

# MarketView

Aerospace / Defense &  
Government Technology  
Services

Winter 2021

**Kipps DeSanto**  
INVESTMENT BANKING



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# KippsDeSanto's 2020 Transactions

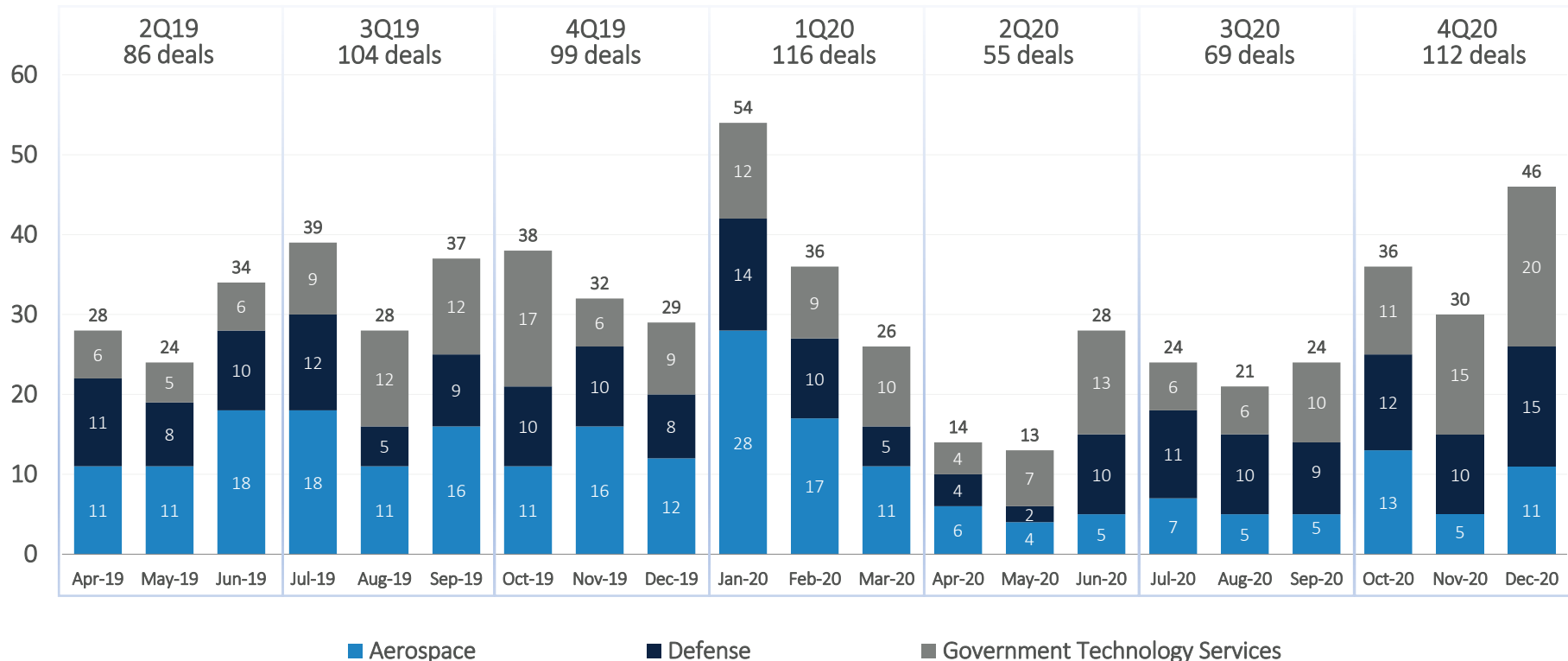
KippsDeSanto ("KDC") closed 20 deals in 2020<sup>(1)</sup>, including six deals in 4Q20

<p>December 2020</p> <div></div> <p>has been acquired by</p> <div></div>	<p>December 2020</p> <div></div> <p>has been acquired by</p> <div></div>	<p>December 2020</p> <div></div> <p>has been acquired by</p> <div></div>	<p>December 2020</p> <div></div> <p>has been acquired by</p> <div></div>	<p>November 2020</p> <div></div> <p>has been acquired by</p> <div></div>	<p>November 2020</p> <div></div> <p>has been acquired by</p> <div></div>	<p>September 2020</p> <div></div> <p>has been acquired by</p> <div></div>
<p>September 2020</p> <div></div> <p>has been acquired by</p> <div></div>	<p>September 2020</p> <div></div> <p>a subsidiary of</p> <div></div> <p>has been acquired by</p> <div></div> <p>a portfolio company of</p> <div></div>	<p>August 2020</p> <div></div> <p>TRANSFORMATIONAL SECURITY</p> <p>and</p> <div></div> <p>have been acquired by</p> <div></div>	<p>June 2020</p> <p>SATCOM Line of Business of</p> <div></div> <p>have been acquired by</p> <div></div> <p>a portfolio company of</p> <div></div>	<p>May 2020</p> <div></div> <p>Enterprise Information Services, Inc.</p> <p>has been acquired by</p> <div></div>	<p>May 2020</p> <div></div> <p>a subsidiary of</p> <div></div> <p>has been acquired by</p> <div></div>	<p>May 2020</p> <div></div> <p>has received an investment by</p> <div></div>
<p>April 2020</p> <div></div> <p>has been acquired by</p> <div></div>	<p>March 2020</p> <div></div> <p>has been acquired by</p> <div></div>	<p>March 2020</p> <div></div> <p>has received an investment by</p> <div></div>	<p>February 2020</p> <div></div> <p>has been acquired by</p> <div></div> <p>a portfolio company of</p> <div></div>	<p>January 2020</p> <div></div> <p>has been acquired by</p> <div></div> <p>to form</p> <div></div> <p>a portfolio company of</p> <div></div>		

(1) One transaction has not been publicly announced due to buyer confidentiality

# M&A Trends & Activity

Buoyed by the pending vaccine rollout and increased comfort level of consummating transactions in a remote environment, deal activity in 4Q20 continued to recover in the wake of the COVID-19 pandemic. Embracing a “new normal” has allowed strategic buyers to revise M&A strategies and pursue deals that enhance capabilities and achieve scale, while private equity groups (“PEG”) have been increasingly active as they look to deploy large reserves of dry powder



- Although Aerospace M&A activity remains below pre-pandemic levels, the sector saw its strongest quarter since the onset of the pandemic, bolstered by a positive economic outlook and robust M&A market
- Both Defense and Government Technology Services (“GTS”) M&A activity have returned to pre-pandemic levels as market stabilization has increased buyer confidence and encouraged both strategic and private equity buyers to conduct M&A activity

# Highlighted 4Q20 Industry Transactions

Announced December 2020



*has agreed to acquire*



**EV: \$4,400M**

EV / Revenue: 2.16x

EV / EBITDA: 14.6x

- Lockheed Martin (NYSE: LMT) has agreed to acquire Aerojet Rocketdyne (NYSE: AJRD) in order to bolster LMT's space, missiles, and hypersonics portfolio
- The transaction is expected to close in 2H21, as AJRD will be integrated across LMT's Aeronautics, Missiles, and Fire Control and Space business areas

Announced December 2020



*has agreed to acquire*



Federal IT and Mission Support Services business

**EV: \$3,400M**

EV / Revenue: 1.48x

EV / EBITDA: ND

- Upon an expected close in 1H21, Veritas will incorporate the Federal IT and Mission Support Services business of Northrop Grumman (NYSE: NOC) into its portfolio company, Peraton
- The combination will create a leading Government mission capability integrator and IT provider focused on delivering high-end, technology-enabled services

Announced December 2020



*has agreed to acquire*



**EV: \$310M**

EV / Revenue: ND

EV / EBITDA: ND

- Mercury Systems' (NASDAQ: MRCY) acquisition of Physical Optics Corporation ("POC") broadens Mercury Systems' avionics product portfolio
- POC deepens partnerships with defense primes and system integrators while expanding MRCY's footprint with U.S. defense end customers

Announced December 2020



*has acquired*



**EV: \$125M**

EV / Revenue: ND

EV / EBITDA: ND

- Vectrus (NYSE: VEC) has acquired Zenetex, accelerating VEC's converged infrastructure strategy through the addition of integrated security capabilities
- The transaction will also further expand VEC's Intelligence Community ("IC") and Foreign Military Sales ("FMS") client portfolio

Announced November & October 2020<sup>(1)</sup>



*has acquired*



and



**EV: \$92M**

EV / Revenue: ND

EV / EBITDA: 9.7x

- PAE (NASDAQ: PAE) has acquired CENTRA Technology, Inc. and Metis Solutions Corporation
- The two acquisitions are expected to expand PAE's capability set and widen its customer footprint with Intelligence and National Security customers

