

# MarketView

Aerospace / Defense &  
Government Technology  
Services

Summer 2021

**Kipps DeSanto**  
INVESTMENT BANKING



8000 Towers Crescent Drive, Suite 1200  
Tysons Corner, VA 22182  
703.442.1400 | [kippsdesanto.com](http://kippsdesanto.com)

# KippsDeSanto's 2020 – 2Q21 Transactions

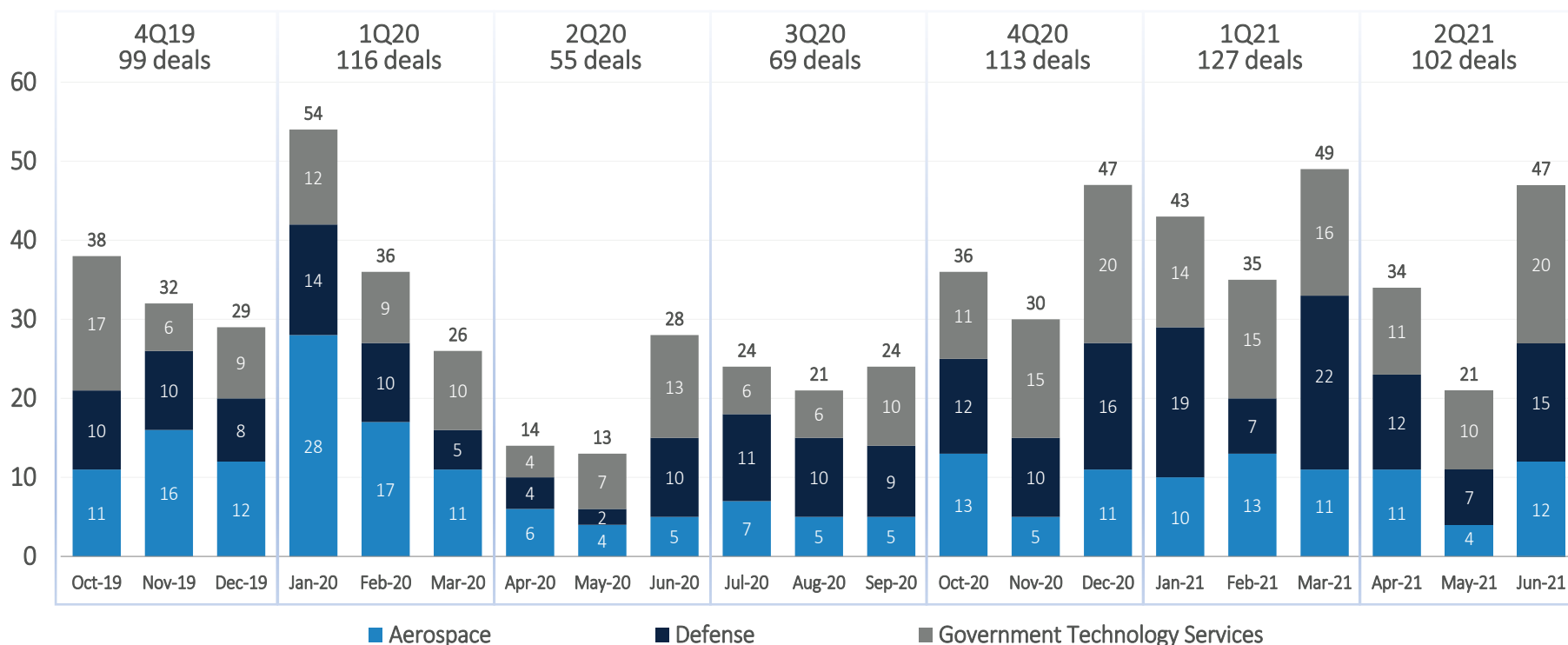
- KippsDeSanto continues to be one of the most active investment banking practices focused on the aerospace / defense and government technology services ("GTS") markets, having advised on 33<sup>(1)</sup> transactions since the beginning of 2020

<p>June 2021</p> <p><b>FENIX GROUP, INC.</b> CREATIVE INTELLIGENCE. ARMED.</p> <p>has received an investment from</p> <p><b>ENLIGHTENMENT CAPITAL</b></p>	<p>April 2021</p> <p><b>NSI MI</b></p> <p>has been acquired by</p> <p><b>AMETEK</b></p>	<p>April 2021</p> <p><b>ophir</b> Corporation</p> <p>has sold certain IP rights to</p> <p><b>Collins Aerospace</b></p> <p>a wholly owned subsidiary of</p> <p><b>Raytheon Technologies</b></p>	<p>April 2021</p> <p><b>WBB</b></p> <p>a portfolio company of</p> <p><b>H.I.G. CAPITAL</b></p> <p>has been acquired by</p> <p><b>serco</b></p>	<p>March 2021</p> <p><b>Quantic</b> ELECTRONICS</p> <p>a portfolio company of</p> <p><b>ARCLINE</b> INVESTMENT MANAGEMENT</p> <p>has acquired</p> <p><b>Planar Monolithics Industries</b></p>	<p>February 2021</p> <p><b>the goal</b></p> <p>has been acquired by</p> <p><b>MOTION RECRUITMENT</b></p> <p>a portfolio company of</p> <p><b>LITTLEJOHN &amp; Co.</b></p>	<p>February 2021</p> <p><b>Millennium Engineering and Integration Company</b></p> <p>has merged with</p> <p><b>QuantiTech</b></p> <p>a portfolio company of</p> <p><b>SAGEWIND CAPITAL</b></p>	<p>February 2021</p> <p><b>Progeny Systems</b> Engineering. Mission. Real Life Operations. Intelligent Systems Group</p> <p>has been acquired by</p> <p><b>AV</b> AeroVironment</p> <p>PROCEED WITH CERTAINTY</p>	<p>January 2021</p> <p><b>ALETHIX</b> Mission-Driven Partnerships</p> <p>has been acquired by</p> <p><b>IntelliBridge</b></p> <p>a portfolio company of</p> <p><b>ENLIGHTENMENT CAPITAL</b></p>	<p>December 2020</p> <p><b>HMB SYSTEMS</b></p> <p>has been acquired by</p> <p><b>VECTRUS</b> TRUE TO YOUR MISSION</p>
<p>December 2020</p> <p><b>ZENETEX</b> RESCUE SERVICE PARTNERS</p> <p>has been acquired by</p> <p><b>VECTRUS</b> TRUE TO YOUR MISSION</p>	<p>December 2020</p> <p><b>POC</b> PHYSICAL OPTICS CORPORATION</p> <p>has been acquired by</p> <p><b>mercury systems</b></p>	<p>December 2020</p> <p><b>Tapestry Technologies</b></p> <p>has been acquired by</p> <p><b>ManTech</b></p>	<p>November 2020</p> <p><b>Titania</b></p> <p>has been acquired by</p> <p><b>Swish</b></p>	<p>November 2020</p> <p><b>BRAXTON</b> SCIENCE &amp; TECHNOLOGY GROUP</p> <p>has been acquired by</p> <p><b>PARSONS</b></p>	<p>September 2020</p> <p><b>BLUEWATER</b> FEDERAL SOLUTIONS, INC.</p> <p>has been acquired by</p> <p><b>Tt</b> TETRA TECH</p>	<p>September 2020</p> <p><b>IBA</b></p> <p>has been acquired by</p> <p><b>DLH</b></p>	<p>September 2020</p> <p><b>alliance spacesystems</b> a subsidiary of</p> <p><b>SolAero</b></p> <p>has been acquired by</p> <p><b>Applied Composites</b> a portfolio company of</p> <p><b>ae</b> Industrial Partners</p>	<p>August 2020</p> <p><b>TRANSFORMATIONAL SECURITY</b></p> <p>and</p> <p><b>INTELLIGENT DEVICES</b></p> <p>have been acquired by</p> <p><b>HEICO</b></p>	<p>June 2020</p> <p>SATCOM Line of Business of <b>GENERAL DYNAMICS</b></p> <p>has been acquired by</p> <p><b>CPI</b> Communications &amp; Power Industries</p> <p>a portfolio company of</p> <p><b>ODYSSEY</b></p>
<p>May 2020</p> <p><b>QuantiTech</b></p> <p>has been acquired by</p> <p><b>SAGEWIND CAPITAL</b></p>	<p>May 2020</p> <p><b>EIS</b> Enterprise Information Services, Inc.</p> <p>has been acquired by</p> <p><b>cognosante</b></p>	<p>May 2020</p> <p><b>Chemring Ordnance</b> a subsidiary of</p> <p><b>Chemring Group</b></p> <p>has been acquired by</p> <p><b>nammo</b></p>	<p>April 2020</p> <p><b>InCandence</b> STRATEGIC SOLUTIONS</p> <p>has been acquired by</p> <p><b>Xator CORPORATION</b></p>	<p>March 2020</p> <p><b>TERATHINK</b></p> <p>has been acquired by</p> <p><b>CGI</b></p>	<p>March 2020</p> <p><b>CONTINENTAL MAPPING</b></p> <p>has been acquired by</p> <p><b>BLUESTONE</b> INVESTMENT PARTNERS</p>	<p>February 2020</p> <p><b>FREEFLIGHT SYSTEMS</b></p> <p>has been acquired by</p> <p><b>ACR</b></p> <p>a portfolio company of</p> <p><b>The Jordan Company</b></p>	<p>January 2020</p> <p><b>INTELLIVARE</b></p> <p>has been acquired by</p> <p><b>T</b> TROWBRIDGE &amp; TROWBRIDGE... to form</p> <p><b>IntelliBridge</b> a portfolio company of</p> <p><b>ENLIGHTENMENT CAPITAL</b></p>	<p>December 2019</p> <p><b>Smartronix</b></p> <p>has been recapitalized by</p> <p><b>OCEANSOUND PARTNERS</b></p>	<p>October 2019</p> <p><b>AEgis TECHNOLOGIES</b></p> <p>has been acquired by</p> <p><b>ACP</b></p>

