systems. The company offers its products to commercial, industrial, retail, institutional, residential, small business, and governmental customers through several sales channels.	Monitoring / Security Products / Integration	Johnson Controls Inc. (NYSE: JCI)	NA (Tax Inversion Merger Deal)
8/31/2016	Nortek Inc. (NasdaqGS: NTK)	Nortek manufactures and sells products for remodeling and replacement, residential and commercial new construction, and personal and enterprise computer markets primarily in the U.S., Canada and Europe. Its Security and Control Solutions segment provides security, automation and access control products and systems for both residential and commercial security applications.	Automation	Melrose Industries PLC (LSE: MRO)	Ares Management LLC, Gates Capital Management, Inc., Anchorage Capital Group LLC, Ares Private Equity Group, Canyon Capital Advisors LLC, Silver Point Capital LP
8/3/2016	CASE Forensics Corporation	CASE Forensics provides forensic and consulting engineering, litigation support, testimony and scientific analysis services. The company specializes in fire and explosion investigations, product failure analysis, accident reconstruction, construction defect investigations, and a range of other areas.	Fire Safety	JENSEN HUGHES, Inc.	Private
8/1/2016	MIR3, Inc.	MIR3 develops and provides mass and emergency notification software for business operations. The company serves a range of industries through its network of reseller partners in the United States and internationally.	Critical Communications	Emergency Communications Network, LLC	Private
8/1/2016	AlliedBarton Security Services LLC	AlliedBarton Security Services is a security officer services company providing trained and responsive security personnel to Fortune 500 companies and other organizations in the United States.	Guarding	Universal Services of America, Inc.	Wendel (ENXTPA: MF)
7/7/2016	Home Buddy, LLC	Home Buddy, a medical alert company, provides medical alert buttons, medication dispensers, and telehealth monitoring solutions for senior care applications.	Monitoring	Connect America LLC	Private
6/10/2016	Electric Guard Dog LLC	Electric Guard Dog is the largest provider of monitored electric security fence systems in the United States. Its highly effective security solutions allow customers to protect high-value assets stored at commercial and industrial locations.	Monitoring	Snow Phipps Group, LLC	Ulysses Management LLC
6/3/2016	Innovative Security Designs, Inc.	Innovative Security Designs, an-edge based computing platform company, provides IP-based surveillance solutions for clients in the transportation, financial, gaming, retail, and education industries. The company's offering includes intelligent systems for security, surveillance, and business optimization applications.	Video Surveillance	FLIR Systems, Inc. (NasdaqGS: FLIR)	Digital Watchdog, Inc.

Source: Capital IQ, Company Materials and Raymond James Research; Data as of 11/10/2016

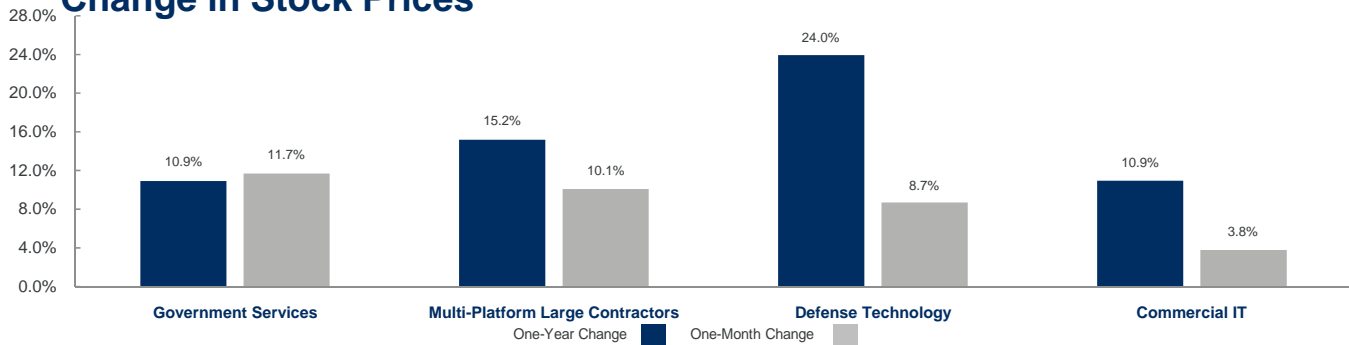
## Defense & Government Services Overview and Key Trends

With the election complete, President-elect Trump is expected to be more favorable to the government contracting community than his predecessor. Since the election, the Government Services and Defense Technology indices have increased by 9.7% and 10.1%, respectively. We anticipate the Trump administration will have the following impact: (1) an increase in defense spending, (2) broader multinational contractors in our sector will face some fallout as trade is potentially impacted and currencies react to the election, and (3) a surge in government contracting opportunities due to President-elect Trump's call for responsible federal workforce attrition. As a result of the Trump administration's stated policies, we expect that exposure to federal spending should serve as an insulator to the uncertainty that the election results may bring, and government services stocks such as CACI, BAH and CSRA could be relative outperformers in the market.

