

CFRA KEEPS HOLD OPINION ON SHARES OF NORTHRUP GRUMMAN

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NOC to acquire Orbital ATK (OA 110 ***) for \$134.50 per share plus the assumption of \$1.5 billion in debt, for a total purchase price of \$9.2 billion. The purchase price is a 22% premium to OA's closing price on Friday. The deal is expected to close in the first quarter of 2018, subject to regulatory and shareholder approvals, which we think are likely. We think the deal increases NOC's presence in missile defense and space systems, and should allow those segments to benefit from the size and scale of NOC. Given the current geopolitical climate, this purchase seems timely.

/Jim Corridore

NORTHROP GRUMMAN CORPORATION [NOC]

NYS Symbol: NOC | NOC is in the S&P 500

RECOMMENDATION:

HOLD

PRICE:

\$298.02 (as of 07:40 PM) **2.21%**

12-MO. TARGET PRICE:

\$325.00

GICS SECTOR:

Industrials

SUB-INDUSTRY:

Aerospace & Defense

INVESTMENT STYLE:

LARGE-CAP BLEND

SUMMARY:

Northrop Grumman Corporation, a security company, provides systems, products, and solutions in autonomous systems, cyber, strike, logistics and modernization, and command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) to government and commercial ... Northrop Grumman Corporation:703-280-2900