(1) Includes five transactions that have not been announced publicly

# M&A Trends & Activity

- Deal activity was up significantly year-over-year from 2Q20, driven by deals that were postponed in 2020 due to delays caused by the COVID-19 pandemic
- Year-to-date ("YTD") June 2021 deal volume of 229 deals far outstretches the pace in 2019 and 2020, which saw 165 and 171 deals, respectively, through the second quarter



- M&A activity in the aerospace sector remained generally consistent with recent levels and still ~50% below levels seen before the pandemic, demonstrating the industry's room for growth in M&A as the global economy and travel continue to recover
- Defense and GTS M&A activity remained high, as the industries benefited from continued demand for mission-critical services; both financial sponsor and strategic buyers remain active and continue to look to the M&A markets for growth; there was a record 168 deals announced as of YTD June 2021 between the two sectors

# Highlighted 2Q21 Industry Transactions

Announced April 2021

**GREENBRIAR**  
EQUITY GROUP, L.P.

*has acquired*

**PCX**  
AEROSYSTEMS

( **RFE** )

**EV: ND**  
**EV / Revenue: ND**  
**EV / EBITDA: ND**

- Greenbriar Equity Group acquired PCX Aerosystems, expanding Greenbriar's expertise and foothold in the aerospace and aircraft assembly industries
- Just prior to the transaction, PCX acquired Senior Aerospace Connecticut from Senior plc. (LSE: SNR), adding rotorhead and transmission components to its extensive suite of product offerings

Announced April 2021

**MAXIMUS**

*has acquired*



**EV: \$1,400M**  
**EV / Revenue: ND**  
**EV / EBITDA: ND**

- The acquisition of Veteran Evaluation Services, Inc. by Maximus, Inc. (NYSE: MMS) is expected to expand Maximus' position across the Department of Veterans' Affairs
- Additionally, the combination will bolster Maximus' federal independent clinical assessments business

Announced May 2021

**AMETEK**

*has acquired*

**NSI MI**

**EV: \$230M**  
**EV / Revenue: ND**  
**EV / EBITDA: ND**

- AMETEK, Inc. (NYSE: AME) has acquired NSI-MI Technologies and combined the provider of radio frequency and microwave technologies with its Electronic Instruments Group
- NSI-MI complements AMETEK's existing electromagnetic compatibility businesses

Announced May 2021

Booz | Allen | Hamilton

*has acquired*



**EV: \$725M**  
**EV / Revenue: 2.04x**  
**EV / EBITDA: 13.6x**

- Booz Allen Hamilton (NYSE: BAH) has agreed to acquire Liberty IT Solutions
- The acquisition provides Booz Allen Hamilton with augmented cloud, Low Code / No Code, and DevSecOps capabilities

Announced June 2021

**KKR**

*has agreed to acquire*

**ATLANTIC**

( **MACQUARIE** )

**EV: \$4.5B**  
**EV / Revenue: ND**  
**EV / EBITDA: ND**

- KKR & Co. (NYSE: KKR) has agreed to acquire Atlantic Aviation FBO Inc. from Macquarie Infrastructure Corporation (NYSE: MIC), seeking to accelerate Atlantic's pursuit of multiple growth avenues as a standalone company
- KKR's investment is primarily through its Global Infrastructure Investors and Core Investments strategies

Announced June 2021

**accenture**

*has agreed to acquire*

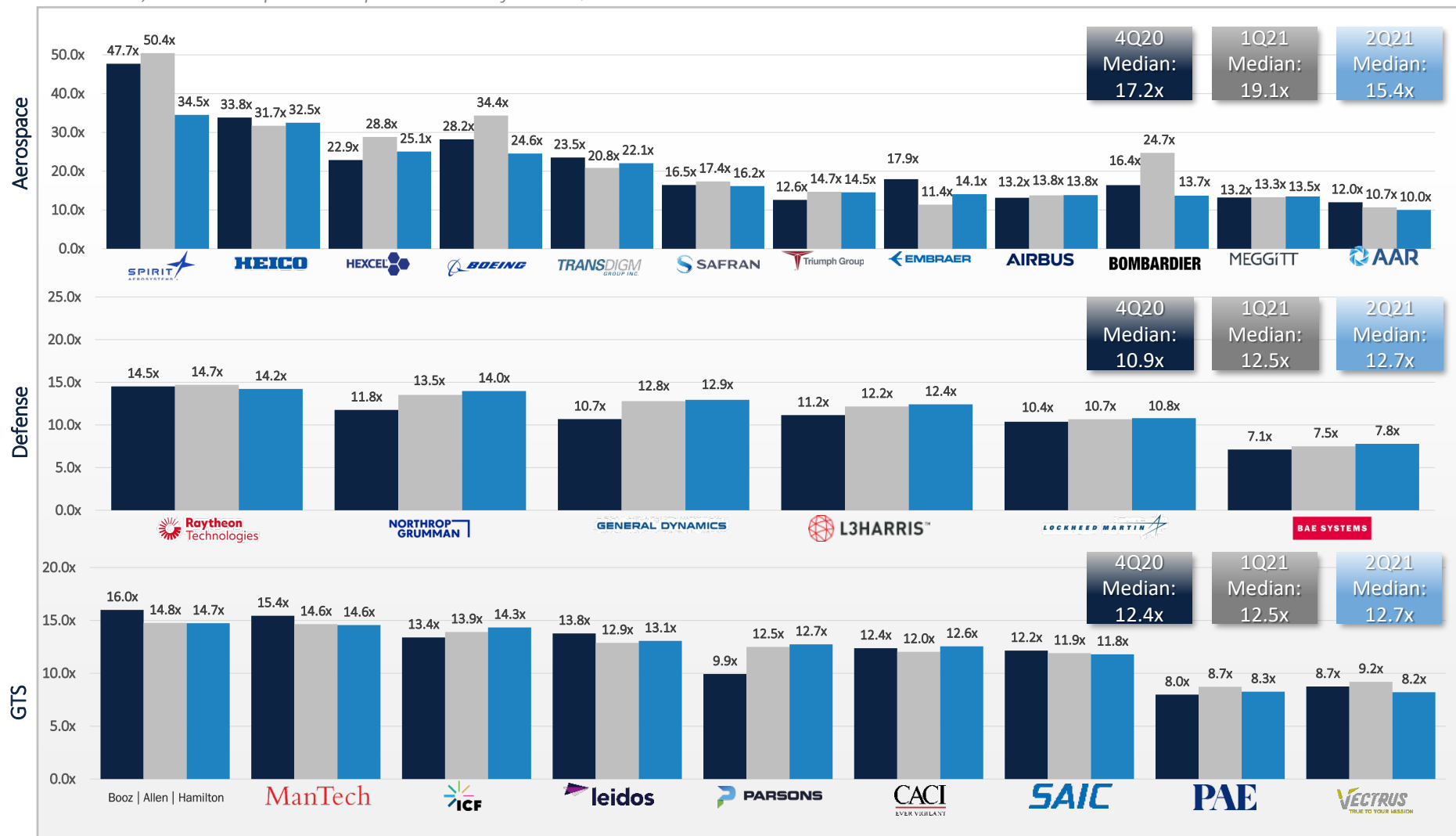


**EV: ND**  
**EV / Revenue: ND**  
**EV / EBITDA: ND**

- Accenture (NYSE: ACN) has agreed to acquire Novetta, a portfolio company of The Carlyle Group, further bolstering its national security presence and next-generation capability
- The combined organization will strive to improve the digital landscape of the federal government through a true DevSecOps approach

# EV / NTM EBITDA Public Market Valuation Trends

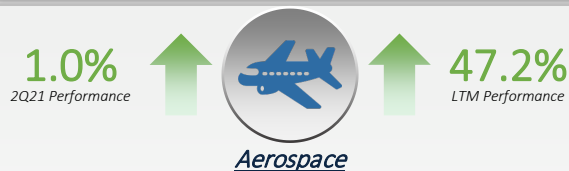
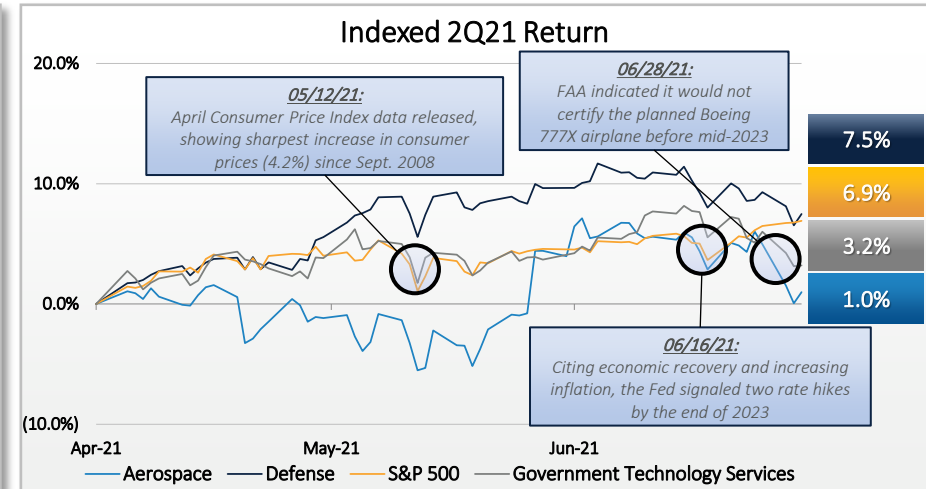
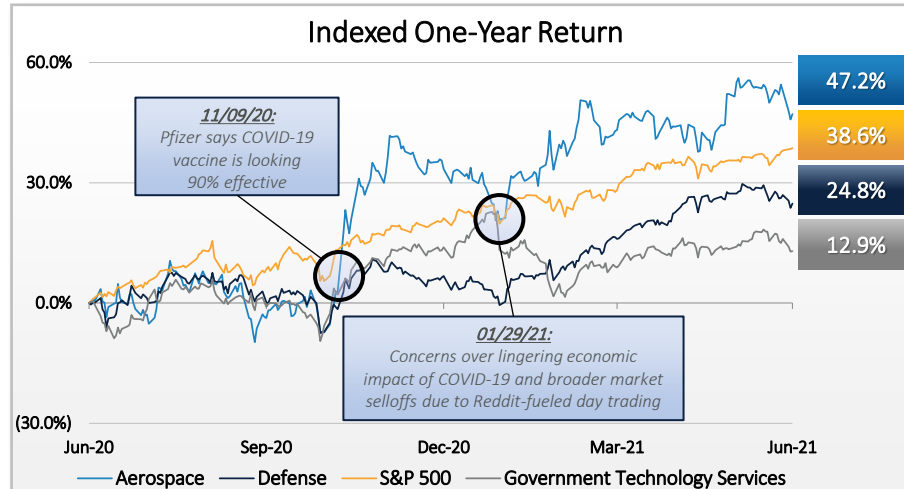
- Defense and GTS public trading multiples generally saw slight improvement over 1Q21 levels as firms continued to benefit from a growing market, while Aerospace multiples retracted from 1Q21 valuations





