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KippsDeSanto & Co. Advises BEI Precision Systems and Space Company, Inc., a subsidiary of InnoVista Sensors Ltd., a portfolio company of The Carlyle Group, PAI Partners, and Schneider Electric, on its Sale to investment affiliates of J.F. Lehman & Company

KippsDeSanto & Co. is pleased to announce the sale of BEI Precision Systems & Space Company, Inc. ("BEI PSSC" or the "Company"), a subsidiary of InnoVista Sensors Ltd., a portfolio company of The Carlyle Group, PAI Partners, and Schneider Electric, to investment affiliates of J.F. Lehman & Company. BEI PSSC is a leading provider of precision positioning sensor technologies, which it delivers through advanced design, manufacturing, and testing for space, defense, and critical infrastructure applications. The Company's product portfolio includes a range of highly-accurate, reliable, and resilient instruments for use in the most rugged and extreme environments.



Headquartered in Maumelle, AR, BEI PSSC provides custom precision positioning sensors and instruments for sensitive mission-critical Programs of Record. The Company's product portfolio includes scanners, optical encoder-based positioning systems, and precision accelerometers. The Company is the inventor of the optical encoder and has designed and manufactured critical systems such as the Hubble Space Telescope Fine Guidance System. Today, BEI PSSC provides critical engineering expertise and hardware to support the Spherical Situational Awareness on the Joint Strike Fighter, high resolution and accuracy hardware for the Joint Polar Satellite System and the Geostationary Operational Environmental Satellite, and advanced acceleration monitoring for aircraft, such as the Blackhawk. BEI PSSC's team of highly-qualified engineers holds a unique combination of mechanical, electrical, optical, and software engineering expertise required to develop, through in-house research & development, some of the most accurate positioning and sensor instruments in the market. Combining industry-leading engineering capabilities and domain knowledge of customer requirements has enabled BEI PSSC to greatly expand and influence U.S. space and defense capabilities.

We believe this transaction demonstrates several key trends in the aerospace and defense M&A environment:

- Companies holding single-source status on well-funded, mission-critical Programs of Record and enduring platforms are in high demand
- Significant value continues to be derived from companies with deeply-embedded relationships with key aerospace and defense customers, especially those aligned with favorable budget forecasts
- Both strategic and private equity buyers remain actively focused on acquiring high-end design and manufacturing capabilities built on a foundation of proprietary processes and trade secrets
- Private equity firms with a keen understanding of the aerospace and defense market are able to leverage today's strong credit market to be competitive with strategic buyers

KippsDeSanto & Co. is an investment bank focused on delivering exceptional M&A and financing transaction results for leading aerospace, defense, and government technology companies. For more information on KippsDeSanto & Co., please visit www.kippsdesanto.com.

PRESS RELEASE

J.F. Lehman & Company Acquires BEI Precision Systems & Space Company

NEW YORK – J.F. Lehman & Company (“J.F. Lehman”), a leading middle-market private equity firm focused on the defense, aerospace and maritime sectors, is pleased to announce that an investment affiliate has acquired PSSC Holding Co. and its wholly owned subsidiary, BEI Precision Systems & Space Company, Inc. (collectively, “BEI PSSC” or the “Company”).

BEI PSSC is a leader in high-accuracy positioning sensor technologies, providing advanced design, manufacturing and testing for reliable and resilient products and systems. The Company’s core product lines, which are used primarily in mission-critical defense and space applications, include optical encoder-based positioning systems, scanners for situational awareness requirements and precision accelerometers. BEI PSSC is headquartered in Maumelle, Arkansas, and has a longstanding track record of technological innovation, with corporate roots dating back to 1862.

“BEI PSSC has an exceptional reputation for providing unique and highly accurate sensors to prime contractors and system providers in the defense and aerospace markets,” said Steve Brooks, Partner at J.F. Lehman. “The Company has a longstanding history supporting many important programs. We look forward to partnering with management to support the continued growth and future success of the business through organic development and complimentary bolt-on acquisitions.”

Jones Day provided legal counsel to J.F. Lehman. Miller & Chevalier advised in the area of government contracting and import / export and defense security compliance. Debt financing for the transaction was arranged by BNP Paribas and Barings. Evercore Partners provided financial advisory services to J.F. Lehman in connection with the acquisition and KippsDeSanto & Co. advised BEI PSSC.