



# MarketView

Summer 2020

Aerospace / Defense &  
Government Services

**Kipps DeSanto**  
INVESTMENT BANKING



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## KippsDeSanto & Co. has joined forces with Capital One



Capital One & KippsDeSanto are both values driven companies. By bringing our teams together, we are able to add scale and significant expertise to our growing M&A advisory services group which will benefit clients in a wide variety of industries

A leading, diversified Commercial Bank

9<sup>th</sup>

Largest bank based on U.S. deposits

- \$390 billion in assets
- \$259 billion in loans
- \$263 billion in deposits
- Operations in 15 U.S. cities, Canada and the U.K.



Dedicated Aerospace / Defense and Tech Solutions Underwriting Expertise

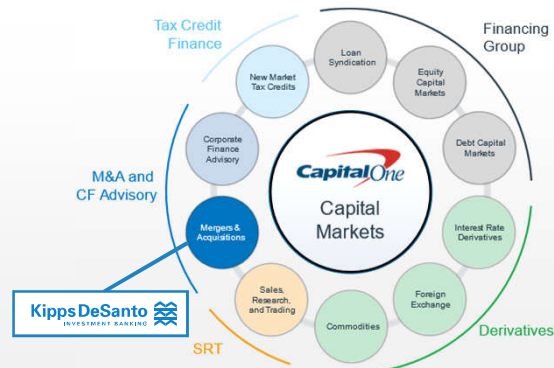


>175 Private Equity Portfolio Company Borrowers



- 2,900+ Associates
- \$74B of Corporate Loans Outstanding
- \$2.5B Commercial Bank Revenue

Capability to offer a full suite of financial products and services



### About KippsDeSanto & Co.

KippsDeSanto & Co is an investment banking firm focused on serving growth-oriented Aerospace / Defense, Government Services and Technology companies. We are focused on delivering exceptional M&A and financing transaction results to our clients via leveraging our scale, creativity and industry experience. We help market leaders realize their full strategic value. Having advised on over 100 industry transactions, KippsDeSanto is recognized for our analytical rigor, market insight, and broad industry relationships. There's no substitute for experience.

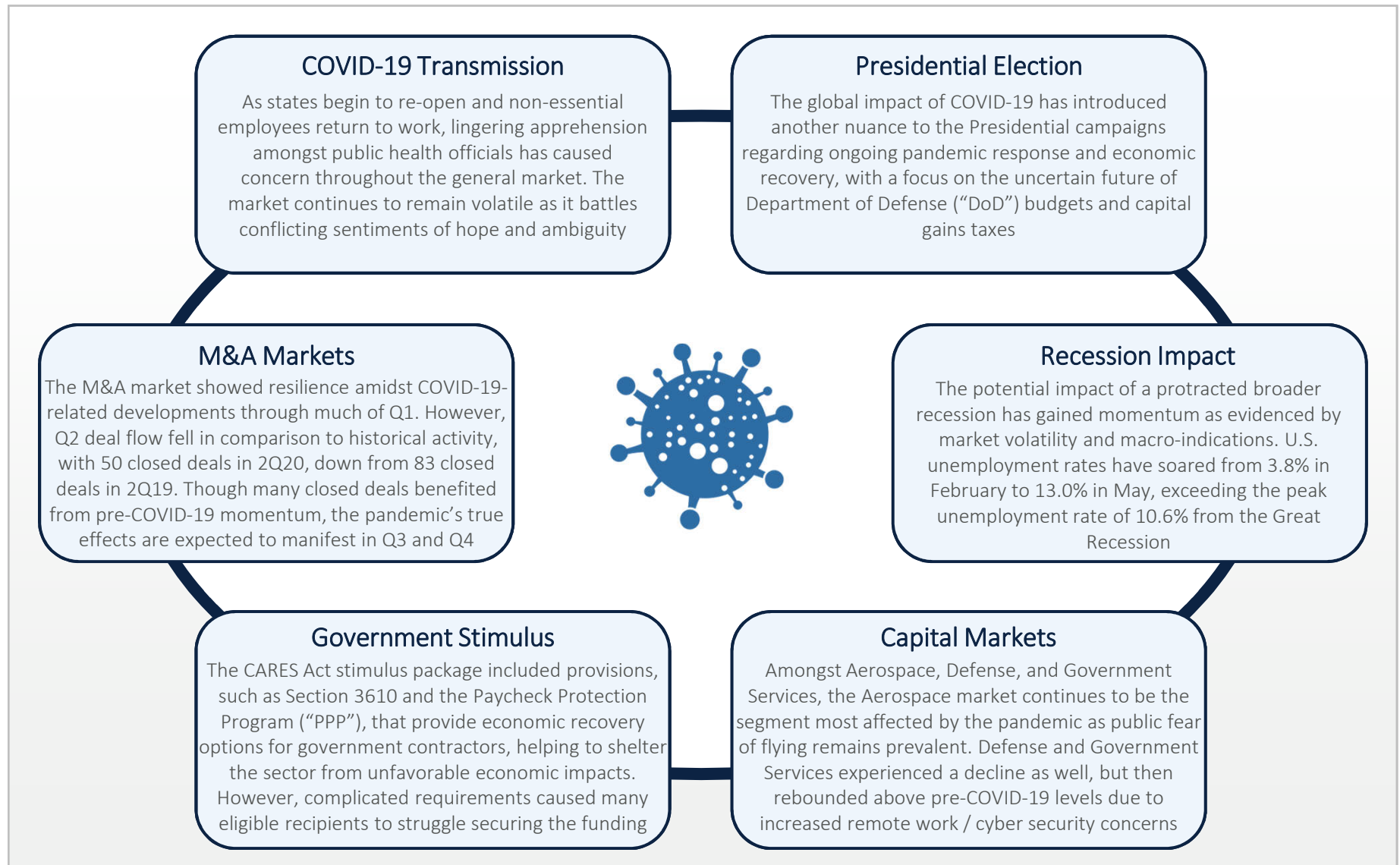
For more information, visit [www.kippsdesanto.com](http://www.kippsdesanto.com)

## KippsDeSanto Recently Advised Transactions

*KippsDeSanto has closed ten deals in 2020 (eight deals since March), despite recent market turbulence*