**EV: \$208M**

EV / Revenue: ND

EV / EBITDA: 8.8x

Announced October 2020



*has acquired*



**EV: \$300M**

EV / Revenue: ND

EV / EBITDA: ND

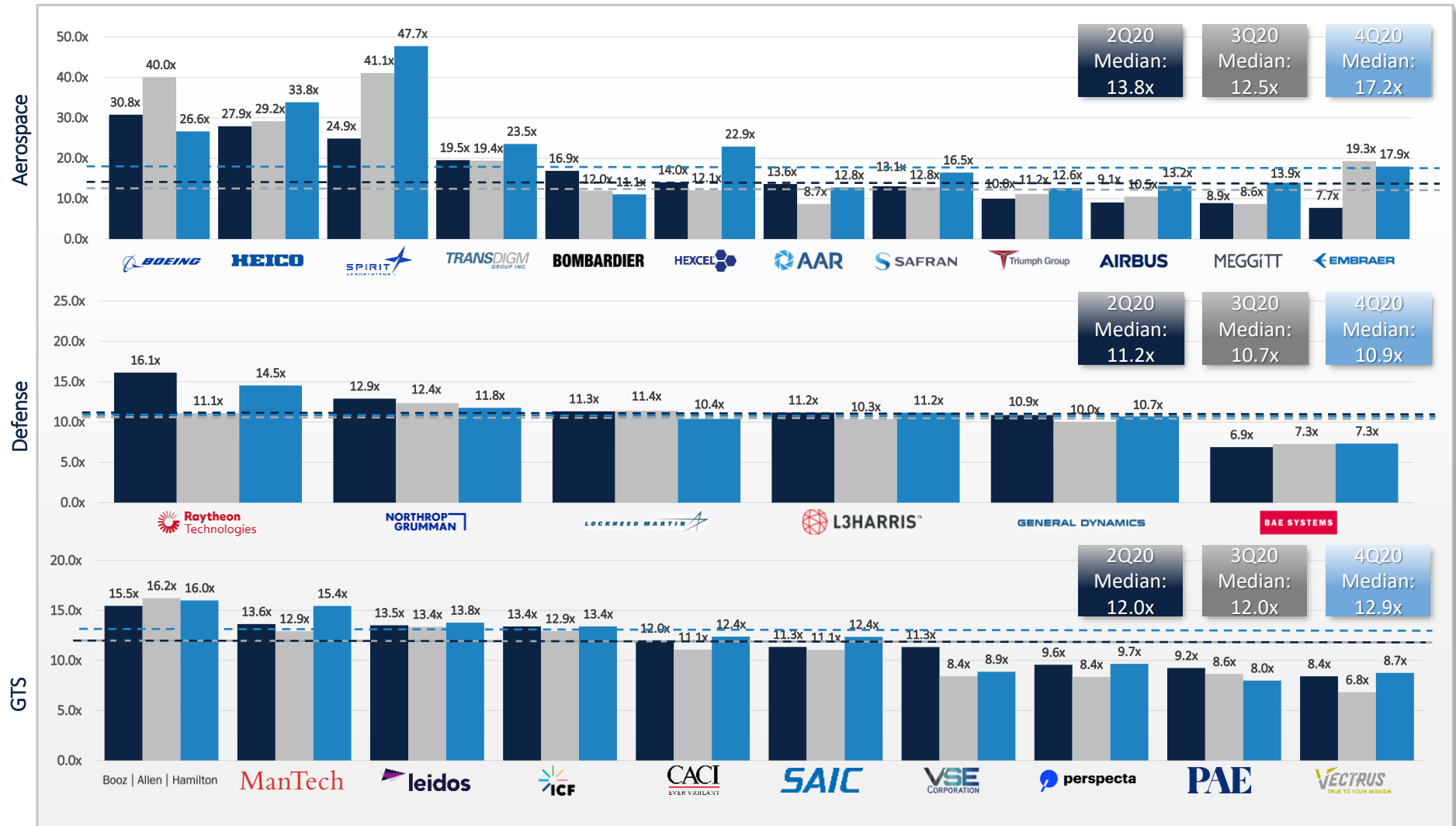
- The acquisition of Braxton by Parsons (NYSE: PSN) bolsters PSN's solutions, products, and capabilities in the growing space, cyber, and intelligence markets
- Braxton adds critical intellectual property that expands PSN's capabilities for the U.S. Air Force, Space Force, and Space and Missile Command

Note: ND = Not Disclosed

(1) Metis deal was announced in November; CENTRA deal was announced in October

# EV / NTM EBITDA Public Market Valuation Trends

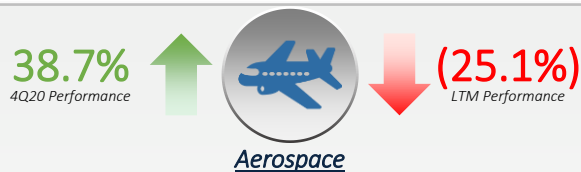
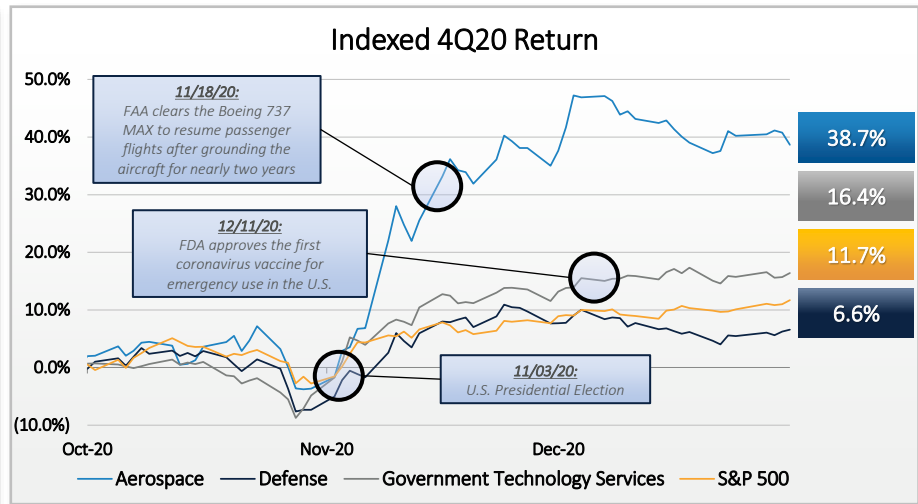
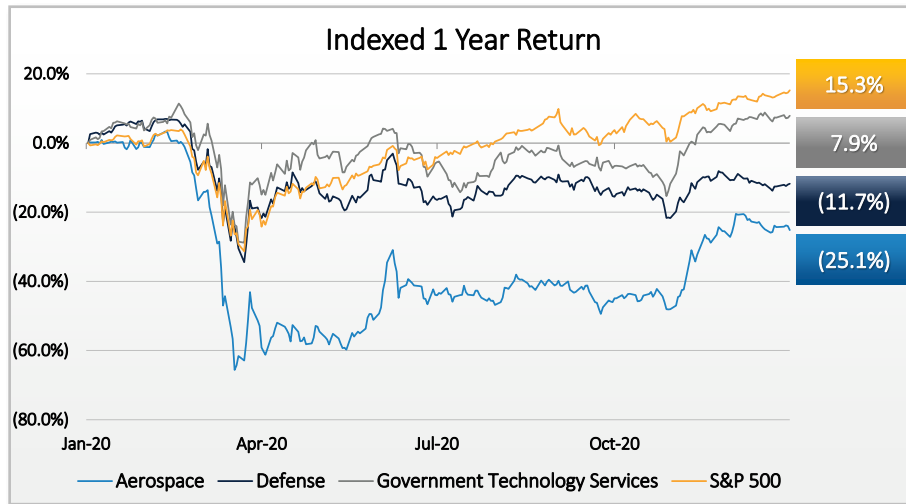
Aerospace public multiples were boosted in 4Q20 by the continued market rebound, while low NTM EBITDA metrics across the board contributed to a higher median multiple. GTS also saw an uptick, while Defense multiples remained largely in line with past quarters





# Equity Capital Markets Performance

Equity markets experienced a substantial resurgence in 4Q20, as deployment of the first COVID-19 vaccine bolstered investors' optimism for an economic recovery in 2021. Within the public sector, Civilian and military budgets face downward pressure from additional COVID-19 stimulus, but the new administration is expected to push forward with Federal modernization plans and critical national defense programs



Commercial aerospace stocks soared in the final quarter of the year after the FAA's announcement to clear Boeing's 737 MAX to resume passenger flights nearly two years after the jet was initially grounded

The FAA's clearance of 737 MAX jets to resume passenger flights sent Spirit AeroSystems (NYSE: SPR) shares up 106.7%, as the manufacturer supplies most of the parts on the 737 MAX and will look to capitalize on a revived orderbook



Defense firms trailed the Aerospace Index and S&P 500, but industry officials remain optimistic that the incoming administration will prioritize mission-critical research and development programs

