

Aerospace / Defense & Government Services 2021 M&A Survey

From a global pandemic that shut down economies around the world to a significant U.S. election, 2020 was full of challenges and changes that could significantly impact M&A in the Aerospace / Defense and Government Services sectors.

That said, in this, our fourth survey of M&A activity and sentiment, we find that dealmakers remain very optimistic about the U.S. economy, M&A activity, and valuations for 2021. Nearly 80% of respondents expect the U.S. economy to grow in 2021, while the majority of respondents expect the cycle of M&A activity and valuations to peak in 2021; but nearly 25% expect continued growth for the next few years.

Well over half of respondents in each sector we assessed expect M&A activity to increase in 2021 compared to 2020. Across all sectors, nearly all respondents expect to close more or the same number of deals as in 2020, with 49% of respondents expecting to close more deals and 43% predicting to close the same number of deals.

The headline stories of 2020 were COVID-19 and the U.S. federal election. Surprisingly, we find that these factors had limited impact on respondents' approach to M&A in 2020 and plans for 2021.

More than 200 dealmakers in the Aerospace / Defense and Government Services sectors participated in the survey — including many of the largest and most active industry buyers. This includes CEOs, presidents, CFOs, corporate development executives (or other executive-level respondents from corporate / strategic buyers), private equity partners, and senior professionals.

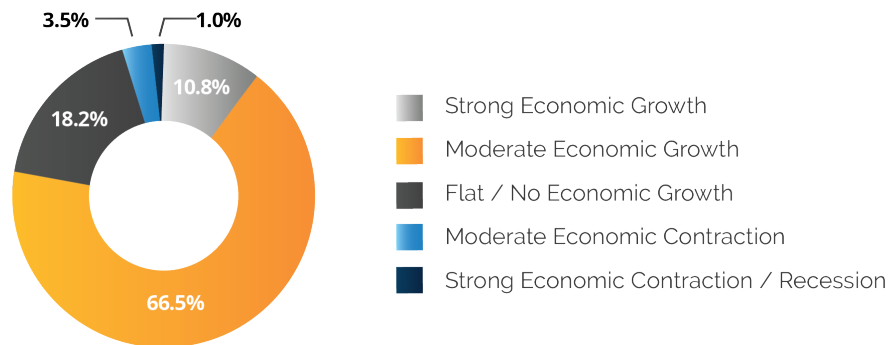
“2020 was an incredibly challenging year. While many parts of the economy suffered immensely, dealmakers in the Aerospace / Defense and Government Services sectors remain optimistic about the overall economy and M&A in the coming year. Interestingly, COVID-19, one of the biggest global challenges we have faced in nearly a century, had limited impact on Defense and Government Services M&A activity in 2020 or predictions for 2021. Through this report, we hope to present the market with a broader view of the underlying factors that drive the decision-making of dealmakers in these sectors, including potential drivers of continued momentum of M&A activity in Aerospace / Defense and Government Services sectors in 2021. We remain optimistic and resilient.”

KIPPSDESANTO & CO.

Dealmakers Predict Moderate Economic Growth

Dealmakers surveyed are positive about the overall economy. Just over 65% expect moderate economic growth in 2021 and 11% expect strong growth. The number of respondents who predict moderate or strong growth is down only slightly compared to respondents' pre-COVID-19 predictions for 2020, when 77% predicted moderate growth and 11% predicted strong growth. The percentage of respondents who expect no economic growth or economic contraction in 2021 increased somewhat compared to respondents' pre-COVID-19 predictions for 2020. In 2021, 18% of respondents predict a flat economy, compared to 10% in 2020, and less than 5% predict some economic contraction compared to just 2% in 2020. Overall, these results suggest strong optimism about the economy, notwithstanding the ongoing global pandemic.

Expectations for the U.S. Economy in 2021



IN RESPONSE TO: Which of the following best describes your expectation for U.S. economic growth in 2021?

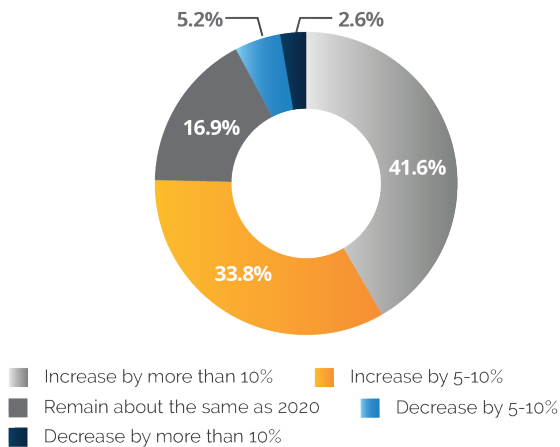
M&A Activity Expected to Increase or Remain the Same in the Aerospace / Defense and Government Services Sectors

More than half of respondents in each sector expect M&A activity to increase in 2021 compared to 2020. In the Aerospace industry, about 75% of respondents expect the number of deals will increase by 5% or more (42% of respondents expect growth of more than 10%, and 34% expect growth of 5-10%), 17% expect the same number of deals, and just 8% expect decreased activity. These responses suggest that the worst is behind the Aerospace sector. M&A activity experienced a nadir in the second quarter of 2020, but picked up by the fourth quarter. The results indicate optimism and growth in M&A activity in this sector.

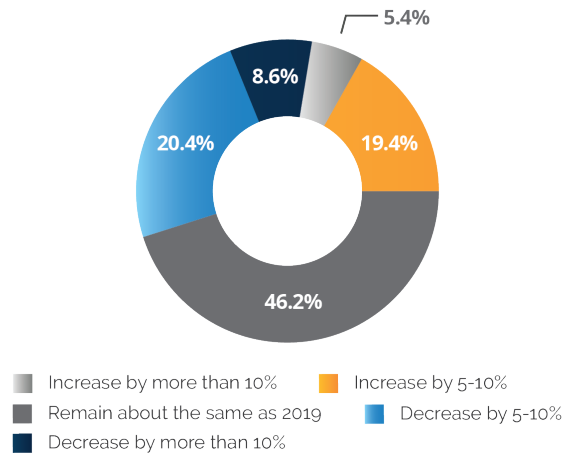
Results for the Government Services sector are similarly bullish, with 61% expecting growth of 5% or more and 27% expecting similar levels of growth to 2020, and just 12% predicting decreased activity. The percentage of respondents who forecast the Government Services sector will increase by 10% or more increased significantly compared to dealmakers' pre-COVID-19 predictions for 2020, with 23% anticipating this high level of growth for 2021 compared to just 8% in 2020.

Growth predictions for the Defense sector are slightly less optimistic than for Aerospace and Government Services, but are still very positive compared to 2020. Just over 55% forecast growth of 5% or more, 35% expect deal levels to remain the same as 2020, and 9% expect deal levels to decrease. Similar to the other two sectors, the percentage of respondents who predict growth of 10% or more increased significantly compared to dealmakers' pre-COVID-19 predictions for 2020, with 21% predicting this high level of growth for 2021 vs. just 5% of respondents in 2020.

