

Aerospace / Defense & Government Services 2022 M&A Survey

This past year set records for mergers and acquisitions activity in the Aerospace / Defense and Government Services sectors.

The number of deals in 2021 increased significantly, compared to 2020, substantially accelerating a trend of increased activity over the past several years. Given this record year, the ongoing pandemic, the change in U.S. presidential administration, and budgetary challenges, we were keenly interested to understand dealmakers' views of the anticipated impact on M&A activity and valuations for 2022.

In our fifth survey of M&A activity and sentiment, we find dealmakers remain very optimistic about the U.S. economy, M&A volume, and valuations for 2022. Respondents are optimistic about overall economic growth, with over 85% expecting the U.S. economy to grow in the coming year. Furthermore, respondents remain encouraged about maintaining or growing 2021's record level of deal activity and premium valuations in 2022. While over 45% of respondents expect the cycle of M&A activity and valuations will peak in 2022, nearly 20% expect continued growth for the next few years. This sentiment comes following the unprecedented growth of 2021.

In addition, a large majority of our respondents expect M&A activity to maintain the same record levels of 2021 or increase — 62% in the Defense Products and Technology sector, 59% in the Government Services sector, and 74% in the Aerospace sector. Across each sector, nearly all respondents (88%) expect to close more or the same number of deals as in 2021. These predictions for 2022 are quite bullish.

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.

“In this M&A sentiment and activity special report, we share dealmakers' predictions about the coming year. We provide 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. We are also pleased to share five-year trends on many of the topics we've covered in past reports. Overall, we remain encouraged and motivated by the optimism and resilience of our sectors.”

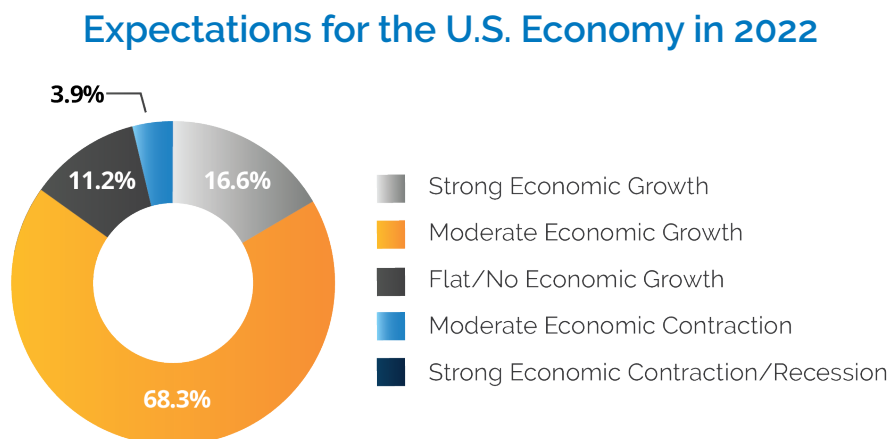
KIPPSDESANTO & CO.

Dealmakers Predict Moderate Economic Growth

Dealmakers surveyed are slightly more positive about economic growth for 2022 than they were for 2021. Just over 68% expect moderate economic growth in 2022, which is almost identical to respondent predictions for 2021. However, a larger percentage of respondents (17%) expect strong growth in 2022 compared to 2021 (11%).

The percentage of respondents who expect no economic growth in 2022 also decreased somewhat compared to predictions for 2021. Overall, these results suggest a positive outlook for the U.S. economy.

Looking across five years of survey data, respondents' predictions for economic growth in the coming year have been fairly steady. Since 2018, the majority of respondents predicted moderate economic growth for the coming year, with particular bumps in optimism in 2018 and 2022.



IN RESPONSE TO: Which of the following best describes your expectation for U.S. economic growth in 2022?

Majority Still Predicts Deal Levels to Grow or Remain the Same in the Aerospace / Defense and Government Services Sectors for 2022

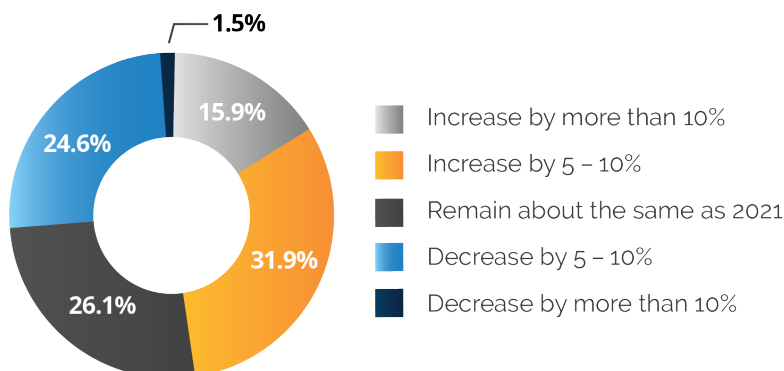
Predictions about increases for M&A activity in 2022 vs. 2021 are slightly lower than predictions last year. However, this is not at all surprising given the record number of deals in 2021. Even slightly fewer transactions for 2022 would still deliver a very strong M&A market environment.

As was the case in 2021, respondents are most optimistic about growth in the **Aerospace sector** in 2022. Nearly 75% of respondents expect activity in this sector to grow or remain the same. In 2022, 48% of respondents expect the number of Aerospace deals to increase, compared with nearly 75% of respondents who expected growth in 2021. About 26% expect activity to remain the same as in 2021 vs. 17% in our prior survey. And, 26% expect activity to decrease in 2022 compared to just 8% in 2021.

Reviewing dealmakers' predictions for growth over the past five years likely illustrates some effects of the COVID-19 pandemic on M&A activity in this sector.

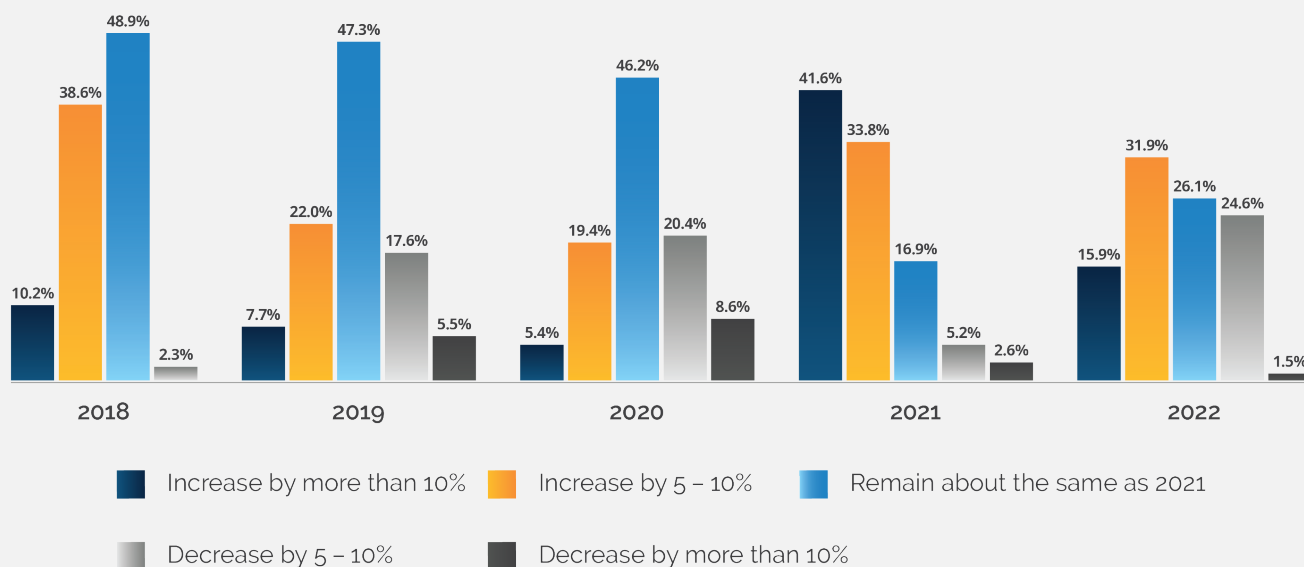
From 2018 to 2020 (pre-pandemic), the Aerospace M&A market experienced high activity. This is reflected in dealmakers' predictions for those years that the sector would sustain — rather than significantly increase — its already healthy pace. M&A activity decreased dramatically following the initial declaration of a pandemic in March 2020, significantly reducing M&A activity in this sector. In comparison to lowered activity levels in 2020, dealmakers are optimistic about growth and expect M&A activity in 2022 to rebound.

Anticipated M&A Activity in the Aerospace Sector, 2022 vs. 2021



IN RESPONSE TO: *In your opinion, how will overall M&A activity in 2022 compare to 2021 in each sector? The number of deals closed in 2022 will ...*

Anticipated M&A Activity in the Aerospace Sector, Year-Over-Year Trend

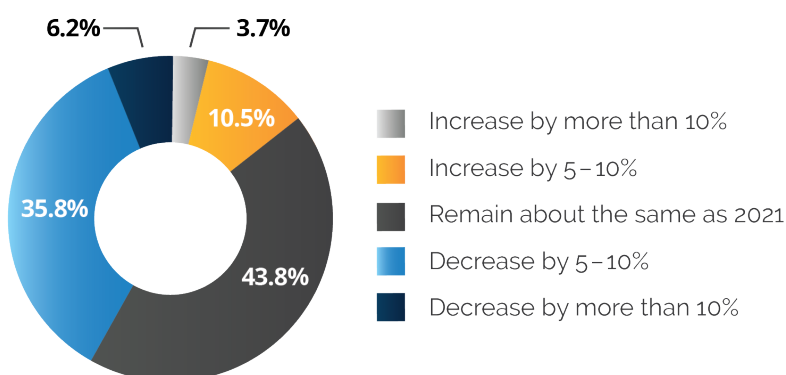


Predictions are similar for the **Government Services sector**. Though a smaller percentage of respondents predict growth in activity than in our 2021 survey and a larger percentage predict activity to remain the same or decrease, on aggregate, a strong majority predict increased or level deal activity.

Approximately 44% of respondents expect activity to remain the same vs. 27% in 2021, and 15% predict an increase in activity in 2022 compared with 63% in 2021. This leaves 42% of respondents expecting deal levels to decrease in 2022 compared with 12% in 2021.