Shares of Huntington Ingalls Industries (NYSE: HII) rose 21.1%, driven by a robust backlog to deliver warships, surface vessels, submarines, and unmanned systems – programs that are expected to continue as national defense priorities



The GTS index outperformed the broader market in the fourth quarter as the industry's proactive and positive response to the COVID-19 environment resulted in strong earnings and growth expectations

Reports of a strategic assessment, which includes the possibility of a sale, drove shares of Perspecta (NYSE: PRSP) up 23.8%. The Company has also won several large-scale contracts to support U.S. space development, cyber, and national security priorities

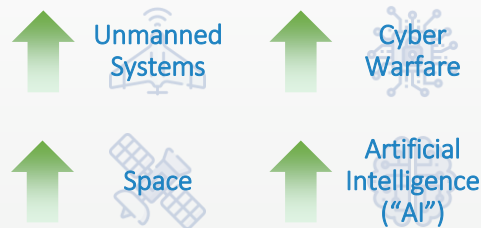
# Aerospace and Defense Update

## Incoming Biden Administration Sets Expectations for National Defense Strategy

President-elect Biden is expected to expand upon the Trump administration's *investments in emerging technologies* with R&D funding as a key priority to *countering the growing technological threat from China*

The current defense strategy calls for the *rapid modernization and replacement of legacy systems* throughout the defense force structure with ever-advancing technologies

### Key areas of investment include:







Although COVID-19 has placed pressure on flattening the defense budget, the Biden administration is not expected to seek major spending cuts, as *military superiority remains a priority in the current threat environment*

The *2021 national defense bill was passed into law* after the U.S. Senate and House of Representatives voted to override President Trump's veto of the *\$740 billion spending bill*

## Boeing 737 MAX Returns to Service Amid Diminished Travel Demand

On November 18<sup>th</sup>, the *FAA cleared Boeing's 737 MAX jet* to resume *passenger flights* after the planes were grounded for nearly two years during the ongoing investigation

### 737 MAX Recertification

-  --> *Maneuvering Characteristics Augmentation System ("MCAS") Software Enhancement*
-  --> *Validation by Regulators and Sustained Flight Testing*
-  --> *Pilot Training Developed with Global Aviation Community*
-  --> *Continued Preparation, Inspection, and Support of New and Existing Aircraft*

Despite suppressed travel demand from COVID-19, Boeing's *current backlog remains stable*, and the Company will seek to *move existing inventory* and *reinitiate full-rate production* of the jets in the coming year

### 737 MAX Metrics



Boeing has already completed deliveries of the 737 MAX to *United Airlines, American Airways, and Southwest Airlines*, and it has also received new orders, most notably from *Ryanair for 75 jets*

## Growing Demand for Space Exploration and Satellite Infrastructure Drives M&A Activity

*Strategic and private equity buyers* continue to covet *high-growth assets* in the space industry, as *commercial investment surges* alongside *increasing Federal budgetary trends*

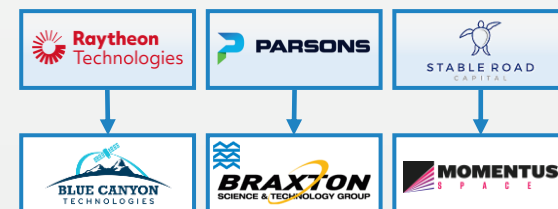
The newly-established *Space Development Agency*, tasked with building the *National Defense Space Architecture*, targets launching *1,000 satellites by 2026* – a goal that will require *rapid pacing* and *sustained investment*


### Sustained M&A Activity in the Space Sector



Acquirers seek high-growth space acquisitions that provide *mission-critical intellectual property* and serve *sought-after Federal and military space customers*, with a concerted focus on *National Security*

### Notable 4Q20 Space Transactions



 KDC acted as financial advisor in this transaction

# Government Technology Services Update

## COVID-19 Accelerates Government Network Modernization Efforts

The global pandemic has accelerated Government IT modernization initiatives as increasing Federal employees and contractors transition to a work-from-home environment highlight network and IT areas for improvement

**IT and Network Challenges** → Additional internal and external personnel migrating to remote operations has exposed network bandwidth, cybersecurity, and communication challenges across the Federal Government

**Short-Term Remedies** → The Government is fast-tracking programs to address growing IT needs. Such programs include GSA's Enterprise Infrastructure Solutions ("EIS") vehicle, which has issued \$7.4B in awards in the past several months and has required awardees to be 50% transitioned off the legacy contract, months ahead of schedule. EIS is expected to be the catalyst for broader IT modernization across the Government as it establishes the foundation for agencies to adopt NexGen IT capabilities, including cloud computing, big data analytics, and AI

**Long-term Solutions** → The Government is boosting migration towards centralized, zero-trust architecture as it implements the Joint Enterprise Defense Infrastructure ("JEDI") contract, which will accelerate zero-trust adoption. Additionally, broad adoption of 5G networks will accelerate system efficiency and logistics management

### Zero-Trust Architecture Overview

Transitions cyber architecture from static, network-based perimeters to selective identity-driven data access



**Contractors with strong past performance and qualifications in cloud, cybersecurity, and network migration stand to benefit from increased Federal attention**

## Presidential Election Shifts Budgetary and Policy Focus Towards Civilian Agencies

### Key Civilian Agency Changes

#### National Institutes of Health ("NIH")

Expected to receive \$300 billion over four years to support medical research and development ("R&D"). Additionally, NIH will also receive \$50 billion over four years to conduct cancer, diabetes, Alzheimer's disease, and Parkinson's disease research

#### Center for Disease Control and Prevention ("CDC")

Granted ~\$4 billion to administer the COVID-19 vaccine rollout, with additional authority regarding COVID-19 policies and processes

#### Department of Veterans Affairs ("VA")

~\$16 billion to support enterprise-wide IT modernization efforts across the VA

#### Department of Health & Human Services ("DHHS")

Expected to establish the Office of Climate Change and Health Equity within DHHS to spearhead mitigating impacts of climate change

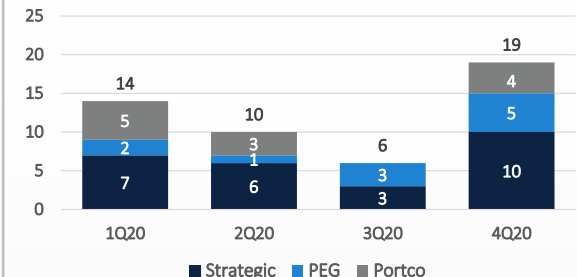
### Renewed Emphasis on AI

- Recent Executive Order encourages Civilian agencies to prioritize adopting AI capabilities to accelerate their missions
- Federal contractors that have strong AI capabilities and are well-positioned within Civilian agencies are poised to capitalize on favorable budgetary tailwinds

## Cybersecurity Remains M&A Focus Area

### Cybersecurity M&A Activity by Buyer Type

(# of M&A Transactions)



**With 19 cybersecurity M&A transactions announced in 4Q20, activity exceeds pre-pandemic levels and eclipses historical highs witnessed in 2019**

Urgent demand for cybersecurity capabilities is driving M&A activity in the sector as strategic and Private Equity buyers seek to gain value-add capabilities that have a defensible market position. With 19 transactions announced in 4Q20, cybersecurity M&A activity mirrors pre-pandemic levels and approaches historic activity witnessed in 2019

### Recent Representative Deals


Buyer	Target	Buyer	Target
VERITAS CAPITAL	NORTHROP GRUMMAN Federal IT and Mission Support Services business	Jacobs	THE BUFFALO GROUP
ManTech	Tapestry Technologies Minerva Engineering	paloalto	EXPANSE
Belcan (ae Industrial Partners)	telesis	FP FRANCISCO PARTNERS	Forcepoint
ae Industrial Partners	pci	ASGN Incorporated	SKYRIS