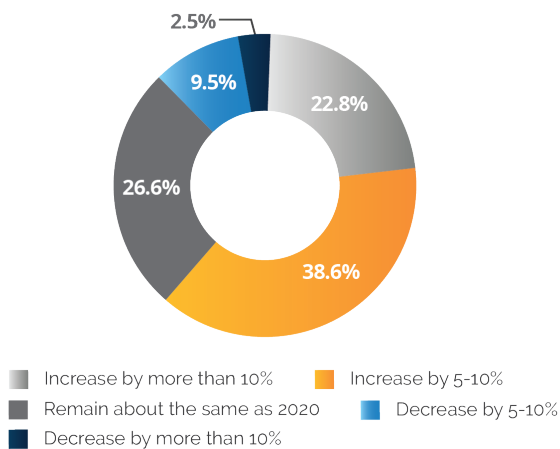
Anticipated M&A Activity in the Aerospace Sector in 2021 vs. 2020



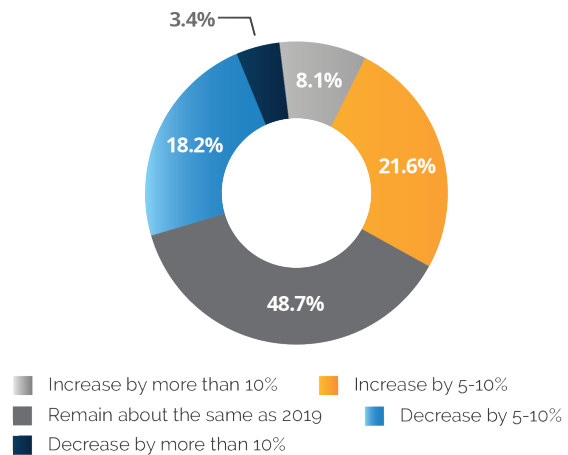
Anticipated M&A Activity in the Aerospace Sector in 2020 vs. 2019



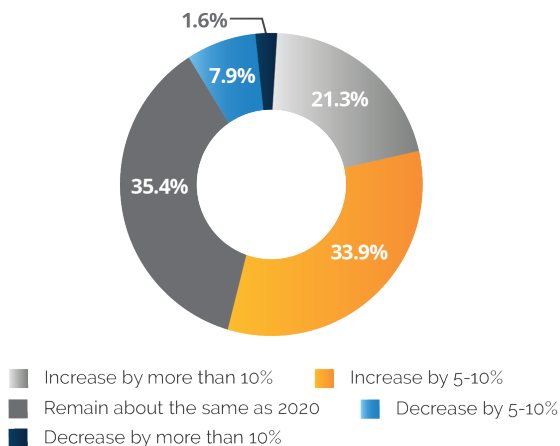
Anticipated M&A Activity in the Government Services Sector in 2021 vs. 2020



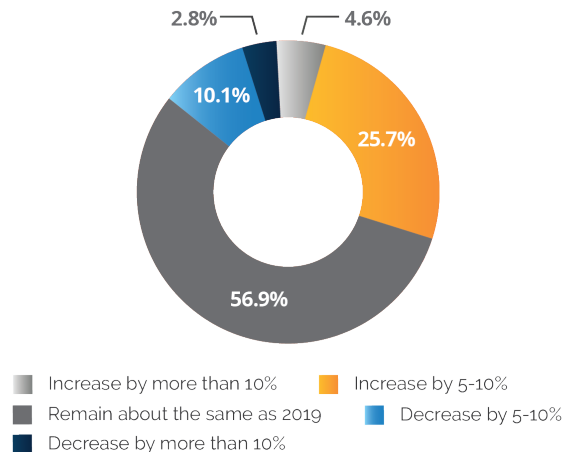
Anticipated M&A Activity in the Government Services Sector in 2020 vs. 2019



Anticipated M&A Activity in the Defense Technology & Products Sector in 2021 vs. 2020



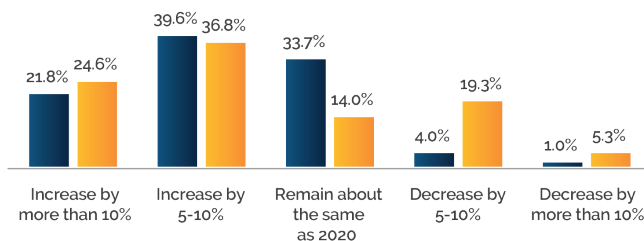
Anticipated M&A Activity in the Defense Technology & Products Sector in 2020 vs. 2019



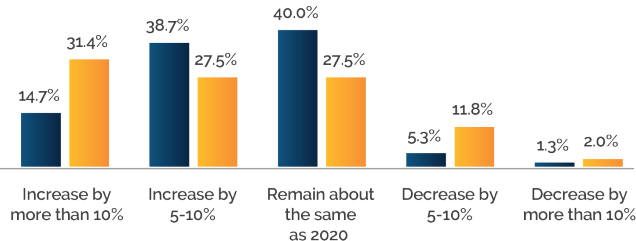
IN RESPONSE TO: In your opinion, how will overall M&A activity in 2021 compare to 2020 in each sector? The number of deals closed in 2021 will ...

There are some differences in M&A activity sentiment between corporate and private equity respondents. In the Government Services sector, corporate respondents are significantly more likely to predict that M&A activity will increase in 2021 vs. 2020. In the Defense sector, private equity respondents are significantly more likely to predict an increase of 10% or more, and also more likely to predict a decrease of 5-10%. There are no significant differences based on organization type for the Aerospace industry.

Anticipated M&A Activity in the Government Services Sector in 2021 vs. 2020



Anticipated M&A Activity in the Defense Technology & Products Sector in 2021 vs. 2020



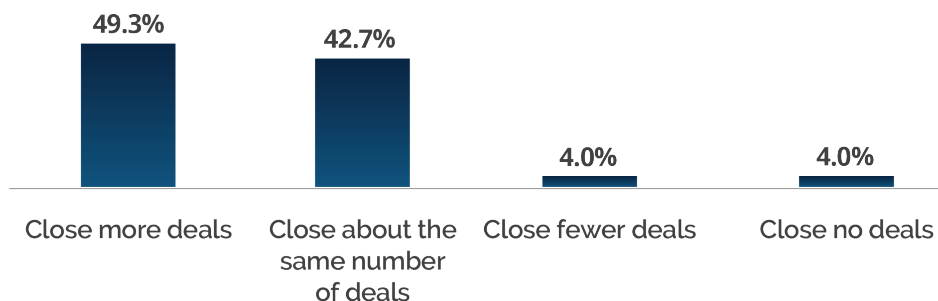
■ Corporate ■ Private Equity

Dealmakers Expect to Close the Same or More Deals in 2021 vs. 2020

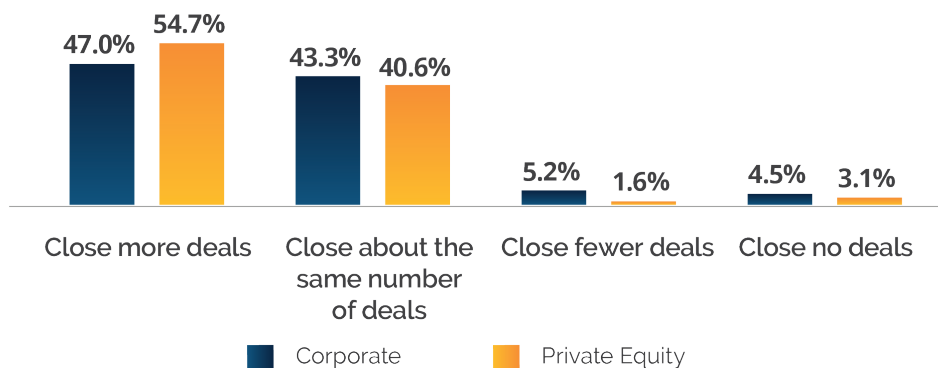
Across all sectors, dealmakers are nearly evenly split on if they expect their own organization to close the same number of deals in 2021 as in 2020, or if they expect to close more deals than in 2020, with 49% of respondents expecting to close more deals and 43% predicting they will close the same number of deals. It is notably positive that 92% of respondents expect to do as many or more deals in 2021 vs. 2020. This shows slightly increased optimism compared to pre-COVID-19 predictions for 2020 when respondents were evenly split with 45% expecting to do the same number of deals and 45% expecting to do more deals than the previous year. The percentage of respondents expecting to do fewer or no deals in 2021 is down compared to 2020, 2019, and 2018 at 8% compared to between 10% and 17% in previous years.

Corporate respondents are slightly less optimistic about 2021 than private equity respondents, with a smaller percentage expecting to close more deals than in 2020 and a higher percentage expecting to close fewer or no deals.