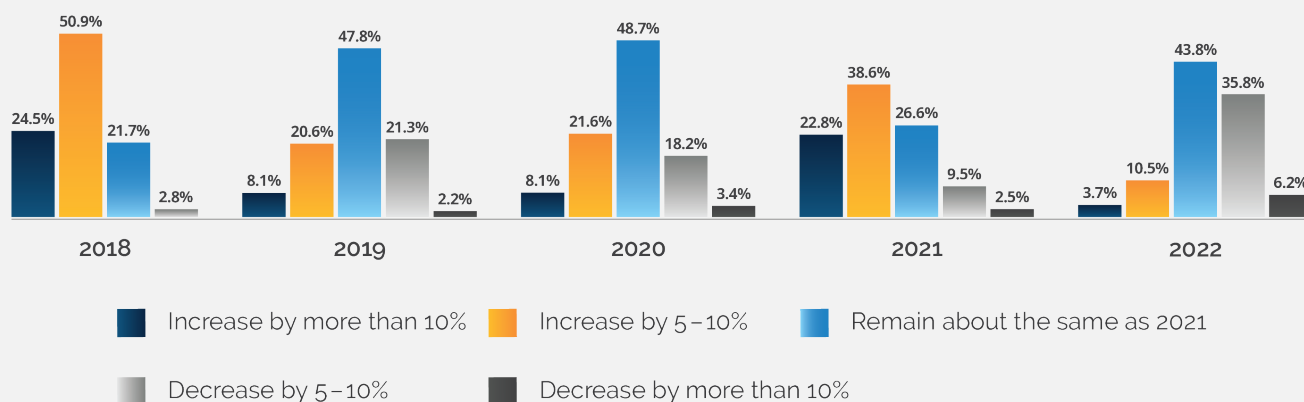
Since actual deal levels reached a record high in 2021, the fact that a majority of respondents expect M&A volume to remain flat or increase in 2022 is positive, given the context in which even a slight reduction would still deliver near-record M&A activity.

Anticipated M&A Activity in the Government Services Sector, 2022 vs. 2021



IN RESPONSE TO: *In your opinion, how will overall M&A activity in 2022 compare to 2021 in each sector? The number of deals closed in 2022 will ...*

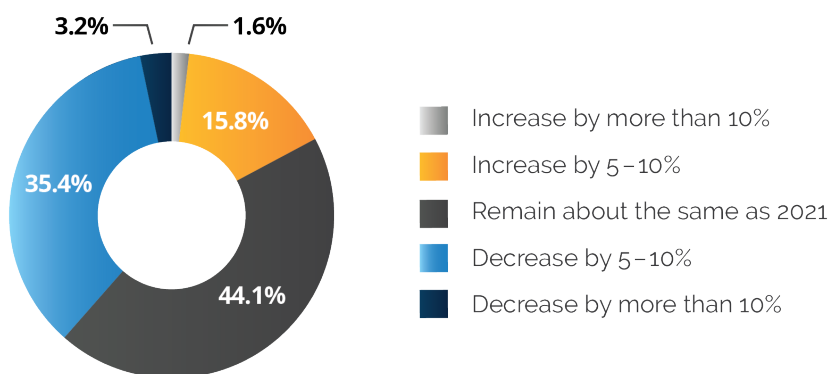
Anticipated M&A Activity in the Government Services Sector, Year-Over-Year Trend



In the **Defense Products and Technology sector**, 44% of respondents expect the number of deals to remain the same in 2022 as in 2021, while 18% predict an increase in activity. A lower percentage of respondents predict growth in activity for 2022 than did so in previous years (18% in 2022 vs. 55% in 2021), while a larger percentage of respondents expect activity levels to decrease (38% in 2022 vs. 10% in 2021). However, given the record deal levels in 2021, these results suggest the market will continue to be active and maintain considerable deal volume.

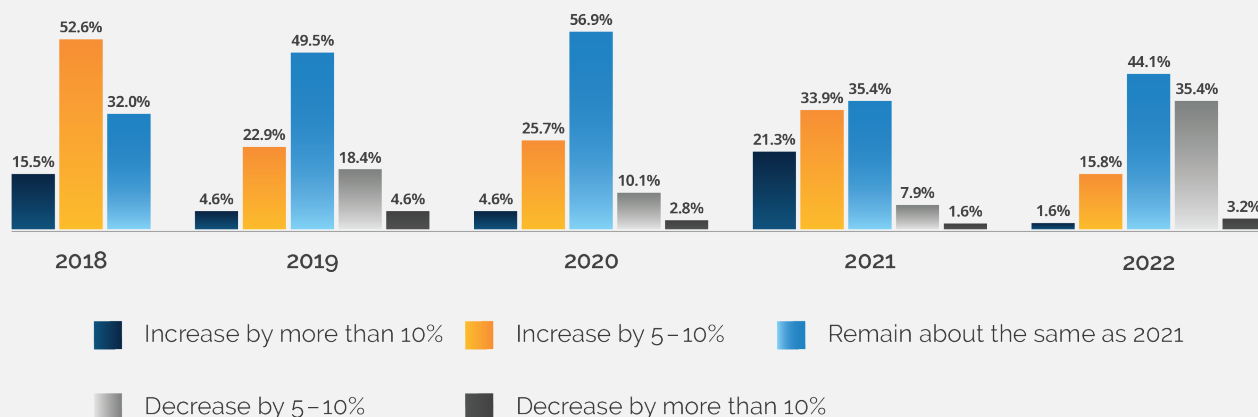
Dealmakers' predictions for the Defense Products and Technology sector over the past five years also illustrate that anticipated growth in 2022 is slightly less optimistic than in the previous four years. However, this should not come as a surprise and still represents a very bullish prediction.

Anticipated M&A Activity in the Defense Products & Technology Sector, 2022 vs. 2021



IN RESPONSE TO: In your opinion, how will overall M&A activity in 2022 compare to 2021 in each sector? The number of deals closed in 2022 will ...

Anticipated M&A Activity in the Defense Technology & Products Sector, Year-Over-Year Trend



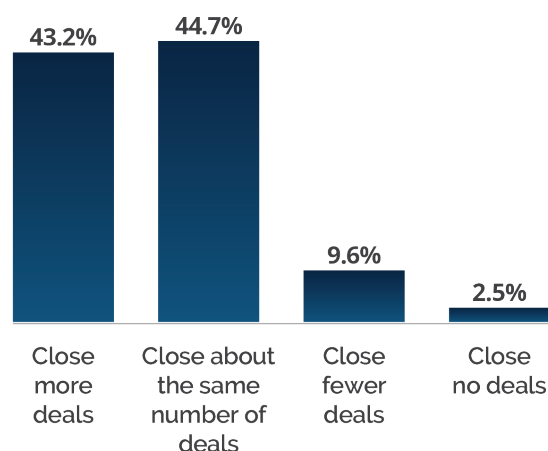
Dealmakers Expect to Close the Same or More Deals in 2022 vs. 2021

Across all sectors, dealmakers are just about evenly split on if they expect their own organization to close the same number of deals in 2022 as in 2021, or if they expect to close more deals than in 2021.

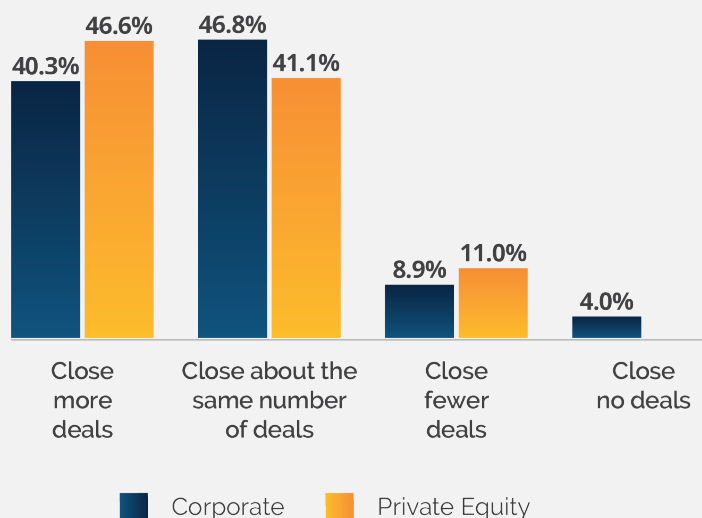
Forty-three percent of respondents expect to close more deals and 45% predict they will close the same number of deals. The percentage of respondents expecting to do fewer or no deals in 2022 is up slightly at 13%, compared to 8% in 2021. However, this is comparable to or lower than the percentage of dealmakers who expected to close fewer deals or no deals in our surveys for 2018 through 2020, which was between 10% and 17% each year.

As in previous years, corporate respondents are slightly less optimistic about 2022 than private equity respondents, with a smaller percentage expecting to close more deals than in 2021.

M&A Deals at Dealmakers Own Organization in 2022 (All Respondents)



M&A Deals at Dealmakers Own Organization in 2022 (Corporate vs. Private Equity Respondents)



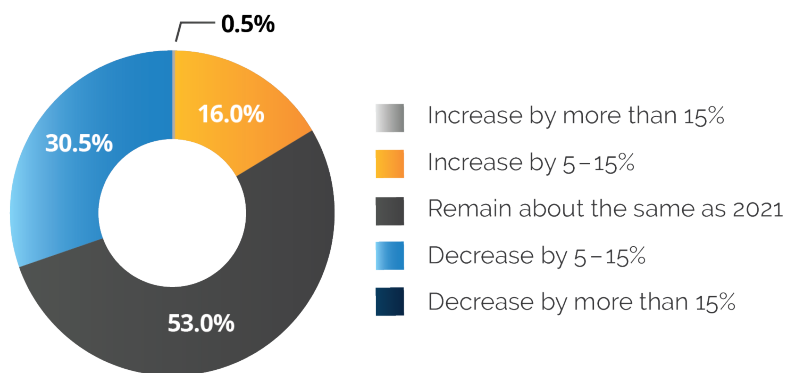
IN RESPONSE TO: How active will your organization be in M&A in 2022 compared to 2021? We expect to ...

Majority of Dealmakers Predict Stable Valuations in 2022

The majority of respondents (53%) predict valuations will remain the same in 2022, while 16% believe valuations will increase by 5% to 15%, and about 30% expect valuations will decrease by 5% to 15%. This outlook is encouraging given the strong valuations achieved in 2021.

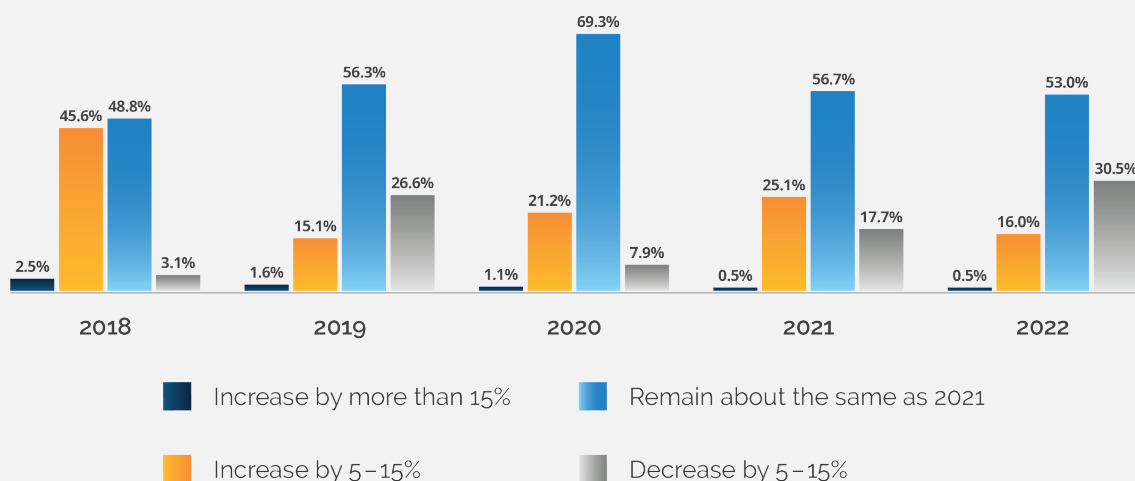
Predictions about valuations over the past five years illustrate a majority of respondents usually predict valuations will remain about the same as the previous year. Valuation predictions for 2018 were significantly more optimistic than any of the following years. Valuation predictions for 2022 are slightly less optimistic than they were for 2020 or 2021, and are more in line with predictions for 2019. These results are not surprising given the trend in deal activity and valuations over the past few years.