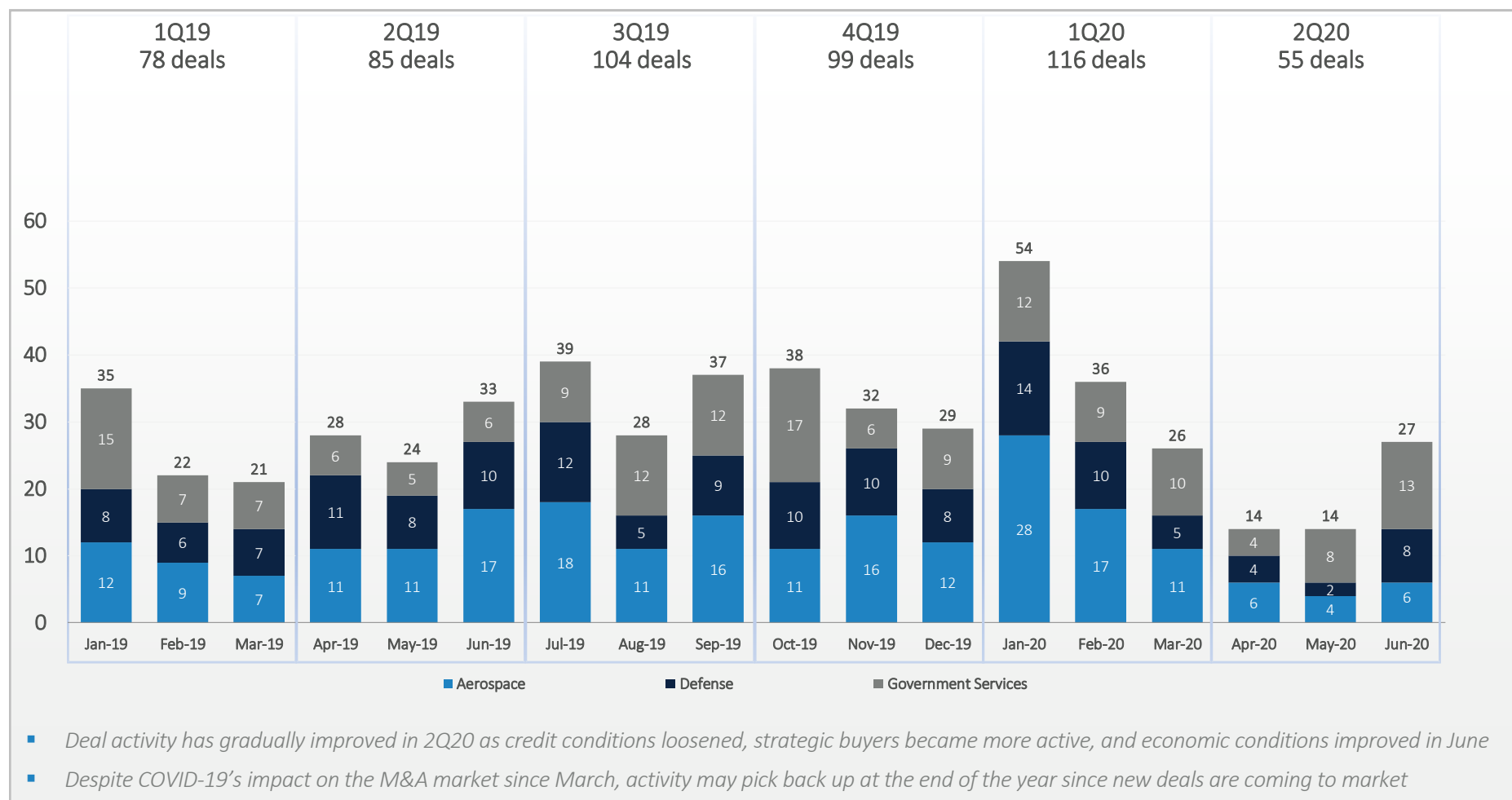
<p>June 2020</p> <p>SATCOM Technologies antenna systems Line of Business of</p> <p><b>GENERAL DYNAMICS</b> Mission Systems</p> <p>a business unit of</p> <p><b>GENERAL DYNAMICS</b></p> <p>has been acquired by</p> <p><b>CPI</b> Communications &amp; Power Industries</p> <p>a portfolio company of</p> <p><b>ODYSSEY</b></p>	<p>May 2020</p> <p><b>EIS</b></p> <p>Enterprise Information Services, Inc.</p> <p>has been acquired by</p> <p><b>cognosante</b></p>	<p>May 2020</p> <p><b>Chemring Ordnance</b></p> <p>a subsidiary of</p> <p><b>Chemring Group</b></p> <p>has been acquired by</p> <p><b>Nammo</b></p>	<p>May 2020</p> <p><b>QuantiTech</b></p> <p>has received an investment by</p> <p><b>SAGEWIND CAPITAL</b></p>	<p>April 2020</p> <p><b>InCadence</b> STRATEGIC SOLUTIONS</p> <p>has been acquired by</p> <p><b>Xator</b> CORPORATION</p>	<p>March 2020</p> <p><b>TERATHINK</b></p> <p>has been acquired by</p> <p><b>CGI</b></p>	<p>March 2020</p> <p><b>CONTINENTAL MAPPING</b></p> <p>has received an investment by</p> <p><b>BLUESTONE</b> INVESTMENT PARTNERS</p>	<p>February 2020</p> <p><b>FREEFLIGHT</b> SYSTEMS</p> <p>has been acquired by</p> <p><b>ACR</b></p> <p>a portfolio company of</p> <p><b>The Jordan Company</b></p>
<p>January 2020</p> <p><b>INTELLIVARE</b></p> <p>has been acquired by</p> <p><b>T</b></p> <p><b>TROWBRIDGE &amp; TROWBRIDGE</b></p> <p>to form</p> <p><b>IntelliBridge</b></p> <p>a portfolio company of</p> <p><b>ENLIGHTENMENT CAPITAL</b></p>	<p>December 2019</p> <p><b>Smartronix</b></p> <p>has been recapitalized by</p> <p><b>OCEANS&amp;UND</b> PARTNERS</p>	<p>October 2019</p> <p><b>BEI PRECISION</b></p> <p>a portfolio company of</p> <p><b>J.F. Lehman &amp; Company</b></p> <p>has acquired</p> <p><b>W4 WENZEL ASSOCIATES</b></p>	<p>October 2019</p> <p><b>AEgis</b> TECHNOLOGIES</p> <p>has been acquired by</p> <p><b>ACP</b></p>	<p>October 2019</p> <p><b>BRTRC</b> FEDERAL SOLUTIONS</p> <p>has been acquired by</p> <p><b>WBB</b></p> <p>a portfolio company of</p> <p><b>H.I.G.</b> CAPITAL</p>	<p>September 2019</p> <p><b>DELTA</b> Resources, Inc.</p> <p>has been acquired by</p> <p><b>VT Group</b></p> <p>a portfolio company of</p> <p><b>The Jordan Company</b></p>	<p>September 2019</p> <p><b>CWPS</b></p> <p>has been acquired by</p> <p><b>Red River</b></p>	<p>August 2019</p> <p><b>ACEINFO</b></p> <p>has been acquired by</p> <p><b>Intel Technologies</b></p> <p>a portfolio company of</p> <p><b>Intel</b></p>
<p>August 2019</p> <p><b>McNALLY INDUSTRIES</b></p> <p>a portfolio company of</p> <p><b>GARDNER STANDARD</b></p> <p>has been acquired by</p> <p><b>SPC</b> SUSQUEHANNA PRIVATE CAPITAL, LLC</p>	<p>August 2019</p> <p><b>Data Works</b></p> <p>has been acquired by</p> <p><b>Sentinel</b></p> <p>a portfolio company of</p> <p><b>NEWSPRING</b></p>	<p>July 2019</p> <p><b>SOLERS</b></p> <p>has been acquired by</p> <p><b>Peraton</b></p> <p>a portfolio company of</p> <p><b>VERITAS CAPITAL</b></p>	<p>July 2019</p> <p><b>connexta</b></p> <p>has been acquired by</p> <p><b>OCTO</b></p> <p>a portfolio company of</p> <p><b>ACP</b></p>	<p>July 2019</p> <p><b>ALTAMIRA</b></p> <p>has been acquired by</p> <p><b>ClearSky</b></p>	<p>June 2019</p> <p><b>JANUS</b> RESEARCH GROUP</p> <p>has been recapitalized by</p> <p><b>CM EQUITY PARTNERS</b></p>	<p>June 2019</p> <p><b>DLH</b></p> <p>has acquired</p> <p><b>Social &amp; Scientific Systems</b></p>	<p>June 2019</p> <p><b>TRAUMA F/X</b></p> <p>a subsidiary of</p> <p><b>KFORCE</b></p> <p>has been acquired by</p> <p><b>TACTICAL MEDICAL</b></p> <p>a portfolio company of</p> <p><b>GUARDIAN CAPITAL PARTNERS</b></p>

## COVID-19 Impact Continues to Permeate Market



## M&A Trends & Activity

Lackluster deal momentum from the last month of 1Q20 due to COVID-19 continued into 2Q20, with strategic buyers being more selective as they focused on shoring up their own balance sheets and financial buyers finding limited access to debt capital. While activity was reduced in 2Q20, increasing optimism from economic reopening increased deal flow later in the quarter, with ~40% of deals in Q2 closing in June. This momentum is expected to continue into the next two quarters to finish 2020 M&A activity on a positive note





## Highlighted 2Q20 Industry Transactions



**THOMABRAVO**

*has acquired*



**EV: \$90.0M**

EV / Revenue: NA

EV / EBITDA: NA

- Thoma Bravo plans to leverage Exostar's expertise in secure cloud solutions to further develop / expand its current capabilities, particularly in cybersecurity
- Exostar was developed as a joint venture between some of the world's leading businesses such as BAE Systems, Boeing, Lockheed Martin, and Raytheon



*has acquired*



**EV: NA**

EV / Revenue: NA

EV / EBITDA: NA

- With the acquisition, J&J Maintenance gains access to new customers who can benefit from its unique expertise in the Federal Health industry
- The acquisition continues Arlington Capital's history of building differentiated government services providers



*has acquired*



**EV: NA**

EV / Revenue: NA

EV / EBITDA: NA

- AE Industrial Partners plans to combine Deep Space systems and Adcole Space to form Redwire, a space technology platform focused on designing mission critical systems and electronics for space architecture
- This acquisition will combine capabilities to form a unique participant in the rapidly growing space industry



*a portfolio company of*



*has agreed to*



**EV: NA**

EV / Revenue: NA

EV / EBITDA: NA

- The acquisition is expected to result in a generational asset that focuses on delivering high-performance space technologies to support large-scale national security efforts
- The deal is subject to closing conditions including the receipt of required regulatory approvals from the U.S.