M&A Deals at Dealmaker's Own Organization (All Respondents)



M&A Deals at Dealmaker's Own Organization (Corporate vs. Private Equity Respondents)



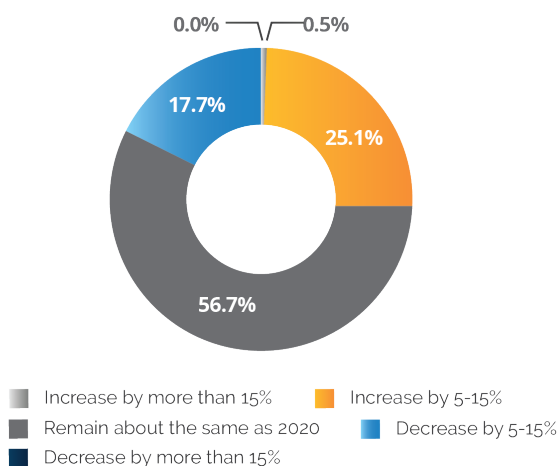
IN RESPONSE TO: How active will your organization be in M&A in 2021 compared to 2020? We expect to ...

Most Dealmakers Predict Stable Valuations in 2021

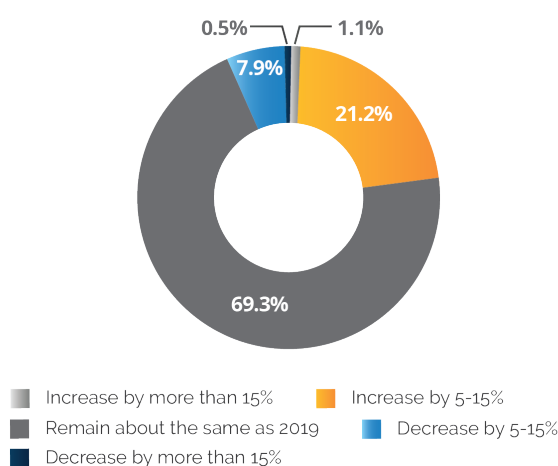
Respondent predictions about valuations in 2021 are a bit more balanced than in previous years, but positive overall. As in 2020, most dealmakers (57%) anticipate that valuations will remain about the same as the previous year. This is slightly lower than the 70% of dealmakers who expected valuations to remain the same as the previous year in 2020, and more similar to dealmakers' predictions for 2019, when 56% anticipated that valuations would remain the same as the previous year.

Of those anticipating a meaningful change, the percentage of respondents who expect valuations to increase by 5-15% increased vs. 2020 (25% in 2021 vs. 21% in 2020), but so did the percentage who expect valuations to decrease by 5-15% (18% in 2021 vs. 7% in 2020).

Valuation Predictions for 2021



Valuation Predictions for 2020

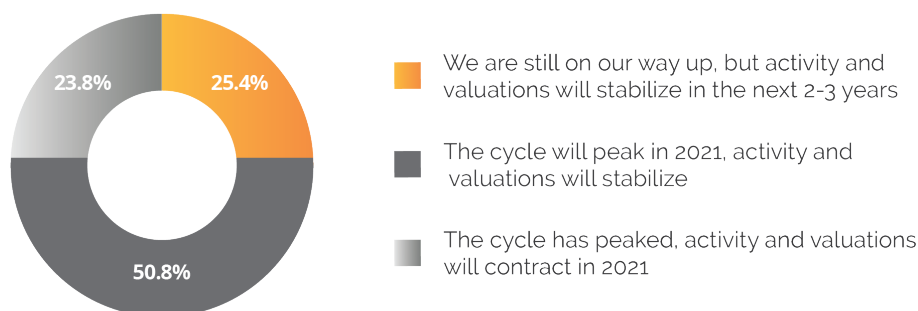


IN RESPONSE TO: *How will the overall valuations of U.S.-based M&A targets in 2021 compare to 2020?*

Majority of Respondents Expect the Cycle of M&A Activity and Valuations to Peak in 2021; but Nearly 25% Expect Continued Growth for the Next Few Years

Dealmakers' predictions about where we are in the cycle of M&A activity and valuations is basically unchanged from our 2020 survey. A majority, just over 50% of respondents, believes that the cycle will peak in 2021, and activity and valuations will stabilize. However, 25% of respondents remain optimistic for continued growth, saying that we're still on our way up, and activity and valuations will stabilize in the next two to three years.

Thoughts on the Cycle of M&A Activity and Valuations



IN RESPONSE TO: *What are your thoughts on where we are in the cycle of M&A activity and valuations?*

Impact of Political Changes on M&A Activity

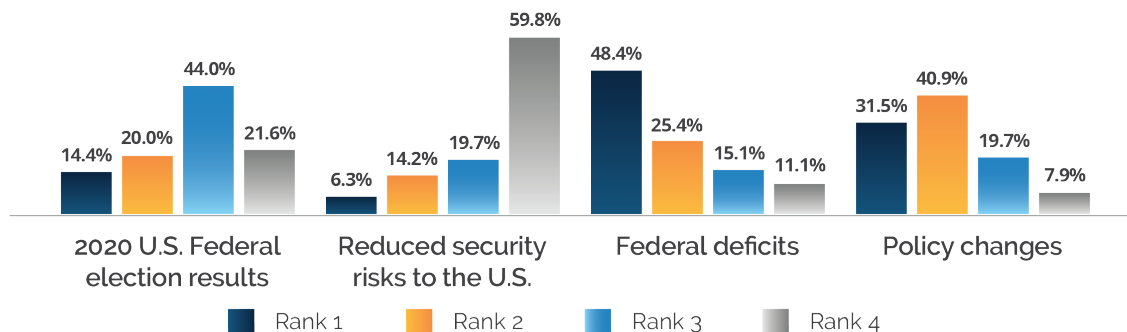
Dealmakers were asked if the 2020 U.S. federal elections will impact their M&A strategy. An overwhelming majority (81%) say the election results will not significantly impact their approach to M&A. Of those influenced by the elections, 16% expect to be more aggressive on M&A and 3% expect to be less aggressive on M&A.

Impact of 2020 U.S. Federal Election Results on M&A Strategy in 2021



In addition, dealmakers rate the risk of political changes having negative impacts on M&A activity lower compared to responses collected shortly after the 2018 U.S. midterm elections. In our 2019 survey, implemented just after the midterm elections, political changes were rated as the greatest perceived risk to budgets and growth prospects. In this survey, the federal elections are ranked as the third most important risk out of the four risks assessed. Federal deficits are rated as the highest potential risk to budgets and growth prospects, followed by policy changes, and 2020 U.S. federal election results. Reduced security threats to the U.S. continue to be the lowest rated risk.

Risks to Budgets and Growth Prospects



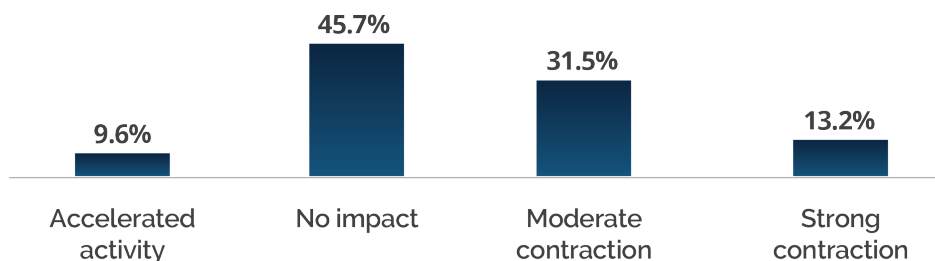
IN RESPONSE TO: Rank the following based on which you think present the biggest overall risks to budgets and growth prospects, 1 = biggest risk and 4 = smallest risk

Impact of COVID-19 on M&A Activity, Valuations, and Dealmaking

COVID-19 was by far the most significant economic factor of 2020. We asked a range of questions to understand how it impacted M&A.

Interestingly, nearly 50% of respondents say that COVID-19 had no impact on their M&A activity. Of those who say COVID-19 encouraged a contraction, most say it caused moderate contraction. A much smaller percentage (10%) say it accelerated their activity.