A front-runner to be named to President-elect Trump's Cabinet is retired U.S. Army Lt. General ("LTG") Michael Flynn. Last month we spoke with LTG Flynn and he shared his perspective on which areas of the federal government's budget will see an increase in funding under a new administration, namely defense, law enforcement and healthcare. Additionally, he stated that the Trump administration will look at reducing regulations, increasing accountability and simplifying the tax code for government contractors. He stressed the importance of an increase in small business government contract opportunities beyond their current levels. Lastly, LTG Flynn believes that cybersecurity will continue to be a top priority under a Trump administration and that companies focused on the automation of cybersecurity will benefit in the coming years.

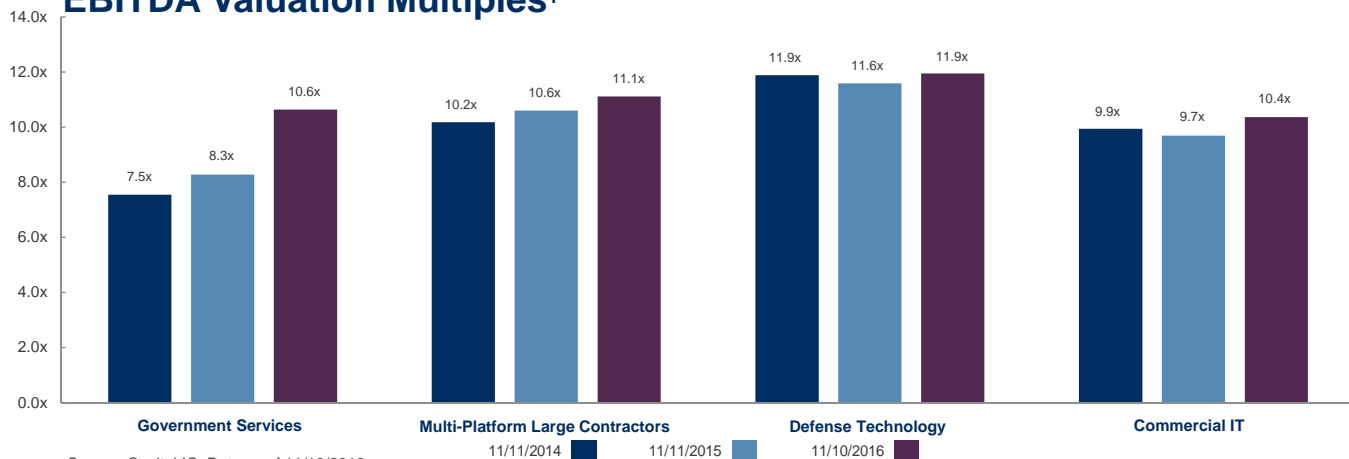
Unrelated to the election, Raymond James is actively tracking the new GTACS II contract solicitation. On October 21, 2016, the U.S. Army released portions of a draft RFP for the contract. GTACS II is expected to provide a broad range of Command, Control, Communications-Tactical ("C3T") hardware, services, products, and subsystems and have a ceiling value of \$5.0 billion. The contract will work in combination with the U.S. Army's command-and-control backbone, the Warfighter Information Network-Tactical ("WIN-T") contract, to deliver voice and data communications to soldiers on the battlefield. The U.S. Army is planning 30 contract awards, but no estimated award date has been released. Due to the size and longevity of this contract, it will certainly have a lasting impact on the defense communications community.

### Change in Stock Prices



Note: Sector returns are weighted by market capitalization as of 11/10/2016. Source: Capital IQ; Data as of 11/10/2016

### EBITDA Valuation Multiples<sup>1</sup>



Source: Capital IQ; Data as of 11/10/2016

(1) Total enterprise value is defined as equity value plus total debt less cash. Past performance is no guarantee of future results.