Valuation Predictions for 2022



IN RESPONSE TO: How will the overall valuations of U.S.-based M&A targets in 2022 compare to 2021?

Valuation Predictions, Year-Over-Year Trend



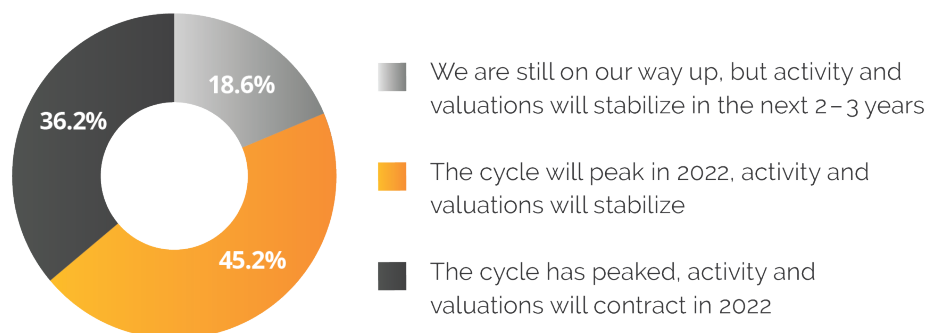
Majority of Respondents Expect the Cycle of M&A Activity and Valuations to Peak in 2022 or Have Already Peaked

Dealmakers' predictions about where we are in the cycle of M&A activity and valuations are similar to our 2021 survey. Nearly a majority — just over 45% of respondents — believe the cycle will peak in 2022, and activity and valuations will stabilize. However, nearly 20% of respondents remain optimistic for continued growth, indicating we are still on our way up, but activity and valuations will stabilize in the next two to three years.

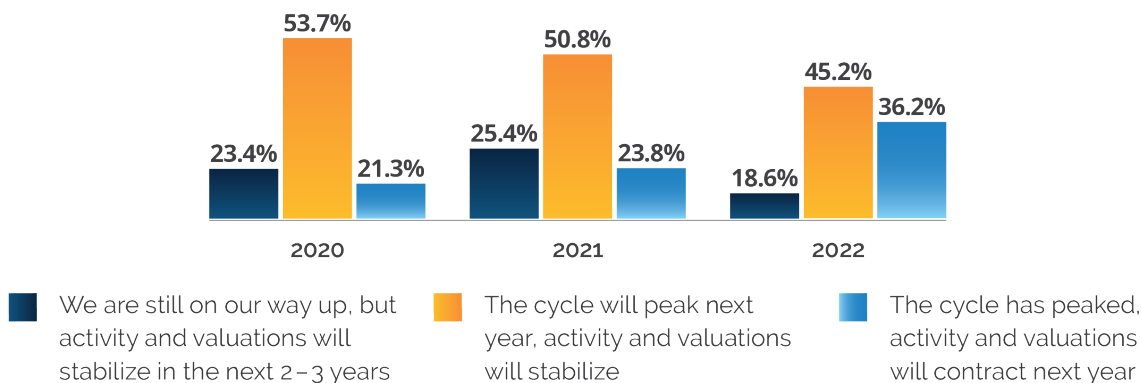
We assessed respondents' views on the M&A activity and valuation cycle for the past three years. The results for 2020 and 2021 were very similar. Approximately 50% of respondents expected the cycle would peak in the following year. The remaining respondents were nearly split between those predicting the cycle had already peaked and those predicting the cycle would rise for another

two to three years and then peak. For 2022, predictions shifted slightly, with a larger percentage predicting the cycle has peaked (36%) and smaller percentages predicting the cycle would peak in the coming year or would continue to rise. This shift is not surprising given the increase in M&A activity and valuations over the past three years. Ultimately, these predictions suggest continued optimism given the total deal volume and valuations over the past few years.

Thoughts on the Cycle of M&A Activity and Valuations in 2022



Thoughts on the Cycle of M&A Activity and Valuations, Year-Over-Year Trend



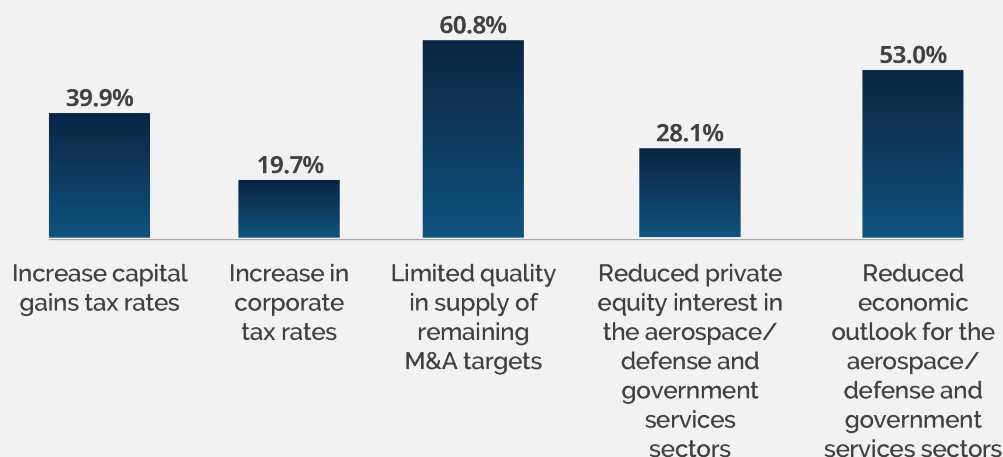
Reduced Economic Outlook and Limited Quality of Supply are the Greatest Risks to M&A Activity and Growth Prospects

Reduced economic outlook for the Aerospace / Defense and Government Services sectors and limited supply of quality M&A targets are nearly tied as the most important potential negative impacts on M&A activity in 2022.

Approximately 31% of respondents rank each as the most significant risk. However, limited supply of quality targets is ranked as second most impactful by a larger percentage (30% vs. 22%), making it the most important potential negative factor.

This suggests that barring a significant economic shock to the industry, buyers will remain active if there are attractive targets. An increase in corporate tax rates is ranked least impactful by respondents. Further supporting the limited importance of capital gains tax increases, in a separate question, 50% of respondents say that an increase in capital gains rates to 25% or greater would have no impact on M&A activity in 2022.

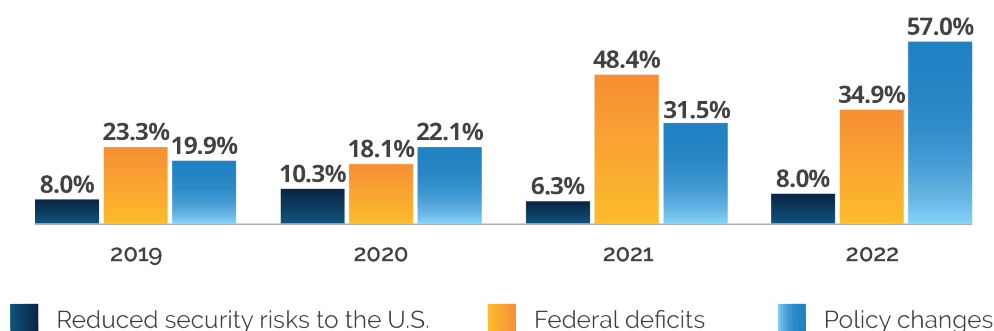
Ranking of Possible Negative Impacts on M&A Activity in 2022 (Ranked 1st or 2nd)



IN RESPONSE TO: Which of the following would have the most significant negative impact on M&A activity in 2022? Please rank in order with 1 being most impactful and 5 being least impactful.

We also asked dealmakers what they think are the greatest risks to budget and growth prospects. There have been some interesting changes in dealmakers' views on this over the past five years. While policy changes and federal deficits had been ranked as the highest risk by a similar number of respondents in 2019 and 2020, federal deficits raced ahead as the greatest risk in 2021, with policy changes chosen as the biggest risk in 2022. Over the past four years, reduced security risks to the U.S. has consistently been chosen as least impactful.

Highest Risk to Budgets and Growth Prospects, Year-Over-Year Trend



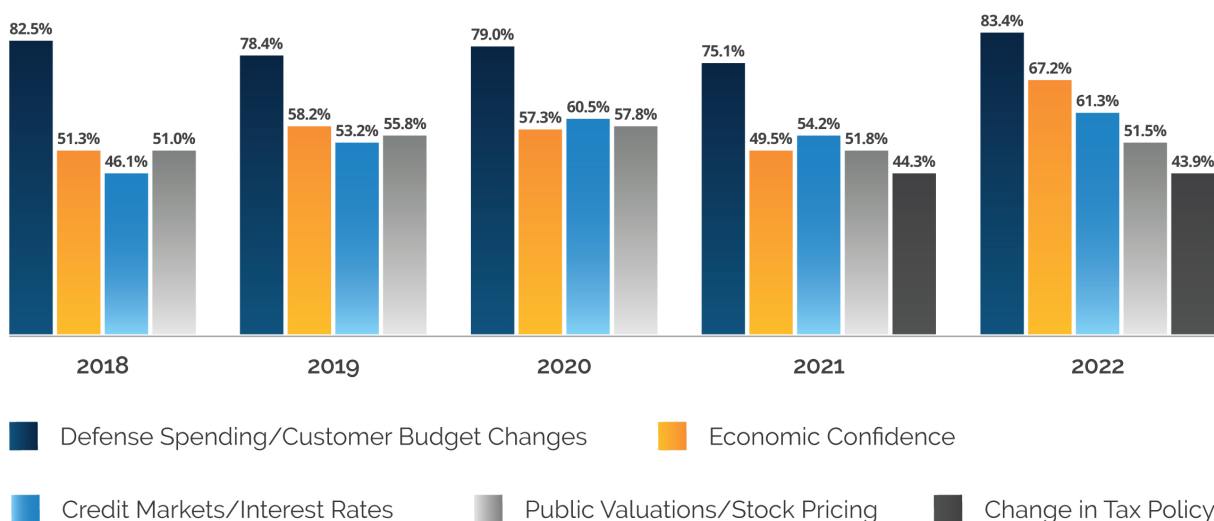
IN RESPONSE TO: Rank the following based on which you think present the biggest overall risks to budgets and growth prospects, % ranking answer choice as number 1 risk.