# Equity Capital Markets Performance

- Equity markets continued upward trends in 2Q21, as investors remained optimistic of a full economic recovery, and as more individuals and firms—thanks to falling COVID-19 cases and a growing vaccinated population—enter the marketplace
- Indices encountered some declines throughout 2Q21, as increasing inflation and the Fed's threat to combat it through future rate hikes led to general uncertainty and depressed cash flow-based valuations



Aerospace stocks continue to trend upwards, returning nearly 50% during the LTM period, as Airbus looks to increase A320 jet production, signaling recovery in the aviation sector after production cuts last year

Shares of **Triumph Group, Inc. (NASDAQ: TGI)** rose **11.7%** due to continued demand for the Company's original equipment and aftermarket hydraulic utility actuation valves ("HUAV") parts on prominent platforms of record



After having reported strong 1Q21 earnings, defense firms **led the way** in 2Q21, as industry officials expect a **stable FY2022 defense budget**, which prioritizes innovation and modernization with an emphasis on space-based systems, C4ISR, missile defeat and defense, hypersonics, and electronic warfare

Shares of **Northrop Grumman (NYSE: NOC)** rose **14.1%** driven by **higher-than-expected 1Q21 earnings** and **key contract wins** (e.g., \$2.3 billion ballistic missiles contract)



Focusing on **AI, cloud computing, data analytics, and IT modernization** to align with **defense budget priorities**, Government Technology Services providers saw equity valuations rebound from 1Q21

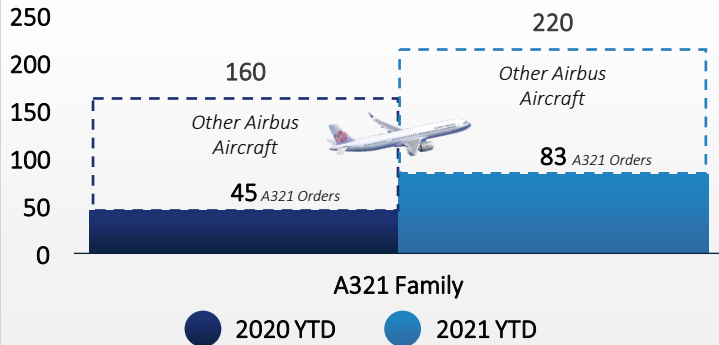
Despite having dropped nearly 20% after **SAIC (NYSE: SAIC)** announced worse-than-expected FY2022 revenue and earnings projections, **shares of the Company rebounded to return 6.9% in 2Q21**

# Aerospace Update

## Aircraft Deliveries Point to Recovery



Increased Airbus Deliveries Largely Due to A321, Which Increased by Nearly 85% on a YTD (as of May 31<sup>st</sup>) Basis

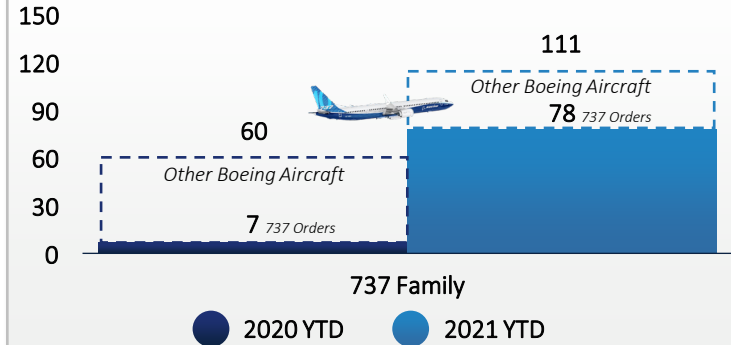


Driven by Growing Demand for Premier Aircraft Families, Substantial Increases in Airbus and Boeing Deliveries—from 220 through May of 2020 to 331 through the Same Period this Year—are Signs of an Industry on its Way to Recovery

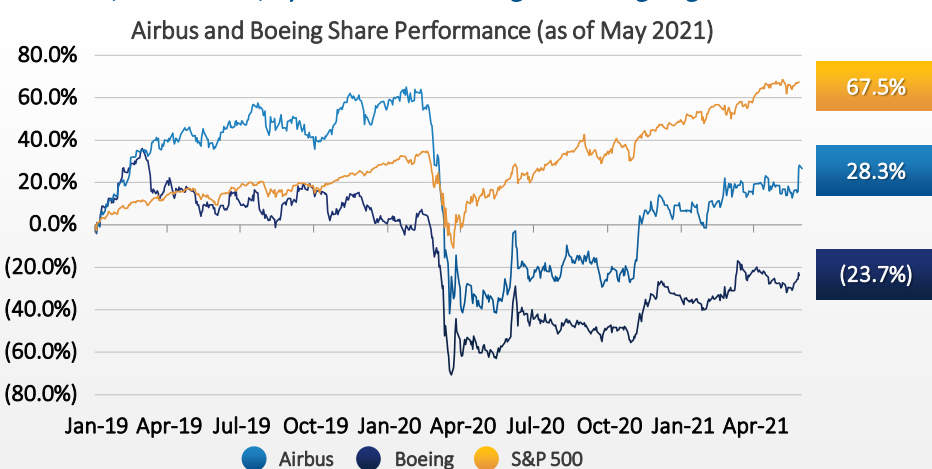
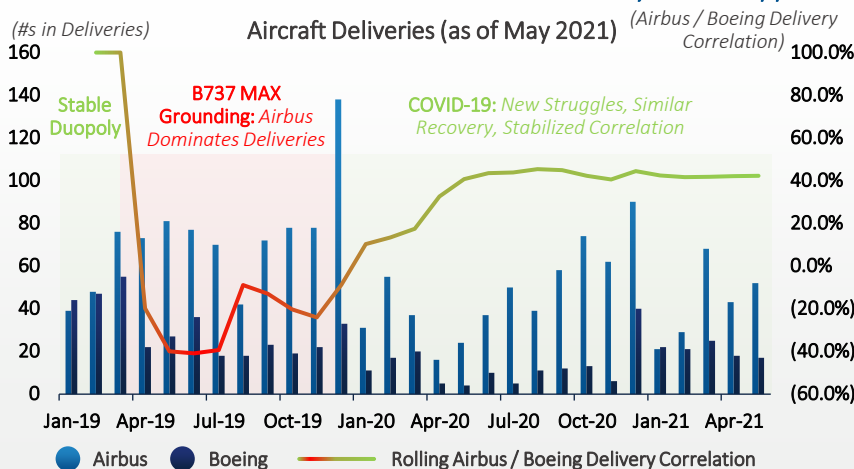
Furthermore, both firms are prepping their supply chains for a quick ramp-up to much higher production levels during the next few years



Increased Boeing Deliveries Largely Due to 737, Which Increased Nearly Tenfold on a YTD (as of May 31<sup>st</sup>) Basis



As Evidenced by Share Price Performance and Meaningful Variation in Rolling Airbus / Boeing Delivery Correlations, the Past Two and a Half Years Have Been Marked First by Airbus' Opportunistic Success, and Second, by Both Giants Falling and Rising Together



# Defense Update

FY22 DoD \$715B Budget Request – Modernization and Countering China Remain DoD Top Priorities

## China and the Indo-Pacific Threat

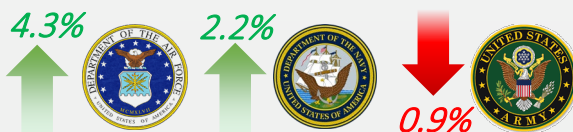
The Biden Administration *continues to assess ways to curtail China's growing technological and military influence*. Secretary of Defense, Lloyd Austin, issued an internal directive, calling for the expedited development of *emerging capabilities* and *modernization of the military workforce*. This follows the Pentagon's submission of a *\$26B, six-year spending proposal* to Congress for the expansion of the Pacific Deterrence Initiative ("PDI") to counter China. The FY22 budget request had previously carved out \$5B for the PDI

## Space and Modernization Efforts

*Modernization efforts* lead the way, especially as it relates to *space and cyber capabilities*. The *National Security Space launch saw a 34% increase* in the budget from FY20, and the Space Force is expected to grow by *8,400 guardians*. The DoD's budget request named *AI a top technology modernization priority*, and carved out *\$112B for RDT&E – the largest RDT&E budget request ever made*

## Budget Winners: Air Force and Navy

While *Air Force and Navy budgets would undergo topline growth, the Army budget is expected to contract*. Army leadership has responded by arguing for its relevance in response to threats in the Indo-Pacific