# 4Q20 Aerospace Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM Rev.	EBITDA <sup>(1)</sup>
12/29/20	Alpine 4 Technologies, Ltd.	Vayu (U.S.), Inc.	Provides high-performance vertical take-off and landing ("VTOL") hybrid propulsion-based, autonomous aircraft	ND	ND	ND	ND	ND	ND
12/28/20	J.F. Lehman & Co.	CTS Engines, LLC (portco of Platte River Equity)	Provides maintenance, repair, overhaul, and testing services to owners and operators of commercial jet engines worldwide	ND	ND	ND	ND	ND	ND
12/23/20	Incodema, Inc. (portco of Core Industrial Partners, LLC)	Majestic Metals, LLC	Provides comprehensive in-house precision sheet metal manufacturing solutions, including design and engineering support, laser cutting, punching, forming, welding, assembly, and finishing	ND	ND	ND	ND	ND	ND
12/22/20	CAE, Inc.	Merlot Aero Limited	Provides cloud-based operator crew performance solutions, underpinning lowest cost, highest performance, and disruptive innovation strategies	\$25.0	ND	ND	ND	ND	ND
12/22/20	Jet Parts Engineering, Inc. (portco of Vance Street Capital LLC)	AeroSpares, Inc.	Provides proprietary aftermarket replacement components, known as Parts Manufacturing Approval ("PMA") parts, including highly engineered pressure switches for the commercial and cargo markets	ND	ND	ND	ND	ND	ND
12/22/20	Sunvair Aerospace Group, Inc. (portco of Blue Sea Capital)	Mingo Aerospace, LLC	Provides component repair services to aircraft operators and leading maintenance, repair, and overhaul ("MRO") providers	ND	ND	ND	ND	ND	ND
12/18/20	Moog, Inc.	Genesys Aerosystems (portco of McNally Capital, LLC)	Provides integrated avionics systems for military, special-mission, and civil operators	\$77.7	ND	ND	ND	ND	ND
12/18/20	Precinmac Precision Machining (portco of Pine Island Capital Partners, LLC and Bain Capital Credit, LP)	Viper Northwest, Inc. and Shields Manufacturing, Inc.	Provides precision Computer Numeric Control ("CNC") machined components and assemblies for semiconductor, life sciences, and aerospace customers	ND	ND	ND	ND	ND	ND
12/14/20	Liberty Hall Capital Partners	Comply365	Provides operational content and compliance management solutions supporting the aerospace industry	ND	ND	ND	ND	ND	ND
12/02/20	FL Technics (subsidiary of Avia Solutions Group)	Wright International	Provides aircraft line maintenance services in Canada	ND	ND	ND	ND	ND	ND
12/02/20	FLIR Systems, Inc.	Altavian	Provides small unmanned aerial systems ("UAS") for public and private sector customers	ND	ND	ND	ND	ND	ND
11/25/20	TransDigm Group, Inc.	Cobham Aero Connectivity (portco of Advent International)	Provides highly engineered antennas and radios for the aerospace customers	\$965.0	\$225.0	ND	ND	4.29x	ND
11/24/20	Ontic	Flightline Electronics (Aircraft Instruments Line)	Provides electro-mechanical and digital instruments used on various commercial and military platforms	ND	ND	ND	ND	ND	ND
11/18/20	Precision Aviation Group, Inc. (portco of GenNx360 Capital Partners)	EFIX Aviation Support	Provides MRO services for the defense, commercial aviation, and general aviation segments of the Brazilian aerospace market	ND	ND	ND	ND	ND	ND
11/16/20	CAE, Inc.	Flight Simulation Company B.V.	Provides airline total training solutions as well as instructor provisioning	\$82.9	ND	ND	ND	ND	ND
11/04/20	Sabena Technics	AeroTech Pro	Provides airframe maintenance in the military field	ND	ND	ND	ND	ND	ND

 KippsDeSanto acted as financial advisor in this transaction

Note: ND = Not Disclosed

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

# 4Q20 Aerospace Transactions, cont.


(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM Rev.	EBITDA <sup>(1)</sup>
10/28/20	GC Atlas Holdings, LLC (in partnership with Goff Capital, Inc. and Dirk Ellis)	Cascade Engineering Technologies	Provides aerospace contract manufacturing, specializing in complex thin-wall monolithic structures for Tier 1 aerospace and defense customers	ND	ND	ND	ND	ND	ND
10/22/20	AML Global Eclipse (Subsidiary of AML Global)	Eclipse Aerospace's Assets and Eclipse Aircraft Project	Provides design and manufacturing of twin-engine light jets and single-engine turboprop aircrafts	\$5.3	ND	ND	ND	ND	ND
10/20/20	TechPrecision Corp.	STADCO, Inc.	Provides custom precision parts for the defense, aerospace, and precision industrial industries, as well as a range of commercial organizations with specialized manufacturing and tooling requirements	\$1.2	\$16.4	ND	ND	\$0.1	ND
10/20/20	Fastener Distribution Holdings (portco of Audax Private Equity)	Societe AHE, Inc.	Provides aerospace hardware and fasteners specializing in the rotorcraft market	ND	ND	ND	ND	ND	ND
10/19/20	ARCH Global Precision, LLC (portco of The Jordan Company)	Applied Resources, Inc. (doing business as Morsch Machine)	Provides precision-machined parts, electronic mechanical support components, enclosures, chassis, and modules for the commercial aviation, defense, and space industries	ND	ND	ND	ND	ND	ND
10/16/20	General Atomics Europe GmbH	RUAG's Dornier 228 Programme and German MRO business	Provides business aircraft and military helicopter MRO	ND	ND	ND	ND	ND	ND
10/15/20	Honeywell International, Inc.	Ballard Unmanned Systems, Inc. (subsidiary of Ballard Power Systems, Inc.)	Provides stored-hydrogen proton exchange membrane fuel cell systems that power UAS, particularly those used for energy inspection, cargo delivery, and other commercial and defense applications	ND	ND	ND	ND	ND	ND
10/12/20	Broadtree Partners, LLC (in partnership with AE Industrial Partners and Live Oak Bank)	Seair Machine Co.	Provides original equipment manufacturers ("OEM") precision machined parts in support of tactical airlift, stealth tactical fighters, and high-altitude reconnaissance platforms operated by the U.S. armed forces and allied nations	ND	ND	ND	ND	ND	ND
10/06/20	Consolidated Machine & Tool Holdings, LLC (portco of White Wolf Capital, LLC)	Delva Tool & Machine Corp.	Provides contract machining, fabrication, engineering, and complex assembly services for aerospace and defense customers	ND	ND	ND	ND	ND	ND
10/06/20	IMG Companies, LLC (portco of Addison Capital Partners)	Larkin Precision Machining, Inc.	Provides design, engineering, and manufacturing services for complex, close-tolerance components	ND	ND	ND	ND	ND	ND
10/06/20	Avantus Aerospace, Inc. (portco of Inflexion Private Equity and Auctus Industries)	California Screw Products Corp.	Provides C-Class and composite parts for the aerospace and defense industry	ND	ND	ND	ND	ND	ND
10/05/20	AEVEX Aerospace, LLC (portco of Madison Dearborn Partners, LLC and CoVant Management)	IKHANA Group, Inc. and Geodetics, Inc.	Provides aircraft engineering, modification, and maintenance solutions and commercial high-precision positioning and assured navigation products and solutions	ND	ND	ND	ND	ND	ND
10/01/20	Woolpert, Inc.	Jviation, Inc.	Provides airport planning, survey, architecture, engineering, and construction management services	ND	ND	ND	ND	ND	ND

# 4Q20 Defense Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM Rev.	EBITDA <sup>(1)</sup>
12/30/20	CTS Corp.	Sensor Scientific, Inc.	Provides high-quality thermistors and temperature sensor assemblies serving OEMs for applications that require precision and reliability in the medical, industrial, and defense markets	ND	ND	ND	ND	ND	ND
12/23/20	Elbit Systems of America, LLC	Sparton Corporation (portco of Cerberus Capital Management)	Provides a range of advanced proprietary products for domestic and foreign defense and commercial needs	\$380.0	ND	ND	ND	ND	ND
12/22/20	Fralock (portco of Arsenal Capital Partners)	Mapson Engineering, Inc.	Provides high-resolution, large format precision graphic solutions for specialty electronic applications	ND	ND	ND	ND	ND	ND
12/22/20	INVISIO A/S	Racal Acoustics Ltd. (subsidiary of TransDigm Group, Inc.)	Provides communication and hearing protection systems for high-noise environments	\$20.5	\$15.6	ND	ND	1.31x	ND
12/21/20	Valkyrie Enterprises, Inc.	Atlantic CommTech Corp.	Provides communications infrastructure, security solutions, radio frequency communications, Information Technology ("IT") engineering, installation, maintenance, and repair services	ND	ND	ND	ND	ND	ND
12/20/20	Lockheed Martin Corporation	Aerojet Rocketdyne Holdings, Inc.	Provides propulsion and energetics to space, missile defense, strategic, tactical missile, and armaments customers throughout the world	\$4,400.0	\$2,039.2	\$302.1	14.8%	2.16x	14.6x
12/15/20	Charger Investment Partners	Advanced Composite Products and Technology, Inc. (majority stake)	Provides engineered composite structures for defense, space, aviation, automotive, marine, and subsea telecom applications	ND	ND	ND	ND	ND	ND
12/16/20	Oshkosh Corp	Pratt & Miller Engineering and Fabrication	Provides advanced engineering, technology, innovation, and robotics for ground vehicle markets	\$115.0	ND	ND	ND	ND	ND
12/15/20	Redwire, LLC (portco of AE Industrial Partners)	LoadPath, LLC	Provides payload adapters, deployable structures, and thermal products for the space industry	ND	ND	ND	ND	ND	ND
12/14/20	Federal Republic of Germany	Hensoldt (portco of KKR) (25.1% stake)	Provides defense and security electronics for civilian and military markets	ND	ND	ND	ND	ND	ND
12/11/20	Amphenol Corp.	MTS Systems Corp.	Provides advanced test systems, motion simulators, and precision sensors	\$1,700.0	\$828.6	\$168.2	20.3%	2.05x	10.1x
12/09/20	AeroVironment, Inc.	Telerob GmbH	Provides ground-based robotic solutions	\$45.4	ND	ND	ND	ND	ND
12/07/20	Mercury Systems, Inc.	Physical Optics Corp.	Provides avionics and mission subsystems for defense applications	\$310.0	ND	ND	ND	ND	ND
12/03/20	SK Group & Plasan	ELVO	Provides armored infantry vehicles and other armored vehicles for the Greek military	ND	ND	ND	ND	ND	ND
12/01/20	Timken Co.	Aurora Bearing Company	Provides rod ends and spherical plain bearings for industrial sectors including aerospace and defense, racing, off-highway equipment, and packaging	ND	\$30.0	ND	ND	ND	ND
11/25/20	CAE, Inc.	TRU Simulation + Training Canada Inc. (subsidiary of Textron, Inc.)	Provides training devices, programs, and support for the aerospace and defense industries	\$40.0	ND	ND	ND	ND	ND

