



Hogan  
Lovells

# Aerospace and Defense

*M&A Capabilities*



# Aerospace and Defense

## M&A Capabilities

### All systems go

Our capabilities in Aerospace and Defense M&A are unmatched

Our M&A partners are recognized for executing transactions that have transformed the Aerospace and Defense (A&D) sector. By drawing upon our leading global industry sector team of corporate, finance, government regulatory, intellectual property and dispute resolution lawyers, we regularly advise A&D clients on the mission critical legal issues that are shaping the industry.

Our A&D clients include:

- Largest and most-established aerospace and defense companies, and government service providers
- Middle market government prime contractors and subcontractors
- Emerging A&D companies and technology providers
- Private equity firms investing in the sector
- Founder-owned government services companies

500+

M&amp;A lawyers globally

70+

Aerospace and Defense lawyers globally

Band 1

Highly Regarded  
National M&A  
*Chambers USA, 2019*

Top 10

Worldwide M&A by volume  
*Thomson Reuters, 2019*

## Understanding your business

The A&D industry continues to change. Defense spending is increasing at the same time that pricing processes and increased competition create new challenges. Governments are procuring technology solutions and engineering services to address escalating terrorism threats, cybersecurity concerns and the demand for big data analytics. Commercial space and unmanned vehicle advances have invigorated key sections of the industry. Technological advances like 3D printing are creating unique opportunities for innovative products, decreased time-to-market and agile maintenance and repair services. Our clients demand experience. They need comprehensive and cost-effective support from lawyers who know their business and understand the demands of their industry.

With increased prioritization of defense and national security, strategic players and private equity firms look to M&A opportunities to expand presence or establish a platform in the industry or to rationalize their portfolios. Sellers are taking advantage of premium valuations and considering sales—or spin offs of entire companies or non-core government services businesses. Consolidation brings both incredible opportunity and considerable risk. Our transactional lawyers offer practical advice to A&D companies on industry-specific considerations that have a material impact on strategic transactions, including the challenges presented by government contracting regulations and national security issues.

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They were excellent; they would be my first choice. They understand more than just the legal context, they understand the business.

*Chambers USA*

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# Select Engagements

## Orbital ATK and Northrop Grumman

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We advised Orbital ATK on its sale to Northrop Grumman for approximately US\$9.2 billion, including assumed debt. Orbital ATK is a global leader in aerospace and defense technologies and a pioneer in private space flight.

This transaction was structured as an all-cash, reverse subsidiary merger and established Orbital ATK as Northrop Grumman Innovation Systems, a new, fourth business sector of Northrop Grumman.

Led by lawyers in our Washington, D.C. office, we advised on all aspects of this deal, which served as a capstone to our 20+ year client relationship with Orbital ATK, and showcased our ability to manage every facet of a complex, public company transaction.

## Lockheed Martin and Leidos

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We advised long-time client Lockheed Martin Corporation in connection with the separation and combination of its realigned Information Systems & Global Solutions (IS&GS) business segment with Leidos Holdings, Inc. in a tax-efficient Reverse Morris Trust transaction. The transaction unlocked approximately US\$5 billion in estimated enterprise value for Lockheed Martin stockholders. Lockheed Martin stockholders received approximately 50.5 percent of the outstanding equity of Leidos on a fully diluted basis, and Lockheed Martin received a US\$1.8 billion one-time special cash payment.

This strategic transaction was an important milestone in Lockheed Martin's portfolio reshaping strategy and allowed our client to focus on its core aerospace and defense business. The combination of Lockheed Martin's proven IT and technical services businesses with Leidos created a new leader in the government IT sector with a diversified portfolio, greater scale and improved efficiency, and with the ability to provide unparalleled solutions in industries from national security to health and life sciences.

A Hogan Lovells M&A team based in Baltimore and Washington, D.C. led the transaction with support from lawyers in multiple jurisdictions in the U.S. and around the globe. Our representation included M&A, securities, employee benefits, executive compensation and government contracts matters, and highlighted our ability to deploy significant resources in multiple jurisdictions to manage complex transactions.





## Executing A&D transactions around the globe

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**3M** on the sale to Gemalto for US\$850m of 3M's identity management business, which provides biometric hardware and software that enable identity verification and authentication.

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**Accenture Federal Services** on the acquisition of the assets of Avanade Federal Services, LLC, a leading provider of innovative digital and cloud services and business solutions.

