



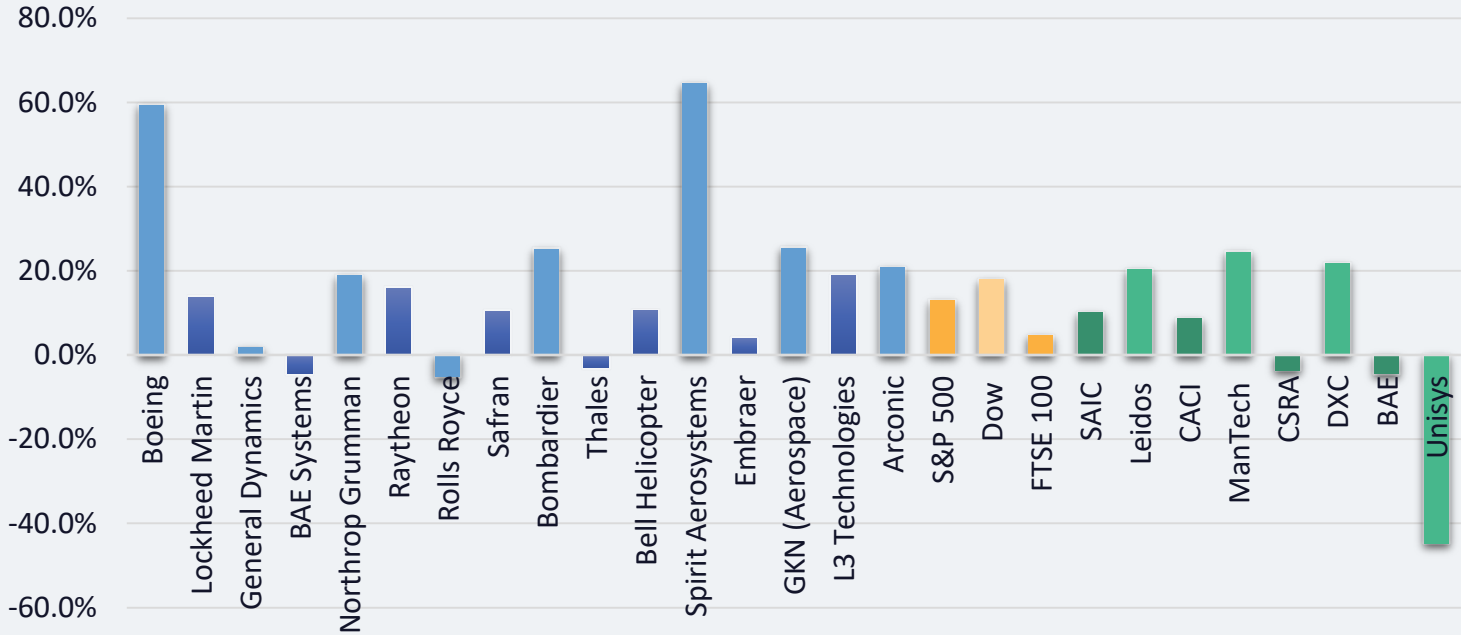
Global Aerospace, Defense & Intelligence Hiring Index

Welcome to the Global Aerospace, Defense & Intelligence Hiring Index. We have modified this quarterly report to now include data from select government contracting firms in order to give our readers greater insight into trends effecting the industry.

We are also introducing our new expanded Aerospace, Defense & Intelligence practice. Phoebe Henderson, who focuses on the Government Contracting sector, has been recruiting for almost 15 years, leading searches for numerous VP-to-C-level positions across the technology, IT, professional services and C5ISR sectors for public, private and private equity-backed companies. This experience has provided her with access to a vast network of leaders with the talent and skills to help companies achieve their growth goals. She began her career in satellite communications where she held various roles in sales, business development, program management, channel management and market development.

In this edition, we are reviewing the end of an active year for Aerospace & Defense growth. A number of high profile acquisitions were announced this year that impacted the companies we track and report on quarterly. We draw our data from public sources in order to derive the following comparisons using indeed.com, linkedin.com and various stock tracking websites. The following newly revised list shows stock performance for the last 6 months and depicts tremendous gains for Boeing and one of their top suppliers – Spirit AeroSystems. In addition, we have added seven companies from the GovCon sector that we will track moving forward. The S&P 500, DJI and FTSE 100 are included for comparison. Many Aerospace and GovCon companies have outpaced their performance during this time frame.