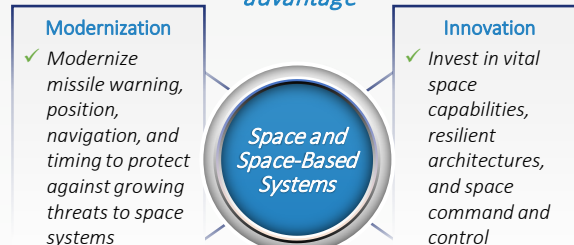


Key DoD Budget Initiatives - Non-Siloed Focus on Innovation and Modernization

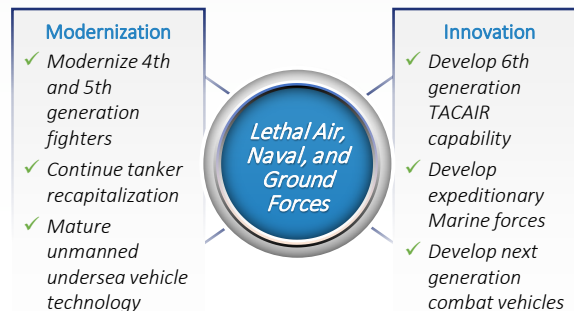
*Nuclear capabilities are and will remain the bedrock of American defense*



*Investment in next-generation space domain capabilities to secure an enduring competitive advantage*

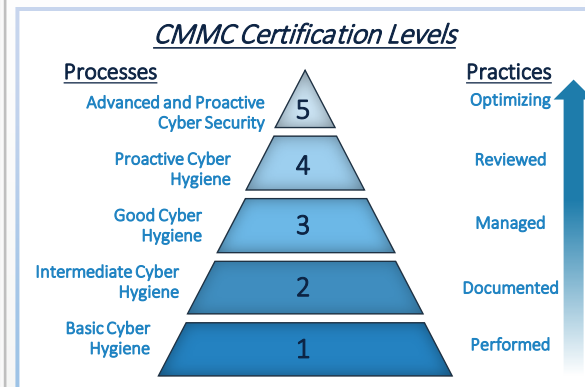


*Field combat credible platforms in relevant quantities*



Cybersecurity Maturity Model Certification ("CMMC") Requirements and Program Evolution

The DoD continues implementing CMMC, a program for *the streamlined implementation of cybersecurity standards* across the Defense Industrial Base ("DIB") in order to measure defense contractors' *cybersecurity capabilities, readiness, and sophistication*



The program creates a *verification and certification mechanism to ensure contractors implement appropriate cybersecurity practices*. Some contractors have expressed concerns that CMMC will require them to *incur significant costs*. On June 24th, small business owners attested before Congress that CMMC-associated costs threaten to push them out of the DIB. Following the hearing, Pentagon officials announced the DoD would find ways to reduce CMMC compliance costs for small businesses, and *claimed that most would only need to achieve Level 1 Certification*, limiting their CMMC expenditures



# Government Technology Services Update

## Renewed Focus on Cybersecurity by Biden Administration

Recent large-scale, high-profile cybersecurity breaches have pushed the Biden Administration to issue an executive order to bolster the federal government's defenses against future attacks; notable breaches include:



U.S. beef plants operated by JBS SA, which collectively supply ~25% of all beef in U.S., shutdown as a result of a cybersecurity breach



One of the largest fuel pipelines in the U.S. was locked up as a result of a ransomware attack on Colonial Pipeline's IT system

### Anticipated Scale of Cybersecurity M&A

Changes in spending in the cybersecurity space are believed to "translate into larger M&A [buys] rather than tuck-ins," says Wedbush Securities analyst Dan Ives; increased funding levels alongside the continued push towards IT modernization are expected to lead to heightened deal activity with a focus on scale and innovation

### Converging Factors Leading to Further Consolidation



**Increased Federal Cybersecurity Spend**



**Push Towards Federal IT Modernization**



**Increasing Adoption of Cloud-Based Systems**

## \$50B Chief Information Officer – Solutions and Partners 4 ("CIO-SP4") "Mid-Market" Tier

The fast-approaching solicitation of CIO-SP4 brings with it a new category of "set-aside" status – Emerging Large Business – meant to encompass mid-tier companies that often struggle to compete due to size and resource constraints against much larger companies in an unrestricted environment



## CIO.SP4 SERVICES / SOLUTIONS

The Emerging Large Business category will cover companies with revenues between \$30M and \$500M; however, the category only covers competition for the contract vehicle. In other terms, once an Emerging Large Business is awarded the contract vehicle, they will only be able to compete for unrestricted tasks

### Differences between CIO-SP3 & CIO-SP4

**"Mid-Market" Tier** → CIO-SP4 introduces the Emerging Large Business category for business between \$30M and \$500M in revenue

**Single Vehicle** → CIO-SP3 had two vehicles: one for small businesses and one for large; once a small business sized out, they were off-ramped. Now, when small businesses size out, they will remain on the vehicle, meaning these firms will be more attractive to larger buyers who are not able to secure a spot on the vehicle

**Ceiling Value** → CIO-SP4 is \$30B larger than CIO-SP3 with a \$50B ceiling value

## Heightened focus on Federal Health Spending in Biden 2022 Budget

As the pandemic fades and the U.S. continues its "return to normalcy" after a successful vaccine rollout, its affects are still being felt, particularly across the Federal Health landscape, as reflected by dramatic shifts in the Biden Administration's 2022 budget priorities, supporting the case for continued consolidation in the industry as large firms seek to increase scale

### Notable Budget changes

#### Health & Human Services ("HHS")

HHS overall budget increase to \$133.7B, representing a 23.5% increase over 2021 enacted levels



Key departmental winners include the **CDC** and **NIH**, whose budgets are slated to increase 22.5% and 21% in FY2022, respectively, making firms playing in the Health and Health IT spaces more attractive in the near term



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




The VA's overall budget is expected to increase to \$270.0B, the largest budget request in the history of the department. Federal Health as well as Health IT companies who are positioned within the VA are expected to benefit from increased claims in the aftermath of COVID, as well as from the Agency's ongoing push towards modernization

# 2Q21 Aerospace Transactions

(\$ in millions)

Announced										
Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	Rev.	EBITDA <sup>(1)</sup>	
06/30/21	Due West Partners	Sagtech Avionics (Columbia River Partners)	Provides aerospace technology services that include unmanned aircrafts with situational awareness solutions built from mission-critical transponders, software, and related technologies	\$12.0	ND	ND	ND	ND	ND	ND
06/29/21	Blackhawk Modifications, Inc. (dba Blackhawk Aerospace)	Assets of Columbia Avionics and Aircraft Services	Provides Supplemental Type Certificates (STCs) for avionics packages for Cessna Citations and other business jets	ND	ND	ND	ND	ND	ND	ND
06/25/21	Air One Aviation	Quadrant Systems (Quadrant Group)	Provides third party training for pilot shortages, aircraft life extensions, and technology enhancements	ND	ND	ND	ND	ND	ND	ND
06/24/21	HEICO	Operating Assets of Camtronics LLC	Provides repair of antennas, actuation, electro-mechanical components for aircraft MRO services	ND	ND	ND	ND	ND	ND	ND
06/10/21	Broadstone Acquisition Corp.	Vertical Aerospace Group Ltd.	Provides advanced engineering of electric Vertical Take-Off and Landing ("eVTOL") aircraft	\$1,800.0	ND	ND	ND	ND	ND	ND
06/10/21	Agile Space Industries, Inc.	Tronix, LLC (dba Tronix3D)	Provides precision aerospace and defense additive manufacturing	ND	ND	ND	ND	ND	ND	ND
06/08/21	Angeles Equity Partners, LLC	Primus Aerospace	Provides complex precision components for the aerospace, defense, and space ("AD&S") sectors	ND	ND	ND	ND	ND	ND	ND
06/08/21	Airbus Helicopters (subsidiary of Airbus SE)	ZF Luftfahrttechnik GmbH	Provides development, manufacturing, and maintenance services for dynamic components for helicopters	ND	ND	ND	ND	ND	ND	ND
06/07/21	KKR & Co. L.P.	Atlantic Aviation FBO Holdings, LLC (subsidiary of Macquarie Infrastructure Corp. ("MIC"))	Provides a full suite of fixed-base operator ("FBO") offerings to the private aviation sector, including fuel, hangarage, and other critical services	\$4,475.0	ND	ND	ND	ND	ND	ND
06/07/21	Astra Space, Inc.	Apollo Fusion, Inc. (portco of Greylock Partners)	Provides state-of-the-art Hall electric ion thruster propulsion systems for a variety of government and commercial satellite programs	\$145.0	ND	ND	ND	ND	ND	ND
06/03/21	Lectra SA	Gerber Technology (portco of American Industrial Partners)	Provides automated manufacturing systems for sign making, specialty graphics, and packaging, apparel and flexible materials for the aerospace market	\$357.0	ND	ND	ND	ND	ND	ND
06/01/21	Garmin International (subsidiary of Garmin Ltd.)	AeroData	Provides performance software and services tailored to commercial and business aviation	ND	ND	ND	ND	ND	ND	ND
05/26/21	Frequentis AG	Harris Orthogon GmbH (subsidiary of L3Harris Technologies, Inc.)	Provides air traffic queue optimization, demand capacity management, traffic flow management, and visualization solutions for the air traffic management	ND	\$12.2	ND	ND	ND	ND	ND
05/25/21	Phantom Space Corp	StratSpace	Provides strategic growth consulting, space market projections, as well as the design, build, and management of satellites and satellite programs	ND	ND	ND	ND	ND	ND	ND
05/20/21	Precision Aviation Group	Keystone Turbine Services	Provides complete OEM-approved aftermarket maintenance, repair and overhaul (MRO) services for operators of the Rolls-Royce M250 series of gas turbine engines	ND	ND	ND	ND	ND	ND	ND
05/18/21	IMG Companies, LLC (portco of Addison Capital Partners)	INTA Technologies Corporation	Provides ceramic metallization, brazed metal & ceramic to metal assemblies, electro plating and electroless plating, laser welding, and precision CNC machining	ND	ND	ND	ND	ND	ND	ND
04/26/21	Greenbriar Equity Group	PCX Aerosystems (RFE Investment Partners)	Provides large structural airframe assemblies, including wing, fuselage & engine components, for the aerospace sector	ND	ND	ND	ND	ND	ND	ND