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**Accenture LLP** on the purchase of certain assets of Ascentium Corporation and Ascentium Federal, Inc. by Avanade Inc.

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**Aegis Group**, a leading provider of highly specialized protective services, on its sale to GardaWorld.

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**Airbus** on several transactions including:

- the formation of a joint venture for OneWeb to build 900+ satellites;
  - the sale of its subsidiary Airbus DS SatCom Government, Inc., a provider of satellite communications services, to Satcom Direct Communications, Inc.; and
  - the sale of its subsidiary, Fairchild Controls Corporation, a provider of thermal management and auxiliary power generation systems used in commercial aircraft and military platforms, to Triumph Group Inc.
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### **Babcock International Group PLC**

on the:

- the sale of its U.S. government services business to a portfolio company affiliated with The Jordan Company for US\$99m; and
  - the acquisition of the unmanned systems services business unit of Evergreen International Aviation, Inc.
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**ByLight Professional IT Services, Inc.**, a provider of IT, cloud, cyber, and infrastructure solutions to the U.S. federal government on its acquisition by Sagewind Capital LLC.

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Private equity firms **Chevillon** and **IDI** on their leveraged acquisition of a controlling stake in France-based Alkan, a leading manufacturer of carriage, release, and ejection systems for civil and military aeronautics.

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**CIBER, Inc.'s** sale of its federal division to CRGT Inc., a Veritas Capital portfolio company.

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**Cognosante Holdings, LLC** on its divestiture of Cognosante Consulting, a Health IT consulting services business supporting state HHS departments and other state agencies, to NTT Data Services.

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**Cognosante Holdings, LLC** on the acquisition of Business Information Technology Solutions, LLC, a provider of IT services and solutions to the U.S. Department of Veterans Affairs and the U.S. Department of Defense.

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**Cobham plc** on the US\$350m sale of SPARTA, Inc., a provider of advanced systems engineering, cybersecurity, and mission support services to U.S. government agencies.

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**Evolvent Technologies, Inc.**, a provider of healthcare information technology services to the U.S. Federal government, on its sale to ManTech International Corporation.

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**KBR, Inc.** on several transactions including:

- the acquisition of SGT, Inc., a provider of technology solutions, engineering services, mission operations and scientific and IT software solutions in the government services market, for US\$355m;
  - the acquisition of Honeywell Technology Solutions Inc., a provider of space, security, logistics and manpower services in the government services market, for US\$300m; and
  - the acquisition of Sigma Bravo, a provider of information and communication technology services to the Australian Defense Force.
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**Lockheed Martin** on several transactions including:

- the acquisition of Zeta Associates, Inc., a provider of technology solutions for national security missions;
- the acquisition of Systems Made Simple, Inc., a provider of health care technology services to government agencies; and
- the acquisition of Procerus Technologies, a developer and producer of avionics and payload technologies used in unmanned aircraft systems.

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**MAXIMUS, Inc.** on several transactions including:

- the acquisition of Ascend Management Innovations LLC, a provider of health assessments and data management tools to U.S. government agencies; and
- the acquisition of Acentia, LLC, a provider of technology and management solutions to U.S. federal government civilian and health agencies, for US\$300m.

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**Meggitt PLC** on several transactions including:

- the acquisition of the composites division of EDAC, which produces engineered aerospace components for jet engine and airframe applications, from Greenbriar Equity Group for US\$340m; and
- the acquisition of the advanced composites businesses, which design, develop and produce engineered aerospace engine components, radomes and complex secondary structures, of Cobham plc for US\$200m.

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The founder, chairman, and largest shareholder of **NCI, Inc.** an IT and professional services company serving primarily the U.S. Department of Defense, intelligence community and federal health and civilian agencies, in its acquisition by private equity firm H.I.G. Capital by tender offer.

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**Noblis, Inc.** on the acquisition of National Security Partners, LLC, a provider of high-end strategic consulting and other programs for the U.S. intelligence community.

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**Orbital Sciences Corporation** on the US\$5bn merger of equals with Alliant Techsystems, a producer of rockets and space systems for commercial, military and civil government customers, to form Orbital ATK, Inc.

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**PricewaterhouseCoopers LLP** on the sale of its U.S. Public Sector business, a provider of management consulting services to all levels of U.S. government a private equity investment firm, Veritas Capital.