Impact of COVID-19 on M&A Activity

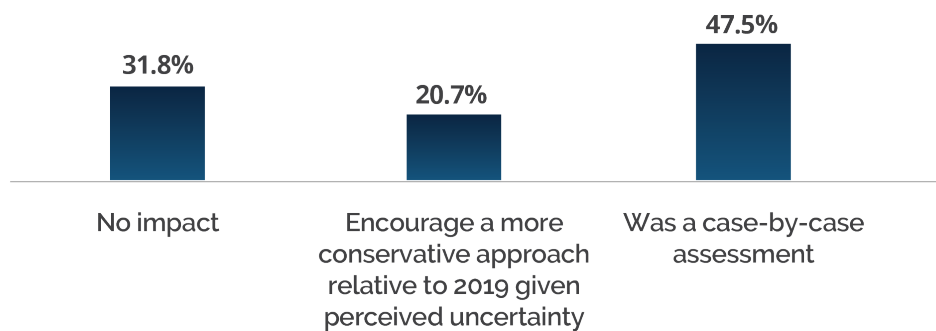


IN RESPONSE TO: In 2020, how would you characterize the impact of COVID-19 on your M&A activity?

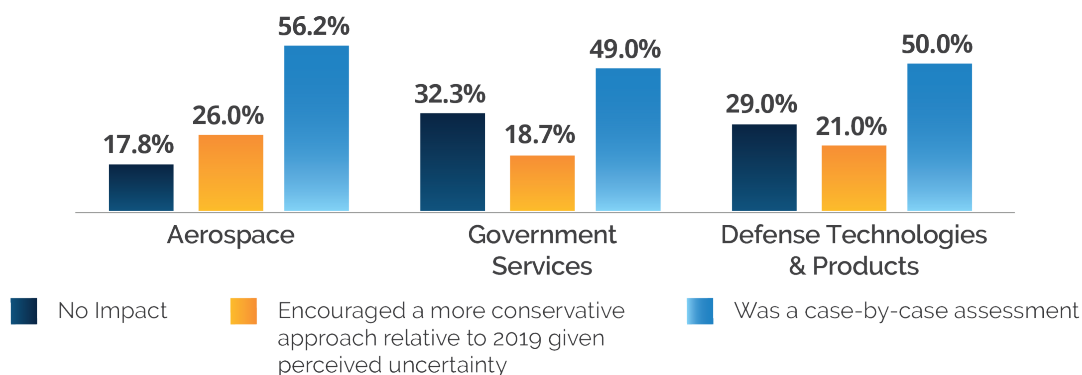
We also asked dealmakers how COVID-19 impacted their valuation approach to transactions. Almost half of respondents say that COVID-19 had some impact on their valuations, but that impact varied case by case. About 32% of respondents say that COVID-19 had no impact on their valuation approach, while 22% say it caused them to be more conservative about valuations overall.

There are some significant differences between sectors in the impact of COVID-19 on valuation approach. Respondents interested in Government Services are significantly more likely to say that COVID-19 had no impact on their valuation approach than respondents interested in Aerospace or Defense. Aerospace respondents are significantly more likely to say that COVID-19 encouraged a more conservative approach compared to those interested in Government Services and Defense.

Impact of COVID-19 on Valuation Approach (All Respondents)



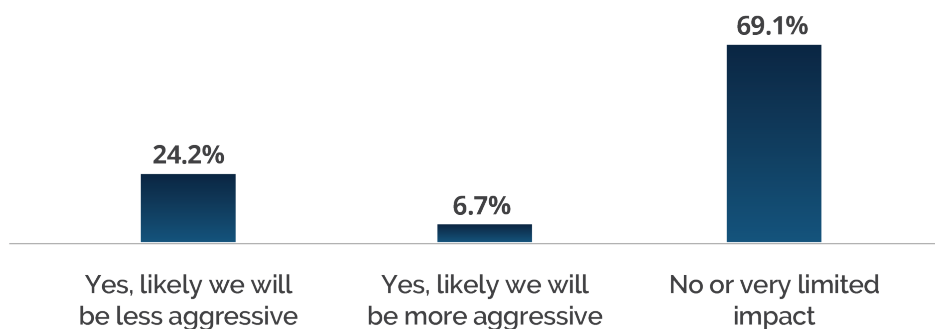
Impact of COVID-19 on Valuation Approach (By Sector)



IN RESPONSE TO: *In 2020, how would you characterize the impact of COVID-19 on your valuation approach to transactions?*

COVID-19 is predicted to have even less impact moving forward. We asked respondents if their outlook for 2021 would change if the public health crisis does not abate in early 2021. Nearly 70% of respondents say that there will be no or limited impact on their outlook for 2021 if COVID-19 continues beyond early 2021.

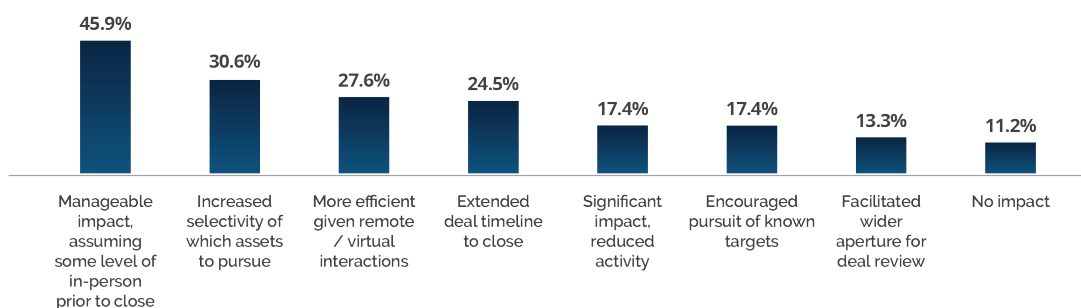
Impact on 2021 M&A Outlook if COVID-19 Doesn't Abate in Early 2021



IN RESPONSE TO: *Would your M&A outlook for 2021 change if the public health crisis doesn't abate in early 2021?*

COVID-19-related travel restrictions and social distancing requirements impacted the “business as usual” approach to dealmaking. We asked dealmakers to characterize these impacts on their M&A strategy. Over 45% of respondents say the impact of social distancing and travel restrictions was manageable — assuming some level of in-person communications prior to close. Increased selectivity of which asset to pursue is the second most frequently chosen impact at 31%. Nearly 30% say that COVID-19 made things more efficient given virtual interactions. Nearly a quarter say COVID-19 required an extended timeline to close deals.

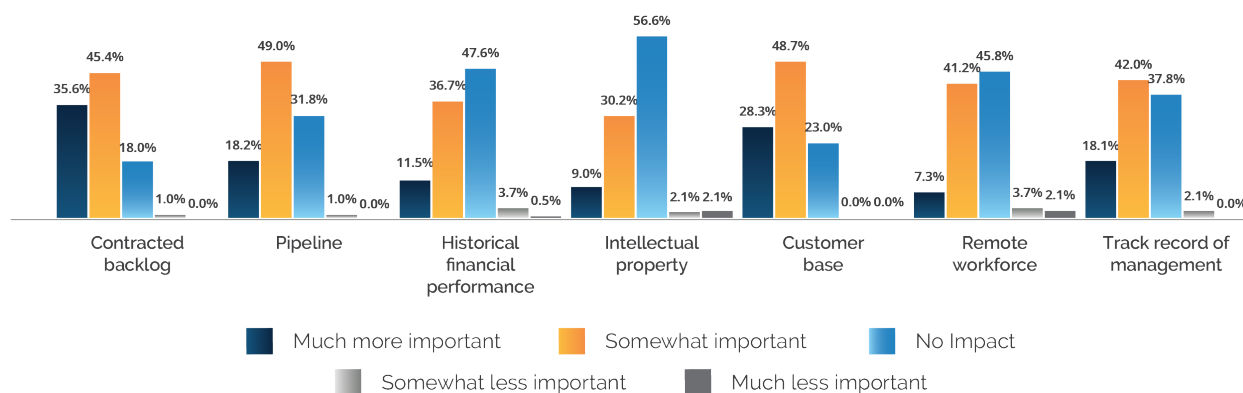
Impact of COVID-19 Social Distancing and Travel Restrictions on M&A Strategy



IN RESPONSE TO: How would you characterize the impact of COVID-19 social distancing and travel restrictions on your M&A strategy? (check all that apply)

As a result of the events of 2020, including COVID-19, some attributes of target companies increased in importance to dealmakers. Contracted backlog is the attribute that most respondents chose as being more important due to COVID-19. Nearly 40% of respondents say it was much more important. This likely illustrates the increased importance of company fundamentals in uncertain economic times. Customer base, pipeline, and track record of management also increased in importance. No attributes decreased in importance to a significant percentage of respondents.