Note: Companies included are those tracked internally by Raymond James – Individual assets disclosed on page 9. Sector EBITDA multiples are weighted by market capitalization as of 11/10/2016



# Publicly Traded Defense & Government Services Companies

\$ in millions (except for stock price)

	Market Data					Financial Performance			Valuation Multiples		Valuation Multiples		
	Company Name	Ticker	Stock Price at 11/10/2016	% of 52-Week High	Equity Value	Enterprise Value	LTM			TEV / LTM		TEV / CY 2016 (P)	
							Total Sales	EBITDA	EBITDA Margin	Total Sales	EBITDA	Total Sales	EBITDA
Government Services	Booz Allen Hamilton Holding Corporation	NYSE:BAH	\$33.45	98.9%	\$4,986	\$6,242	\$5,550	\$520	9.4%	1.1x	12.0x	1.1x	11.8x
	CACI International Inc.	NYSE:CACI	\$118.05	98.9%	\$2,878	\$4,244	\$3,995	\$343	8.6%	1.1x	12.4x	1.0x	11.9x
	CSRA Inc.	NYSE:CSRA	\$29.95	89.6%	\$4,895	\$7,644	\$4,839	\$585	12.1%	1.6x	13.1x	1.5x	8.7x
	Engility Holdings, Inc.	NYSE:EGL	\$33.27	92.6%	\$1,224	\$2,257	\$2,107	\$180	8.5%	1.1x	12.6x	1.1x	12.0x
	ICF International Inc.	NASDAQGS:ICFI	\$49.70	97.9%	\$942	\$1,214	\$1,176	\$110	9.3%	1.0x	11.0x	1.0x	10.5x
	Leidos Holdings, Inc.	NYSE:LDOS	\$45.84	77.0%	\$6,893	\$9,934	\$5,803	\$521	9.0%	1.7x	19.1x	1.4x	16.2x
	ManTech International Corporation	NASDAQGS:MANT	\$39.81	95.5%	\$1,534	\$1,463	\$1,610	\$124	7.7%	0.9x	11.8x	0.9x	11.9x
	NCI, Inc.	NASDAQGS:NCIT	\$12.10	70.4%	\$164	\$164	\$329	\$29	8.9%	0.5x	5.6x	0.5x	5.8x
	Science Applications International Corporation	NYSE:SAIC	\$75.26	98.9%	\$3,328	\$4,273	\$4,517	\$341	7.5%	0.9x	12.5x	0.9x	12.6x
	Vectrus, Inc.	NYSE:VEC	\$20.96	59.9%	\$226	\$264	\$1,214	\$51	4.2%	0.2x	5.2x	0.2x	5.6x
VSE Corp.	NASDAQGS:VSEC	\$34.29	89.7%	\$370	\$624	\$622	\$79	12.7%	1.0x	7.9x	NA	NA	
<b>Median:</b>			<b>92.6%</b>	<b>\$1,534</b>	<b>\$2,257</b>	<b>\$2,107</b>	<b>\$180</b>	<b>8.9%</b>	<b>1.0x</b>	<b>12.0x</b>	<b>1.0x</b>	<b>11.8x</b>	
<b>Average:</b>			<b>88.1%</b>	<b>\$2,495</b>	<b>\$3,484</b>	<b>\$2,887</b>	<b>\$262</b>	<b>8.9%</b>	<b>1.0x</b>	<b>11.2x</b>	<b>1.0x</b>	<b>10.7x</b>	
Multi-Platform Large Contractors	BAE Systems plc	LSE:BA	\$7.66	96.9%	\$24,334	\$26,755	\$22,686	\$2,183	9.6%	1.2x	12.3x	1.2x	9.9x
	General Dynamics Corporation	NYSE:GD	\$166.51	99.8%	\$50,706	\$52,289	\$30,929	\$4,692	15.2%	1.7x	11.1x	1.7x	10.9x
	Honeywell International Inc.	NYSE:HON	\$113.19	94.3%	\$86,265	\$93,709	\$39,299	\$7,798	19.8%	2.4x	12.0x	2.4x	11.6x
	Lockheed Martin Corporation	NYSE:LMT	\$257.27	96.4%	\$75,375	\$86,891	\$50,612	\$6,869	13.6%	1.7x	12.6x	1.9x	12.8x
	Northrop Grumman Corporation	NYSE:NOC	\$245.17	98.1%	\$43,214	\$48,501	\$23,805	\$3,511	14.7%	2.0x	13.8x	2.0x	13.7x
	Raytheon Company	NYSE:RTN	\$147.71	96.8%	\$43,375	\$46,271	\$24,159	\$3,676	15.2%	1.9x	12.6x	1.9x	12.4x
	The Boeing Company	NYSE:BA	\$147.69	98.1%	\$91,149	\$92,037	\$94,858	\$7,619	8.0%	1.0x	12.1x	1.0x	12.1x
	United Technologies Corporation	NYSE:UTX	\$108.41	98.7%	\$89,265	\$106,715	\$56,885	\$10,155	17.9%	1.9x	10.5x	1.9x	9.9x
	<b>Median:</b>			<b>97.5%</b>	<b>\$63,040</b>	<b>\$69,590</b>	<b>\$35,114</b>	<b>\$5,781</b>	<b>15.0%</b>	<b>1.8x</b>	<b>12.2x</b>	<b>1.9x</b>	<b>11.9x</b>