 KippsDeSanto acted as financial advisor in this transaction

Note: ND = Not Disclosed; NM = Not Meaningful

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

## 2Q21 Aerospace Transactions, cont.


(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM Rev.	EBITDA <sup>(1)</sup>
04/23/21	Spirit AeroSystems Holdings, Inc.	Applied Aerodynamics	Provides composite maintenance, repair and overhaul (MRO) solutions for civil and military aircraft	ND	ND	ND	ND	ND	ND
04/22/21	Alinda Capital Partners LLC	ACL Airshop (Ranger Aerospace)	Provides air cargo Unit Load Device ("ULD") logistics solutions	ND	ND	ND	ND	ND	ND
04/20/21	Madison Dearborn Partners	ARCH Precision Components Corp. (business of ARCH Global Precision LLC, portco of The Jordan Company)	Provides precision-machined components for manufacturers in the aerospace and defense, transformative technologies, and industrial markets	ND	ND	ND	ND	ND	ND
04/16/21	Cadence Design Systems, Inc.	Pointwise, Inc.	Provides mesh generation software for computational fluid dynamics ("CFD") applications used for grid generation and preprocessing	ND	ND	ND	ND	ND	ND
04/14/21	Aviation Safety Resources, Inc. ("ASR")	Strong Enterprises	Provides general aviation parachute equipment	ND	ND	ND	ND	ND	ND
04/13/21	Searchlight Capital Partners, L.P.	Technical Airborne Components ("TAC") (Subsidiary of TransDigm Group, Inc.)	Provides control, structural and system rods for the aerospace industry	\$40.0	ND	ND	ND	ND	ND
04/12/21	Raptor Scientific, LLC (portco of L Squared Capital Partners, LLC)	Testvionics, Inc.	Provides air data and pitot static test equipment	ND	ND	ND	ND	ND	ND
04/08/21	Calspan Technology Holding Corp	ACEnT Laboratories	Provides specialized expertise and high-quality ground and flight test systems	ND	ND	ND	ND	ND	ND
04/06/21	Nikon Corp.	Morf3D Inc.	Provides metal additive manufacturing ("AM") services, specializing in AM and engineering for the aerospace, space and defense industries	\$91.0	ND	ND	ND	ND	ND
04/01/21	Panta Holdings BV	Fokker Services BV and Fokker Techniek BV (subsidiaries of Melrose Industries)	Provides of components and systems for the aerospace industry, and supplies integrated maintenance services and products to aircraft owners and operators	ND	ND	ND	ND	ND	ND

# 2Q21 Defense Transactions

(\$ in millions)

Announced	Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	Margin	EV / LTM	Rev.	EBITDA <sup>(1)</sup>
	06/29/21	Thales S.A.	Navigation Aids business of Moog, Inc.	Provides services that include designing, developing, manufacturing and marketing ground and ship-based radio frequency navigation beacons and related antennas for military and civilian applications	ND	ND	ND	ND	ND	ND	ND
	06/29/21	Infrastructure Acquisition Partners	Fraser Industries (Capstan Corp)	Provides of maritime construction and engineering services to the Navy	ND	ND	ND	ND	ND	ND	ND
	06/24/21	Rafaut Group (HLD Group)	Alkan Group	Provides sono-buoy launchers, torpedo launchers and weapon control systems	ND	ND	ND	ND	ND	ND	ND
	06/22/21	Enlightenment Capital	Fenix Group, Inc.	Provides integrated systems, battlefield edge networks, and Low Probability of Intercept/Low Probability of Detection (LPI/LPD) communications solutions in support of the U.S. Department of Defense (DoD), special operations, and intelligence communities	ND	ND	ND	ND	ND	ND	ND
	06/22/21	Shoreview Industries	Aeronix, Inc.	Provides data transfer, signal analysis, and communications products and related engineering services primarily to the defense industry, including ruggedized ethernet switches	ND	ND	ND	ND	ND	ND	ND
	06/21/21	CNH Industrial NV	Raven Industries, Inc.	Provides high-performance specialty films, and aerospace and defense solutions	\$2,100.0	ND	\$45.0	ND	ND	ND	46.7x
	06/16/21	The PBE Group	Axell Wireless	Provides DAS solutions strengthens wireless signals in locations traditional mobile phone networks are unable to reach such as deep tunnels or inside high-rise buildings, were put into administration by its prior owners	ND	ND	ND	ND	ND	ND	ND
	06/16/21	Integrated Polymer Solutions (portco of Arcline Investment Management)	Swift Textile Metalizing LLC	Provides highly engineered metalized fabrics used in electromagnetic ("EMI") and radio frequency interference ("RFI") shielding applications	ND	ND	ND	ND	ND	ND	ND
	06/15/21	Oneida Research Services, Inc.	Internal Gas Analysis division of Atlantic Analytical Laboratory, Inc.	Provides gas analysis testing for qualifying electronic components for military, space, telecom, and medical applications	ND	ND	ND	ND	ND	ND	ND
	06/14/21	General Atomics Corp.	Synopta GmbH	Provides complex opto-electronic instrumentation for space and terrestrial applications	ND	ND	ND	ND	ND	ND	ND
	06/10/21	Valkyrie Enterprises, Inc.	Rolands and Associates Corporation	Provides modeling and simulation applications for civil-military planning, exercises, and analysis	ND	ND	ND	ND	ND	ND	ND
	06/03/21	Summit Interconnect (portco of HCI Equity Partners)	Eagle Electronics	Provides printed circuit and high-performance applications for the aerospace and defense, commercial and other industrial end-markets	ND	ND	ND	ND	ND	ND	ND
	06/02/21	Vishay Precision Group, Inc	Diversified Technical Systems	Provides data acquisition systems and sensors for product and safety testing for test environments, DTS compact data logger and sensors are rugged and reliable, and utilized in aerospace, military, industrial, automotive, and safety applications	\$47.0	ND	ND	ND	ND	ND	ND
	06/01/21	Mercury Systems, Inc.	Pentek Systems	Provides ruggedized, high-performance, commercial off-the-shelf ("COTS") software-defined radio and data acquisition boards, recording systems and subsystems for high-end commercial and defense applications	\$65.0	ND	ND	26.1%	2.83x	10.8x	ND
	06/01/21	Graham Corp.	Barber-Nichols, Inc.	Provides specialty turbomachinery including highly specialized pumps, compressors and fans, and rocket engine turbopumps for critical applications, primarily in the defense and space industries	\$70.1	\$56.0	ND	ND	1.25x	ND	ND
	05/24/21	Bluestone Investment Partners	Chesapeake Technology International, Corp.	Provides open software, hardware, data management solutions, and software and systems development products for the Defense and Intelligence communities	ND	ND	ND	ND	ND	ND	ND
	05/19/21	ThayerMahan, Inc. (portco of AE Industrial Partners, LP)	Wingman Defense, Inc.	Provides cutting-edge, Artificial Intelligence ("AI")-driven defense solutions in the U.S. market across wargaming, security, and autonomous vehicle applications	ND	ND	ND	ND	ND	ND	ND

 KippsDeSanto acted as financial advisor in this transaction


Note: ND = Not Disclosed; NM = Not Meaningful

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

# 2Q21 Defense Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA		EV / LTM	
						EBITDA	Margin	Rev.	EBITDA <sup>(1)</sup>
05/18/21	Nexus Capital Management LP	HDT Global (portco of Charlesbank Capital Partners)	Provides rapidly deployable and highly engineered infrastructure solutions to meet critical military and emergency needs	ND	ND	ND	ND	ND	ND
05/11/21	CEVA, Inc.	Intrinx Corp.	Provides complex System-on-Chip ("SoC") design expertise in the areas of Radio Frequency ("RF"), mixed signal, digital, software, secure processors and interface Internet Protocol ("IP") for Heterogeneous SoCs ("HSoCs")	\$33.0	\$15.0	\$2.5	16.7%	2.20x	13.2x
05/10/21	OneWeb Global Ltd	TrustComm, Inc.	Provides managed satellite communications and professional services to commercial organizations and governments	ND	ND	ND	ND	ND	ND
05/04/21	AMETEK, Inc.	NSI-MI Technologies	provider of radio frequency ("RF") and microwave test and measurement solutions and services for niche applications across the aerospace, defense, automotive, wireless communications, and research markets	\$230.0	ND	ND	ND	ND	ND
05/01/21	The Industrial Service Group (KCM Capital Partners)	Georgia Western	Provides pipeline actuators, pneumatic products, and assemblies for the Air Force and Coast Guard	ND	ND	ND	ND	ND	ND
04/30/21	J&E Precision Tool (LFM Capital)	Alloy Specialties, Inc and Beranek, Inc	Provides engine components for defense and commercial air and ground applications, and highly technical, precision-machined components for the commercial and military aviation, missile defense, and space exploration industries	ND	ND	ND	ND	ND	ND
04/29/21	Alpine 4 Holdings	Thermal Dynamics International	Provides engineering, fabrication, and project management services for thermal solutions to the DoD	ND	ND	ND	ND	ND	ND
04/23/21	Leonardo S.p.A.	25% stake in Hensholdt Holding (portco of KKR & Co.)	Provides sensor technologies for protection and surveillance missions in the defense, security and aerospace sectors	\$606.0	ND	ND	ND	ND	ND
04/23/21	Plymouth Rock Technologies	Tetra Drones Limited	Provides custom-made and niche unmanned aircraft systems	\$0.5	ND	ND	ND	ND	ND
04/23/21	Nikon	Morff3D	Provides metal additive manufacturing (AM) services, specializing in AM and engineering for the aerospace, space and defense industries	\$91.0	ND	ND	ND	ND	ND
04/23/21	Park Ohio	NYK Components	Provides electrical connectors and accessories for demanding Military, Aerospace and harsh environment Industrial applications	ND	ND	ND	ND	ND	ND
04/20/21	American Pacific Corporation	Frontier Aerospace	Provides end-to-end space propulsion services, from concept ideation to product development to design verification testing	ND	ND	ND	ND	ND	ND
04/20/21	Hammond, Kennedy, Whitney & Co., Inc.	CIS Secure Computing, Inc. (portco of Acorn Growth Companies)	Provides secure and customized communications technologies that help prevent data leaks / tracking, eavesdropping, and hacking	ND	ND	ND	ND	ND	ND
04/19/21	Bollinger Shipyards, LLC	Shipyard Facilities of Gulf Island Fabrication, Inc.	Provides design, construction and repair of marine vessels	ND	ND	ND	ND	ND	ND
04/14/21	COMSovereign Holding Corp.	Innovation Digital, LLC	Provides "beyond state-of-the-art" mixed analog / digital signal processing solutions, intellectual property ("IP") licensing, design and consulting services	\$8.0	\$3.0	ND	ND	2.67x	ND
04/09/21	Kraken Robotic Systems, Inc.	PanGeo Subsea Inc. (Business Unit of Cahill Group)	Provides high resolution 3D acoustic imaging solutions for the sub-seabed	\$19.1	\$7.2	ND	ND	2.65x	ND
04/02/21	Anduril Industries, Inc.	Area-I Inc.	Provides on-demand, tube-launched aircraft	ND	ND	ND	ND	ND	ND