Attributes of Targets that Increased in Importance in 2020

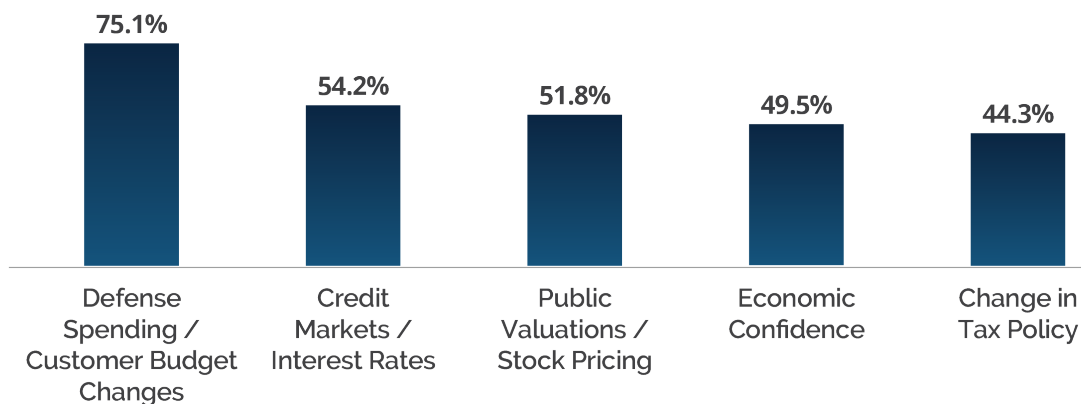


IN RESPONSE TO: Given the events of 2020, including but not limited to COVID-19, what attributes of potential target companies increased in importance in your valuation approach? (rank each attribute)

M&A Momentum Drivers

Defense spending continues to be the most important factor influencing overall deal activity and target valuations in the Aerospace / Defense and Government Services sectors. Just over 75% of all respondents say it is extremely or very influential — nearly the same as in 2020 and 2019. Economic confidence, public valuations / stock pricing, and credit markets / interest rates are all similar and secondary in importance. About 50% of respondents say they are extremely or very influential in deal activity and valuations — also similar to the 2020 and 2019 results. In this 2021 survey, we added changes in tax policies as a potential driver of M&A momentum. It is the least important driver, with 44% of respondents rating it as extremely or very influential in deal activity and valuations.

Drivers of M&A Momentum (% Saying Factor Is Extremely or Very Influential)

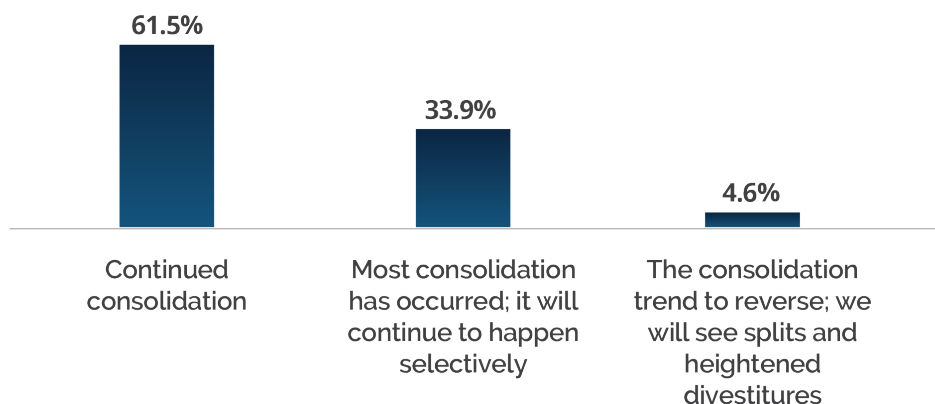


IN RESPONSE TO: Rate the following factors based on how much influence they have on overall deal activity and target valuations in the U.S.

Most Expect Consolidation to Continue

Dealmakers thoughts about continued consolidation of publicly traded Aerospace / Defense and Government Services companies. About 61% of respondents predict continued consolidation, similar to 2020. About 34% of respondents believe most of the consolidation has occurred, but will continue to happen selectively. Just under 5% of respondents expect the trend to reverse and divestitures or splits to increase.

Predictions about Consolidation Trend

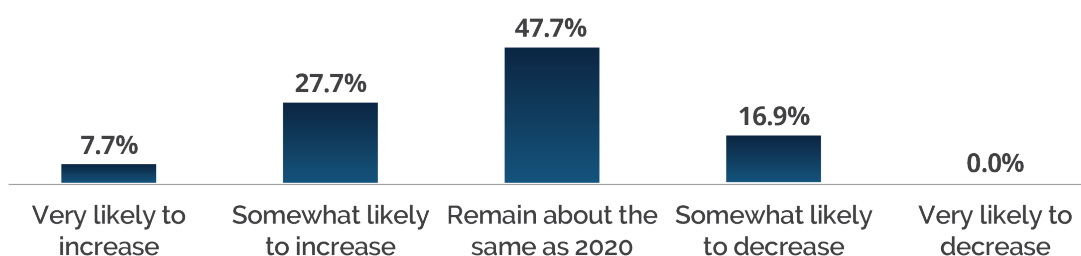


IN RESPONSE TO: *What is your outlook on continued consolidation of publicly traded Aerospace / Defense and Government Services companies? I expect ...*

2021's Credit Market

Private equity dealmakers were asked for their predictions about the credit market in 2021 given its influence on deal activity levels and valuations. Nearly twice as many respondents predict an increase in debt / leverage availability in 2021 compared to 2020. About 36% of respondents say they expect debt / leverage availability to increase in 2021 compared to 2020. Just under 50% expect it to remain the same as in 2020, down from 71% in 2020. About 17% of respondents expect it to decrease, up slightly from 14% in 2020. However, this is dramatically less than the 54% who expected a decrease in 2019. Predictions for debt / leverage availability in 2021 are almost the same as in 2018, when 50% of respondents expected it to remain the same and 30% expected it to increase.

Debt / Leverage Availability in 2021 vs. 2020

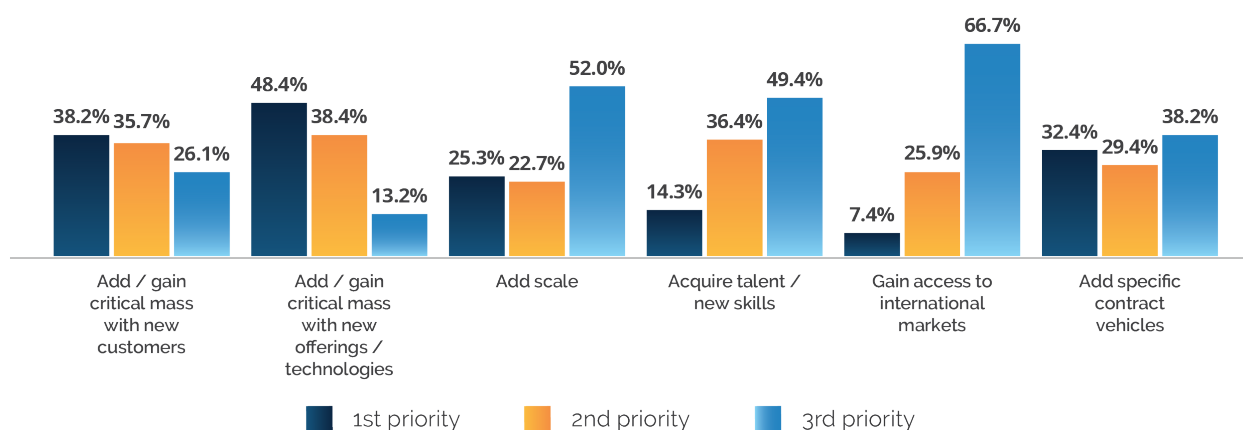


IN RESPONSE TO: How do you expect debt / leverage availability to change in 2021 compared to 2020 for your transactions? (asked of private equity only)

Primary Buyer M&A Goals

When asked to rank their top M&A goals, 87% of dealmakers rate new offerings / technologies as a first or second priority. Seventy-four percent rate new customers as a first or second priority. Adding a specific contract vehicle increased in importance in 2021 vs. 2020, with 62% of respondents choosing it as a first or second priority compared to 52% in 2020. Adding scale, acquiring new talent or skills, and gaining access to international markets were again less important, chosen as a third priority by 52%, 49%, and 67% of respondents, respectively.