Stock Price Change in Last Six Months

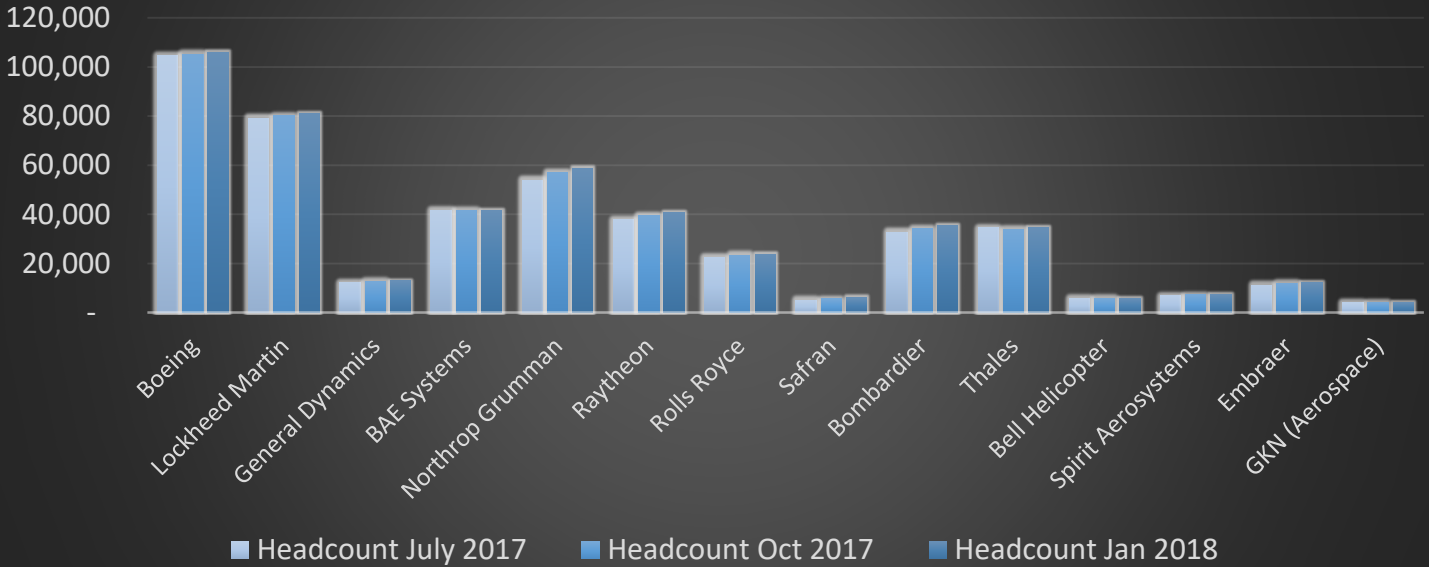


So, how does this affect hiring? It has a significant impact because now the unvested stock options candidates have previously been awarded are valuable, which makes it tougher to recruit them. Conversely, stock options are now more valuable to potential employees, so companies can use options and grants as a tool to develop a compelling compensation and bonus package. This trend is now evident in companies that have not historically offered stock. Today, these firms are incorporating options as a lure and retention tool to be more attractive and competitive.

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There is a connection between job growth and stock price, but if you look at both together, there is not a direct correlation. As an example, if we look at the three companies that had a reduction in stock price in the past six months, we see that BAE's employment stayed flat, Safran grew and Thales shrunk.

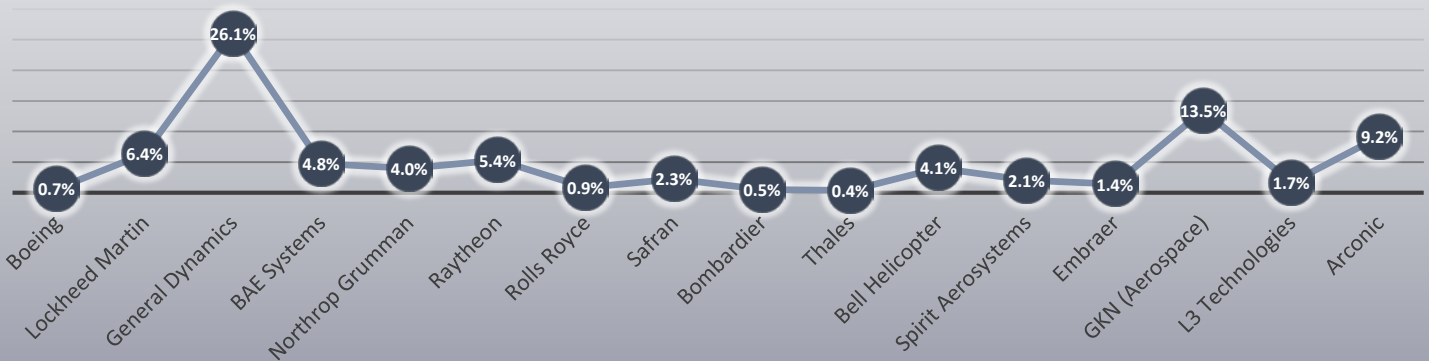
Headcount Growth Over the Last Three Quarters



Another way to assess hiring trends is to look at the number of openings normalized by the size of the company posting them. For example, Boeing is a very large company so .7% of openings represents 700 open positions. For a company the size of General Dynamics to have so many postings could mean they won a large contract/s, or it could reflect the realignment of employees to support recent awards. For example, they may need more Information Technology expertise and less Mechanical Engineers for the projects they recently won.



Percentage of Openings Against Total Headcount – Aerospace and Defense



Additionally, if your company shares geography with a company that has high hiring numbers, this will likely affect your growth and ability to retain your top talent.

**Percentage of Openings Against Total Headcount
Jan 2018 – GovCon**



In Summary, the Aerospace, Defense & Intelligence markets are continuing to post strong gains in overall employment and we have not seen signs of stoppage. This means increased pressure on hiring managers to streamline the interview process, enhance the candidate experience, and make quicker, better decisions and competitive offers to recruit elite performers. Also, in this climate, companies are more likely to make a generous counter-offer to retain their key talent. Given these conditions, there is a good chance your desired candidate has many options when s/he starts to think about making a change. We understand these unique conditions and have the experience to assist our clients in navigating these challenges with our driven process and experience crafting compelling offers.

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