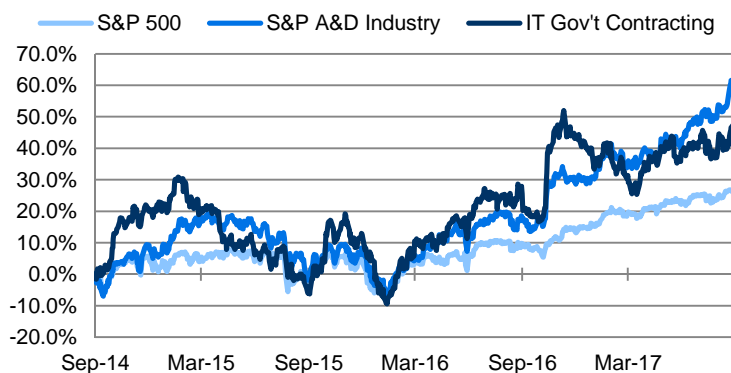


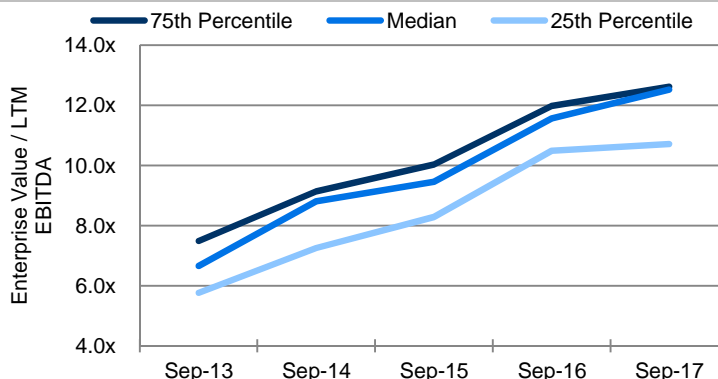
Industry Highlights

- Continuing growth of its Jacobs Connected Enterprise (JCE) business, on August 31 Jacobs Engineering announced the acquisition of Blue Canopy. Blue Canopy specializes in cybersecurity, data analytics and application development for the Federal civilian, financial, education, and healthcare sectors as well as the defense and intelligence communities.
- On August 15, NCI announced its successful acquisition by HIG Capital for approximately \$283 million. The transaction came approximately two years after the company announced it was considering strategic alternatives.
- Speculation about Vencore's future continues. On June 21, 2017 it filed an S-1 for a \$250 million offering. Similar to SRA, the filing may be intended to catalyze other options. Veritas purchased Vencore from Lockheed in 2010.
- On June 13, PAE announced its acquisition of FCi Federal. Via the acquisition PAE gains significant additional capabilities supporting government missions in national security, law enforcement and immigration. The deal is PAE's first since its acquisition by Platinum Equity.
- CSRA undertook its first post-spin acquisition, purchasing NES Associates for \$105 million on July 5. NES is a leading provider of Defense network engineering and provides CSRA a competitive advantage on large network opportunities. Having aggressively reduced debt since the spin, management indicated its intent to increase both M&A activity and returns to shareholders.
- SOSi continues its expansion in the intelligence community with its September acquisition of Defense Group Inc. The deal follows its January 2016 acquisition of New World Solutions.

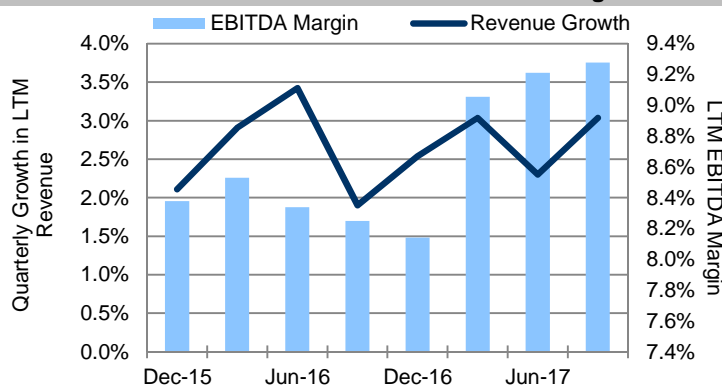
Relative Stock Price Returns²



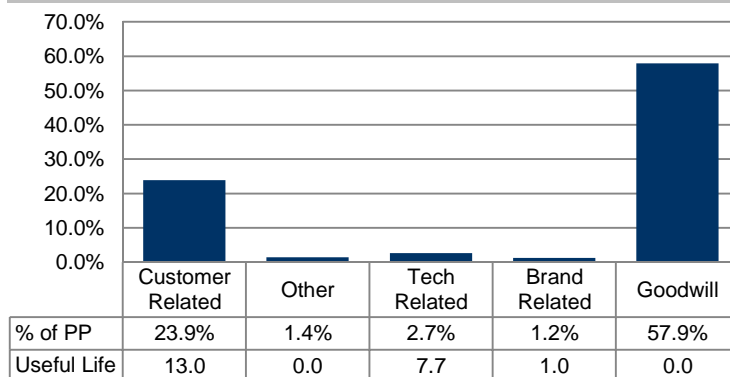
Trend in Industry EBITDA Multiples¹



Trends in Revenue Growth and EBITDA Margins¹



Purchase Price Allocation % from Recent Transactions



¹Calculated using aggregated data for Booz Allen, CACI, CSRA, Engility, ICF International, KEYW, Leidos, ManTech, NCI, SAIC, Vectrus and VSE. ²IT Gov't Contracting is a custom, equal-weighted index constructed with the aforementioned companies.

Notable M&A Deals

Target	Acquirer	Overview
SOLIDYN SOLUTIONS, INC. Xebec	A C P	Arlington Capital Partners continues to be an active participant in the national security community. Announced October 2, ACP acquired Xebec, a highly specialized provider of human intelligence solutions and services to customers in the Intelligence Community. Also, portfolio company Polaris Alpha acquired Solidyn Solutions, enhancing its expertise in space-based solutions for the national security community.
InfoZen	ManTech <i>Securing the Future</i>	Announced in September, ManTech is acquiring InfoZen for \$180 million. It is a leading IT solutions provider with domain expertise in modernization, agile / DevOps software development, cloud migration, and threat monitoring and assessment capabilities in support of critical national and homeland security missions.

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