M&A Strategy Goals

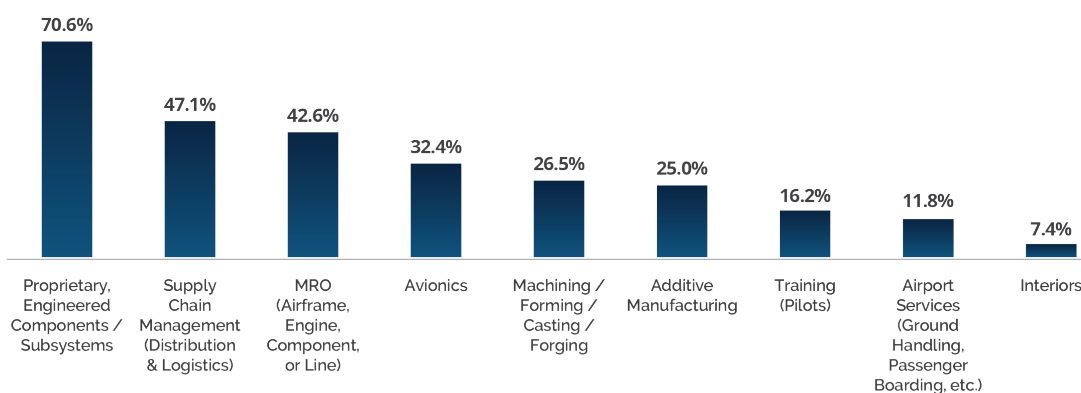


IN RESPONSE TO: Please rank how important the following goals are in your organization's M&A strategy.

Top M&A Interest Areas by Industry Sector

In the **Aerospace sector**, Proprietary, Engineered Components / Subsystems is the top priority for 71% of respondents, remaining the highest priority interest area for four years in a row. However, respondents' prioritization of other target areas continued to shift. In 2021, Supply Chain Management moved to the second highest priority area, chosen by 47% of respondents. This is up from third place and 42% of respondents in 2020. MRO (airframe, engine, component, or line) was pushed to third priority, chosen by 43% of respondents. Avionics and Machining / Forming were also chosen as a priority area by more respondents in 2021, with 32% choosing it as a priority area vs. 26% in 2020. Both moved ahead of additive manufacturing, which was chosen as a priority area by 25% of respondents.

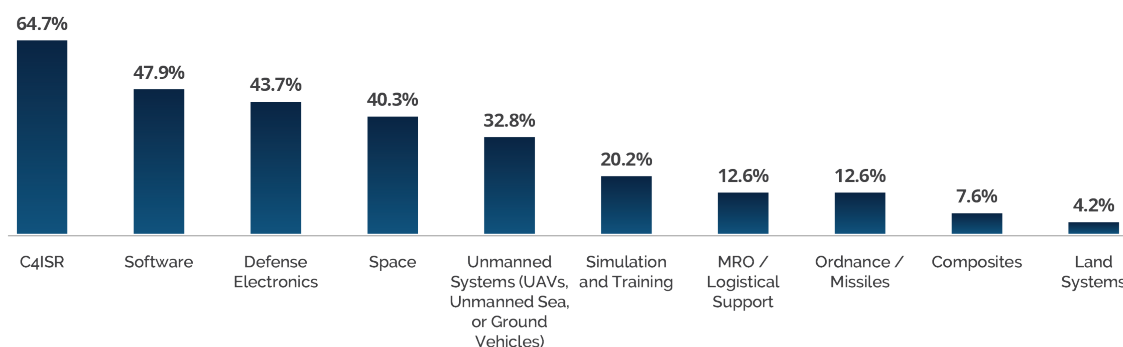
Aerospace Priority Interest Areas (% Chosen as a Priority Area)



IN RESPONSE TO: Based on the following list, choose and rank which M&A target areas are the top three priorities for your organization in the Aerospace sector over the next 12 to 24 months. You may only choose and rank three target areas.

In the **Defense sector**, the top three priority M&A interest areas for 2021 are similar to those chosen for 2020, 2019, and 2018. C4ISR remains the highest priority, chosen by 65% of respondents. In this survey, Software moved up from third to second most chosen as a priority area, chosen by 48% of respondents. While Defense Electronics moved down to third place, chosen by 44% of respondents.

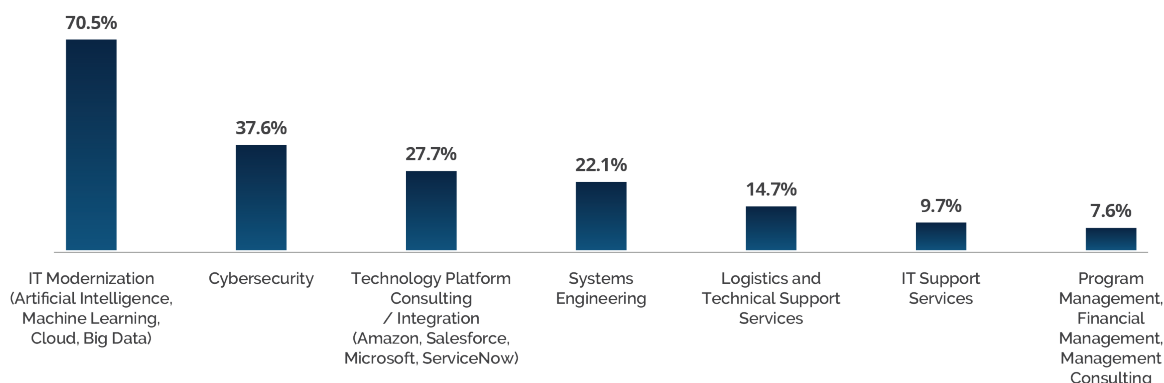
Defense Priority Interest Areas (% Chosen as a Priority Interest Area)



IN RESPONSE TO: Based on the following list, choose and rank which M&A target areas are the top three priorities for your organization in the Defense sector over the next 12 to 24 months. You may only choose and rank three target areas.

In the **Government Services sector**, Cybersecurity and IT Modernization are the clear first priorities, the same as in 2020, 2019, and 2018. However, IT Modernization is chosen as a priority interest area by a much larger percentage of respondents (71% chose IT Modernization vs. 38% for Cybersecurity). Technology Platform Consulting / Integration continues to be the third most important priority area in 2021, chosen by 28% of respondents.

Government Services Priority Areas (% Chosen as a Priority Interest Area)

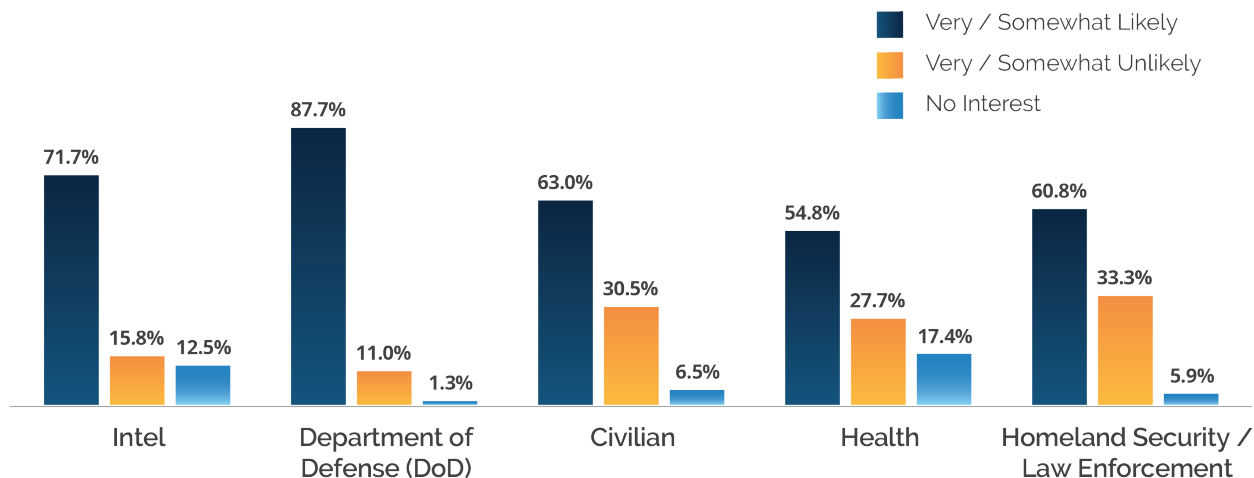


IN RESPONSE TO: Rate the following capabilities based on their importance for your organization's M&A strategy in the Government Services sector over the next 12 to 24 months.