Defense Spending Remains Most Important M&A Momentum Driver

Defense spending has consistently been the most important factor influencing overall deal activity and target valuations in the Aerospace / Defense and Government Services sectors over the past five years.

Just over 83% of all respondents say it is extremely or very influential in 2022 — up slightly from each of the 2019 through 2021 surveys, and nearly the same as in 2018. From 2018 to 2021, economic confidence, public valuations / stock pricing, and credit markets / interest rates were all rated similarly and of secondary importance. Interestingly, for 2022, there is more distinction among these factors with economic confidence rising to second most important and credit markets / interest rates clearly third. In the 2021 survey, we added changes in tax policies as a potential driver of M&A momentum — it remains the least important driver with 44% of respondents rating it as extremely or very influential in deal activity and valuations in 2021 and 2022.

Drivers of M&A Momentum, Year-Over-Year Trend



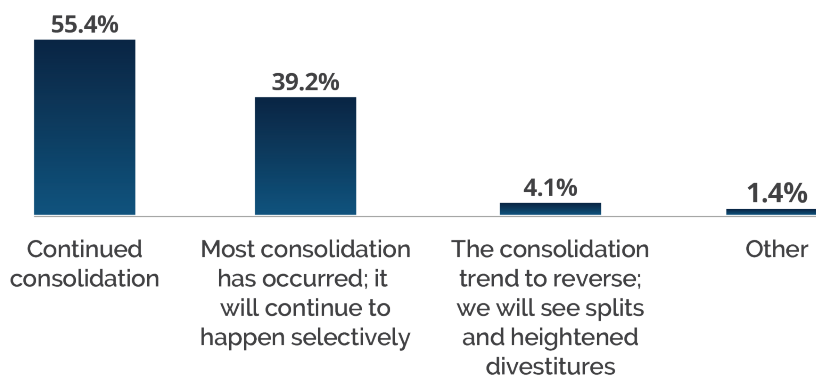
IN RESPONSE TO: Rate the following factors based on how much influence they have on overall deal activity and target valuations in the U.S.

Most Expect Consolidation to Continue

The majority of respondents expect consolidation to continue or stabilize, not reverse, in 2022. About 55% of respondents expect continued consolidation of publicly traded Aerospace / Defense and Government Services companies, down slightly from 60% in 2021 and 2020.

About 39% of respondents say most consolidation has occurred and will continue to happen selectively, slightly higher than 34% in 2021 and 2020. A small percentage of respondents continue to expect the consolidation trend to reverse in 2022, generally in line with previous years.

Predictions About Consolidation Trend in 2022



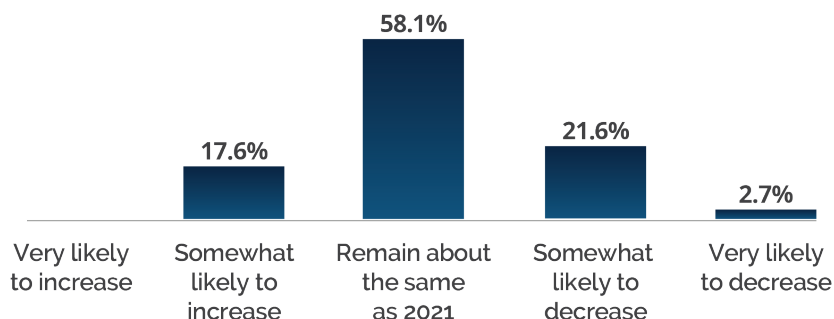
IN RESPONSE TO: What is your outlook on continued consolidation of publicly traded Aerospace / Defense and Government Services companies? I expect ...

Predictions for Credit Market Remain Positive

Private equity dealmakers were asked for their predictions about credit markets in 2022, given their influence on deal activity and valuations.

Nearly 60% of respondents expect debt / leverage availability to remain the same in 2022 compared to 2021. The percentage of respondents who expect debt / leverage availability to increase is down approximately 10% (18% in 2022 vs. 28% in 2021), while the percentage predicting a decrease in availability is up slightly (22% in 2022 vs. 17% in 2021). However, this is still a very positive outlook given the strong credit market in 2021.

Debt / Leverage Availability in 2022 vs. 2021

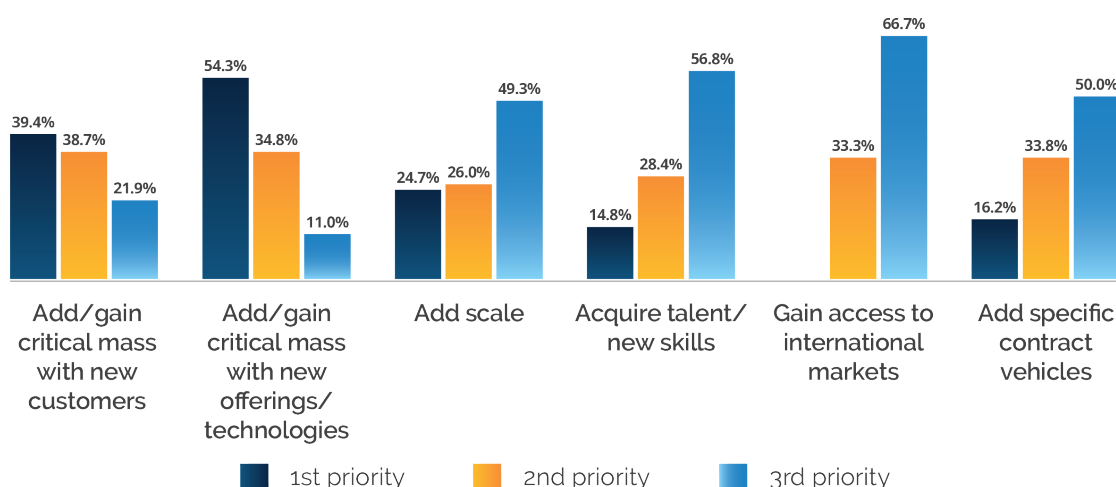


IN RESPONSE TO: How do you expect debt / leverage availability to change in 2021 compared to 2020 for your transactions? (Asked of private equity respondents only.)

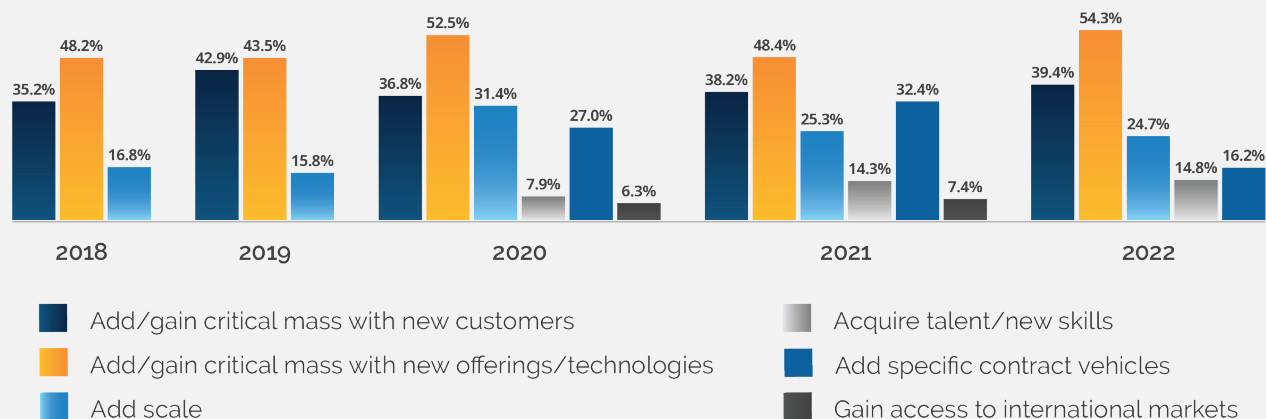
Adding New Offerings / Technologies Continues to be Primary Buyer M&A Goal

Adding critical mass with new offerings / technologies continues to be the clear first priority for M&A goals in 2022, consistent with previous years. Adding critical mass with new customers remains the second most important priority, also consistent with previous surveys. In the only significant change over the past five years, adding specific contract vehicles decreases in priority in 2022, with just 16% rating it as first priority vs. 32% in 2021.

M&A Strategy Goals in 2022



M&A Strategy Goals, Year-Over-Year Trend (% Ranked as 1st Priority)*



*Gain access to international markets, Acquire new talent/new skills, and Add specific contract vehicles were not included as answer choices in 2018 and 2019.

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

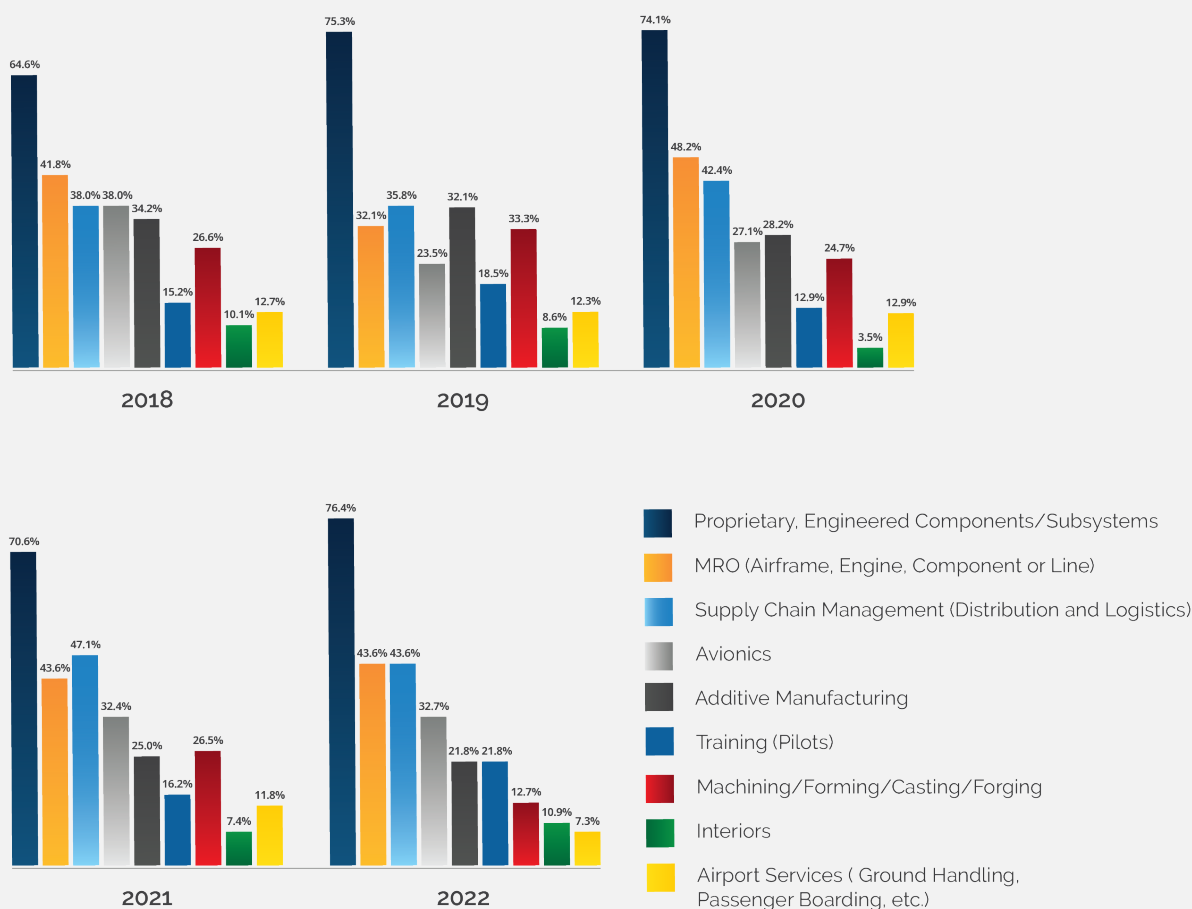
Top M&A Interest Areas by Industry Sector

In the **Aerospace sector**, proprietary, engineered components / subsystems was identified as top priority for 76% of respondents in 2022, marking its fifth consecutive year as the highest priority.