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Note: ND = Not Disclosed

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# 4Q20 Defense Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM Rev.	EBITDA <sup>(1)</sup>
11/23/20	Kratos Defense & Security Solutions, Inc.	5-D Systems, Inc.	Provides designing, development, integration, testing, modifications, and support to unmanned, manned, and optionally-piloted vehicles	ND	ND	ND	ND	ND	ND
11/23/20	Sagepeak Capital, LLC	ENMET, LLC (portco of Benford Capital Partners, LLC)	Provides oxygen monitors and toxic and combustible gas detectors for aerospace and defense applications	ND	ND	ND	ND	ND	ND
11/19/20	Voyager Space Holdings, Inc.	The Launch Company, LLC	Provides hardware, ground support equipment, and processes to help next generation space companies gain access to orbit faster, cheaper, and more reliably	ND	ND	ND	ND	ND	ND
11/19/20	Arcline Investment Management, LP	Evans Capacitor Company	Provides high-reliability, power dense capacitors, enabling customers to develop next generation electronic systems for aerospace, defense, and industrial applications	ND	ND	ND	ND	ND	ND
11/12/20	McKean Defense Group, Inc.	Mikros Systems Corp.	Provides electronic systems technology for advanced maintenance in military, industrial, and commercial applications	\$4.7	\$5.4	\$0.2	3.7%	0.86x	23.4x
11/10/20	Raytheon Technologies	Blue Canyon Technologies, Inc.	Provides small satellites and spacecraft systems components for the U.S. Air Force, National Digital Stewardship Alliance, and the Defense Advanced Research Projects Agency	\$350.0	ND	ND	ND	ND	ND
11/05/20	Pacific Defense (portco of HCI Equity Partners)	Spear Research, LLC	Provides research and development, threat exploitation, data analytics, and platform integration	ND	ND	ND	ND	ND	ND
11/04/20	TE Connectivity	DRI Relays, Inc.	Provides electro-mechanically, hermetically-sealed relays, time delay devices, and making sockets for applications that require high reliability and long life in harsh environments	ND	ND	ND	ND	ND	ND
11/02/20	Calian Group Ltd.	Cadence Consultancy Ltd.	Provides complex and realistic training environments for both defense and civil clients across Europe and worldwide	ND	\$3.0	ND	ND	ND	ND
10/29/20	Redwire, LLC (portco of AE Industrial Partners)	Roccor, LLC	Provides military and commercial hardware supplies in the small satellite market and manufactures deployable booms, structures, antennas, thermal products, and solar arrays for the space industry	ND	ND	ND	ND	ND	ND
10/29/20	General Atomics Corp.	Guidestar Optical Solutions	Provides design and development of innovative optical solutions for uses in directed energy, free space laser communications, and sensing and imaging through optical turbulence	ND	ND	ND	ND	ND	ND
10/29/20	Parsons Corp.	Braxton Science and Technology Group	Provides mission-critical solutions including spacecraft ground control and spacecraft integration	\$300.0	ND	ND	ND	ND	ND
10/27/20	Raptor Scientific, LLC (portco of L Squared Capital Partners, LLC)	Sensor Concepts, Inc.	Provides design and manufacturing of radar cross-section instruments and measurement services used by aerospace and defense OEMs	ND	ND	ND	ND	ND	ND
10/26/20	Micro Precision, Inc. (portco of Compass Partners Capital LLC)	PRL, Inc.	Provides high-tech alloy castings for U.S. Navy submarines	ND	ND	ND	ND	ND	ND
10/15/20	AAC Clyde Space	SpaceQuest, Ltd	Provides design, manufacture, integration, and launch support of space systems for commercial and government agencies in the U.S. and internationally	\$8.4	ND	ND	ND	ND	ND
10/09/20	Lockheed Martin Corporation	Hypersonics Portfolio of Integration Innovation, Inc.	Provides cyber and systems engineering, software engineering, flight training, advanced training and services, special programs, hypersonic, corrosion protection, and interactive training solutions	ND	ND	ND	ND	ND	ND



KippsDeSanto acted as financial advisor in this transaction

Note: ND = Not Disclosed

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

## 4Q20 Defense Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA <sup>(1)</sup>
10/07/20	AAC Clyde Space	Hyperion Technologies B.V.	Provides high-performance, miniaturized components, including high-reliability electronics and mechatronic systems, for small spacecraft	\$2.6	\$1.4	\$0.2	15.5%	1.86x	12.0x
10/07/20	Honeywell International, Inc.	Rocky Research (portco of DC Capital Partners)	Provides customized engineering and analytical services to commercial, industrial, and defense customers	ND	ND	ND	ND	ND	ND
10/07/20	Stable Road Acquisition Corp.	Momentum, Inc.	Provides in-space transportation and infrastructure services	\$1,200.0	ND	ND	ND	ND	ND
10/06/20	Arotech Corp. (portco of Greenbriar Equity Group, L.P.)	Shooting Range Industries, LLC	Provides live-fire shooting range solutions and equipment for military units, commercial range operators, private citizens, and public safety organizations	ND	ND	ND	ND	ND	ND
10/05/20	Sierra Bullets, LLC (subsidiary of Clarus Corp.)	Barnes Bullets, LLC (subsidiary of Remington Arms Company, LLC)	Provides environmentally sound, lead-free bullets for hunting, self-defense, and tactical applications	\$30.5	\$21.8	ND	ND	1.40x	ND



KippsDeSanto acted as financial advisor in this transaction

Note: ND = Not Disclosed


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



# 4Q20 Government Technology Services Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM Rev.	EBITDA <sup>(1)</sup>
01/04/21 <sup>(2)</sup>	Vectrus, Inc.	HHB Systems	Provides facilities management, logistics, engineering, enterprise operations, and asset management solutions supporting IC projects	ND	ND	ND	ND	ND	ND
12/28/20	Vectrus, Inc.	Zenetex, LLC	Provides management and technology support services to Federal government agencies and commercial organizations	\$125.0	ND	ND	ND	ND	ND
12/22/20	NuWave Solutions (portco of AE Industrial Partners)	ProModel Government Services (subsidiary of ProModel Corporation)	Provides mission critical predictive and prescriptive analytic software solutions for decision support to the DoD and U.S. government	ND	ND	ND	ND	ND	ND
12/21/20	BlueHalo (portco of Arlington Capital Partners)	Fortego, LLC	Provides advanced, end-to-end solutions in cyber analytics, vulnerability research, and Computer Network Operations ("CNO") engineering	ND	ND	ND	ND	ND	ND
12/21/20	BlueHalo (portco of Arlington Capital Partners)	Base2, LLC	Provides the design and development of cutting-edge cyber solutions across CNO, Signals Intelligence ("SIGINT"), and Quick Reaction Capability ("QRC") domains	ND	ND	ND	ND	ND	ND
12/15/20	Octo Consulting Group, Inc. (portco of Arlington Capital Partners)	Sevatec, Inc.	Provides mission-critical software development solutions and digital modernization services	ND	ND	ND	ND	ND	ND
12/14/20	NEOGOV	PowerDMS	Provides secure cloud-based policy, compliance, and accreditation management solutions	ND	ND	ND	ND	ND	ND
12/14/20	Maven Capital Partners	Envitia Group plc	Provides data and geospatial technology and services to Federal customers	\$22.9	\$10.8	ND	ND	2.13x	ND
12/14/20	Intelligent Waves	Ski Systems, Inc.	Provides mobility and cybersecurity technology to IC agencies	ND	ND	ND	ND	ND	ND
12/14/20	ManTech International Corporation	Tapestry Technologies	Provides cyber defense solutions and expertise, including cyber architecture and policy development, development, security, and operations-based ("DevSecOps") systems, and software engineering and cyber training	ND	ND	ND	ND	ND	ND
12/11/20	CCP Capital Strategies	Executive Information Systems	Provides software and related platforms for public sector clients	ND	ND	ND	ND	ND	ND
12/10/20	Leidos Holdings, Inc.	1901 Group (portco of Enlightenment Capital)	Provides cloud, cybersecurity, and enterprise-scale digital modernization services and capabilities that improve performance and reduce costs	\$215.0	ND	ND	ND	ND	ND
12/09/20	J.F. Lehman & Company	CodeMettle, LLC	Provides custom software development and proprietary software solutions to manage critical communication networks	ND	ND	ND	ND	ND	ND
12/07/20	Veritas Capital	Federal IT and Mission Support Services business of Northrop Grumman	Provides a wide-range of advanced technology solutions to include cybersecurity, data analytics, cloud, mission-critical application development, and advanced engineering to defense, intelligence, space, civil, and health customers	\$3,400.0	\$2,300.0	ND	ND	1.48x	ND
12/04/20	By Light Professional IT Services, Inc. (portco of Sagewind Capital, LLC)	Raydon Corporation	Provides full-lifecycle solutions, including engineering, custom manufacturing, and supply chain management solutions in support of the DoD's virtual training and simulation programs	ND	ND	ND	ND	ND	ND
12/03/20	NuWave Solutions (portco of AE Industrial Partners)	BigBear, Inc.	Provides cloud-based big data analytics solutions to the national security community	ND	ND	ND	ND	ND	ND