Respondents interested in Government Services were asked how likely they are to seek targets in a range of key end markets. Department of Defense is again the most popular, with 88% of respondents very or somewhat likely to seek targets in this end market in 2021, the same as in 2020. Intel remains the second highest priority, with 72% of respondents saying they are very or somewhat likely to seek targets in this market.

Private equity dealmakers are significantly more interested in Intel, Department of Defense, Civilian, and Homeland Security / Law Enforcement than corporate respondents, which is similar to 2020.

Priority End Markets for the Government Services Sector



IN RESPONSE TO: *How likely are you to seek U.S.-based targets in the following end markets over the next 12 to 24 months? (Asked of respondents interested in Government Services only.)*

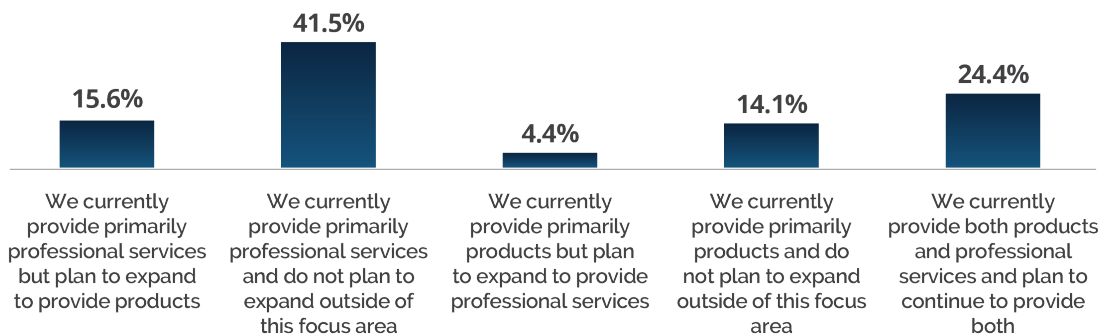
Product and Service Focus Areas and Expansion Plans

Corporate respondents were asked to share their focus areas and plans for expanding them in 2021. Specifically, respondents were asked if they primarily provide professional services or products, and if they plan to expand their focus if they don't already work in both areas. Overall, a majority of respondents plan to stick with their current focus area rather than expand or change focus.

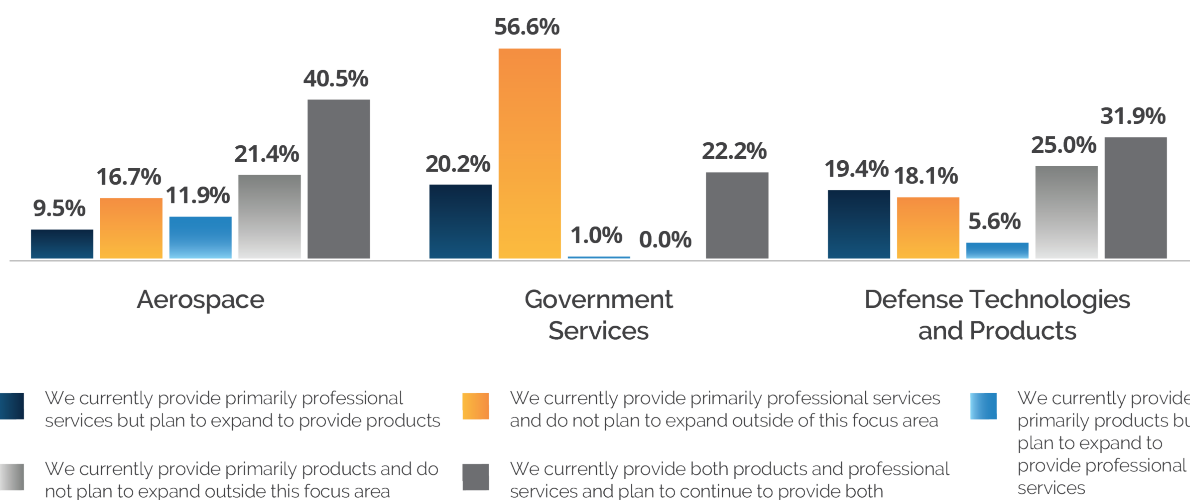
About 56% of corporate respondents primarily provide professional services. About 41% do not plan to expand to products in 2021, while 16% do plan to expand to products. Just 18% of respondents currently provide primarily products. Only 4% plan to expand into professional services, while 14% do not. One quarter of respondents provide both professional services and products, and plan to continue with both focus areas. These results are very similar to 2020.

There were some differences in focus areas and expansion plans by sectors of interest. Aerospace sector respondents are significantly more likely to provide products and services, and plan to continue providing both. Government Services sector respondents are more likely to provide services, and do not plan to expand outside that focus area, than respondents interested in the Aerospace or Defense sectors.

Expansion Plans for 2021



Expansion Plans for 2021 (By Sector)



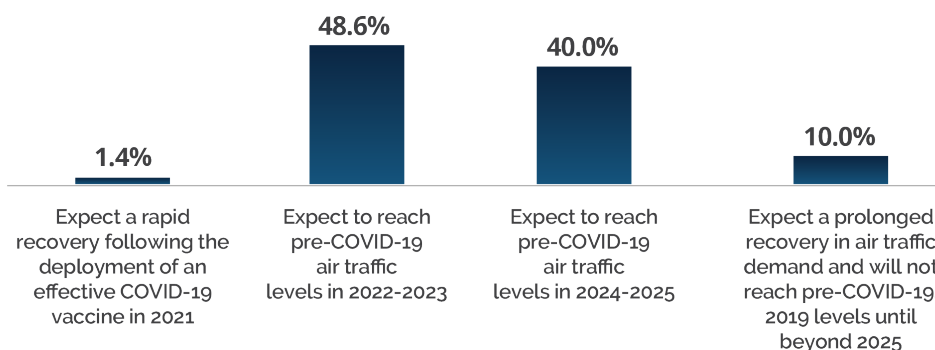
IN RESPONSE TO: Which of the following best describes your expansion plans for 2021? (Asked of corporate respondents only.)

Predictions for Aerospace Sector

The Aerospace sector — in particular commercial aviation — was uniquely impacted by COVID-19. We asked a range of questions to better understand dealmakers' thoughts about the Aerospace sector overall, as well as the specific impacts of COVID-19.

We asked dealmakers for their thoughts on where we are in the commercial Aerospace cycle in terms of recovery time after COVID-19. Nearly half of respondents (49%) expect the Aerospace sector to reach pre-COVID-19 levels by 2022-23. A slightly smaller percentage (40%) expect to reach pre-COVID-19 levels in 2024-25. Very few respondents (less than 2%) expect a rapid recovery in 2021.