	<b>Average:</b>			<b>97.4%</b>	<b>\$62,960</b>	<b>\$69,146</b>	<b>\$42,904</b>	<b>\$5,813</b>	<b>14.3%</b>	<b>1.7x</b>	<b>12.1x</b>	<b>1.7x</b>	<b>11.7x</b>
Defense Technology	AeroVironment, Inc.	NASDAQGS:AVAV	\$26.89	82.9%	\$618	\$394	\$253	\$10	4.1%	1.6x	N.M.	1.6x	N.M.
	Cobham plc	LSE:COB	\$2.05	53.6%	\$3,471	\$4,571	\$2,580	\$449	17.4%	1.8x	10.2x	1.9x	10.6x
	Cubic Corporation	NYSE:CUB	\$46.95	94.3%	\$1,267	\$1,512	\$1,481	\$94	6.3%	1.0x	16.2x	1.0x	11.3x
	FLIR Systems, Inc.	NASDAQGS:FLIR	\$34.20	99.6%	\$4,656	\$4,495	\$1,625	\$353	21.7%	2.8x	12.7x	2.7x	12.1x
	Harris Corporation	NYSE:HRS	\$102.81	99.8%	\$12,777	\$16,980	\$7,410	\$1,678	22.6%	2.3x	10.1x	2.3x	10.9x
	Kratos Defense & Security Solutions, Inc.	NASDAQGS:KTOS	\$6.41	84.6%	\$388	\$812	\$664	\$10	1.5%	1.2x	N.M.	1.2x	18.9x
	L-3 Communications Holdings Inc.	NYSE:LLL	\$150.62	97.5%	\$11,644	\$14,647	\$10,393	\$1,226	11.8%	1.4x	11.9x	1.4x	12.2x
	Mercury Systems, Inc.	NASDAQGS:MRCY	\$30.91	99.8%	\$1,268	\$1,381	\$299	\$52	17.2%	4.6x	26.8x	NA	NA
	Teledyne Technologies Inc.	NYSE:TDY	\$117.25	99.8%	\$4,097	\$4,610	\$2,198	\$355	16.1%	2.1x	13.0x	2.2x	13.2x
	ViaSat Inc.	NASDAQGS:VSAT	\$79.67	99.6%	\$3,927	\$4,941	\$1,482	\$254	17.1%	3.3x	19.5x	3.2x	14.4x
<b>Median:</b>			<b>98.5%</b>	<b>\$3,699</b>	<b>\$4,533</b>	<b>\$1,554</b>	<b>\$304</b>	<b>16.6%</b>	<b>1.9x</b>	<b>12.9x</b>	<b>1.9x</b>	<b>12.1x</b>	
<b>Average:</b>			<b>91.1%</b>	<b>\$4,411</b>	<b>\$5,434</b>	<b>\$2,839</b>	<b>\$448</b>	<b>13.6%</b>	<b>2.2x</b>	<b>15.0x</b>	<b>2.0x</b>	<b>12.9x</b>	
Commercial IT	Accenture plc	NYSE:ACN	\$120.33	96.3%	\$74,642	\$70,395	\$32,883	\$5,539	16.8%	2.1x	12.7x	2.1x	12.5x
	CGI Group Inc.	TSX:GIB.A	\$48.62	97.6%	\$14,680	\$15,655	\$8,139	\$1,495	18.4%	1.9x	10.5x	2.0x	10.7x
	Cognizant Technology Solutions Corporation	NASDAQGS:CTSH	\$53.81	79.1%	\$32,647	\$28,685	\$13,258	\$2,648	20.0%	2.2x	10.8x	2.1x	10.2x
	Computer Sciences Corporation	NYSE:CSC	\$59.00	82.9%	\$8,308	\$10,841	\$7,358	\$922	12.5%	1.5x	11.8x	1.4x	NA
	International Business Machines Corporation	NYSE:IBM	\$160.22	97.1%	\$152,346	\$185,010	\$80,208	\$17,539	21.9%	2.3x	10.5x	2.3x	9.8x
	MAXIMUS, Inc.	NYSE:MMS	\$49.12	79.6%	\$3,187	\$3,291	\$2,403	\$352	14.7%	1.4x	9.3x	1.3x	8.7x
	Navigant Consulting Inc.	NYSE:NCI	\$23.52	95.4%	\$1,107	\$1,261	\$911	\$138	15.2%	1.4x	9.1x	1.4x	9.0x
	Perficient Inc.	NASDAQGS:PRFT	\$16.87	74.4%	\$608	\$626	\$482	\$55	11.3%	1.3x	11.5x	1.3x	9.7x
	Tyler Technologies, Inc.	NYSE:TYL	\$150.16	81.6%	\$5,500	\$5,487	\$722	\$147	20.4%	7.6x	37.2x	7.2x	24.2x
	Unisys Corporation	NYSE:UIS	\$11.95	87.5%	\$598	\$595	\$2,889	\$197	6.8%	0.2x	3.0x	0.2x	1.6x
Xerox Corporation	NYSE:XRX	\$9.58	84.1%	\$9,712	\$16,057	\$17,531	\$2,021	11.5%	0.9x	7.9x	0.9x	5.9x	
<b>Median:</b>			<b>84.1%</b>	<b>\$8,308</b>	<b>\$10,841</b>	<b>\$7,358</b>	<b>\$922</b>	<b>15.2%</b>	<b>1.5x</b>	<b>10.5x</b>	<b>1.4x</b>	<b>9.7x</b>	
<b>Average:</b>			<b>86.9%</b>	<b>\$27,576</b>	<b>\$30,718</b>	<b>\$15,162</b>	<b>\$2,823</b>	<b>15.4%</b>	<b>2.1x</b>	<b>12.2x</b>	<b>2.0x</b>	<b>10.2x</b>	