*has acquired*



**EV: NA**

EV / Revenue: NA

EV / EBITDA: NA

- The acquisition bolsters Cognosante's capability set, adds DoD customers, and enhances its contract portfolio to include vehicles such as Alliant 2, RS3, and ITES-3S
- This deal underscores the continued demand for NextGen IT companies and buyer interest in prime, F&O positions on best-in-class contract vehicles



*has acquired*



**EV: NA**

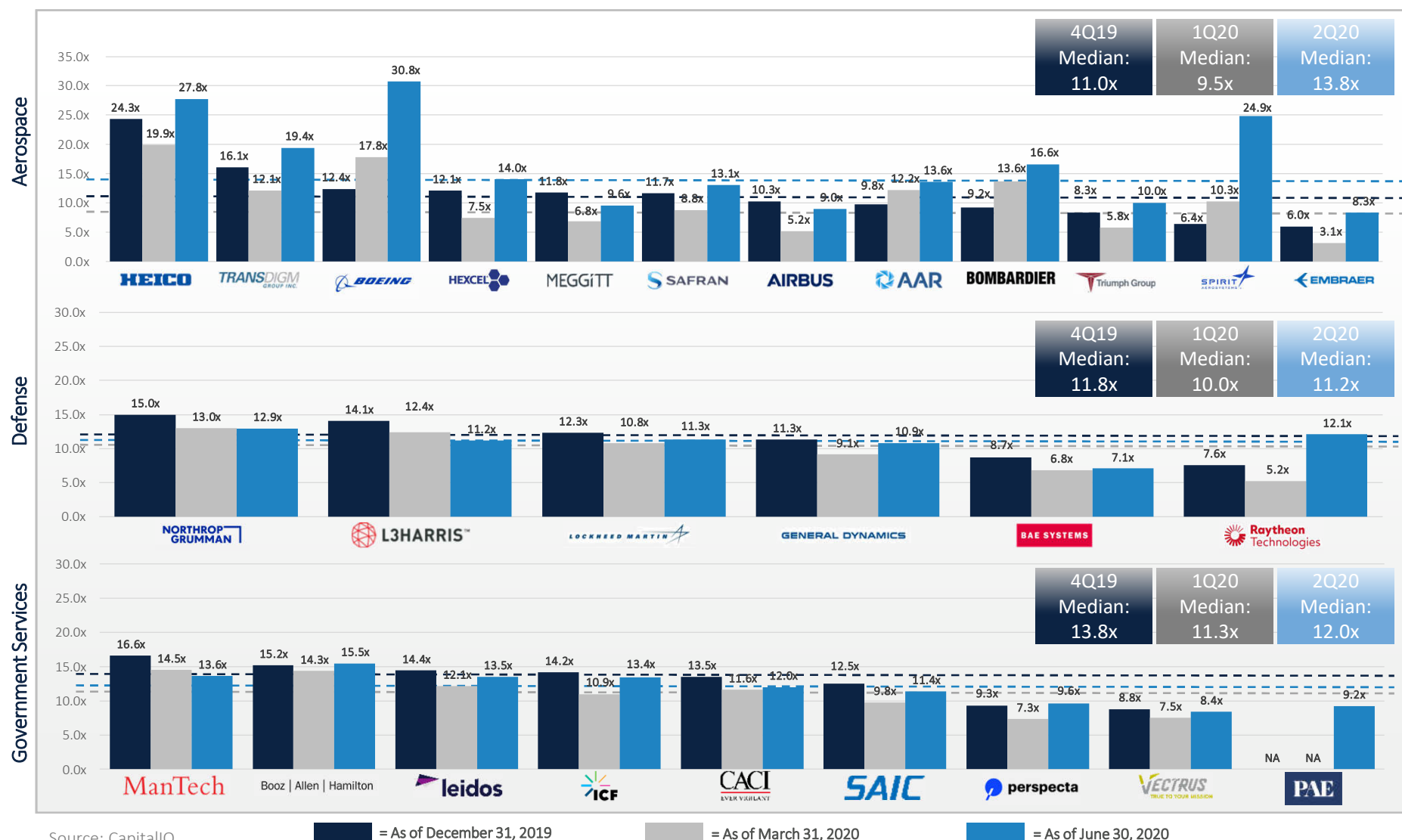
EV / Revenue: NA

EV / EBITDA: NA

- The acquisition of DHPC enhances Perspecta's ability to support its customers with robust, comprehensive, full lifecycle electronic warfare capabilities
- This deal is consistent with the recent trend of traditionally service-oriented companies making targeted product-enabled acquisitions, similar to CACI's acquisitions of LGS Innovations and Mastodon, amongst others

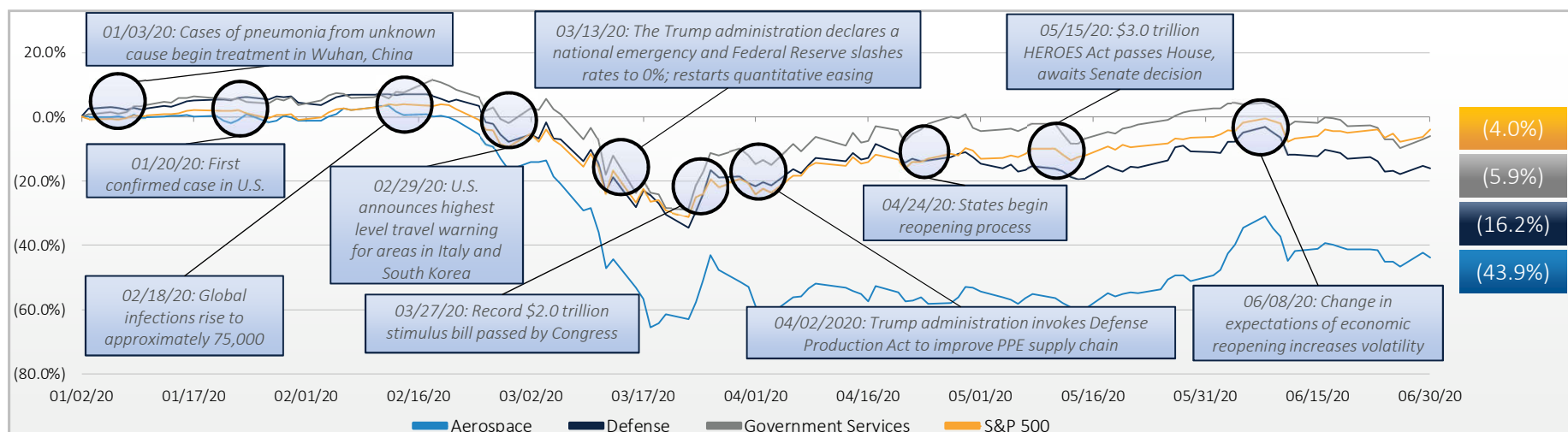
# EV / NTM EBITDA Public Market Valuation Trends

Public market valuations reflected the impact of the COVID-19 pandemic with aerospace NTM EBITDA multiples experiencing the most turbulence. Defense and government services indices rebounded in Q2 to be more in line with historic levels seen at the end of 2019



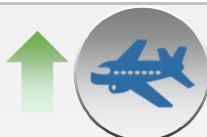
## Equity Capital Markets Performance

Indices fell sharply following the global COVID-19 pandemic. However, Government Services and Defense indices have since mostly recovered, largely due to a lack of industry reliance on consumer spending. Government Services stocks are trading near recent highs and the S&P 500 index.