Respondents' prioritization of other target areas shifted slightly over the past five years. In particular, MRO and supply chain management traded places over the years as second and third highest priority, and avionics and additive manufacturing traded places as fourth and fifth highest priority.

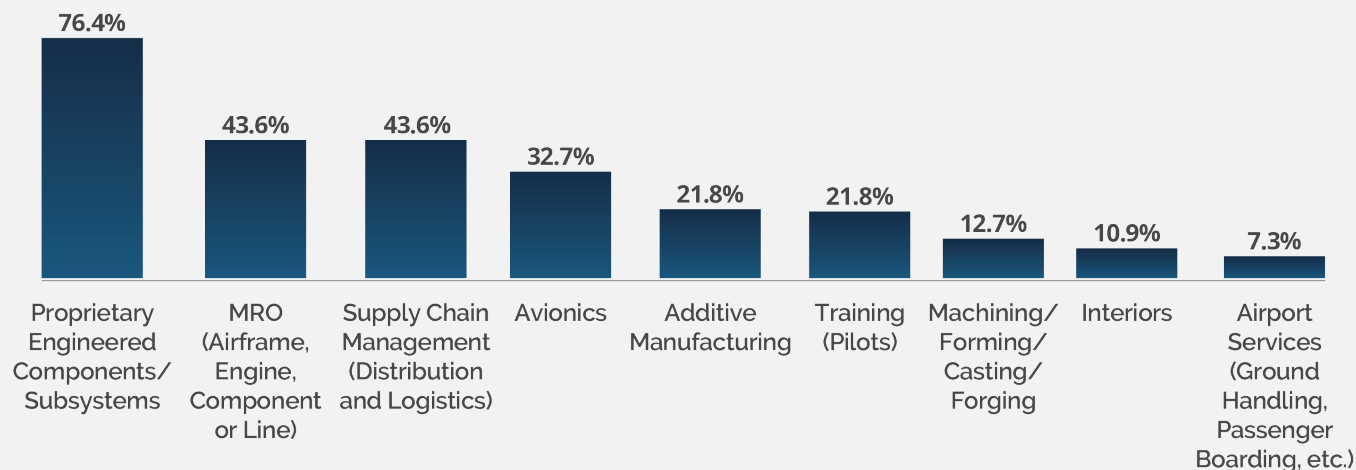
Machine forming has seen the largest decrease in priority over the past five years, though it has always been fourth priority or lower. Interiors and airport services have consistently been the lowest priority.

Aerospace Priority Interest Areas, Year-Over-Year Trend (% Chosen as a Priority Area)



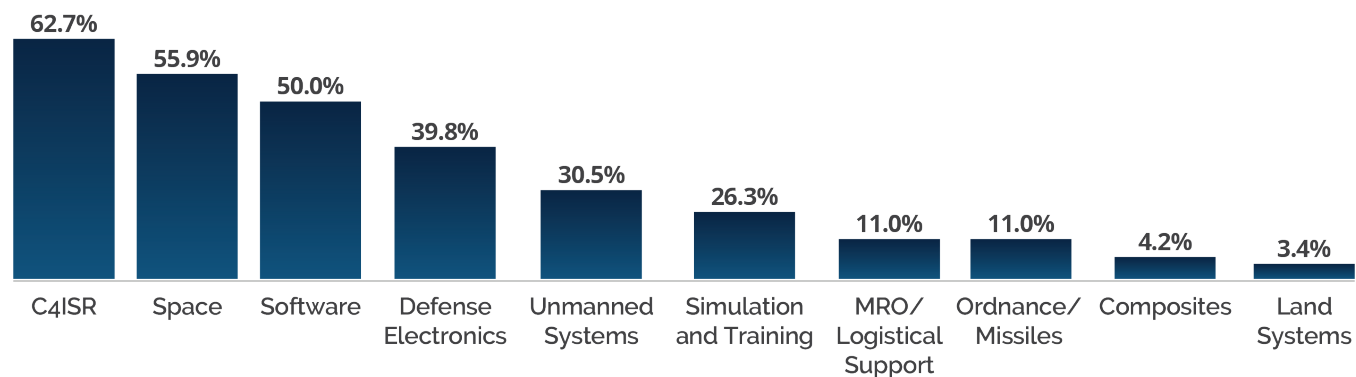
IN RESPONSE TO: Based on the following list, choose and rank which M&A target areas are the top three priorities for your organization in the Aerospace sector over the next 12 to 24 months.
You may only choose and rank three target areas.

Aerospace Priority Interest Areas in 2022 (% Chosen as a Priority Area)



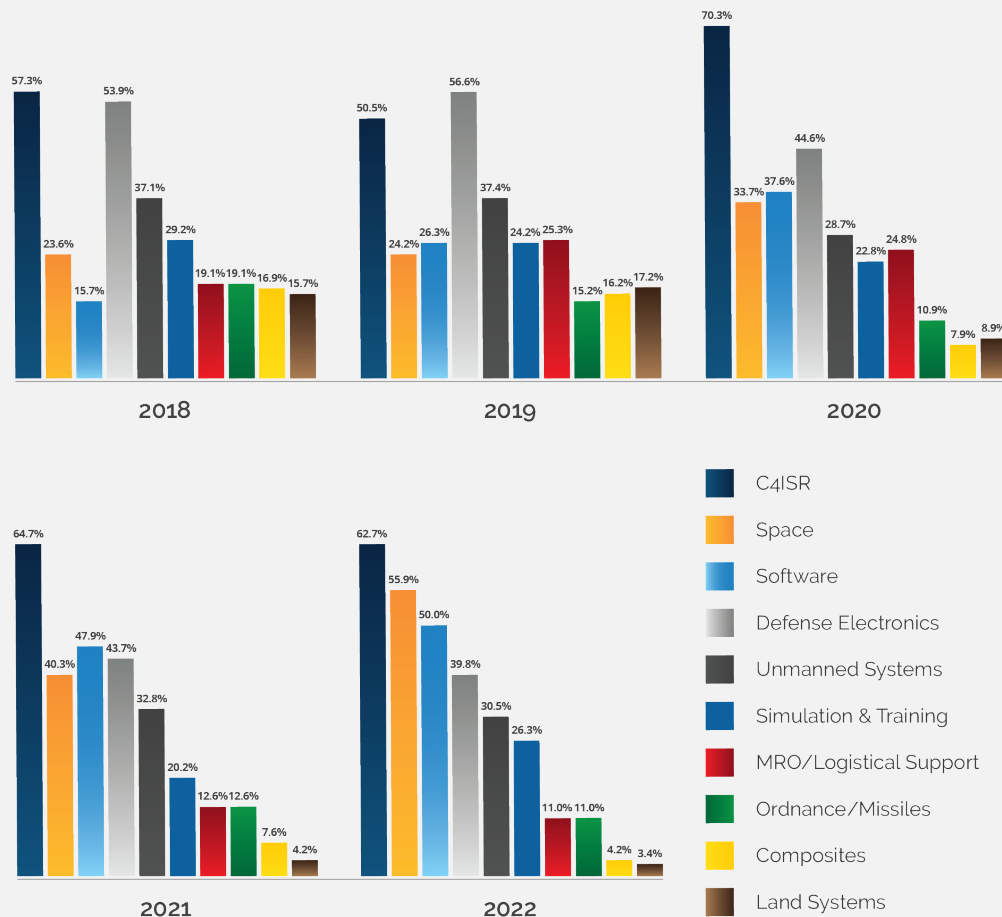
In the **Defense sector**, the top three priority M&A interest areas for 2022 are similar to those chosen over the past four years. C4ISR remains the highest priority, chosen by 63% of respondents in 2022. Also noteworthy for this year's survey, space increased in priority, taking the second-place spot from software.

Defense Priority Interest Areas in 2022



Looking at dealmaker responses over the past five years reveals some interesting trends. Interest in space-related companies increased substantially from 24% in 2018 to 56% in 2022. Similarly, interest in software-related companies increased from 16% in 2018 to 50% in 2022. Simulation, MRO, Ordnance, Composites, and Land Systems have consistently been lower priorities in this sector.