Source: Capital IQ; Data as of 11/10/2016

Financial projections are sourced from Capital IQ consensus estimates; foreign traded companies are listed in U.S. dollars at 11/10/2016 spot exchange rate; TEV / EBITDA valuation multiples greater than 30.0x are considered not material ("N.M.") in the analysis with the exception of the software company Tyler Technologies, Inc.

Definitions: Last Twelve Months ("LTM"), Projected Calendar Year 2016 ("CY 2016 (P)"), Total Enterprise Value ("TEV")

## Top 20 Largest Federal Contracts Awarded in October 2016

Date	Customer(s)	Winning Bidder(s)	Amount (\$ millions)	Description
10/11/2016	Royal Netherlands Air Force; U.S. Air Force Oklahoma City Air Logistics Center (OC-ALC); U.S. Air Force PEO Tankers	L-3 Vertex Aerospace; Cobham Mission Equipment; Hawker Pacific Aerospace, Inc.; TIMCO Aerosystems, LLC; Triumph Fabrications	\$2,025.2	USAF OC-ALC Contracts With L-3 Vertex Aerospace for KC/KDC-10 Airframe Contractor Logistics Support (CLS)
10/17/2016	U.S. Dept. of State	EMTA Insaat Taahhut Ve Ticaret Anonim Sirketi; Epik International Inc.; Perini Management Services Inc; Pernix Renaissance LLC; Serka Federal Services LLC; Zafer Taahhut Elektrik Insaat Ve Ticaret A.s.	\$2,000.0	State Awards Six Design-Build Contracts for Worldwide Containerized Housing/Office Units and Modular Construction Solutions (CH/OU&MCS)
10/1/2016	U.S. General Services Administration, Acquisition Operations Div.	Alaska Airlines, Inc; American Airlines, Inc.; Delta Air Lines, Inc.; Hawaiian Airlines, Inc; JetBlue Airways Corp.; Silver Airways Corp.; Southwest Airlines Co.; United Airlines	\$1,991.4	GSA/FAS Awards Nine Contracts for the FY17 City Pair Program
10/28/2016	Joint Improvised-Threat Defense Organization (JIDO); U.S. General Services Administration, Federal Systems Integration and Management Center (FEDSIM)	CACI, Inc. - Federal	\$1,773.2	GSA FEDSIM Awards OASIS Unrestricted Pool 4 Task Order to CACI for Joint Improvised-Threat Defense Organization (JIDO) Support
10/7/2016	U.S. Army Contracting Command - Warren (ACC-WRN)	GM GDLS Defense Group, LLC	\$1,504.3	Army ACC-WRN Contracts With General Dynamics for Stryker Engineering Change Proposal (ECP) Double-V Hull (DVH) Exchange (Flat-Bottom Hull (FBH) to DVH ECP)
10/3/2016	U.S. Navy Strategic Systems Programs (SSP); UK Royal Navy (RN)	Lockheed Martin Space Systems, Fleet Ballistic Missiles	\$788.4	Navy SSP Contracts With Lockheed Martin Contract for Trident II Production and Support
10/7/2016	Australian Regular Army; Iraqi Army; Jordan Arab Army; Lebanese Army; Royal Netherlands Army (RNLA); U.S. Naval Air Systems Command, Headquarters (NAVAIR HQ)	BAE Systems ES STS Mission Electronics; BAE Systems Integrated Vision Solutions	\$618.3	NAVAIR HQ Contracts With BAE Systems for Advanced Precision Kill Weapon System II (APKWS II) FRP Lots 5-7
10/28/2016	U.S. Army Contracting Command - Aberdeen Proving Ground (ACC-APG); U.S. Northern Command (NORTHCOM)	L-3 Communications Corp., Communication Systems	\$500.0	Army ACC-APG Contracts With L-3 for Common Data Link/Satellite Communications (CDL/SATCOM) Sustainment Services
10/14/2016	U.S. Volpe National Transportation Systems Center (VNTSC)	TASC, Inc., An Engility Company	\$369.0	VNTSC Contracts With TASC for Air Traffic Engineering and Program Support (ATEPS)