 KippsDeSanto acted as financial advisor in this transaction

Note: ND = Not Disclosed


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

(2) Vectrus / HHB was announced on 01/04/21 but closed on 12/31/20

# 4Q20 Government Technology Services Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM Rev.	EBITDA <sup>(1)</sup>
12/01/20	Swish Data Corporation	Titania Solutions Group, Inc.	Provides DevSecOps services, intelligence training and operations, and drone and counter-drone activities within the public sector	ND	ND	ND	ND	ND	ND
12/01/20	Salesforce, Inc.	Acumen Solutions	Provides cloud consulting services, including customer service, sales acceleration, engagement marketing, on-demand analytics, financial analysis, and digital transformation solutions	ND	ND	ND	ND	ND	ND
12/01/20	ASGN Incorporated	Integrated Solutions Management, Inc.	Provides Internet of Things ("IoT") technology, IT service, and operations management	ND	ND	ND	ND	ND	ND
11/30/20	Jacobs Engineering Group	PA Consulting Group (65% Stake) (portco of The Carlyle Group)	Provides consulting services, technology solutions, and innovation solutions in corporate strategy, product development and manufacturing, and IT transformation	\$2,400.0	ND	ND	ND	ND	ND
11/24/20	Jane's Group UK Limited (portco of Montagu Private Equity, LLP)	Global Platforms & Systems (Analytics segment of Avascent Group, Ltd.)	Provides defense market analytics businesses to support industry intelligence solutions	ND	ND	ND	ND	ND	ND
11/24/20	Jacobs Engineering Group	The Buffalo Group	Provides advanced analytics, targeting, cybersecurity, cloud mitigation, DevSecOps, identity intelligence and biometrics, human intelligence, open-source and social media analysis, geospatial intelligence, and cyber threat intelligence	ND	ND	ND	ND	ND	ND
11/19/20	Gunnison Consulting Group, Inc.	Global Solutions & Services Frameworks	Provides IT service management, mobility engineering and management, cybersecurity engineering and management, and IT engineering and integration	ND	ND	ND	ND	ND	ND
11/18/20	Belcan, LLC (portco of AE Industrial Partners)	Avista, Inc. (subsidiary of TransDigm Group, Inc.)	Provides safety-critical and mission-critical software engineering services to the world's leading OEMs in the aerospace, defense, industrial, and medical industries	ND	ND	ND	ND	ND	ND
11/17/20	American Institutes for Research	Kimetrica, LLC	Provides research and evaluation, surveys, information management, and modeling and simulation expertise	ND	ND	ND	ND	ND	ND
11/16/20	PAE	Metis Solutions Corporation (portco of Blue Delta Capital Partners)	Provides intelligence analysis, operational and tactical training, and program management	\$92.0	ND	\$8.5	ND	ND	9.7x
11/12/20	Avantus Federal (Portco of NewSpring Capital)	MissionTech Solutions, LLC	Provides consulting and solutions using data and technology to solve national security challenges	ND	ND	ND	ND	ND	ND
11/12/20	ManTech International Corporation	Minerva Engineering	Provides advanced cyber services that support the IC, including risk and vulnerability assessment, incident response and cyber intrusion detection, and wireless signal discovery	ND	ND	ND	ND	ND	ND
11/11/20	Palo Alto Networks	Expanse, Inc.	Provides cybersecurity services to commercial and Federal clients	\$800.0	ND	ND	ND	ND	ND
11/11/20	Rosewood Private Investments	General Informatics	Provides IT managed services, cloud services, and IT constancy	ND	ND	ND	ND	ND	ND
11/09/20	GCOM Software, LLC (portco of Sagewind Capital, LLC)	2020 Teknology, LLC	Provides managed services and systems integration services	ND	ND	ND	ND	ND	ND
11/04/20	AE Industrial Partners	Linkware, LLC	Provides custom software solutions and consulting services to Federal government organizations	ND	ND	ND	ND	ND	ND

 KippsDeSanto acted as financial advisor in this transaction


Note: ND = Not Disclosed

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

# 4Q20 Government Technology Services Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA <sup>(1)</sup>
11/02/20	OpenGate Capital Management, LLC	Aurotech, Inc.	Provides digital services and business solutions for U.S. Federal healthcare and adjacent Civilian agencies for which they design and implement information technology plans and build technology powered business tools	ND	ND	ND	ND	ND	ND
11/02/20	Belcan, LLC (portco of AE Industrial Partners)	Telesis Corp.	Provides innovative IT solutions for large, complex government customers with a focus on highly differentiated services that deliver mission critical solutions for its customers	ND	ND	ND	ND	ND	ND
10/30/20	Granicus, Inc. (portco of Vista Equity Partners)	Calytera US, Inc. (portco of BuildGroup, LLC)	Provides solutions to digitize and automate critical functions, optimize mobile workforces, and deliver modern services to citizens	ND	ND	ND	ND	ND	ND
10/30/20	DC Capital Partners, LLC	Hill Technical Solutions, Inc.	Provides highly technical, full-spectrum systems engineering and integration, advanced technology development, systems architecture design and analysis, and hypersonic design and testing solutions	ND	ND	ND	ND	ND	ND
10/26/20	Francisco Partners	Forcepoint (subsidiary of Raytheon Technologies)	Provides cybersecurity solutions that protects the critical data and networks of thousands of customers globally	\$1,500.0	ND	ND	ND	ND	ND
10/26/20	PAE	CENTRA Technology, Inc.	Provides high-end intelligence support, information analytics, engineering services, and other advanced technology solutions primarily serving the IC	\$208.0	ND	\$20.0	ND	ND	8.8x
10/26/20	Ansys	Analytical Graphics, Inc.	Provides mission-driven simulation, modeling, testing, and analysis software for aerospace, defense, and intelligence applications	\$700.0	\$80.0	ND	ND	8.75x	ND
10/26/20	AE Industrial Partners	PCI	Provides cybersecurity, CNO, cloud, systems engineering, enterprise IT, and data analytics to IC and DoD	ND	ND	ND	ND	ND	ND
10/20/20	Continental Mapping Consultants (portco of Bluestone Investment Partners)	TSG Solutions, Inc.	Provides situation awareness, geospatial services, and proprietary solutions for secured and unclassified environments	ND	ND	ND	ND	ND	ND
10/16/20	Welsh, Carson, Anderson & Stowe	GovernmentCIO	Provides high-end technology and digital solutions to the Federal Health IT Services market	ND	ND	ND	ND	ND	ND
10/08/20	Xenith Solutions, LLC	TRI-COR Industries	Provides full-lifecycle enterprise business and IT solutions to Federal and local governments	ND	ND	ND	ND	ND	ND
10/07/20	Accenture plc	Avenai	Provides consulting and technology services to primarily the public sector market in Canada	ND	ND	ND	ND	ND	ND
10/02/20	ASGN Incorporated	Skyris, LLC	Provides remote sensing science, data science, and geospatial solutions in support of the IC, defense, and national security missions	ND	ND	ND	ND	ND	ND
10/01/20	DLH Holdings Corp.	Irving Burton Associates, LLC	Provides research, systems development, and other technology-enabled solutions to various DoD agencies	\$32.0	\$25.0	ND	ND	1.28x	ND


 KippsDeSanto acted as financial advisor in this transaction

Note: ND = Not Disclosed

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

# Public Company Trading Analysis

(\$ in millions, except per share amounts)