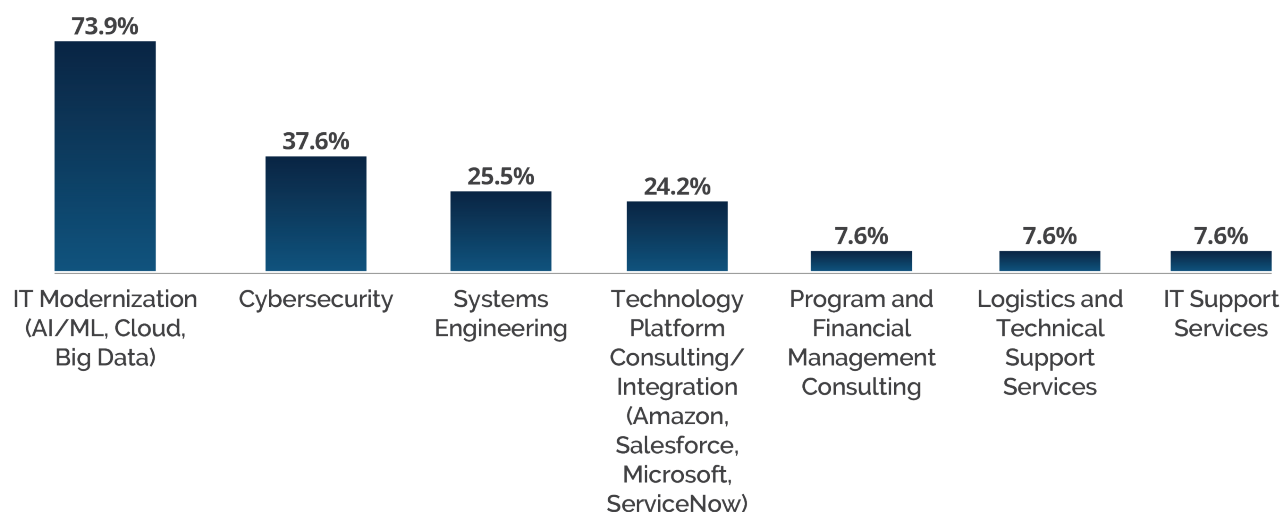
Defense Interest Areas, Year-Over-Year Trend



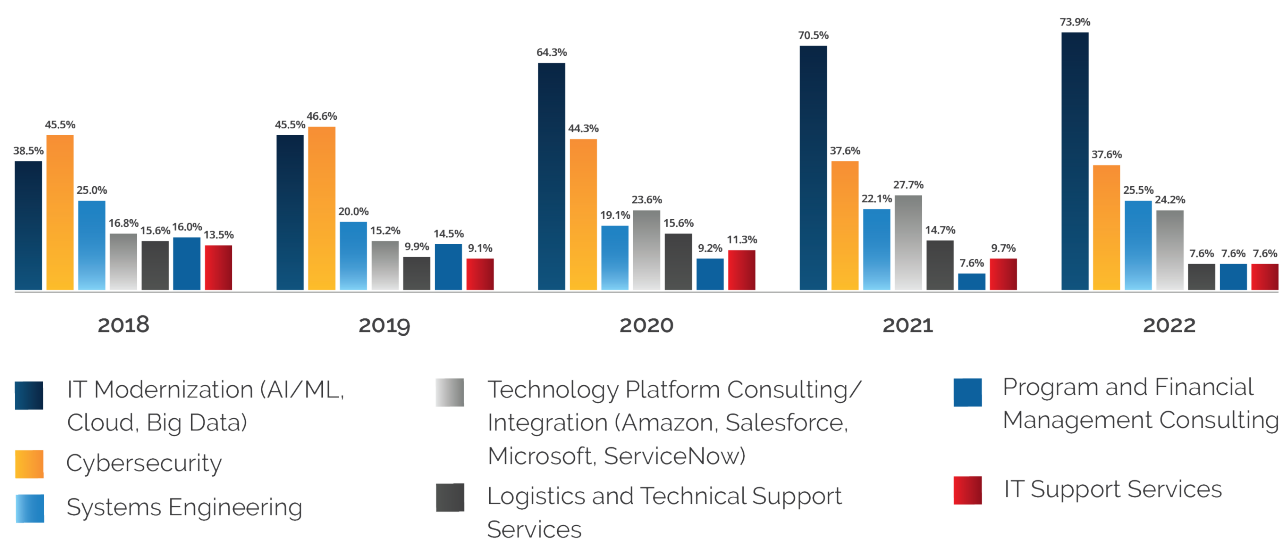
IN RESPONSE TO: Based on the following list, choose and rank which M&A target areas are the top three priorities for your organization in the Defense sector over the next 12 to 24 months. You may only choose and rank three target areas.

In the **Government Services sector**, IT modernization and cybersecurity are the clear top priorities, with IT modernization chosen as highest priority by 74% of respondents and cybersecurity by 38%. These two have consistently been the top priorities since 2018. However, over the past five years, IT modernization increased in importance compared to cybersecurity, moving from second priority in 2018, to nearly tied as first priority in 2019, to a clear first priority starting in 2020. Technology platform consulting / integration and systems engineering traded back and forth as the third and fourth most important priority areas.

Government Services Priority Interest Areas in 2022 (% Chosen as Top Priority)



Government Services Priority Areas, Year-Over-Year Trend (% Chosen as Top Priority)

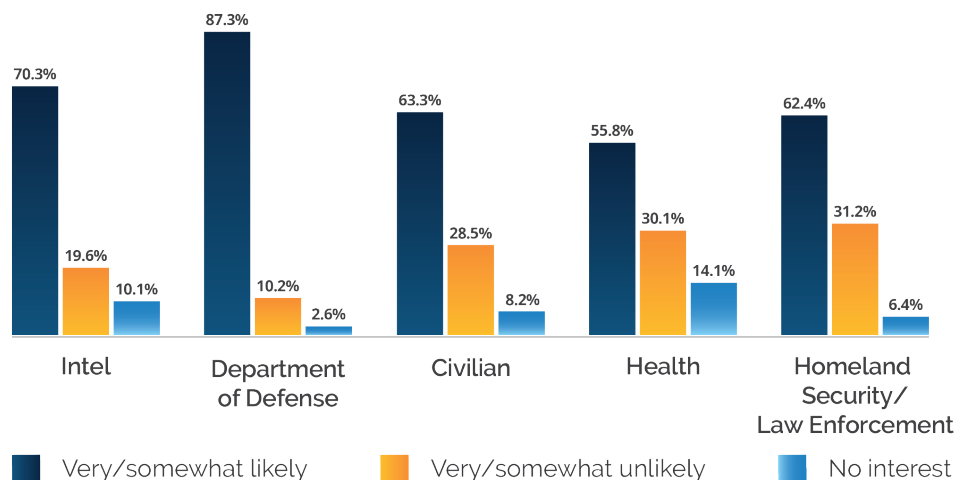


IN RESPONSE TO: Rate the following capabilities based on their importance for your organization's M&A strategy in the Government Services sector over the next 12 to 24 months.

Respondents interested in Government Services were also asked how likely they are to seek targets in a range of key end markets. The Department of Defense ("DoD") is again the most popular in 2022, with 87% of respondents very or somewhat likely to seek targets in this end market. Intel remains the second highest priority, with 70% of respondents saying they are very or somewhat likely to seek targets in this market. These results have remained very consistent since 2018.

In 2022, private equity dealmakers are significantly more interested in end markets related to Intel, DoD, Civilian, and Homeland Security / Law Enforcement than corporate respondents, which is similar to previous years.

Priority End Markets for the Government Services Sector in 2022



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.)*

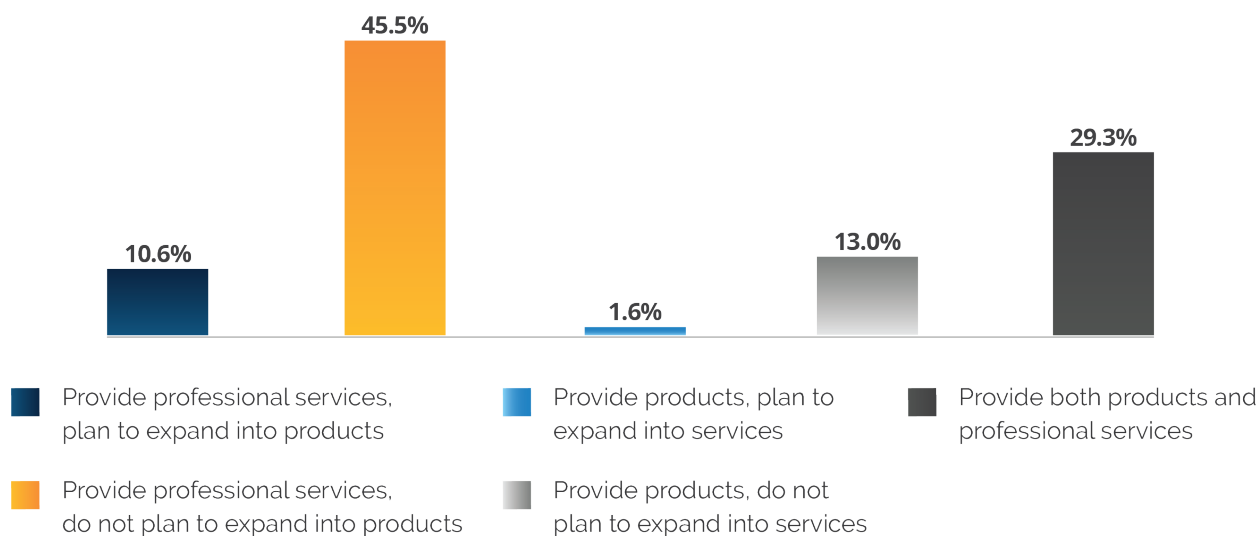
Product and Service Focus Areas and Expansion Plans

Corporate respondents were asked to share their focus areas and plans for expanding them in 2022. Specifically, respondents were asked if they primarily provide professional services or products, and if they plan to expand their focus if they do not 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. Approximately 46% of respondents who provide professional services do not plan to expand into products in 2022, while 11% do plan to expand into products. Just 13% of respondents are primarily providing products. Only 2% plan to expand into professional services, while 13% do not. About 30% of respondents provide both professional services and products, and plan to continue with both focus areas. These results are similar to 2021 and 2020. However, over the years, respondents have said they are increasingly likely to continue with their current focus areas and less likely to expand.

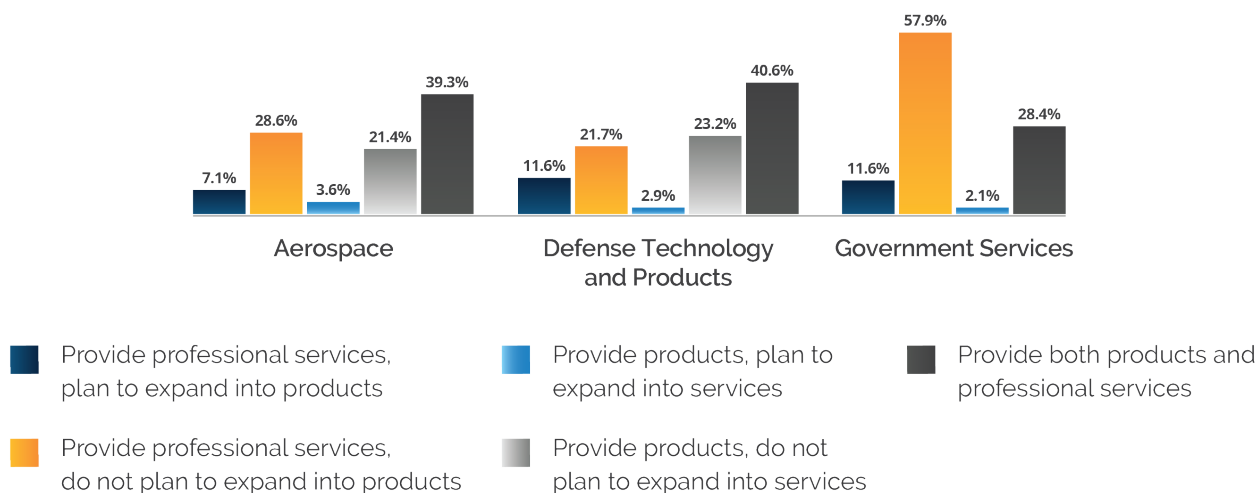
There are some differences in focus areas and expansion plans by sectors of interest. Aerospace and Defense Products and Technology sector respondents are significantly more likely to provide products and services, and plan to continue providing both. Government Services sector respondents are more likely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

Expansion Plans for 2022



IN RESPONSE TO: Which of the following best describes your expansion plans for 2022?
(Asked of corporate respondents only.)