37.3%

2Q20 Performance



(43.7%)

LTM Performance

### Aerospace

Investor optimism of an economic reopening pushed the commercial aerospace index **up significantly over the quarter**, rebounding from significant lows driven by COVID-19's impact on passenger levels during 1Q20

**TransDigm Group Incorporated (NYSE: TDG)** rebounded from 1Q20, jumping **38.0% in 2Q20** through travel and overall market recovery via stimulus and reopening optimism

7.1%

2Q20 Performance



(6.0%)

LTM Performance

### Defense

While Defense stocks rose 7.0% in 2Q20, the industry **underperformed relative to the S&P 500** as the ongoing pandemic and calls for more stimulus relief places pressure on future defense budgets

**Raytheon Technologies' stock** continued its decline, dropping **32.6% in 2Q20** from the merger close of Raytheon and United Technologies, as well as its **exposure to the commercial airline industry** compared to other defense industry leaders

10.6%

2Q20 Performance



9.7%

LTM Performance

### Government Services

The government services index has mostly followed that of the S&P 500 and is currently trading near historic highs experienced in early 2020.

**Perspecta jumped 27.4% in 2Q20**, continuing its recovery from the loss of the NGEN-R bid in February to Leidos, with activist investor Jana Partners' disclosure of a 5.9% stake increasing expectations of significant company changes



## Aerospace Update

### Impact of COVID-19 on Aircraft Production and Delivery



As a direct result of COVID-19, airlines ability to remain profitable has become largely dependent on the company's fleet financing methods. *Airlines who own their fleets outright have been more insulated from the effects of COVID-19*, though they deal with other non-pandemic related challenges such as low-fuel efficiency and higher maintenance costs. *Airlines utilizing much higher leverage have fought to remain profitable* as they continue to incur capital outflows despite having grounded their fleet



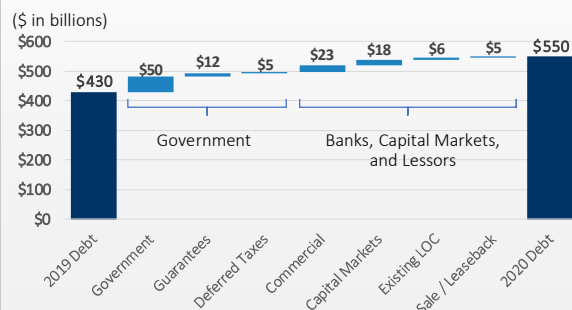
In a mixed announcement, Boeing has said that it will *reduce its workforce by approximately 10% while also announcing it will resume production of the beleaguered 737 MAX platform* sometime this year. As commercial air travel volume has come to a standstill, having dropped over 95% compared to the previous year's levels, aircraft delivery has commensurately decreased



In an effort to shore up balance sheets across the industry, *U.S. airlines raised over \$10B in the form of debt and equity in a single week* near the end of the second quarter. *The capital raise adds to roughly \$35B already raised by U.S. airlines this year*, illustrating how capital markets and lenders remain confident in the long-term prospects of the industry

### More Government Relief is Needed to Get Airlines Through the Winter

Given that airlines *make their money* during the northern *summer season*, the *winter season* will be challenging in 2020 amid the *recovery from COVID-19*. Airlines will need much more *flexibility* due to this *uncertainty and changing customer trends*



Airline industry estimated net debt build up from 2019 to 2020

### Urban Air Mobility ("UAM") Future Shows Promise

*On demand, highly automated* passenger or cargo-carrying passenger *air transportation services* is an innovative transportation option to avoid congestion, which plague many cities

Uber



NASA and Uber have *signed a new space agreement* to further *investigate concepts* and technologies associated with *UAM*

Honeywell

LOCKHEED MARTIN



*Large players in Aerospace & Defense*, such as *Honeywell and Lockheed Martin*, are looking to *capitalize* on this market, *creating business units* and dedicating engineering / sales resources to focus on *hardware and software for UAM systems*

### SpaceX Launches First U.S. Manned, Commercial Space Mission

*SpaceX Crew Dragon* represents the first designed, built, and launched private company spacecraft. This allows SpaceX to retain ownership and *sell future flight seats*

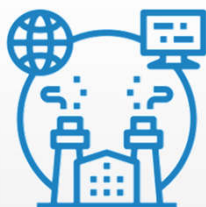
Companies like *Axiom* plan to partner with SpaceX to fly *reusable* SpaceX capsules to the International Space Station for *private passengers*

Analysts project a new era for commercial aerospace-government partnerships, opening new market opportunities through *fixed-price development NASA partnerships*

**SPACEX**

## Defense Update

### Defense Industry Seeks to Restore Industrial Base as the Broader Economy Reopens



With the easing of COVID-19 restrictions, nearly all defense firms have reopened and seek a return to normal manufacturing operations, but many challenges still face the industry as a whole, including delays along the supply chain and depleted workforces

The DoD plans to continue the practice of rapidly approving invoices and advancing payments to contractors, which has proven a critical lifeline for lower-tier suppliers – thus far, the Pentagon has utilized over \$2 billion in advance payments

In addition to maintaining stable cash flows, the Pentagon must also recover from an approximate three-monthly delay across all acquisition programs

Following Lockheed Martin's pledge to support its supply chain through advanced payments, several other prime defense contractors committed to maintaining their own strong workforce and dedicated significant resources to keeping their suppliers open for business

Amid pressure from lawmakers, the Pentagon submitted a 54-page spending plan to Congress after the DoD had spent only 23 percent of the \$10.5 billion stimulus received from the CARES Act since its signing in late March

As the GFY2021 defense bill progresses through Congress, the federal government's \$3 trillion effort to rescue the economy from the COVID-19 crisis likely will impact negotiations on key program funding

### Supply Chain Management Remains a Top Focus for Defense Firms and the Pentagon

Lockheed Martin's *production delays* in the F-35 program underscore the broader struggles of *maintaining timing* and *minimizing costs* in the defense industrial base during COVID-19

The Pentagon allocated *\$688 million* to the *defense-industrial base fund* to support vulnerable manufacturers in areas particularly affected by the pandemic

*\$171 million*  
Aircraft Propulsion



*\$150 million*  
Shipbuilding



*\$150 million*  
Space Launch



*\$80 million*  
Microelectronics



*\$62 million*  
Body Armor



*\$40 million*  
Hypersonics



### Senate Armed Services Committee ("SASC") Unanimously Approves GFY2021 Defense Bill

The SASC's mark-up of the *National Defense Authorization Act for GFY2021* advances to the Senate floor for consideration on the *\$741 billion funding bill*. The mark-up provides for a new fund to counter China in the Pacific:



The House Armed Services Committee is simultaneously preparing a mark-up, which will likely include significant allocations to the *Pentagon's pandemic response programs*

### Pentagon Releases Defense Space Strategy ("DSS") to Counter Strategic Threats

The DSS provides guidance to the DoD for achieving *superiority in space over the next 10 years*, with a focus on the *military application of space power*

#### *The DSS Includes 4 Lines of Effort:*

- 1 *Build a military advantage in space*
- 2 *Integrate space into joint operations*
- 3 *Shape the strategic environment*
- 4 *Cooperate with allies, partners, and industry*

Commercial space activities present the DoD with an opportunity to develop advanced capabilities with a more *streamlined and responsive acquisition process*

## Government Services Update

### Federal Agencies Shift Priorities in Response to First Wave of COVID-19 Pandemic as M&A Activity Remains Robust

As federal agencies have worked to effectively respond to challenges posed by the COVID-19 pandemic, they have begun to expand their priority areas, honing in on technologies that will enhance response efforts to rising cases of COVID-19

The *Department of Veterans Affairs* and *Health and Human Services* have both turned to Palantir's Gotham surveillance system to better trace the spread of the virus, while the *Census Bureau* is launching online surveys and an interactive data hub to track the economic impact of the virus

Additionally, the *DoD* has identified a handful of technological focus areas that it will prioritize in the future to better prepare for mounting case volume, including cybersecurity, artificial intelligence / machine learning ("AI / ML"), and data analytics; emphasis on these capabilities will enable better tracing of critical supplies, more effective tracking of the spread of the virus, and a more secure supply chain

Funding via the CARES Act and the tendency of the sector to serve as a safe haven during economic turmoil has continued to drive deal activity, with 25 TS deals announced in the second quarter of 2020, up from 17 in 2019, and bringing the YTD total to 56 transactions

### NextGen Funding Remains Strong

Multiple mega-contracts awarded this quarter emphasize the continued focus on *NextGen capabilities* in the areas of AI / ML and cybersecurity

**CACI**



In June, CACI won its largest contract in company history, a **\$1.5 billion** award providing *transport and cybersecurity services* to the National Geospatial-Intelligence Agency ("NGA")