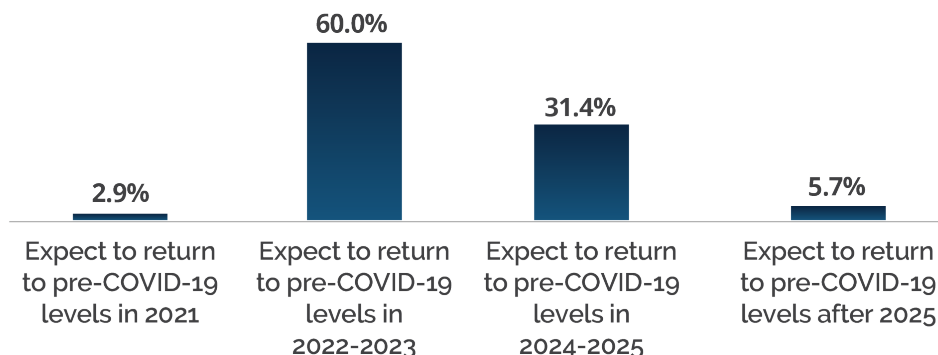
Recovery of Commercial Aerospace After COVID-19



IN RESPONSE TO: *What are your thoughts on where we are in the commercial Aerospace cycle?*

When asked more specifically about when the negative impacts of COVID-19 on Aerospace activity and valuations would retreat, 60% said they expect to return to pre-COVID-19 levels in 2022-23, 31% expect it to take until 2024-25, 6% expect it to take until after 2025, and just 3% expect a return in 2021.

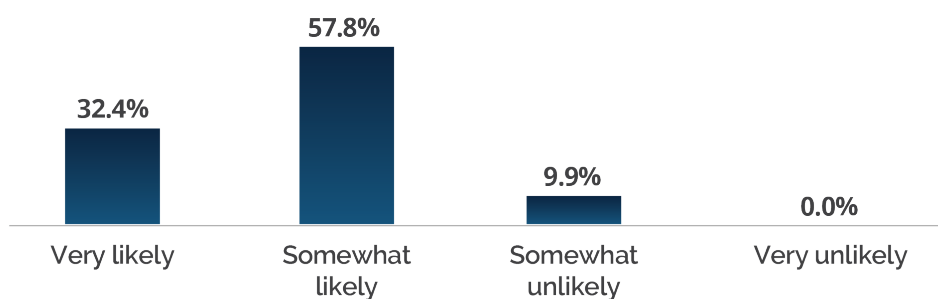
Return to Pre-COVID-19 Activity and Valuations in the Aerospace Industry



IN RESPONSE TO: *In the aftermath of COVID-19, the commercial Aerospace M&A market contracted significantly. Although we have experienced sequential quarterly improvements, when do you expect activity and valuations to return to pre-COVID-19 levels?*

We also asked respondents how a lack of government investments in the aviation industry could impact the role of distressed M&A as a percentage of M&A transactions. The vast majority of respondents (90%) think that distressed Aerospace M&A will become an increasing percentage of M&A transactions if there are no new stimulus efforts.

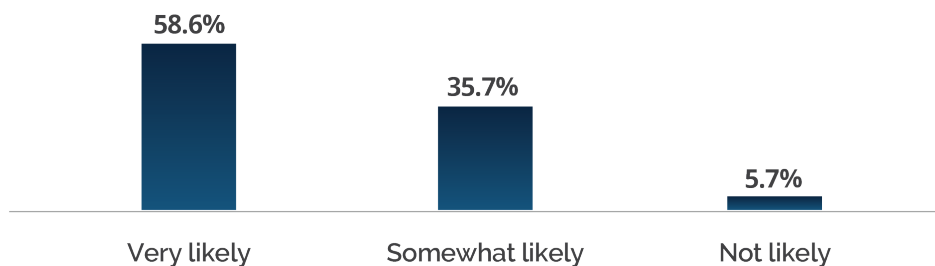
Impact of Government Stimulus on "Distressed" Aerospace M&A



IN RESPONSE TO: *Government investments subsidized the aviation community directly following the initial COVID-19 lockdowns. If there are no new stimulus efforts, do you expect distressed M&A will become an increasing percentage of M&A transactions?*

An overwhelming majority of respondents (90%) also believe that COVID-19 will lead to lasting changes in the aviation industry including robust testing infrastructure, contact tracing, contactless airport services, and anti-microbial aircraft interiors.

Likelihood of Long Lasting Changes in the Aviation Industry Due to COVID-19

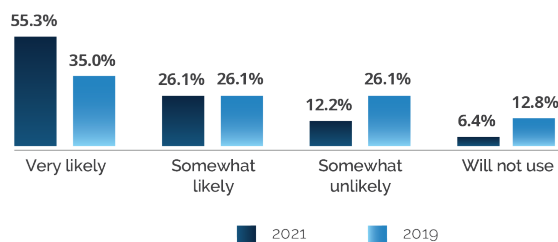


IN RESPONSE TO: *How likely is it that COVID-19 will lead to changes in the aviation industry that last beyond the current pandemic, such as robust testing infrastructure, coordinated contact tracing efforts, contactless airport services, anti-microbial aircraft interiors?*

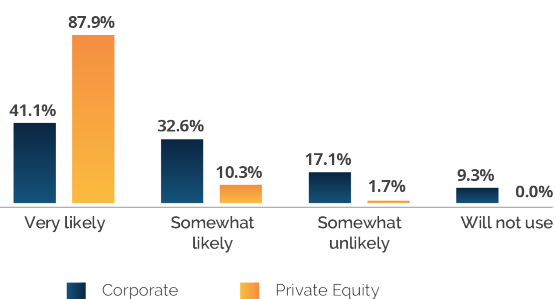
Use of Representations and Warranties Insurance

A large majority of respondents (88%) say they are very or somewhat likely to use representations and warranties insurance in 2021. Private equity respondents continue to be more likely than corporates to use this insurance. However, the percentage of corporate respondents who say they are very or somewhat likely to use representations and warranties insurance is significantly higher in our 2021 survey (73%) than when we last asked this question in our 2019 survey (37%).

**Likelihood of Using Representations and Warranties Insurance in 2021 vs. 2019
(All Respondents)**



**Likelihood of Using Representations and Warranties Insurance in 2021
(Corporate vs. Private Equity Respondents)**



IN RESPONSE TO: *How likely are you to use Representations and Warranties Insurance in 2021?*

Select Recent KippsDeSanto & Co. Advised Transactions

<p>December 2020</p>  <p>has been acquired by</p> 	<p>December 2020</p> <p>ZENETEX Because Service Matters.</p> <p>has been acquired by</p> 	<p>December 2020</p>  <p>has been acquired by</p> 	<p>December 2020</p>  <p>has been acquired by</p> <p>ManTech</p>	<p>November 2020</p>  <p>has been acquired by</p> 
<p>November 2020</p>  <p>has been acquired by</p> 	<p>September 2020</p>  <p>has been acquired by</p> 	<p>September 2020</p>  <p>has been acquired by</p> 	<p>September 2020</p>  <p>a subsidiary of</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>August 2020</p>  <p>and</p>  <p>have been acquired by</p> <p>HEICO®</p>
<p>June 2020</p> <p>SATCOM Line of Business of GENERAL DYNAMICS</p> <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>May 2020</p>  <p>has been acquired by</p> 	<p>May 2020</p>  <p>has been acquired by</p> 	<p>May 2020</p> <p>Chemring Ordnance</p> <p>a subsidiary of</p> <p>Chemring Group</p> <p>has been acquired by</p> <p>nammo</p>	<p>April 2020</p>  <p>has been acquired by</p> 
<p>March 2020</p>  <p>has been acquired by</p> <p>CGI</p>	<p>March 2020</p>  <p>has been acquired by</p> <p>BLUESTONE INVESTMENT PARTNERS</p>	<p>February 2020</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> <p>The Jordan Company</p>	<p>January 2020</p> <p>INTELLIVARE</p> <p>has been acquired by</p>  <p>to form</p>  <p>a portfolio company of</p> <p>ENLIGHTENMENT CAPITAL</p>	<p>December 2019</p>  <p>has been recapitalized by</p> <p>OCEANSOUND PARTNERS</p>

About KippsDeSanto & Co.

KippsDeSanto & Co. is an investment bank focused on delivering exceptional results for leading, growth-oriented Aerospace / Defense, Government Services, and Technology companies. We leverage our creativity and industry experience to provide M&A, private financing, and strategic consulting. Our senior team has advised on over 200 transactions totaling more than \$17 billion in deal value. Capitalizing on real-time industry trends and in-depth technical and strategic analysis, our solutions-driven approach is highly structured and uniquely tailored to each client. We are recognized for our market insight and broad industry relationships. We help market leaders realize their full strategic value.

We welcome the opportunity to have a more detailed discussion of developments in our focus sectors. For more information, please contact a member of our team.

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