Expansion Plans for 2022 (By Sector)



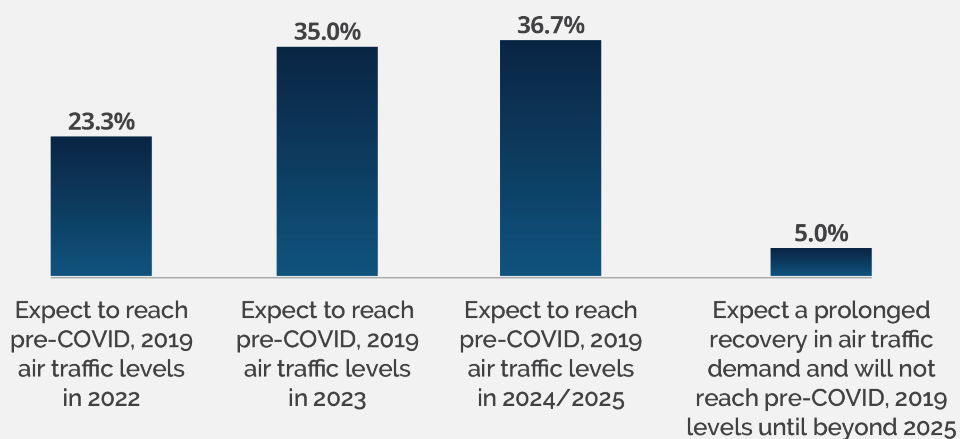
Predictions for the Aerospace Sector

The Aerospace sector — in particular commercial aviation — continues to be significantly impacted by the ongoing COVID-19 pandemic. We asked several questions to better understand dealmakers' thoughts about the Aerospace sector overall, as well as the specific impacts of the pandemic.

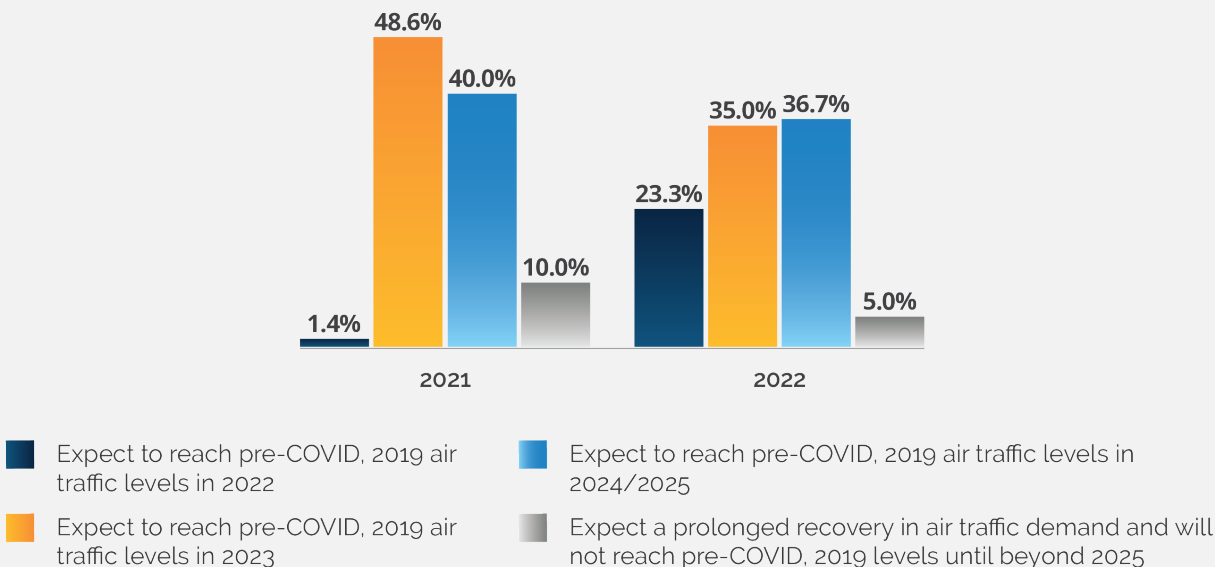
We asked dealmakers for their thoughts on where we are in the commercial Aerospace cycle in terms of recovery time after the pandemic. Almost one-quarter of respondents predict a return to pre-COVID-19 air traffic levels in 2022; however, the vast majority of respondents (77%) expect the recovery will take longer. Specifically, 35% expect we will reach pre-COVID-19 air traffic levels in 2023, while 37% expect this will not happen until 2024 / 2025, and 5% expect this will not happen until beyond 2025.

These predictions have moderated compared to a similar question asked in 2021. Then, a larger percentage — nearly half of respondents (49%) — expected the Aerospace sector to reach pre-COVID-19 levels by 2022 / 2023. And, a larger percentage (40%) expected to reach pre-COVID-19 levels in 2024 / 2025. However, the percentage of respondents who expect a rapid recovery increased in 2022 vs. 2021. In 2021, just 2% expected a return to pre-COVID-19 air traffic levels in the next year, while in this survey, 23% expect this to happen in the next year. Also noteworthy, the percentage who expect a very prolonged recovery lasting until 2025 or beyond has gone down, with just 5% predicting this in the current survey, as compared to 10% who predicted this in last year's survey.

Recovery of Commercial Aerospace after COVID-19 Pandemic



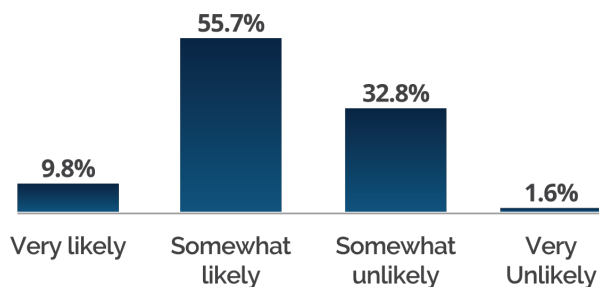
Recovery of Commercial Aerospace after COVID-19 Pandemic, Year-Over-Year Comparison



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

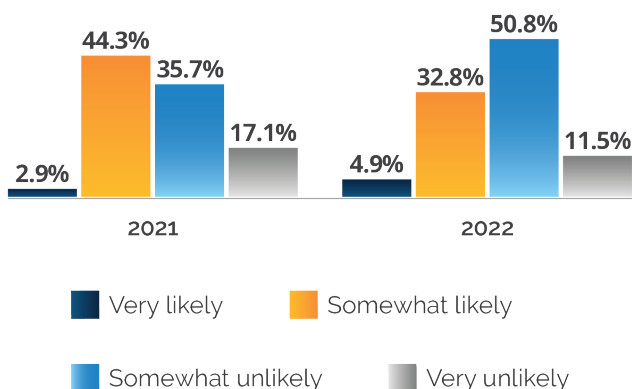
We also asked dealmakers if they expect more companies in the aviation supply chain to become distressed due to the lingering effects of the pandemic. Respondents believe this is more likely than not, with the majority (56%) believing this is somewhat likely and another 10% believing this is very likely to happen.

Likelihood that Companies in the Aviation Supply Chain Will Become Distressed Due to the Lingering Effects of the Pandemic



Dealmakers think it is less likely that Boeing will reach parity with Airbus in the next two to three years than they did in 2021. Sixty-three percent of respondents think this is somewhat or very unlikely, compared with 53% who thought this in 2021.

Likelihood that Boeing Will Reach Parity with Airbus in the Next 2-3 Years



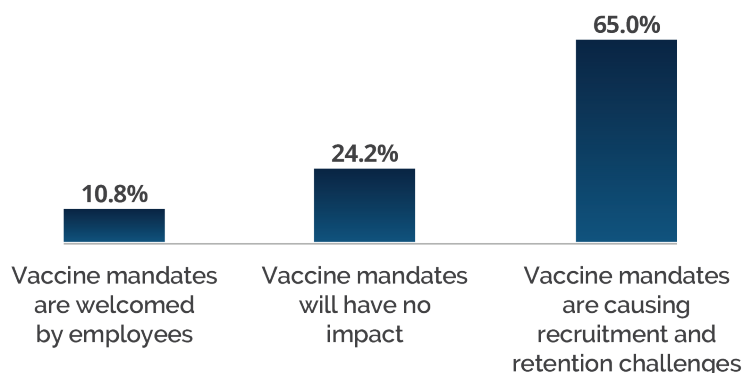
IN RESPONSE TO: How likely is it that Boeing will reach parity with Airbus within the next 2-3 years?

Impacts of COVID-19 on Companies and Dealmaking Process

This year, we asked dealmakers two additional questions about the impacts of the ongoing COVID-19 pandemic.

First, we asked how the COVID-19 vaccine mandate is likely to impact employee recruitment and retention for companies in the Aerospace / Defense and Government Services sectors. About 65% of respondents believe vaccine mandates are causing recruitment and retention challenges, while approximately 25% think these will have no impact, and 11% believe such mandates are welcomed by employees.

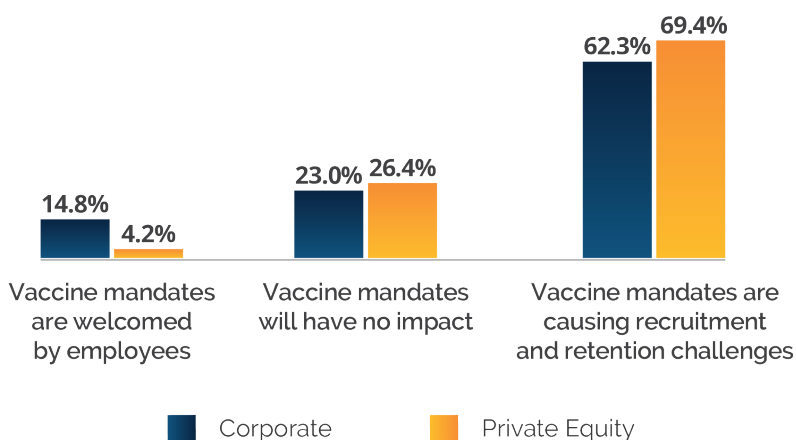
Impact of the COVID-19 Vaccine Mandate on Employee Recruitment and Retention for Companies in the Aerospace / Defense and Government Services Sectors



IN RESPONSE TO: In 2022, how would you characterize the impact of the COVID-19 vaccine mandate on employee recruitment and retention for companies in the Aerospace / Defense and Government Services sectors?