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**Smiths Group plc** on the acquisition of United Flexible, a provider of flexible and rigid engineering solutions for the transfer of fluids and gases with operations, an Arlington Capital portfolio company.

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# Select Engagements

## KBR and Wyle

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We advised KBR, Inc. on its US\$600 million acquisition of Wyle Inc., a leading provider of specialized engineering and professional, scientific and technical services primarily to the U.S. federal government, which now operates under the “KBRwyle” brand.

This acquisition allowed KBR to execute its strategy of moving its government services business toward high growth, more specialized, technology- and science-driven sources of revenues, creating the equivalent of a global US\$2 billion government services organization with capabilities that span the full spectrum of the life-cycle of aerospace and defense programs.

A Hogan Lovells M&A team based in Northern Virginia led the transaction with support from lawyers in Washington, D.C. and Denver in the U.S. and in Germany and the U.K. internationally. We advised on all aspects of the transaction, including M&A government contracts, export and trade controls, environmental, intellectual property, tax, employee benefits, antitrust, anti-corruption, real estate and securities.

## Dell and NTT Data

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We advised Dell Inc. in connection with the US\$3.05 billion carve-out and sale of its IT services business, Dell Services (formerly Perot Systems), including its federal IT services business, to NTT Data, Inc. of Japan.

Dell Services is a global business with more than 30,000 employees, including 10,000 in India alone, and operations in 40+ jurisdictions worldwide. Dell Services is recognized for its reach in vertical industries such as Healthcare & Life Sciences, Banking, Financial Services and Insurance, and for its infrastructure, cloud and application services, and business process outsourcing offerings.

The sale of Dell Services was transformative for the IT services business on a global scale and a significant step in Dell’s plans for divestitures following Dell’s going-private transaction and its acquisition of EMC Corporation.

Our cross-border M&A team based in the U.S. led this transaction from its inception. The team was supported by lawyers across the globe, including Hogan Lovells offices in Australia, Brazil, China, UAE, France, Germany, Mexico, the Netherlands, Russia, South Africa and the UK, and across a variety of practice areas, including commercial, intellectual property, antitrust, employee benefits, tax and U.S. regulatory areas.





# Breadth and depth

## Solving problems efficiently

We work across practice areas to provide our clients with the full range of legal capabilities necessary to achieve success in A&D transactions.



### Corporate

Corporate and commercial  
Employee benefits and executive compensation  
Equity and capital markets  
Real estate  
Tax



### Finance

Business restructuring and insolvency  
Finance



### Regulatory

Antitrust  
Environment and natural resources  
Government contracts and national security  
International trade  
Privacy and information management



### Litigation and arbitration

Commercial litigation  
Employment  
International arbitration  
Labor and union relations  
Product liability and class actions  
Safety