 KippsDeSanto acted as financial advisor in this transaction

Note: ND = Not Disclosed; NM = Not Meaningful

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



# 2Q21 Government Technology Services Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA		EV / LTM	
						EBITDA	Margin	Rev.	EBITDA <sup>(1)</sup>
06/25/21	Amazon Web Services	Wickr, Inc.	Provides and develops end-to-end encrypted communications technology platform to help meet the needs of government agencies and enterprises for secure communications	ND	ND	ND	ND	ND	ND
06/23/21	Versar, Inc.	Environmental Services Business of Black & Veatch	Provides a range of services such as remediation, investigation, assessment, and design for federal government agencies	ND	ND	ND	ND	ND	ND
06/22/21	LookingGlass Cyber Solutions, Inc.	AlphaWave	Provides attack surface management for cybersecurity applications	ND	ND	ND	ND	ND	ND
06/17/21	Granicus, Inc.	Bang the Table Pty Ltd	Provides multichannel delivery platforms to give governments the ability to seamlessly enable intuitive, predictive, and personalized digital experiences	ND	ND	ND	ND	ND	ND
06/17/21	Granicus, Inc.	OpenCities Pty Ltd	Provides fully integrated, drag-and-drop customer experience platform, helping agencies rapidly digitize, track, and improve every step of their customer journey, without custom code	ND	ND	ND	ND	ND	ND
06/16/21	Banyan Software Inc.	HealthRx Corporation	Provides occupational health and safety solutions suited to the wide ranging and specific needs of biomedical research facilities	ND	ND	ND	ND	ND	ND
06/15/21	Forcepoint	Deep Secure Ltd	Provides cybersecurity products and services which give organizations immunity from cyberattacks delivered via malware and help protect against covert data loss	ND	ND	ND	ND	ND	ND
06/10/21	Valkyrie Enterprises, Inc.	Rolands & Associates Corporation	Provides a comprehensive, computer-based modeling and simulation solution for global wargaming for the U.S. and allied militaries	ND	ND	ND	ND	ND	ND
06/10/21	JHNA	Technology Security Associates (TSA)	Provides cybersecurity, anti-tamper, and platform security services protecting DoD systems and information	ND	ND	ND	ND	ND	ND
06/10/21	Parsons Corporation	BlackHorse Solutions, Inc.	Provides solutions and products that address next-generation military, intelligence, and space operations	\$203.0	ND	ND	ND	ND	ND
06/09/21	Genasys, Inc.	Zonehaven, Inc.	Provides planning, training, and resources to first responders, public safety agencies, and communities to manage evacuations and repopulations successfully	\$23.4	ND	ND	ND	ND	ND
06/08/21	System One Holdings, LLC	Quadel Consulting and Training, LLC	Provides outsourced program management, contract administration, disaster recovery, consulting, training and educational services	ND	ND	ND	ND	ND	ND
06/03/21	Koniag, Inc.	Tec Pro, Ltd.	Provides industrial electrical and security video (CCTV) solutions and offers electrical contracting services to the private sectors and the U.S. federal government	ND	ND	ND	ND	ND	ND
06/03/21	Chemring Group plc	The Cubica Group	Provides artificial intelligence, machine learning, data fusion, and autonomy services to defense and security sectors	ND	\$4.1	ND	ND	ND	ND
06/03/21	Science Applications International Corporation (SAIC)	Halfaker and Associates, LLC	Provides value-based software delivery using DevSecOps, automation, and product line management to various Federal Government organizations	\$250.0	\$166.0	ND	ND	1.51x	ND
06/03/21	Versar, Inc.	BayFirst Solutions, LLC	Provides software development, network engineering, intelligence and analytics, engineering and logistics, and cybersecurity and information assurance	ND	ND	ND	ND	ND	ND
06/02/21	Symphony Technology Group	FireEye Products Business of FireEye, Inc.	Provides detection and prevention technologies through machine-learning and advanced analytics	\$1,500.0	\$540.9	ND	ND	2.77x	ND



KippsDeSanto acted as financial advisor in this transaction

Note: ND = Not Disclosed; NM = Not Meaningful

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

# 2Q21 Government Technology Services Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA		EV / LTM	
						Margin	Rev.	EBITDA	(1)
06/02/21	Pangiam	Trueface	Provides computer vision focused on facial recognition, weapon detection, and age verification technologies	ND	ND	ND	ND	ND	ND
06/02/21	Coalfire Systems, Inc.	Denim Group, Ltd.	Provides advanced application security solutions leveraging its market-leading application security orchestration and correlation platform with consulting services	ND	ND	ND	ND	ND	ND
06/01/21	Accenture Federal Services	Novetta	Provides advanced analytics serving U.S. federal organizations in machine learning, cyber, and cloud engineering	ND	ND	ND	ND	ND	ND
05/27/21	Belcan, LLC	VICTOR42	Provides special operations support, intelligence solutions and training, and IT services	ND	ND	ND	ND	ND	ND
05/26/21	GCOM Software, LLC	Qlarion	Provides data and analytics solutions for the public sector	ND	ND	ND	ND	ND	ND
05/25/21	Tetra Tech, Inc.	The Kaizen Company	Provides development advisory and management consulting services that support solutions in health, education, governance, peace and stability, and sustainable economic growth	ND	ND	ND	ND	ND	ND
05/25/21	Bluestone Investment Partners	CTI	Provides advanced, user-focused systems for command and control, electronic warfare, cyber-spectral operations, and other complex military and security applications	ND	ND	ND	ND	ND	ND
05/18/21	Smartronix, Inc.	C2S Consulting Group	Provides full spectrum cloud solutions that specialize in the transformation of government customers in data intensive environments	ND	ND	ND	ND	ND	ND
05/17/21	Ansys	Phoenix Integration, Inc.	Provides software that enables model-based engineering (MBE) and model-based systems engineering (MBSE)	ND	ND	ND	ND	ND	ND
05/11/21	Brightstar Capital Partners	ERC Incorporated	Provides mission critical engineering and consulting services to the US Department of Defense, NASA and other high-tech governmental entities	ND	ND	ND	ND	ND	ND
05/06/21	Forcepoint	Cyberinc	Provides intelligence remote browser isolation (RBI) technology that gives administrators granular control	ND	ND	ND	ND	ND	ND
05/04/21	Booz Allen Hamilton	Liberty IT Solutions, LLC	Provides information technology and services, including leading digital solutions in cloud, Low Code / No Code, and DevSecOps capabilities	\$725.0	ND	ND	ND	ND	ND
05/03/21	Noblis, Inc.	McKean Defense	Provides life-cycle management, engineering, enterprise transformation and program management	ND	ND	ND	ND	ND	ND
04/29/21	IBM Corp.	Turbonomic, Inc.	Provides businesses with its ARM software that simultaneously optimizes the performance, compliance, and cost of applications in real-time	ND	\$42.0	ND	ND	ND	ND
04/28/21	CGI, Inc.	Sense Corp	Provides digital systems integration and consulting for state and local government and commercial clients	ND	ND	ND	ND	ND	ND
04/26/21	Science Applications International Corporation (SAIC)	Koverse	Provides multi-level data management platform for sensitive data created on system by the NSA	\$55.0	ND	ND	ND	ND	ND
04/21/21	Unison	PRICE Systems, LLC	Provides decision support and analytical software, predictive power, and confident estimates	ND	ND	ND	ND	ND	ND



KippsDeSanto acted as financial advisor in this transaction

Note: ND = Not Disclosed; NM = Not Meaningful

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

## 2Q21 Government Technology Services Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA		EV / LTM	
						EBITDA	Margin	Rev.	EBITDA <sup>(1)</sup>
04/21/21	Maximus, Inc.	Veteran Evaluation Services, Inc.	Provides Medical Disability Examinations to determine Veterans' eligibility for compensation and pension benefits	\$1,400.0	ND	ND	ND	ND	ND
04/14/21	COMSovereign Holding Corp.	Innovation Digital, LLC	Provides mixed analog / digital signal processing solutions, intellectual property licensing, design and consulting services	\$8.0	ND	ND	ND	ND	ND
04/09/21	Information Analysis Incorporated	Tellenger, Inc.	Provides cybersecurity, cloud, and data analytics services to support companies in protecting their cyber systems and infrastructure	\$2.5	ND	ND	ND	ND	ND
04/08/21	McNally Capital; Nio Advisors	Orbis Operations	Provides intelligence and national security services, software engineering and cyber services, and situational awareness training	ND	ND	ND	ND	ND	ND
04/06/21	Ensco, Inc.	Exostrategies, Inc.	Provides enterprise architecture management, agile risk management, project management, resource analysis and modeling and simulation services to space and intelligence communities	ND	ND	ND	ND	ND	ND
04/05/21	General Atomics	Commonwealth Computer Research Inc.	Provides big data management platforms designed to generate activity-based intelligence for multiple operations	ND	ND	ND	ND	ND	ND
04/02/21	Business Integra Technology Solutions	Aquila Technology Corp.	Provides IT and engineering support, including services in support of data centers, networks and security, as well as providing implementation and maintenance for technology design programs	ND	ND	ND	ND	ND	ND