10/3/2016	U.S. Navy Strategic Systems Programs (SSP); UK Royal Navy (RN)	BAE Systems Technology Solutions & Services (TSS), Maritime and Defense Solutions; BAE Systems Submarine Solutions; BAE Systems Technology Solutions & Services, Inc. (TSS); BAE Systems Technology Solutions & Services (TSS), Systems Engineering Solutions	\$368.7	Navy SSP Contracts With BAE Systems for System Integration Support for the Trident II (D5) Fleet Ballistic Missile (FBM) Program
10/1/2016	U.S. Pacific Air Forces, 15th Contracting Squadron (PACAF 15 CONS)	ARCTEC Alaska JV; ASRC Federal Primus; ATCO Structures & Logistics Ltd. (ASL)	\$354.0	PACAF 15 CONS Contracts With ARCTEC Alaska JV for Alaska Radar System (ARS) O&M
10/21/2016	U.S. Army Contracting Command - Redstone (ACC-RSA)	General Atomics Aeronautical Systems, Inc. (GA-ASI) - Aircraft Systems	\$310.0	Army Acc-RSA Contracts With General Atomics for MQ-1C Gray Eagle Unmanned Aircraft System (UAS) CLS
10/3/2016	U.S. Army Contracting Command - Redstone (ACC-RSA); U.S. Army PEO Aviation	BAE Systems ES STS Integrated Threat Management Solutions	\$249.4	Army ACC-RSA Mods Contract With BAE Systems to Provide and Support CMWSs
10/18/2016	Naval Education and Training Command (NETC); NAVSUP Fleet Logistics Center (FLC) Norfolk - Philadelphia Detachment	A. Harold and Associates LLC; CACI-CMS Information Systems, Inc.; Camber Corp.; General Dynamics Information Technology (GDIT); Salient Federal Solutions, Inc.; URS Federal Services International, Inc. (URSFISII)	\$230.6	NAVSUP FLC Philadelphia Awards Six Additional Contracts for Naval Training Products and Services Program Curriculum Development and Maintenance
10/5/2016	Finnish Air Force (Suomen Ilmavoimat); Italian Air Force (Aeronautica Militare Italiana) (AMI); Kuwait Air Force (Al Quwwat Al Jawwiya Al Kuwaitiya); Royal Australian Air Force (RAAF); Royal Malaysian Air Force (Tentara Udara Diraja Malaysia) (RMAF); U.S. Naval Air Systems Command, (NAVAIR HQ)	Lockheed Martin RMS - Training and Logistics Solutions (TLS)	\$214.5	NAVAIR HQ Contracts With Lockheed Martin for Consolidated Automated Support System (CASS)/Reconfigurable Transportable CASS Performance Based Logistics Services
10/31/2016	Royal Australian Air Force (RAAF); U.S. Army ACC-APG, Natick	Textron Systems, Unmanned Systems	\$206.6	Army ACC-APG Natick Contracts With Textron Systems for RQ-7B Shadow Contractor Logistics/Sustainment Operations Support
10/17/2016	U.S. Naval Air Warfare Center Aircraft Division - Pax River (NAWCAD)	ERAPSCO; Spartan Electronics Florida, Inc.; UnderSea Sensor Systems, Inc. (USSSI)	\$203.7	NAWCAD Mods Contract With ERAPSCO for the Production of AN/SSG Sonobuoys
10/28/2016	U.S. Army Contracting Command, MICC, Fort Eustis	Advanced Technology Logistics, Inc.; Cognition-Marton JV, LLC; Cognition LLC; Marton Technologies, Inc.; First Division Consulting Inc.; Red River Science & Technology, LLC	\$200.0	Army MICC Awards Four Contracts for Sustainment Center of Excellence (SCoE) Training Services
10/28/2016	U.S. Army Contracting Command - Redstone (ACC-RSA)	Northrop Grumman Technology Services - Global Logistics and Modernization Division (GLM)	\$190.3	Army ACC-RSA Contracts With Northrop Grumman for Hunter Unmanned Aircraft Systems (UASs) Contractor Logistic Support (CLS)
10/31/2016	U.S. Defense Advanced Research Projects Agency (DARPA)	Raytheon Missile Systems (RMS)	\$174.7	DARPA Contracts With Raytheon for Hypersonic Air-breathing Weapon Concept (HAWC) Program Phase 2 Research