### Intellectual property

Intellectual property  
Patent and trademark litigation

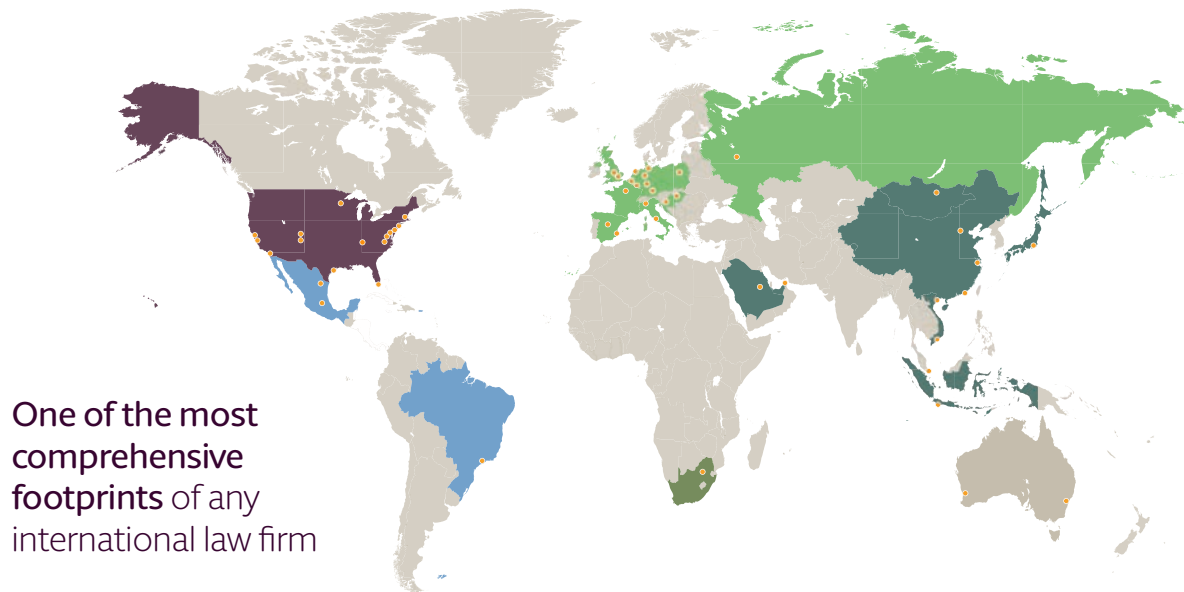


**50+**  
A&D lawyers in the Americas

**20+**  
A&D lawyers in the UK, Europe, the Middle East, and Africa

We have a global presence and deliver a global impact. Our A&D reach is vast, and our lawyers work in the backyards of the industry's biggest players.

45+ offices on six continents



One of the most comprehensive footprints of any international law firm



One firm worldwide built on strong relationships



Ranked in the Top 12 for the 2017 BTI Power Rankings

2,800+ lawyers worldwide



Americas (39%)  
Africa (3%)  
Asia-Pacific and Middle East (9%)  
Continental Europe (29%)  
UK (20%)

# Global M&A at Hogan Lovells

Our mergers and acquisitions practice is built upon four pillars. Technical excellence. Industry knowledge. Full-service capabilities. Global reach. These resources, taken together, allow us to provide our clients with world-class support on their transactions.

We are ranked among the Top 10 law firms in the world for M&A, based on the value and volume of deals on which we have advised across Europe, the United States, and Asia-Pacific and within the United Kingdom, France, and Germany.

We put our clients first, delivering attentive, client-focused services wherever and whenever needed.

## Technical excellence

Executing transactions effectively

Our M&A lawyers are recognized as leaders in their field. We provide the highest quality work product to our clients. We help our clients innovate with cutting-edge M&A strategies that enable them to lead the way in their industries, and we partner with their financial advisors to maximize their success. We invest in ongoing training of our M&A lawyers to stay on top of market trends and developments. Our M&A group includes lawyers who have been recognized as *American Lawyer* Dealmakers of the Year, FT Innovative Lawyers, and have been lauded in numerous other awards.

## Industry knowledge

Understanding issues in regulated industries

We understand the industries in which our clients operate and have organized our law firm to foster that understanding. Our M&A practitioners serve as members of Industry Sector Groups composed of corporate, commercial and regulatory lawyers who immerse themselves in specific industries. These groups include lawyers with high-level government and industry backgrounds in their relevant sectors. Our multidisciplinary industry focus enables us to identify, and even anticipate, regulatory changes, market dynamics and trends that can impact our clients' business transactions.



## Top 10 M&A rankings

Source: Thomson Reuters, Mergermarket



Global



United Kingdom



Europe



Germany



United States



France

## Full-service capabilities

Solving problems, on time and efficiently

We offer the full range of legal capabilities necessary to achieve success in your transactions, on time and efficiently. Whether a transaction gives rise to antitrust review, CFIUS review, employee benefit considerations, intellectual property safeguards, tax-efficient structuring or other issues, our M&A team can draw upon over 50 practice areas across our firm. We work together across practice areas and offices, leveraging the transactional knowledge and subject matter experience of our lawyers to provide our clients with seamless support.

## Global reach

Worldwide reach, with local knowledge

Our M&A practice extends across the world's major commercial centers and emerging markets. We continuously assess our geographic capabilities and growth plans, not only in light of where business is, but where business is heading. With 500 M&A lawyers in over 45 offices across Africa, Asia, Australia, Europe, Latin America, the Middle East and the United States, our global reach ensures that we can help with inbound, outbound, cross-border and domestic M&A, wherever a deal takes our clients.







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Dusseldorf  
Frankfurt  
Hamburg  
Hanoi  
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Hong Kong  
Houston  
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Los Angeles  
Louisville  
Luxembourg  
Madrid  
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Milan  
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Moscow  
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Associated offices\*  
Legal Services Center: Berlin

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