<b>Aircraft and Engine OEMs</b>	Stock Price 12/31/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020			CY2021E			EV / CY2020		EV / CY2021E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
The Boeing Company	\$214.06	61.2%	\$120,843	\$154,954	\$58,329	(\$2,703)	-4.6%	\$77,815	\$6,296	8.1%	2.66x	NM	1.99x	24.6x
General Electric Company	10.80	81.4%	94,607	157,306	79,320	5,652	7.1%	80,514	9,511	11.8%	1.98x	27.8x	1.95x	16.5x
Airbus SE	109.82	64.4%	86,030	91,819	56,504	4,680	8.3%	64,349	7,842	12.2%	1.63x	19.6x	1.43x	11.7x
Safran SA	141.83	76.1%	60,545	64,905	19,384	3,350	17.3%	21,497	4,191	19.5%	3.35x	19.4x	3.02x	15.5x
MTU Aero Engines AG	261.04	73.8%	13,846	13,173	4,984	735	14.8%	5,461	894	16.4%	2.64x	17.9x	2.41x	14.7x
<b>Median</b>		<b>73.8%</b>	<b>\$86,030</b>	<b>\$91,819</b>	<b>\$56,504</b>	<b>\$3,350</b>	<b>8.3%</b>	<b>\$64,349</b>	<b>\$6,296</b>	<b>12.2%</b>	<b>2.64x</b>	<b>19.5x</b>	<b>1.99x</b>	<b>15.5x</b>

<b>Aerostructures</b>	Stock Price 12/31/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020			CY2021E			EV / CY2020		EV / CY2021E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Spirit AeroSystems Holdings, Inc.	\$39.09	52.0%	\$4,129	\$5,734	\$3,437	(\$470)	-13.7%	\$4,038	\$190	4.7%	1.67x	NM	1.42x	30.2x
Hexcel Corporation	48.49	60.2%	4,051	4,982	1,508	192	12.7%	1,440	242	16.8%	3.30x	25.9x	3.46x	20.6x
Triumph Group, Inc.	12.56	48.0%	655	2,300	2,115	123	5.8%	1,685	209	12.4%	1.09x	18.6x	1.37x	11.0x
Senior plc	1.22	47.5%	505	800	1,002	78	7.8%	983	98	10.0%	0.80x	10.2x	0.81x	8.1x
<b>Median</b>		<b>50.0%</b>	<b>\$2,353</b>	<b>\$3,641</b>	<b>\$1,812</b>	<b>\$101</b>	<b>6.8%</b>	<b>\$1,562</b>	<b>\$199</b>	<b>11.2%</b>	<b>1.38x</b>	<b>18.6x</b>	<b>1.39x</b>	<b>15.8x</b>

Note: NM = Not Meaningful

Source: S&amp;P Capital IQ, company filings, and KippsDeSanto research



# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

<u>Aerospace Suppliers</u>	Stock Price 12/31/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020			CY2021E			EV / CY2020		EV / CY2021E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Meggitt PLC	\$6.37	66.5%	\$4,956	\$6,194	\$2,417	\$406	16.8%	\$2,571	\$501	19.5%	2.56x	15.3x	2.41x	12.4x
Curtiss-Wright Corporation	116.35	77.6%	4,829	5,594	2,403	507	21.1%	2,517	547	21.7%	2.33x	11.0x	2.22x	10.2x
RBC Bearings Incorporated	179.04	96.7%	4,390	4,274	631	162	25.7%	621	156	25.2%	6.77x	26.3x	6.88x	27.3x
Arconic Corporation	29.80	94.3%	3,253	3,885	5,670	633	11.2%	6,531	740	11.3%	0.69x	6.1x	0.59x	5.2x
Moog Inc.	79.30	82.7%	2,580	3,515	2,810	139	4.9%	2,846	314	11.0%	1.25x	25.3x	1.24x	11.2x
Ducommun Incorporated	53.70	92.9%	629	920	629	87	13.9%	650	91	14.1%	1.46x	10.6x	1.42x	10.1x
Astronics Corporation	13.23	45.4%	408	572	501	32	6.3%	505	37	7.4%	1.14x	18.0x	1.13x	15.3x
Héroux-Devtek Inc.	11.07	65.2%	402	566	449	70	15.6%	442	67	15.2%	1.26x	8.1x	1.28x	8.4x
<b>Median</b>		<b>80.1%</b>	<b>\$2,916</b>	<b>\$3,700</b>	<b>\$1,517</b>	<b>\$151</b>	<b>14.7%</b>	<b>\$1,584</b>	<b>\$235</b>	<b>14.7%</b>	<b>1.36x</b>	<b>13.1x</b>	<b>1.35x</b>	<b>10.7x</b>

<u>Aftermarket / MRO</u>	Stock Price 12/31/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020			CY2021E			EV / CY2020		EV / CY2021E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
TransDigm Group Incorporated	\$618.85	91.9%	\$33,688	\$49,532	\$4,759	\$2,076	43.6%	\$4,949	\$2,257	45.6%	10.41x	23.9x	10.01x	21.9x
HEICO Corporation	132.40	96.0%	16,660	17,303	1,698	440	25.9%	1,979	555	28.1%	10.19x	39.3x	8.75x	31.2x
Singapore Technologies Engineering Ltd	2.89	86.4%	9,004	10,244	5,411	728	13.5%	5,890	775	13.2%	1.89x	14.1x	1.74x	13.2x
Signature Aviation plc	5.28	95.1%	4,379	6,619	1,550	363	23.4%	1,822	418	23.0%	4.27x	18.2x	3.63x	15.8x
SIA Engineering Company Limited	1.49	68.4%	1,671	1,385	454	43	9.4%	425	12	2.9%	3.05x	32.4x	3.26x	NM
AAR Corp.	36.22	75.5%	1,264	1,464	1,774	56	3.2%	1,753	115	6.6%	0.83x	26.2x	0.84x	12.8x
<b>Median</b>		<b>89.2%</b>	<b>\$6,692</b>	<b>\$8,432</b>	<b>\$1,736</b>	<b>\$402</b>	<b>18.4%</b>	<b>\$1,900</b>	<b>\$487</b>	<b>18.1%</b>	<b>3.66x</b>	<b>25.0x</b>	<b>3.45x</b>	<b>15.8x</b>

Note: NM = Not Meaningful

Source: S&amp;P Capital IQ, company filings, and KippsDeSanto research



# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Defense Primes	Stock Price 12/31/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020E			CY2021P			EV / CY2020E		EV / CY2021P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Raytheon Technologies Corporation	\$71.51	45.1%	\$107,863	\$134,025	\$64,196	\$9,454	14.7%	\$68,212	\$10,394	15.2%	2.09x	14.2x	1.96x	12.9x
Lockheed Martin Corporation	354.98	80.2%	99,318	108,441	65,278	9,921	15.2%	68,022	10,616	15.6%	1.66x	10.9x	1.59x	10.2x
Northrop Grumman Corporation	304.72	79.1%	50,802	63,165	35,851	5,093	14.2%	37,364	5,338	14.3%	1.76x	12.4x	1.69x	11.8x
General Dynamics Corporation	148.82	78.3%	42,609	55,931	38,244	5,035	13.2%	38,970	5,155	13.2%	1.46x	11.1x	1.44x	10.8x
L3Harris Technologies, Inc.	189.02	81.8%	39,715	46,166	18,430	3,497	19.0%	19,405	4,040	20.8%	2.50x	13.2x	2.38x	11.4x
BAE Systems plc	6.67	72.7%	21,459	25,835	27,805	3,412	12.3%	29,054	3,757	12.9%	0.93x	7.6x	0.89x	6.9x
<b>Median</b>		<b>78.7%</b>	<b>\$46,706</b>	<b>\$59,548</b>	<b>\$37,047</b>	<b>\$5,064</b>	<b>14.5%</b>	<b>\$38,167</b>	<b>\$5,247</b>	<b>14.8%</b>	<b>1.71x</b>	<b>11.8x</b>	<b>1.64x</b>	<b>11.1x</b>

Defense Systems	Stock Price 12/31/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020E			CY2021P			EV / CY2020E		EV / CY2021P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Safran SA	\$141.83	76.1%	\$60,545	\$64,905	\$19,394	\$3,351	17.3%	\$21,389	\$4,159	19.4%	3.35x	19.4x	3.03x	15.6x
Huntington Ingalls Industries, Inc.	170.48	60.9%	6,903	8,625	9,018	992	11.0%	9,114	751	8.2%	0.96x	8.7x	0.95x	11.5x
FLIR Systems, Inc.	43.83	73.7%	5,748	6,261	1,892	415	21.9%	1,933	459	23.8%	3.31x	15.1x	3.24x	13.6x
Kongsberg Gruppen ASA	20.56	99.3%	3,696	3,434	3,018	377	12.5%	3,298	418	12.7%	1.14x	9.1x	1.04x	8.2x
AeroVironment, Inc.	86.90	87.1%	2,077	1,743	394	63	16.0%	455	79	17.3%	4.43x	27.7x	3.83x	22.1x
Cubic Corporation	62.04	88.0%	1,956	2,778	1,477	158	10.7%	1,563	191	12.2%	1.88x	17.6x	1.78x	14.5x
<b>Median</b>		<b>81.6%</b>	<b>\$4,722</b>	<b>\$4,847</b>	<b>\$2,455</b>	<b>\$396</b>	<b>14.2%</b>	<b>\$2,615</b>	<b>\$439</b>	<b>15.0%</b>	<b>2.59x</b>	<b>16.3x</b>	<b>2.41x</b>	<b>14.1x</b>