Source: DACIS / Infobase; Data as of 10/31/2016

## Select M&A Activity – Defense & Government Services

Closed Date	Target Name	Target Description	Acquirer	Seller
<b>Government Services</b>				
Pending	Camber Corporation	Alabama-based Camber Corp. specializes in aviation sensors and simulations; chemical, biological, radiological, nuclear and explosives ("CBRNE") research and development; training and logistical support; information technology support; and training.	Huntington Ingalls Industries, Inc. (NYSE: HII)	New Mountain Capital, LLC
Pending	Defense Point Security, LLC	Virginia-based Defense Point Security, LLC is a cybersecurity company supporting the U.S. federal government with advanced cyber defense and response capabilities, including advanced Security Operations Center expertise, cyber operations, security engineering, and cyber analytics.	Accenture plc (NYSE: ACN)	Private
11/1/2016	APG Technologies, LLC	Virginia-based APG Technologies, LLC is a provider of advanced software, systems, and security engineering services in key areas including high-performance data management, information assurance & data security, and private cloud engineering supporting various customers in the U.S. DoD, Space, and Intelligence Community ("IC").	Altamira Technologies Corp.	Private
10/27/2016	Business Information Technology Solutions, Inc.	Virginia-based Business Information Technology Solutions, Inc. ("BITS"), also known as The BITS Group, is a rapidly growing provider of IT services and solutions to the U.S. Department of Veterans Affairs ("VA") and the U.S. Department of Defense ("DoD").	Cognosante Holdings, LLC	Private
10/11/2016	Synaptic Solutions, Inc.	Virginia-based Synaptic Solutions, Inc. is an advanced technology services provider to the IC.	Preferred Systems Solutions [CM Equity Partners]	Private
10/6/2016	Microsystem Integration and Packaging Business of RTI International	North Carolina-based Microsystem Integration and Packaging Group provides value-added semiconductor processing services for government and commercial clients.	Micross Components, Inc. [Insight Equity Holdings LLC]	RTI International
<b>Defense Technology</b>				
Pending	Hi-Rel Group, LLC	Connecticut-based Hi-Rel Group, LLC is a manufacturer of highly specialized metal components for the microelectronic packaging industry.	AMETEK, Inc. (NYSE:AME)	Main Street Capital Holdings, LLC
Pending	Vislink Communication Systems business of Vislink plc	United Kingdom-based Vislink specializes in the wireless capture, delivery and management of secure, high-quality, live video from the field to the point of usage, or "from scene to screen."	xG Technology, Inc. (NasdaqCM: XGTI)	Vislink plc (LSE: VLK.L)
Pending	The Radiant Group, Inc.	Virginia-based The Radiant Group, Inc. is a provider of geospatial information analysis services to the U.S. intelligence sector.	DigitalGlobe, Inc. (NYSE: DGI)	Aston Capital, LLC
10/25/2016	Atlantic Precision, Inc.	Florida-based Atlantic Precision, Inc. ("API") is an aerospace machining, design and build company that utilizes the latest 3D metal printing and additive manufacturing technologies to serve customers in the aerospace and defense industries.	Precision Castparts Corp. [Berkshire Hathaway, Inc. (NYSE: BRK.A)]	Generation Growth Capital, Inc.
10/19/2016	GovDelivery, Inc.	Minnesota-based GovDelivery, Inc. provides a cloud-based digital communication platform for government.	Vista Equity Partners, LLC	Actua Corp. (NasdaqGS: ACTA)
10/18/2016	George Industries, LLC	New York-based George Industries, LLC is a designer and manufacturer of mission critical engineered components for the aerospace, defense, transportation, and industrial end markets.	Orangewood Partners, LLC	Private
10/18/2016	Thermacore, Inc.	Pennsylvania-based Thermacore, Inc. is a provider of high performance thermal management, electronics cooling, and materials solutions.	Aavid Thermalloy, LLC [Audax Group]	Penn Venture Partners, LP
10/3/2016	Electro Magnetic Enterprise [Hamilton Sundstrand Corporation]	Wisconsin-based ElectroMagnetic Enterprise ("EME") business is a designer, manufacturer and assembler of complex, custom engineered electric motors and generators, including a wide range of customized electromagnetic products with high efficiencies and high power densities that provide unique, turnkey solutions for a blue-chip industrial customer base.	Handy & Harman Ltd. (NASDAQCM: HNH) [Steel Partners Holdings L.P. (NYSE: SPLP)]	UTC Aerospace Systems [United Technologies Corp. (NYSE: UTX)]