KippsDeSanto acted as financial advisor in this transaction

Note: ND = Not Disclosed; NM = Not Meaningful

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

# Public Company Trading Analysis

(\$ in millions, except per share amounts)

Aircraft and Engine OEMs	Stock Price 06/30/21	% of 52 Week High	Market Cap	Enterprise Value	CY2021E			CY2022P			EV / CY2021E		EV / CY2022P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
The Boeing Company	\$239.56	86.0%	\$140,097	\$181,969	\$78,629	\$4,763	6.1%	\$89,454	\$9,162	10.2%	2.31x	NM	2.03x	19.9x
General Electric Company	13.46	93.4%	118,161	167,634	76,978	7,504	9.7%	81,992	10,429	12.7%	2.18x	22.3x	2.04x	16.1x
Airbus SE	128.57	93.5%	101,007	99,527	61,244	6,516	10.6%	69,863	9,182	13.1%	1.63x	15.3x	1.42x	10.8x
Safran SA	138.63	91.5%	59,183	63,520	18,847	3,669	19.5%	21,982	4,673	21.3%	3.37x	17.3x	2.89x	13.6x
MTU Aero Engines AG	247.69	92.9%	13,172	14,006	5,244	817	15.6%	5,773	1,009	17.5%	2.67x	17.1x	2.43x	13.9x
<b>Median</b>		<b>92.9%</b>	<b>\$101,007</b>	<b>\$99,527</b>	<b>\$61,244</b>	<b>\$4,763</b>	<b>10.6%</b>	<b>\$69,863</b>	<b>\$9,162</b>	<b>13.1%</b>	<b>2.31x</b>	<b>17.2x</b>	<b>2.04x</b>	<b>13.9x</b>

Aerostructures	Stock Price 06/30/21	% of 52 Week High	Market Cap	Enterprise Value	CY2021E			CY2022P			EV / CY2021E		EV / CY2022P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Hexcel Corporation	\$62.40	96.0%	\$5,227	\$6,058	\$1,386	\$200	14.4%	\$1,664	\$335	20.1%	4.37x	30.3x	3.64x	18.1x
Spirit AeroSystems Holdings, Inc.	47.19	88.0%	4,975	7,253	4,030	111	2.7%	5,043	508	10.1%	1.80x	65.5x	1.44x	14.3x
Triumph Group, Inc.	20.75	91.4%	1,333	2,738	1,643	161	9.8%	1,680	223	13.3%	1.67x	17.0x	1.63x	12.3x
Senior plc	2.09	81.1%	869	1,150	912	74	8.1%	1,017	102	10.0%	1.26x	15.6x	1.13x	11.3x
<b>Median</b>		<b>88.0%</b>	<b>\$1,333</b>	<b>\$2,738</b>	<b>\$1,643</b>	<b>\$111</b>	<b>8.1%</b>	<b>\$1,680</b>	<b>\$223</b>	<b>10.1%</b>	<b>1.67x</b>	<b>17.0x</b>	<b>1.44x</b>	<b>12.3x</b>

# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

<u>Aerospace Suppliers</u>	Stock Price 06/30/21	% of 52 Week High	Market Cap	Enterprise Value	CY2021E			CY2022P			EV / CY2021E		EV / CY2022P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
RBC Bearings Incorporated	\$199.42	95.8%	\$4,981	\$4,792	\$656	\$166	25.3%	\$685	\$177	25.8%	7.31x	28.9x	7.00x	27.1x
Meggitt PLC	6.37	86.4%	4,957	6,013	2,236	445	19.9%	2,521	561	22.2%	2.69x	13.5x	2.38x	10.7x
Curtiss-Wright Corporation	118.76	89.0%	4,862	5,899	2,493	537	21.5%	2,606	573	22.0%	2.37x	11.0x	2.26x	10.3x
Arconic Corporation	35.62	92.5%	3,919	4,904	7,291	735	10.1%	7,948	874	11.0%	0.67x	6.7x	0.62x	5.6x
Moog Inc.	84.06	91.4%	2,709	3,679	2,884	346	12.0%	3,042	358	11.8%	1.28x	10.6x	1.21x	10.3x
Ducommun Incorporated	54.56	83.4%	647	958	656	92	14.0%	700	104	14.8%	1.46x	10.5x	1.37x	9.2x
Astronics Corporation	17.51	83.7%	534	699	487	25	5.2%	562	63	11.2%	1.43x	27.6x	1.24x	11.1x
Héroux-Devtek Inc.	14.41	94.4%	530	655	463	72	15.6%	484	76	15.6%	1.41x	9.1x	1.35x	8.7x
<b>Median</b>		<b>90.2%</b>	<b>\$3,314</b>	<b>\$4,235</b>	<b>\$1,446</b>	<b>\$256</b>	<b>14.8%</b>	<b>\$1,611</b>	<b>\$267</b>	<b>15.2%</b>	<b>1.45x</b>	<b>10.8x</b>	<b>1.36x</b>	<b>10.3x</b>

<u>Aftermarket / MRO</u>	Stock Price 06/30/21	% of 52 Week High	Market Cap	Enterprise Value	CY2021E			CY2022P			EV / CY2021E		EV / CY2022P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
TransDigm Group Incorporated	\$647.29	94.1%	\$35,531	\$51,914	\$5,014	\$2,257	45.0%	\$5,401	\$2,641	48.9%	10.35x	23.0x	9.61x	19.7x
HEICO Corporation	139.42	93.6%	17,635	18,089	1,978	526	26.6%	2,224	622	28.0%	9.15x	34.4x	8.13x	29.1x
Singapore Technologies Engineering Ltd	2.88	94.4%	8,973	10,192	5,666	742	13.1%	6,117	804	13.1%	1.80x	13.7x	1.67x	12.7x
SIA Engineering Company Limited	1.60	84.3%	1,793	1,405	387	34	8.7%	538	58	10.8%	3.63x	41.6x	2.61x	24.2x
AAR Corp.	38.75	85.2%	1,354	1,521	1,729	135	7.8%	1,981	174	8.8%	0.88x	11.3x	0.77x	8.7x
<b>Median</b>		<b>93.6%</b>	<b>\$8,973</b>	<b>\$10,192</b>	<b>\$1,978</b>	<b>\$526</b>	<b>13.1%</b>	<b>\$2,224</b>	<b>\$622</b>	<b>13.1%</b>	<b>3.63x</b>	<b>23.0x</b>	<b>2.61x</b>	<b>19.7x</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 06/30/21	% of 52 Week High	Market Cap	Enterprise Value	CY2021E			CY2022P			EV / CY2021E		EV / CY2022P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Raytheon Technologies Corporation	\$85.31	94.8%	\$128,531	\$154,674	\$65,420	\$10,646	16.3%	\$71,528	\$12,746	17.8%	2.36x	14.5x	2.16x	12.1x
Lockheed Martin Corporation	378.35	94.0%	105,156	114,407	68,333	10,499	15.4%	70,895	10,886	15.4%	1.67x	10.9x	1.61x	10.5x
Northrop Grumman Corporation	363.43	95.9%	58,498	69,141	35,810	6,661	18.6%	37,547	5,048	13.4%	1.93x	10.4x	1.84x	13.7x
General Dynamics Corporation	188.26	95.3%	53,110	65,789	39,060	5,003	12.8%	40,728	5,277	13.0%	1.68x	13.1x	1.62x	12.5x
L3Harris Technologies, Inc.	216.15	96.2%	44,307	51,263	18,739	3,991	21.3%	19,620	4,247	21.6%	2.74x	12.8x	2.61x	12.1x
BAE Systems plc	7.21	95.6%	23,231	29,255	29,577	3,753	12.7%	30,659	4,028	13.1%	0.99x	7.8x	0.95x	7.3x
<b>Median</b>		<b>95.5%</b>	<b>\$55,804</b>	<b>\$67,465</b>	<b>\$37,435</b>	<b>\$5,832</b>	<b>15.8%</b>	<b>\$39,138</b>	<b>\$5,163</b>	<b>14.4%</b>	<b>1.81x</b>	<b>11.9x</b>	<b>1.73x</b>	<b>12.1x</b>

Defense Systems	Stock Price 06/30/21	% of 52 Week High	Market Cap	Enterprise Value	CY2021E			CY2022P			EV / CY2021E		EV / CY2022P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Safran SA	\$138.63	91.5%	\$59,183	\$63,542	\$18,847	\$3,669	19.5%	\$21,982	\$4,673	21.3%	3.37x	17.3x	2.89x	13.6x
Huntington Ingalls Industries, Inc.	210.75	94.0%	8,479	9,919	9,291	801	8.6%	9,571	867	9.1%	1.07x	12.4x	1.04x	11.4x
Kongsberg Gruppen ASA	25.72	98.2%	4,600	4,341	3,157	422	13.4%	3,496	479	13.7%	1.37x	10.3x	1.24x	9.1x
AeroVironment, Inc.	100.15	69.7%	2,463	2,506	513	89	17.4%	623	121	19.3%	4.89x	28.1x	4.02x	20.8x
Teledyne FLIR, LLC	0.00	NA	0	484	NA	NA	NA	2,000	NA	NA	NA	NA	0.24x	NA
<b>Median</b>		<b>92.8%</b>	<b>\$4,600</b>	<b>\$4,341</b>	<b>\$6,224</b>	<b>\$611</b>	<b>15.4%</b>	<b>\$3,496</b>	<b>\$673</b>	<b>16.5%</b>	<b>2.37x</b>	<b>14.8x</b>	<b>1.24x</b>	<b>12.5x</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 Electronics / Comm.	Stock Price 06/30/21	% of 52 Week High	Market Cap	Enterprise Value	CY2021E			CY2022P			EV / CY2021E		EV / CY2022P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Teledyne Technologies Incorporated	\$418.83	91.5%	\$19,226	\$19,371	\$4,435	\$902	20.3%	\$5,502	\$1,209	22.0%	4.37x	21.5x	3.52x	16.0x
Mercury Systems, Inc.	66.28	74.5%	3,722	3,843	990	212	21.4%	1,093	238	21.7%	3.88x	18.1x	3.52x	16.2x
Viasat, Inc.	49.84	81.2%	3,615	5,551	2,601	591	22.7%	2,965	649	21.9%	2.13x	9.4x	1.87x	8.5x
Kratos Defense & Security Solutions, Inc.	28.49	83.5%	3,527	3,543	837	86	10.3%	964	112	11.6%	4.23x	41.0x	3.67x	31.7x
Ultra Electronics Holdings plc	31.63	90.2%	2,250	2,367	1,194	210	17.6%	1,244	223	17.9%	1.98x	11.3x	1.90x	10.6x
Comtech Telecommunications Corp.	24.16	79.5%	630	856	578	77	13.3%	611	82	13.5%	1.48x	11.2x	1.40x	10.4x
<b>Median</b>		<b>82.4%</b>	<b>\$3,571</b>	<b>\$3,693</b>	<b>\$1,092</b>	<b>\$211</b>	<b>19.0%</b>	<b>\$1,168</b>	<b>\$230</b>	<b>19.8%</b>	<b>3.01x</b>	<b>14.7x</b>	<b>2.71x</b>	<b>13.3x</b>