Booz | Allen | Hamilton



In May, BAH was awarded a massive **\$800 million** task order to provide *AI services* to the DoD's Joint Artificial Intelligence Center ("JAIC")

### U.S. and China Technology Race Intensifies

Regulations introduced this year *extend the government's power to block foreign deals for companies involved in critical infrastructure, technology, and sensitive personal data* and are believed to be aimed at curbing China's access to advanced technologies

China is preparing to release a 15-year blueprint known as "China Standards 2035" that will outline its plan to set the global standard for future technologies



The competition to develop new technologies will enhance the importance of acquisitions to consolidate efforts



### Shifting Military Leadership Structures Increasingly Emphasizing IT

Beginning in August, the Army will split its CIO / G6 position into two, aiming to better allow itself to focus on *modernizing networks, cloud migration, and defining stronger data governance practices*



The announcement comes in light of both the Navy and Air Force separately overhauling their management structures in 2019 to better accommodate their IT requirements

Such a shift could provide additional clarity for contractors into the future technology requirements of the military and enhance M&A activity to seek targets meeting those needs



## 2Q20 Aerospace Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM Rev.	EBITDA <sup>(1)</sup>
06/29/20	Affiliate of Architect Equity, LLC	Aerospace Composite Manufacturing Business of AAR Corp.	Provides honeycomb composite materials for airplanes and helicopters in the commercial aerospace and defense industries	ND	ND	ND	ND	ND	ND
06/26/20	One Equity Partners, LLC	Manufacturing & Design Services Business of Sparten Corp. (portco of Cerberus Capital Management, L.P.)	Performs advanced engineering, design, and manufacturing of highly complex electronic and electromechanical devices, including sophisticated printed circuit card assemblies, subassemblies, full product assemblies, and cable harnesses	ND	ND	ND	ND	ND	ND
06/23/20	Gardner Standard, LLC	Shadin Avionics (subsidiary of The Wright Group)	Provides support services for fuel flow systems, engine trend monitoring, altitude management systems, air data computers, and other instrumentation for turbine, piston, and rotor aircraft	ND	ND	ND	ND	ND	ND
06/18/20	Aircraft Technical Publishers (portco of ParkerGale Capital, LP)	Flightdocs Inc.	Provides aircraft maintenance tracking and inventory management solutions within business aviation	ND	ND	ND	ND	ND	ND
06/12/20	Mitsui & Co. and Yamasa Co., Ltd.	Spaceflight Inc. (subsidiary of Spaceflight Industries, Inc.)	Provides mission management and comprehensive launch services including satellite infrastructure and rideshare launch offerings for commercial and government entities	ND	ND	ND	ND	ND	ND
06/04/20	General Atomics Aeronautical Systems, Inc. (subsidiary of General Atomics Corp.)	IJK Controls, LLC	Provides innovative solutions for stabilization, pointing, and tracking of cameras, sensors, and antennas	ND	ND	ND	ND	ND	ND
05/27/20	Gulfstream Aerospace Corp.	Triumph Group, Inc.'s G650 / G700 wing business	Provides wing box assembly operations for the G650 and G700 aircraft	ND	ND	ND	ND	ND	ND
05/08/20	TAG Aerospace	Unique Airmotive Services	Provides specialized overhaul and repair of Auxiliary Power Units	ND	ND	ND	ND	ND	ND
05/06/20	AMERGIN Technologies (portco of The Blackstone Group and The Boundary Group)	Tethers Unlimited, Inc.	Provides new space solutions for the small satellite market, including water-powered propulsion systems, reprogrammable radios, and robotic spacecraft arms	ND	ND	ND	ND	ND	ND
05/04/20	New Wave Design and Verification, LLC	FlightWire Technology, Inc.	Provides 1394b AS5643 (MIL-1394) solutions for the aerospace and defense sectors, including sustainment and laboratory equipment	ND	ND	ND	ND	ND	ND
04/30/20	O2 Aero Acquisitions, LLC	Shaw Aerox, LLC	Designs and manufactures installed and portable oxygen systems and accessories for aviation and medical users	ND	ND	ND	ND	ND	ND
04/15/20	Hong Kong Aircraft Engineering Company Limited	Jet Engine Solutions, LLC	Provides maintenance, consulting, and records management services for aircraft engines	ND	ND	ND	ND	ND	ND
04/15/20	AEgis Technologies (portco of Arlington Capital Partners)	EMRC Heli	Provides small unmanned aerial systems ("UAS") to government and commercial customers including small UAS design, development, payload integration, and operational support services for fixed-wing and rotary-wing small UAS platforms	ND	ND	ND	ND	ND	ND
04/08/20	Alpine Air Express, Inc. (portco of AE Industrial Partners, LLC)	Assets from Great Lakes Airlines	Provides airplanes and associated engines, propellers, spare parts, and ground support equipment	ND	ND	ND	ND	ND	ND
04/02/20	DroneUp, LLC	AeroVista Innovations, LLC	Provides training, in-house drone program implementation, and FAA regulatory consultation that aid public agencies and corporations in their drone training, consulting, and sourcing projects	ND	ND	ND	ND	ND	ND
04/02/20	Pine Island Capital Partners, LLC; Bain Capital Credit, LP; and Compass Partners LLC.	Precinmac Precision Machining (portco of GenNx360 Capital Partners)	Provides high-precision machined components and assemblies for companies in the aerospace, defense, semiconductor, and industrials sectors	ND	ND	ND	ND	ND	ND

Note: ND = Not Disclosed

(1) LTM EBITDA multiples are adjusted for tax benefit, where necessary



## 2Q20 Defense Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM Rev.	EBITDA <sup>(1)</sup>
06/23/20	Redwire, LLC (portco of AE Industrial Partners, LLC)	Made In Space, Inc.	Provides space manufacturing technology to support exploration, national security, and sustainable space settlement	ND	ND	ND	ND	ND	ND
06/16/20	Kratos Defense & Security Solutions, Inc.	ASC Signal Corporation (subsidiary of Communications & Power Industries LLC)	Provides high-performance, highly engineered antenna systems for satellite communications, radar, electronic warfare, and high-frequency applications	\$35.0	ND	ND	ND	ND	ND
06/11/20	Flight Support Group, Inc. (subsidiary of HEICO Corp.)	Jordan Investments, Inc. (dba Rocky Mountain Hydrostatics, LLC)	Provides industrial pumps, motors, and other hydraulic units with a focus on the support of legacy systems for the U.S. Navy	ND	ND	ND	ND	ND	ND
06/09/20	Management Group	Defense Technology business and Monadnock (subsidiaries of The Safariland Group)	Provides various crowd control solutions, including chemical agents, munitions, and batons to law enforcement and military agencies	ND	ND	ND	ND	ND	ND
06/09/20	Fralock (portco of Arsenal Capital Partners)	Career Technologies USA (Circuit Services, LLC.)	Provides integration of various materials and components for demanding applications and technologies, including flexible and rigid-flex circuits and related assemblies, for the medical device, aerospace, and other specialty markets	ND	ND	ND	ND	ND	ND
06/08/20	Hanwha Systems Co., Ltd. (subsidiary of Hanwha Corp.)	Phasor Solutions Limited (subsidiary of Phasor, Inc.)	Provides antenna technology for land-mobile, aeronautical, maritime satellite communications, and defense applications	ND	ND	ND	ND	ND	ND
06/02/20	Radiation Test Solutions, Inc.	Cobham RAD Inc. (subsidiary of Cobham Ltd.)	Provides military standard radiation effects test services, heavy ion single event effects testing, device preparation services prior to test, device screening and element evaluation, and quick turn prototype integrated circuit assembly	ND	ND	ND	ND	ND	ND
06/02/20	AE Industrial Partners, LLC	Deep Space Systems, Inc.	Provides support for the design, development, integration, and operations of advanced space systems, components, and exploration spacecraft	ND	ND	ND	ND	ND	ND
05/07/20	Altair Engineering, Inc.	WRAP software business of WRAP International AB	Provides software technology for spectrum management and radio network planning for civil and defense organizations	ND	ND	ND	ND	ND	ND
05/04/20	AE Industrial Partners, LLC	ThayerMahan, Inc.	Provides government and commercial clients with turn-key autonomous marine solutions, including deployment, operations, data gathering and analysis services	\$10.0	ND	ND	ND	ND	ND
04/27/20	Intervala, LLC	Princeton Technology Corp.	Provides high-technology electronics manufacturing services with capabilities in producing complex printed circuit board assemblies and integrated electromechanical products	ND	ND	ND	ND	ND	ND
04/27/20	Techno-Sciences, Inc.	Orolia's Global Satellite Search and Rescue business	Provides satellite ground stations, integrated emergency response center systems and coastal surveillance solutions	ND	ND	ND	ND	ND	ND
04/20/20	AMERGINT Technologies (portco of The Blackstone Group and The Boundary Group)	Raytheon Technologies' Space-Based Precision Optics Business	Provides precision electro-optical systems for national security space missions and defense survivability needs	ND	ND	ND	ND	ND	ND
04/14/20	Pennsylvania Machine Works (portco of Wynnchurch Capital, Ltd.)	Western Forge & Flange	Manufactures high-quality, specialty forgings and flanges for the petrochemical, nuclear, military, and industrial sectors	ND	ND	ND	ND	ND	ND