Source: Capital IQ, DACIS / Infobase; Data as of 11/10/2016

## Select Raymond James Transactions

<p>The Heavy Equipment Group of <b>OLDENBURG GROUP</b> INCORPORATED</p> <p>Has been acquired by J.F. Lehman &amp; Company</p>	 <p><b>ELECTRIC GUARD DOG</b></p> <p>Has been acquired by <b>SNOW PHIPPS</b></p>	 <p>Has been acquired by <b>DC CAPITAL PARTNERS</b></p>	 <p>Has been acquired by <b>SolAero</b> TECHNOLOGIES A portfolio company of <b>VERITAS CAPITAL</b></p>	 <p>Has been acquired by <b>Drew Marine</b> A portfolio company of <b>THE JORDAN COMPANY</b></p>
 <p>Has been acquired by <b>CUBIC</b> Global. Innovative. Trusted.</p>	 <p>A business unit of <b>NICE</b> Has been acquired by <b>BV</b> Battery Ventures</p>	 <p>Has acquired <b>GUARDSMARK</b></p>	 <p>A portfolio company of <b>GTCR</b> Has been acquired by <b>APOLLO</b></p>	 <p>A portfolio company of <b>KRG CAPITAL PARTNERS, L.L.C.</b> Has been acquired by <b>PNC RIVERARCH CAPITAL</b></p>
 <p>Has merged with <b>CHART ACQUISITION CORP.</b></p>	 <p>Has been acquired by <b>LLR partners</b></p>	 <p>Has been acquired by <b>IMPERIAL CAPITAL</b></p>	 <p>Has been acquired by <b>3X LOGIC</b></p>	 <p>A wholly owned subsidiary of <b>MERCURY SYSTEMS</b> Has been acquired by <b>iNovex Information Systems</b></p>
<p>The Engineering Solutions Division of <b>The COLUMBIA GROUP</b></p> <p>Has been acquired by <b>Huntington Ingalls Industries</b></p>	 <p>Has been acquired by <b>LinQuest Holdings, Inc.</b>, a newly formed entity led by Company Management <b>Fairness Opinion</b></p>	 <p>Has been acquired by <b>CUBIC</b> Global. Innovative. Trusted.</p>	 <p>Has been acquired by <b>GENERAL DYNAMICS</b></p>	 <p>Has been acquired by <b>CSC</b></p>

\*Certain transactions displayed were advised by Raymond James principals while employed at a prior firm

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