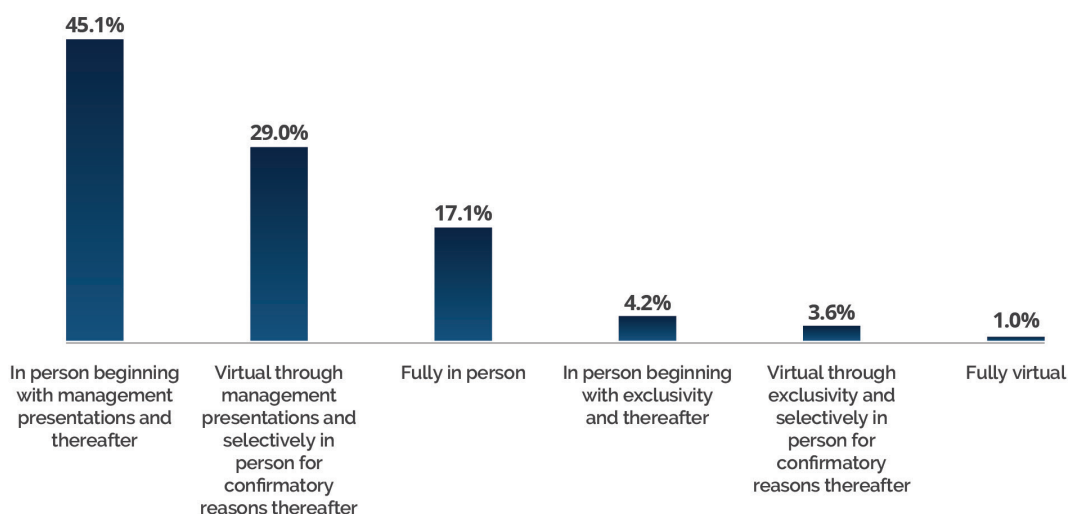
Interestingly, corporate respondents are significantly more likely than private equity respondents to say vaccine mandates are welcomed by employees. However, the majority of corporate respondents (62%) still believe that vaccine mandates will cause recruitment and retention challenges.

Impact of the COVID-19 Vaccine Mandate on Employee Recruitment and Retention for Companies in the Aerospace / Defense and Government Services Sectors (Corporate vs. Private Equity Respondents)



Second, we asked dealmakers about their preference for in-person vs. virtual interactions during the deal process. A large majority of respondents (83%) preferred at least some of the deal process to be done virtually. Nearly half of respondents (45%) prefer in person beginning with management presentations and thereafter. Just 17% prefer the entire process to be done in person.

Preference for Conducting the M&A Deal Process In Person vs. Virtual Given the Ongoing COVID-19 Environment

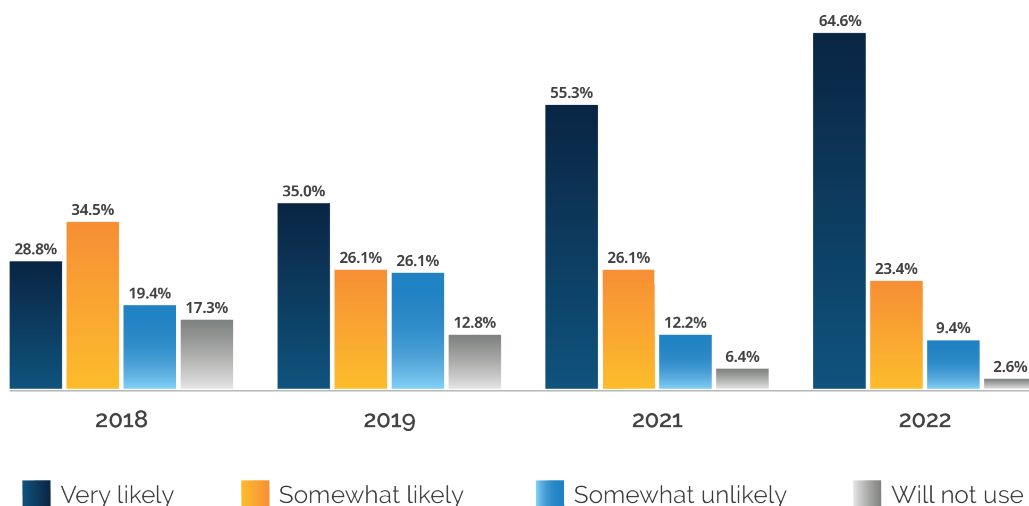


IN RESPONSE TO: *Given the ongoing COVID-19 environment, your preference for conducting the M&A deal process is ...*

Use of Representations and Warranties Insurance

Dealmakers' likelihood of using representations and warranties insurance increased significantly over the past five years. In 2022, 65% of respondents are very likely to use this insurance, up from 55% in 2021, 35% in 2019, and 28% in 2018.

Likelihood of Using Representations and Warranties Insurance, Year-Over-Year Trend*

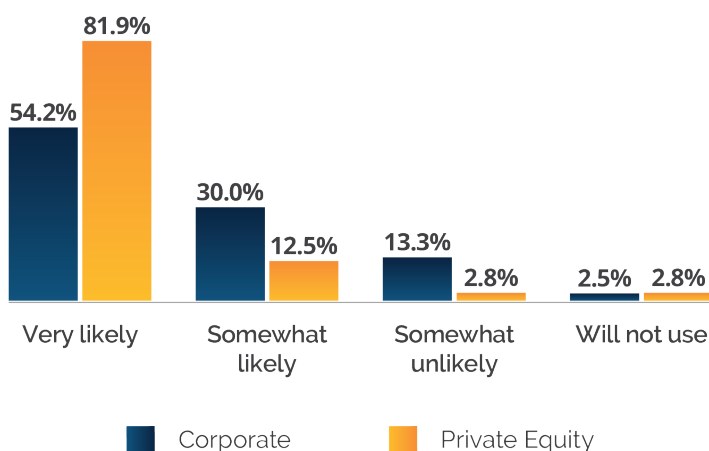


*This question was not included in the 2020 survey.

Private equity respondents continue to be more likely than corporate respondents to use this insurance.

However, the percentage of corporate respondents who say they are very or somewhat likely to use representations and warranties insurance has risen each year, with 84% saying this in 2022, up from 73% in the 2021 survey, and just 37% in 2019.

Likelihood of Using Representations and Warranties Insurance in 2022 (Corporate vs. Private Equity Respondents)



Select 2021 KippsDeSanto & Co. Advised Transactions

<p>December 2021</p> <p>B3GROUP</p> <p>has been acquired by</p> <p>OCTO</p> <p>a portfolio company of</p> <p>ACP</p>	<p>December 2021</p> <p>InTec LLC</p> <p>has been acquired by</p> <p>ANSER</p>	<p>November 2021</p> <p>ENTEGRA SYSTEMS</p> <p>has been acquired by</p> <p>ATS</p> <p>Strength in People</p> <p>a portfolio company of</p> <p>BLUEDELTA CAPITAL PARTNERS</p>	<p>November 2021</p> <p>VARIQ</p> <p>has been acquired by</p> <p>Capgemini</p>	<p>October 2021</p> <p>GEOCENT</p> <p>has been acquired by</p> <p>SEV1TECH</p> <p>Secure. Connect. Evolve.</p> <p>a portfolio company of</p> <p>DFW CAPITAL PARTNERS</p>
<p>September 2021</p> <p>markon solutions.</p> <p>has been acquired by</p> <p>ANSER ADVISORY</p> <p>a portfolio company of</p> <p>STERLING INVESTMENT PARTNERS</p>	<p>September 2021</p> <p>Managed Care Advisors</p> <p>has been acquired by</p> <p>sedgwick</p> <p>a portfolio company of</p> <p>THE CARLYLE GROUP</p>	<p>September 2021</p> <p>FLATIRON</p> <p>has been acquired by</p> <p>TELEO CAPITAL</p>	<p>August 2021</p> <p>ATLAS RESEARCH</p> <p>has been acquired by</p> <p>CVP</p> <p>Navigating Change</p>	<p>August 2021</p> <p>CRAI</p> <p>has been acquired by</p> <p>Valor</p> <p>HEALTHCARE</p> <p>a portfolio company of</p> <p>TRIVE CAPITAL</p>
<p>August 2021</p> <p>OBEI PRECISION</p> <p>a portfolio company of</p> <p>J.P. Lehman & Company</p> <p>has been acquired by</p> <p>Quantic</p> <p>INVESTMENT MANAGEMENT</p> <p>a portfolio company of</p> <p>ARCLINE</p>	<p>August 2021</p> <p>ATI PARTNERS</p> <p>has acquired</p> <p>GEOST</p>	<p>August 2021</p> <p>ERPi</p> <p>Collaboration. Results. Impact.</p> <p>has been acquired by</p> <p>ECS</p> <p>a segment of</p> <p>ASGN Incorporated</p>	<p>August 2021</p> <p>U Group</p> <p>has been acquired by</p> <p>IntelliBridge</p> <p>a portfolio company of</p> <p>ENLIGHTENMENT CAPITAL</p>	<p>July 2021</p> <p>OCCAM RAZOR TECH</p> <p>has been acquired by</p> <p>Avantus</p> <p>a portfolio company of</p> <p>NEWSPRING</p>
<p>June 2021</p> <p>leappoint</p> <p>has been acquired by</p> <p>RENOVUS CAPITAL</p>	<p>June 2021</p> <p>FENIX GROUP INC.</p> <p>CREATIVE INTELLIGENCE APPLIED</p> <p>has received an investment from</p> <p>ENLIGHTENMENT CAPITAL</p>	<p>April 2021</p> <p>ophir corporation</p> <p>has sold certain IP rights to</p> <p>Collins Aerospace</p> <p>a wholly owned subsidiary of</p> <p>Raytheon Technologies</p>	<p>April 2021</p> <p>NSI MI</p> <p>has been acquired by</p> <p>AMETEK</p>	<p>April 2021</p> <p>WBB</p> <p>a portfolio company of</p> <p>H. I. G. CAPITAL</p> <p>has been acquired by</p> <p>serco</p>
<p>March 2021</p> <p>Quantic ELECTRONICS</p> <p>a portfolio company of</p> <p>ARCLINE INVESTMENT MANAGEMENT</p> <p>has acquired</p> <p>Planar Monolithic Industries</p>	<p>February 2021</p> <p>M Millennium Engineering and Integration Company</p> <p>has merged with</p> <p>QuantiTech</p> <p>a portfolio company of</p> <p>SAGEWIND CAPITAL</p>	<p>February 2021</p> <p>the goal</p> <p>has been acquired by</p> <p>MOTION RECRUITMENT PARTNERS</p> <p>a portfolio company of</p> <p>LITTLEJOHN & Co.</p>	<p>February 2021</p> <p>Progeny Systems</p> <p>Engineering Solutions That Last Generation</p> <p>Intelligent Systems Group</p> <p>has been acquired by</p> <p>AV AeroVironment</p> <p>PROCEED WITH CERTAINTY</p>	<p>January 2021</p> <p>ALETHIX</p> <p>Mission-Driven Partnerships</p> <p>has been acquired by</p> <p>IntelliBridge</p> <p>a portfolio company of</p> <p>ENLIGHTENMENT CAPITAL</p>

Excludes transactions which have not been publicly announced

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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