Note: ND = Not Disclosed

(1) LTM EBITDA multiples are adjusted for tax benefit, where necessary



## 2Q20 Government Services Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM Rev.	EBITDA <sup>(1)</sup>
06/30/20	The Carlyle Group	Unison, Inc.	Provides procurement, supply chain, and contract management software to Federal government agencies and government contractors	ND	ND	ND	ND	ND	ND
06/26/20	Sealing Technologies, Inc.	Quark Security Inc.	Provides cybersecurity solutions in such areas as security-enhanced Linux and security enhancements for Android	ND	ND	ND	ND	ND	ND
06/26/20	VariQ Corp.	Rivet Logic Corp.	Provides consulting services to build digital experiences, and the solutions to manage and optimize them	ND	ND	ND	ND	ND	ND
06/23/20	Maxar Technologies	Vricon, Inc.	Provides satellite-derived data for defense and intelligence markets, with software and products that enhance 3D mapping, Earth intelligence data, military simulation and training and precision-guided munitions	\$230.0	ND	ND	ND	ND	ND
06/23/20	Wind Point Partners	Corbett Technology Solutions, Inc.	Provides integrated technology solutions to corporate, government, healthcare, educational, and multi-unit living facilities	ND	ND	ND	ND	ND	ND
06/22/20	AE Industrial Partners	NuWave Solutions	Provides data management, advanced analytics, artificial intelligence, machine learning and cloud solutions to the federal government	ND	ND	ND	ND	ND	ND
06/19/20	NSC Technologies, LLC	Anistar Technologies, Inc.	Provides staffing services for highly skilled, hard-to-find professionals in the technology, infrastructure, and defense sectors	ND	ND	ND	ND	ND	ND
06/15/20	Arlington Capital Partners	J&J Maintenance, Inc.	Provides facilities support services to the government sector, including environmental, operations & maintenance, base operations & support, engineering services, and medical maintenance	ND	ND	ND	ND	ND	ND
06/15/20	Novetta Solutions, LLC	WaveStrike, LLC	Provides data management, advanced analytics, artificial intelligence, machine learning and cloud solutions delivering anticipatory intelligence and advanced decision support solutions and technologies to the Federal government	ND	ND	ND	ND	ND	ND
06/10/20	Cyemptive Technologies, Inc.	Interpreting Technology	Provides business, consumer and information technology ("IT") department support via consulting and implementation of cybersecurity solutions	ND	ND	ND	ND	ND	ND
06/08/20	Central Research, Inc.	Skyline Ultd, Inc.	Provides staff augmentation and IT services for government agencies, including the Intelligence Community, Department of Veterans Affairs, Army National Guard Bureau and the Department of Health and Human Services	ND	ND	ND	ND	ND	ND
06/08/20	E3 / Sentinel	Lucid Perspectives, LLC	Provides software development and systems engineering solutions to the Intelligence Community	ND	ND	ND	ND	ND	ND
06/02/20	Thoma Bravo, LLC	Exostar, LLC	Provides exclusive communities on its cloud-based platforms within highly-regulated industries where organizations securely collaborate, share information, and operate compliantly	\$100.0	ND	ND	ND	ND	ND
05/18/20	Cognosante, LLC	Enterprise Information Services, Inc.	Provides biometrics, application development, cloud, cyber, and other IT services and solutions to the Federal government	ND	ND	ND	ND	ND	ND
05/13/20	KeyLogic Systems, LLC (Subsidiary of IIA Technologies, Corp.)	OnLocation, Inc.	Provides technical, economic, and financial counsel in both the private and public sectors, with a focus on energy and environmental policy	ND	ND	ND	ND	ND	ND
05/06/20	Intrepid Solutions and Services, LLC	Business Unit of Delta Solutions and Strategies, LLC, providing access to the OASIS SB contract vehicle	Provides advisory & assistance services, operations and maintenance, modeling and simulation, and training and education support to dozens of mission critical defense and civil Government stakeholders around the world	ND	ND	ND	ND	ND	ND

Note: ND = Not Disclosed; deal counts mentioned throughout deck are inclusive of one unannounced deal not presented above

(1) LTM EBITDA multiples are adjusted for tax benefit, where necessary



## 2Q20 Government Services Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA <sup>(1)</sup>
05/05/20	Dexis Consulting Group	New Century US	Provides customized training solutions in tactics, information gathering, criminal investigation, analysis and management of sensitive operations to law enforcement and related agencies	ND	ND	ND	ND	ND	ND
05/05/20	American Institutes for Research	IMPAQ, LLC	Conducts rigorous research and implementation in the areas of health and workforce development, as well as the education, international and human services sectors, with additional expertise in advanced analytics and the use of technology	ND	ND	ND	ND	ND	ND
05/05/20	Cognizant Technology Solutions Corporation	Collaborative Solutions, LLC	Provides consulting and cloud applications for finance and human resources to government, education, and private customers	ND	ND	ND	ND	ND	ND
05/01/20	Perspecta, Inc.	DHPC Technologies, Inc.	Provides electronic warfare technologies, with engineering, technical services, and program management skills, to U.S. Army customers	ND	ND	ND	ND	ND	ND
04/30/20	Xator Corporation	InCadence Strategic Solutions	Provides cutting edge technical solutions, deep functional and domain subject matter expertise, operational intelligence and high-end engineering services for government and commercial clients	ND	ND	ND	ND	ND	ND
04/24/20	GovernmentCIO LLC	Veterans Affairs Operating Division of Intelligent Waves	Provides end-to-end IT solutions and services to a wide array of government customers	ND	ND	ND	ND	ND	ND
04/06/20	Aegis Technologies	Excivity, Inc.	Provides mission-enabling technologies, including specialized security applications and situational awareness toolsets	ND	ND	ND	ND	ND	ND
03/31/20	Private Investor	SecuriFense, Inc.	Provides experienced Homeland Security and National Defense professionals in support of Federal, State, and Local government programs	ND	ND	ND	ND	ND	ND

Note: ND = Not Disclosed; deal counts mentioned throughout deck are inclusive of one unannounced deal not presented above

(1) LTM EBITDA multiples are adjusted for tax benefit, where necessary



# Public Company Trading Analysis

(\$ in millions, except per share amounts)

<u>Aircraft and Engine OEMs</u>	Stock Price 06/30/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020E			CY2021P			EV / CY2020E		EV / CY2021P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Boeing	\$183.30	46.9%	\$103,441	\$127,146	\$67,413	\$1,598	2.4%	\$89,495	\$9,845	11.0%	1.89x	NM	1.42x	12.9x
General Electric Co	6.83	51.5%	59,743	118,534	79,742	5,346	6.7%	83,579	8,821	10.6%	1.49x	22.2x	1.42x	13.4x
Airbus SE	71.48	45.6%	55,991	62,562	55,470	6,458	11.6%	62,165	8,584	13.8%	1.13x	9.7x	1.01x	7.3x
Safran SA	100.41	58.6%	42,640	48,124	19,697	3,460	17.6%	21,610	4,359	20.2%	2.44x	13.9x	2.23x	11.0x
MTU Aero Engines AG	173.48	53.3%	9,169	9,169	4,031	704	17.5%	4,462	871	19.5%	2.27x	13.0x	2.06x	10.5x
<b>Median</b>		<b>51.5%</b>	<b>\$55,991</b>	<b>\$62,562</b>	<b>\$55,470</b>	<b>\$3,460</b>	<b>11.6%</b>	<b>\$62,165</b>	<b>\$8,584</b>	<b>13.8%</b>	<b>1.89x</b>	<b>13.5x</b>	<b>1.42x</b>	<b>11.0x</b>