Note: NM = Not Meaningful

Source: S&amp;P Capital IQ, company filings, and KippsDeSanto research



# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

<b>Defense Electronics / Comm.</b>	Stock Price 12/31/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020			CY2021E			EV / CY2020		EV / CY2021E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Teledyne Technologies Incorporated	\$391.98	98.2%	\$14,457	\$14,930	\$3,121	\$608	19.5%	\$3,297	\$679	20.6%	4.78x	24.5x	4.53x	22.0x
Mercury Systems, Inc.	88.06	91.5%	4,932	4,759	841	183	21.8%	931	206	22.2%	5.66x	26.0x	5.11x	23.1x
Kratos Defense & Security Solutions, Inc	27.43	96.1%	3,367	3,392	761	78	10.2%	865	94	10.8%	4.46x	43.7x	3.92x	36.2x
Viasat, Inc.	32.65	44.1%	2,205	4,091	2,269	481	21.2%	2,547	531	20.9%	1.80x	8.5x	1.61x	7.7x
Ultra Electronics Holdings plc	28.29	81.6%	2,008	2,141	1,182	207	17.5%	1,227	214	17.4%	1.81x	10.3x	1.74x	10.0x
Comtech Telecommunications Corp.	20.69	55.4%	517	733	558	63	11.3%	670	86	12.8%	1.31x	11.6x	1.09x	8.6x
<b>Median</b>		<b>86.5%</b>	<b>\$2,786</b>	<b>\$3,741</b>	<b>\$1,012</b>	<b>\$195</b>	<b>18.5%</b>	<b>\$1,079</b>	<b>\$210</b>	<b>19.0%</b>	<b>3.13x</b>	<b>18.1x</b>	<b>2.83x</b>	<b>16.0x</b>

<b>Homeland Security</b>	Stock Price 12/31/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020			CY2021E			EV / CY2020		EV / CY2021E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Smiths Group plc	\$20.54	84.6%	\$8,141	\$9,739	\$3,390	\$720	21.2%	\$3,396	\$659	19.4%	2.87x	13.5x	2.87x	14.8x
Axon Enterprise, Inc.	122.53	90.9%	7,787	7,285	636	125	19.7%	738	125	17.0%	11.46x	58.2x	9.87x	58.1x
MSA Safety Incorporated	149.39	96.1%	5,819	6,013	1,296	274	21.1%	1,373	296	21.6%	4.64x	22.0x	4.38x	20.3x
OSI Systems, Inc.	93.22	90.8%	1,671	1,941	1,098	177	16.2%	1,174	196	16.7%	1.77x	10.9x	1.65x	9.9x
Smith & Wesson Brands, Inc.	17.75	63.9%	994	984	997	282	28.3%	711	167	23.5%	0.99x	3.5x	1.38x	5.9x
<b>Median</b>		<b>90.8%</b>	<b>\$5,819</b>	<b>\$6,013</b>	<b>\$1,098</b>	<b>\$274</b>	<b>21.1%</b>	<b>\$1,174</b>	<b>\$196</b>	<b>19.4%</b>	<b>2.87x</b>	<b>13.5x</b>	<b>2.87x</b>	<b>14.8x</b>

# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

<b>Government Services</b>	Stock Price 12/31/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020			CY2021E			EV / CY2020		EV / CY2021E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Leidos Holdings, Inc.	\$105.12	83.5%	\$14,961	\$19,647	\$12,432	\$1,327	10.7%	\$13,955	\$1,453	10.4%	1.58x	14.8x	1.41x	13.5x
Booz Allen Hamilton Holding Corporation	87.18	95.6%	12,022	13,513	7,951	823	10.4%	8,553	854	10.0%	1.70x	16.4x	1.58x	15.8x
CACI International Inc	249.33	86.4%	6,288	8,248	5,919	628	10.6%	6,342	675	10.6%	1.39x	13.1x	1.30x	12.2x
SAIC	94.64	94.2%	5,510	8,262	7,137	627	8.8%	7,701	702	9.1%	1.16x	13.2x	1.07x	11.8x
Perspecta Inc.	24.08	81.8%	3,876	6,391	4,439	701	15.8%	4,078	646	15.8%	1.44x	9.1x	1.57x	9.9x
ManTech International Corporation	88.94	94.6%	3,589	3,604	2,508	224	8.9%	2,660	239	9.0%	1.44x	16.1x	1.36x	15.1x
ICF International, Inc.	74.33	78.0%	1,402	1,936	1,470	137	9.3%	1,576	149	9.4%	1.32x	14.1x	1.23x	13.0x
PAE Incorporated	9.18	71.9%	845	1,503	2,647	176	6.6%	3,047	205	6.7%	0.57x	8.6x	0.49x	7.3x
Vectrus, Inc.	49.72	83.9%	578	593	1,402	57	4.1%	1,518	71	4.7%	0.42x	10.4x	0.39x	8.4x
VSE Corporation	38.49	91.7%	425	701	667	56	8.4%	688	83	12.0%	1.05x	12.6x	1.02x	8.5x
<b>Median</b>		<b>85.2%</b>	<b>\$3,733</b>	<b>\$4,998</b>	<b>\$3,543</b>	<b>\$426</b>	<b>9.1%</b>	<b>\$3,562</b>	<b>\$442</b>	<b>9.7%</b>	<b>1.36x</b>	<b>13.2x</b>	<b>1.26x</b>	<b>12.0x</b>

<b>Government Technology Software</b>	Stock Price 12/31/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020			CY2021E			EV / CY2020		EV / CY2021E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Tyler Technologies, Inc.	\$436.52	93.6%	\$17,604	\$17,048	\$1,125	\$328	29.1%	\$1,206	\$357	29.6%	NM	NM	NM	NM
NIC Inc.	25.83	96.4%	1,731	1,508	438	107	24.5%	438	112	25.7%	3.44x	14.1x	3.44x	13.4x
GTY Technology Holdings Inc.	5.18	70.1%	277	292	49	(16)	-32.4%	60	(4)	-7.2%	5.94x	NM	4.86x	NM
<b>Median</b>		<b>93.6%</b>	<b>\$1,731</b>	<b>\$1,508</b>	<b>\$438</b>	<b>\$107</b>	<b>24.5%</b>	<b>\$438</b>	<b>\$112</b>	<b>25.7%</b>	<b>4.69x</b>	<b>14.1x</b>	<b>4.15x</b>	<b>13.4x</b>

Note: NM = Not Meaningful

Source: S&amp;P Capital IQ, company filings, and KippsDeSanto research

# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Engineering & Construction	Stock Price 12/31/20	% of 52 Week High	Market Cap	Enterprise Value	CY2020			CY2021E			EV / CY2020		EV / CY2021E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Jacobs Engineering Group Inc.	\$108.96	98.0%	\$14,163	\$15,601	\$13,602	\$1,058	7.8%	\$14,159	\$1,164	8.2%	1.15x	14.7x	1.10x	13.4x
AECOM	49.78	93.6%	7,505	8,893	13,215	761	5.8%	13,113	823	6.3%	0.67x	11.7x	0.68x	10.8x
Tetra Tech, Inc.	115.78	91.0%	6,226	6,638	2,321	265	11.4%	2,474	289	11.7%	2.86x	25.1x	2.68x	23.0x
KBR, Inc.	30.93	96.9%	4,408	5,054	5,802	461	7.9%	5,854	545	9.3%	0.87x	11.0x	0.86x	9.3x
Parsons Corporation	36.41	80.2%	3,667	3,923	3,996	351	8.8%	4,233	392	9.3%	0.98x	11.2x	0.93x	10.0x
Babcock International Group PLC	3.82	43.1%	1,931	4,152	6,327	861	13.6%	6,313	822	13.0%	0.66x	4.8x	0.66x	5.1x
<b>Median</b>		<b>92.3%</b>	<b>\$5,317</b>	<b>\$5,846</b>	<b>\$6,065</b>	<b>\$611</b>	<b>8.4%</b>	<b>\$6,084</b>	<b>\$684</b>	<b>9.3%</b>	<b>0.93x</b>	<b>11.4x</b>	<b>0.90x</b>	<b>10.4x</b>

Note: NM = Not Meaningful

Source: S&amp;P Capital IQ, company filings, and KippsDeSanto research

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