Homeland Security	Stock Price 06/30/21	% of 52 Week High	Market Cap	Enterprise Value	CY2021E			CY2022P			EV / CY2021E		EV / CY2022P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Smiths Group plc	\$21.96	95.2%	\$8,704	\$10,320	\$3,423	\$704	20.6%	\$3,514	\$770	21.9%	3.01x	14.7x	2.94x	13.4x
MSA Safety Incorporated	165.58	95.8%	6,485	6,677	1,399	290	20.7%	1,506	332	22.0%	4.77x	23.0x	4.43x	20.1x
OSI Systems, Inc.	101.64	99.4%	1,828	2,034	1,186	202	17.1%	1,249	218	17.5%	1.72x	10.0x	1.63x	9.3x
Smith & Wesson Brands, Inc.	34.70	97.9%	1,666	1,597	1,107	355	32.1%	720	180	25.0%	1.44x	4.5x	2.22x	8.9x
<b>Median</b>		<b>96.9%</b>	<b>\$4,156</b>	<b>\$4,356</b>	<b>\$1,292</b>	<b>\$323</b>	<b>20.6%</b>	<b>\$1,378</b>	<b>\$275</b>	<b>22.0%</b>	<b>2.37x</b>	<b>12.4x</b>	<b>2.58x</b>	<b>11.4x</b>

# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Government Services	Stock Price 06/30/21	% of 52 Week High	Market Cap	Enterprise Value	CY2021E			CY2022P			EV / CY2021E		EV / CY2022P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Leidos Holdings, Inc.	\$101.10	88.9%	\$14,298	\$19,373	\$13,941	\$1,488	10.7%	\$14,970	\$1,589	10.6%	1.39x	13.0x	1.29x	12.2x
Booz Allen Hamilton Holding Corporation	85.18	85.0%	11,534	13,256	8,248	864	10.5%	9,065	974	10.7%	1.61x	15.3x	1.46x	13.6x
CACI International Inc	255.12	95.6%	6,008	8,189	6,169	659	10.7%	6,551	729	11.1%	1.33x	12.4x	1.25x	11.2x
SAIC	87.73	84.4%	5,085	7,626	7,319	651	8.9%	7,616	687	9.0%	1.04x	11.7x	1.00x	11.1x
ManTech International Corporation	86.54	85.4%	3,514	3,635	2,670	246	9.2%	2,804	260	9.3%	1.36x	14.8x	1.30x	14.0x
ICF International, Inc.	87.86	85.9%	1,655	2,115	1,564	153	9.8%	1,642	164	10.0%	1.35x	13.8x	1.29x	12.9x
PAE Incorporated	8.90	83.2%	828	1,795	3,095	210	6.8%	3,215	221	6.9%	0.58x	8.5x	0.56x	8.1x
VSE Corporation	49.51	92.6%	629	907	700	81	11.6%	797	98	12.3%	1.30x	11.2x	1.14x	9.3x
Vectrus, Inc.	47.59	78.9%	558	719	1,705	85	5.0%	1,908	99	5.2%	0.42x	8.4x	0.38x	7.3x
<b>Median</b>		<b>85.4%</b>	<b>\$3,514</b>	<b>\$3,635</b>	<b>\$3,095</b>	<b>\$246</b>	<b>9.8%</b>	<b>\$3,215</b>	<b>\$260</b>	<b>10.0%</b>	<b>1.33x</b>	<b>12.4x</b>	<b>1.25x</b>	<b>11.2x</b>

Government Technology Software	Stock Price 06/30/21	% of 52 Week High	Market Cap	Enterprise Value	CY2021E			CY2022P			EV / CY2021E		EV / CY2022P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Palantir Technologies Inc.	\$26.36	58.6%	\$49,471	\$47,584	\$1,482	\$385	26.0%	\$1,917	\$524	27.3%	32.12x	123.5x	24.82x	90.8x
Tyler Technologies, Inc.	452.37	94.3%	18,429	17,733	1,524	424	27.8%	1,815	500	27.6%	11.63x	41.8x	9.77x	35.4x
Telos Corporation	34.01	81.3%	2,270	2,193	289	34	11.8%	407	73	17.8%	7.59x	64.6x	5.38x	30.2x
<b>Median</b>		<b>81.3%</b>	<b>\$18,429</b>	<b>\$17,733</b>	<b>\$1,482</b>	<b>\$385</b>	<b>26.0%</b>	<b>\$1,815</b>	<b>\$500</b>	<b>27.3%</b>	<b>11.63x</b>	<b>64.6x</b>	<b>9.77x</b>	<b>35.4x</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 06/30/21	% of 52 Week High	Market Cap	Enterprise Value	CY2021E			CY2022P			EV / CY2021E		EV / CY2022P	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Jacobs Engineering Group Inc.	\$133.42	91.4%	\$17,373	\$21,104	\$14,809	\$1,302	8.8%	\$16,082	\$1,498	9.3%	1.43x	16.2x	1.31x	14.1x
AECOM	63.32	90.4%	9,270	11,443	13,444	832	6.2%	14,049	921	6.6%	0.85x	13.8x	0.81x	12.4x
Tetra Tech, Inc.	122.04	84.3%	6,610	6,912	2,516	304	12.1%	2,664	328	12.3%	2.75x	22.8x	2.60x	21.1x
KBR, Inc.	38.15	89.3%	5,392	6,826	5,976	558	9.3%	6,368	616	9.7%	1.14x	12.2x	1.07x	11.1x
Parsons Corporation	39.36	87.4%	4,031	4,550	3,940	362	9.2%	4,164	394	9.5%	1.15x	12.6x	1.09x	11.6x
Babcock International Group PLC	4.01	79.4%	2,024	4,245	6,605	752	11.4%	6,653	803	12.1%	0.64x	5.6x	0.64x	5.3x
<b>Median</b>		<b>89.3%</b>	<b>\$6,610</b>	<b>\$6,912</b>	<b>\$5,976</b>	<b>\$558</b>	<b>9.2%</b>	<b>\$6,368</b>	<b>\$616</b>	<b>9.5%</b>	<b>1.15x</b>	<b>13.8x</b>	<b>1.09x</b>	<b>12.4x</b>

Note: NM = Not Meaningful

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

George “Toby” Albright  
 Managing Director  
 talbright@kippsdesanto.com

Margo T. Bost  
 Associate  
 mbost@kippsdesanto.com

Joey M. Chadwick  
 Associate  
 jchadwick@kippsdesanto.com

Kevin P. DeSanto  
 Managing Director  
 kdesanto@kippsdesanto.com

Nick A. Dodson  
 Director  
 ndodson@kippsdesanto.com

Stephen M. Jonas  
 Vice President  
 sjonas@kippsdesanto.com

Robert D. Kipps  
 Managing Director  
 bkipps@kippsdesanto.com

Marc B. Marlin  
 Managing Director  
 mmarlin@kippsdesanto.com

Alexia N. Marchetta  
 Vice President  
 amarchetta@kippsdesanto.com

Michael J. Misantone  
 Managing Director  
 mmisantone@kippsdesanto.com

Ken Nsofor  
 Associate  
 knsofor@kippsdesanto.com

Jeremy Peterson  
 Associate  
 jpeterson@kippsdesanto.com

Michael Potolicchio  
 Associate  
 mpotolicchio@kippsdesanto.com

James P. Reid  
 Vice President  
 jreid@kippsdesanto.com

Warren N. Romine  
 Managing Director  
 wromine@kippsdesanto.com

Karl M. Schmidt  
 Managing Director  
 kschmidt@kippsdesanto.com

Sung Shin  
 Vice President  
 sshin@kippsdesanto.com

Kate W. Troendle  
 Managing Director  
 ktroendle@kippsdesanto.com

Brian T. Tunney  
 Director  
 btunney@kippsdesanto.com

Nathan C. Wilson  
 Associate  
 nwilson@kippsdesanto.com

Jon Yim  
 Managing Director  
 jyim@kippsdesanto.com

Securities and investment banking products and services are offered through KippsDeSanto & Co., a non-banking subsidiary of Capital One, N.A., a wholly owned subsidiary of Capital One Financial Corporation. KippsDeSanto & Co. is a member of FINRA and SIPC.

Securities and Investment Banking products and services are:

Not FDIC Insured	Not Bank Guaranteed	May Lose Value
Not a Deposit	Not Insured By Any Federal Government Agency	

Banking products and services are offered by Capital One, N.A., Member FDIC.

The information contained on the site is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use may be contrary to law or regulation or which may subject us or our affiliates to any registration requirement within such jurisdiction or country.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT** – To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.