<u>Aerostructures</u>	Stock Price 06/30/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020E			CY2021P			EV / CY2020E		EV / CY2021P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Hexcel	\$45.22	52.0%	\$3,775	\$4,836	\$1,778	\$346	19.4%	\$1,866	\$400	21.5%	2.72x	14.0x	2.59x	12.1x
Spirit AeroSystems	23.94	25.8%	2,527	3,772	3,828	(109)	-2.8%	4,523	394	8.7%	0.99x	-34.6x	0.83x	9.6x
Triumph Group	9.01	30.7%	468	1,857	2,189	186	8.5%	2,013	218	10.8%	0.85x	10.0x	0.92x	8.5x
Senior plc	0.86	30.9%	358	662	991	103	10.4%	1,095	133	12.1%	0.67x	6.4x	0.61x	5.0x
<b>Median</b>		<b>30.7%</b>	<b>\$468</b>	<b>\$1,857</b>	<b>\$2,189</b>	<b>\$103</b>	<b>8.5%</b>	<b>\$2,013</b>	<b>\$218</b>	<b>10.8%</b>	<b>0.85x</b>	<b>6.4x</b>	<b>0.83x</b>	<b>8.5x</b>

 Note: NA = Not Available; NM = Not Meaningful  
 Source: CapitalIQ, company filings, and KippsDeSanto research

# Public Company Trading Analysis

(\$ in millions, except per share amounts)

<u>Aerospace Suppliers</u>	Stock Price 06/30/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020E			CY2021P			EV / CY2020E		EV / CY2021P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Curtiss-Wright	\$89.28	59.6%	\$3,719	\$4,608	\$2,355	\$481	20.4%	\$2,405	\$500	20.8%	1.96x	9.6x	1.92x	9.2x
RBC Bearings	134.04	72.4%	3,318	3,267	672	174	25.9%	702	181	25.8%	4.86x	18.8x	4.66x	18.0x
Meggitt PLC	3.64	41.9%	2,845	4,049	2,257	414	18.3%	2,474	497	20.1%	1.79x	9.8x	1.64x	8.1x
Moog Inc.	52.98	54.9%	1,745	2,798	2,784	284	10.2%	2,735	283	10.4%	1.01x	9.8x	1.02x	9.9x
Arconic	13.93	70.7%	1,519	2,450	5,956	570	9.6%	6,436	655	10.2%	0.41x	4.3x	0.38x	3.7x
Ducommun	34.87	60.3%	406	712	653	80	12.3%	680	87	12.8%	1.09x	8.9x	1.05x	8.2x
Astronics	10.56	25.1%	322	496	503	28	5.5%	530	42	7.9%	0.99x	17.8x	0.94x	11.9x
Héroux-Devtek	7.48	47.0%	272	446	412	59	14.4%	407	58	14.3%	1.08x	7.5x	1.10x	7.7x
<b>Median</b>		<b>57.2%</b>	<b>\$1,632</b>	<b>\$2,624</b>	<b>\$1,464</b>	<b>\$229</b>	<b>13.4%</b>	<b>\$1,553</b>	<b>\$232</b>	<b>13.6%</b>	<b>1.09x</b>	<b>9.7x</b>	<b>1.07x</b>	<b>8.7x</b>

<u>Aftermarket / MRO</u>	Stock Price 06/30/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020E			CY2021P			EV / CY2020E		EV / CY2021P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
TransDigm Group	\$442.05	65.6%	\$23,903	\$40,275	\$4,717	\$2,115	44.8%	\$4,924	\$2,278	46.3%	8.54x	19.0x	8.18x	17.7x
HEICO	99.65	67.4%	11,945	12,627	1,754	453	25.8%	1,942	516	26.6%	7.20x	27.9x	6.50x	24.5x
Singapore Technologies Engineering	2.37	74.9%	7,383	8,985	5,161	650	12.6%	5,673	723	12.8%	1.74x	13.8x	1.58x	12.4x
Signature Aviation plc	2.87	56.8%	2,380	4,592	1,703	387	22.7%	2,035	468	23.0%	2.70x	11.9x	2.26x	9.8x
SIA Engineering	1.43	67.2%	1,583	1,318	488	28	5.7%	527	50	9.5%	2.70x	47.8x	2.50x	26.2x
AAR Corp.	20.67	39.2%	715	964	1,690	96	5.7%	1,978	127	6.4%	0.57x	10.0x	0.49x	7.6x
<b>Median</b>		<b>66.4%</b>	<b>\$4,882</b>	<b>\$6,788</b>	<b>\$1,729</b>	<b>\$420</b>	<b>17.7%</b>	<b>\$2,006</b>	<b>\$492</b>	<b>17.9%</b>	<b>2.70x</b>	<b>16.4x</b>	<b>2.38x</b>	<b>15.1x</b>

Note: NA = Not Available; NM = Not Meaningful  
Source: CapitalIQ, company filings, and KippsDeSanto research

# Public Company Trading Analysis

(\$ in millions, except per share amounts)

<u>Defense Primes</u>	Stock Price 06/30/20	% of 52 Week High	Market Cap	Enterprise Value	Rev.	CY2020E EBITDA	Margin	Rev.	CY2021P EBITDA	Margin	EV / CY2020E		EV / CY2021P	
											Rev.	EBITDA	Rev.	EBITDA
Boeing	\$183.30	46.9%	\$103,441	\$127,146	\$67,413	\$1,598	2.4%	\$89,495	\$9,845	11.0%	1.89x	79.6x	1.42x	12.9x
Lockheed Martin	364.92	82.5%	102,336	113,078	63,457	9,858	15.5%	67,043	10,636	15.9%	1.78x	11.5x	1.69x	10.6x
Raytheon Technologies	61.62	38.9%	92,946	136,009	63,860	9,301	14.6%	69,267	11,280	16.3%	2.13x	14.6x	1.96x	12.1x
Northrop Grumman	307.44	79.9%	51,251	66,086	35,218	4,950	14.1%	37,316	5,368	14.4%	1.88x	13.4x	1.77x	12.3x
General Dynamics	149.46	77.1%	42,776	56,858	38,867	5,207	13.4%	40,360	5,503	13.6%	1.46x	10.9x	1.41x	10.3x
BAE Systems	5.99	71.8%	19,228	22,307	24,881	3,103	12.5%	26,790	3,541	13.2%	0.90x	7.2x	0.83x	6.3x
Median		74.5%	\$72,098	\$89,582	\$51,162	\$5,078	13.7%	\$53,701	\$7,674	14.0%	1.83x	12.4x	1.55x	11.3x

<u>Defense Systems</u>	Stock Price 06/30/20	% of 52 Week High	Market Cap	Enterprise Value	Rev.	CY2020E EBITDA	Margin	Rev.	CY2021P EBITDA	Margin	EV / CY2020E		EV / CY2021P	
											Rev.	EBITDA	Rev.	EBITDA
Safran	\$100.41	58.6%	\$42,640	\$48,124	\$19,697	\$3,460	17.6%	\$21,610	\$4,359	20.2%	2.44x	13.9x	2.23x	11.0x
L3Harris Technologies	169.67	73.5%	36,627	44,014	18,577	3,617	19.5%	19,647	3,987	20.3%	2.37x	12.2x	2.24x	11.0x
Huntington Ingalls Industries	174.49	62.4%	7,062	8,976	8,968	1,208	13.5%	9,217	952	10.3%	1.00x	7.4x	0.97x	9.4x
FLIR	40.57	68.3%	5,308	5,876	1,878	357	19.0%	1,967	442	22.5%	3.13x	16.5x	2.99x	13.3x
Kongsberg Gruppen	13.96	77.3%	2,498	2,143	2,691	284	10.6%	2,909	346	11.9%	0.80x	7.5x	0.74x	6.2x
AeroVironment	79.63	98.6%	1,900	1,608	402	64	16.0%	465	72	15.6%	4.00x	25.0x	3.46x	22.2x
Cubic	48.03	63.9%	1,503	2,394	1,535	169	11.0%	1,626	194	11.9%	1.56x	14.2x	1.47x	12.3x
Median		68.3%	\$5,308	\$5,876	\$2,691	\$357	16.0%	\$2,909	\$442	15.6%	2.37x	13.9x	2.23x	11.0x

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Source: CapitalIQ, company filings, and KippsDeSanto research



# Public Company Trading Analysis

(\$ in millions, except per share amounts)

<u>Defense Electronics / Comm.</u>	Stock Price 06/30/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020E			CY2021P			EV / CY2020E		EV / CY2021P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Teledyne	\$310.95	77.9%	\$11,401	\$12,157	\$3,140	\$588	18.7%	\$3,305	\$645	19.5%	3.87x	20.7x	3.68x	18.9x
Mercury Systems	78.66	81.7%	4,373	4,240	834	185	22.2%	904	205	22.7%	5.09x	23.0x	4.69x	20.6x
Viasat	38.37	45.3%	2,385	4,283	2,297	461	20.1%	2,540	523	20.6%	1.86x	9.3x	1.69x	8.2x
Kratos Defense & Security Solutions	15.63	62.3%	1,915	2,150	750	74	9.9%	856	97	11.3%	2.87x	28.9x	2.51x	22.2x
Ultra Electronics	24.74	85.2%	1,753	1,958	1,044	189	18.1%	1,098	199	18.1%	1.88x	10.4x	1.78x	9.9x
Comtech Telecommunications	16.89	44.4%	418	561	575	53	9.3%	NA	NA	NA	0.98x	10.5x	NA	NA
<b>Median</b>		<b>70.1%</b>	<b>\$2,150</b>	<b>\$3,195</b>	<b>\$939</b>	<b>\$187</b>	<b>18.4%</b>	<b>\$1,098</b>	<b>\$205</b>	<b>19.5%</b>	<b>2.37x</b>	<b>15.6x</b>	<b>2.51x</b>	<b>18.9x</b>

<u>Homeland Security</u>	Stock Price 06/30/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020E			CY2021P			EV / CY2020E		EV / CY2021P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Smiths Group	\$17.48	79.4%	\$6,926	\$8,655	\$3,009	\$605	20.1%	\$3,134	\$667	21.3%	2.88x	14.3x	2.76x	13.0x
Axon	98.13	93.5%	6,228	5,887	608	102	16.7%	705	124	17.6%	9.69x	57.9x	8.35x	47.4x
MSA Safety Incorporated	114.44	80.4%	4,446	4,675	1,351	277	20.5%	1,438	306	21.3%	3.46x	NM	3.25x	NM
OSI Systems, Inc.	74.64	63.7%	1,344	1,631	1,190	191	16.0%	1,249	206	16.5%	1.37x	8.6x	1.31x	7.9x
Smith & Wesson Brands	21.52	99.3%	1,195	1,280	846	192	22.7%	796	159	19.9%	1.51x	6.7x	1.61x	8.1x
<b>Median</b>		<b>80.4%</b>	<b>\$4,446</b>	<b>\$4,675</b>	<b>\$1,190</b>	<b>\$192</b>	<b>20.1%</b>	<b>\$1,249</b>	<b>\$206</b>	<b>19.9%</b>	<b>2.88x</b>	<b>11.4x</b>	<b>2.76x</b>	<b>10.5x</b>

Note: NA = Not Available; NM = Not Meaningful  
Source: CapitalIQ, company filings, and KippsDeSanto research

# Public Company Trading Analysis

(\$ in millions, except per share amounts)

Government Services	Stock Price 06/30/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020E			CY2021P			EV / CY2020E		EV / CY2021P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Leidos Holdings	\$93.67	74.4%	\$13,305	\$17,722	\$12,693	\$1,252	9.9%	\$14,008	\$1,440	10.3%	1.40x	14.2x	1.27x	12.3x
Booz Allen Hamilton	77.79	94.6%	10,748	12,568	7,926	783	9.9%	8,458	848	10.0%	1.59x	16.0x	1.49x	14.8x
CACI International	216.88	75.2%	5,441	7,301	5,906	593	10.0%	6,221	652	10.5%	1.24x	12.3x	1.17x	11.2x
SAIC	77.68	80.2%	4,515	7,547	7,243	631	8.7%	7,685	706	9.2%	1.04x	12.0x	0.98x	10.7x
Perspecta Inc.	23.23	77.7%	3,732	6,459	4,434	706	15.9%	3,820	596	15.6%	1.46x	9.1x	1.69x	10.8x
ManTech International	68.49	72.9%	2,757	2,911	2,408	211	8.8%	2,572	228	8.9%	1.21x	13.8x	1.13x	12.8x
ICF International	64.83	68.1%	1,221	1,853	1,476	132	8.9%	1,593	151	9.5%	1.26x	14.1x	1.16x	12.3x
PAE Incorporated	9.56	74.9%	880	1,597	2,760	172	6.2%	2,832	182	6.4%	0.58x	9.3x	0.56x	8.8x
Vectrus, Inc.	49.13	82.9%	569	622	1,507	70	4.7%	1,736	85	4.9%	0.41x	8.9x	0.36x	7.3x
VSE Corporation	31.39	76.3%	347	647	608	51	8.3%	641	76	11.9%	1.07x	12.8x	1.01x	8.5x
<b>Median</b>		<b>75.2%</b>	<b>\$3,732</b>	<b>\$6,459</b>	<b>\$4,434</b>	<b>\$593</b>	<b>8.9%</b>	<b>\$3,820</b>	<b>\$596</b>	<b>9.5%</b>	<b>1.24x</b>	<b>12.3x</b>	<b>1.16x</b>	<b>11.2x</b>

Government Technology Software	Stock Price 06/30/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020E			CY2021P			EV / CY2020E		EV / CY2021P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Tyler Technologies	\$346.88	90.6%	\$13,793	\$13,474	\$1,151	\$315	27.3%	\$1,267	\$350	27.6%	11.71x	42.8x	10.63x	38.5x
NIC	22.96	88.5%	1,538	1,330	380	88	23.2%	414	103	24.9%	3.50x	15.1x	3.21x	12.9x
GTY Technology Holdings Inc.	4.17	56.4%	223	233	47	NA	NA	NA	NA	NA	4.98x	NA	NA	NA
<b>Median</b>		<b>88.5%</b>	<b>\$1,538</b>	<b>\$1,330</b>	<b>\$380</b>	<b>\$201</b>	<b>25.3%</b>	<b>\$841</b>	<b>\$226</b>	<b>26.3%</b>	<b>4.98x</b>	<b>29.0x</b>	<b>6.92x</b>	<b>25.7x</b>

Note: NA = Not Available; NM = Not Meaningful  
Source: CapitalIQ, company filings, and KippsDeSanto research



# Public Company Trading Analysis

(\$ in millions, except per share amounts)

Engineering & Construction	Stock Price 06/30/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020E			CY2021P			EV / CY2020E		EV / CY2021P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Jacobs Engineering	\$84.80	81.5%	\$11,033	\$13,295	\$13,391	\$1,012	7.6%	\$14,108	\$1,194	8.5%	0.99x	13.1x	0.94x	11.1x
AECOM	37.58	71.7%	6,016	8,053	12,935	716	5.5%	13,512	791	5.9%	0.62x	11.2x	0.60x	10.2x
Tetra Tech	79.12	79.6%	4,275	4,785	2,320	251	10.8%	2,443	277	11.4%	2.06x	19.1x	1.96x	17.3x
Parsons Corporation	36.24	79.8%	3,648	4,131	4,020	339	8.4%	4,201	378	9.0%	1.03x	12.2x	0.98x	10.9x
KBR	22.55	70.6%	3,209	3,981	5,778	461	8.0%	6,029	499	8.3%	0.69x	8.6x	0.66x	8.0x
Babcock International	3.84	47.0%	1,941	4,177	5,778	851	14.7%	5,856	843	14.4%	0.72x	4.9x	0.71x	5.0x
<b>Median</b>		<b>79.6%</b>	<b>\$4,275</b>	<b>\$4,785</b>	<b>\$5,778</b>	<b>\$461</b>	<b>8.0%</b>	<b>\$6,029</b>	<b>\$499</b>	<b>8.5%</b>	<b>0.99x</b>	<b>12.2x</b>	<b>0.94x</b>	<b>10.9x</b>

Note: NA = Not Available; NM = Not Meaningful  
Source: CapitalIQ, company filings, and KippsDeSanto research

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