

MarketView

Aerospace / Defense &
Government Technology
Services

Summer 2022

Kipps DeSanto
INVESTMENT BANKING



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Getting Deals Done

- KippsDeSanto has closed 38 transactions⁽¹⁾ since January 2021, leveraging depth of experience and unique approaches to achieve optimal results

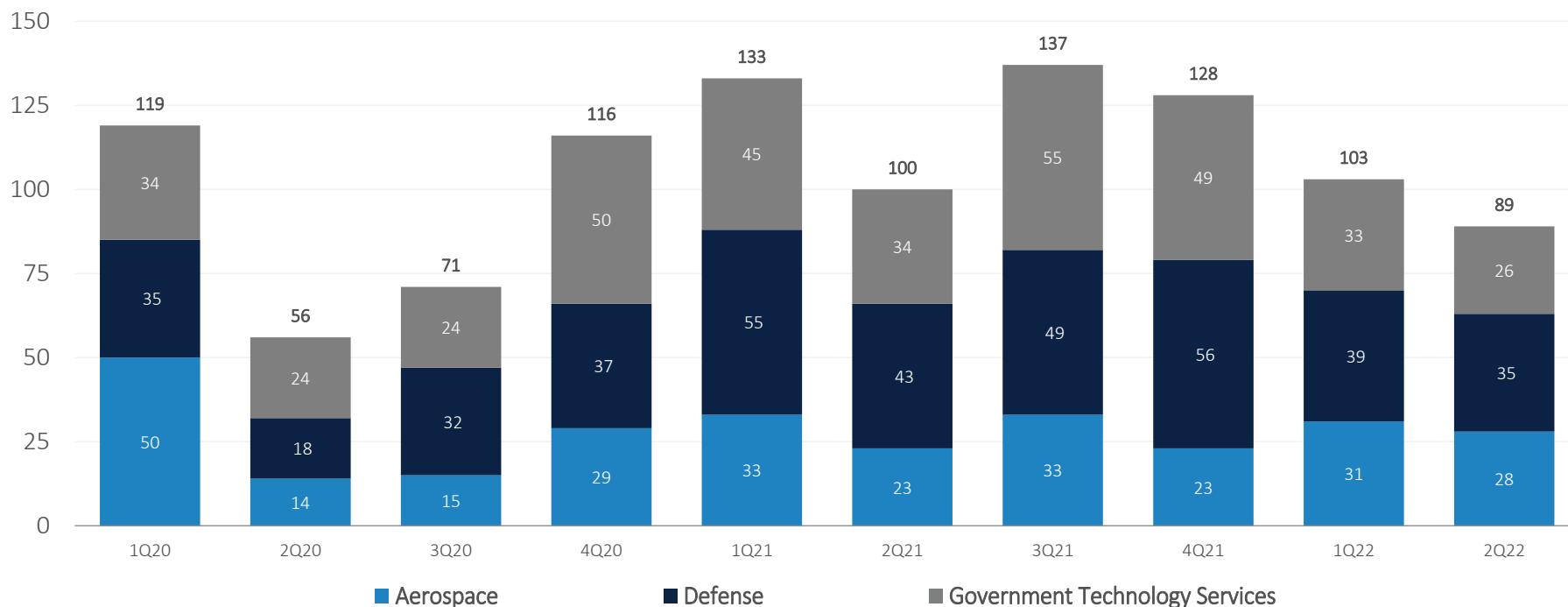
Select Transaction Success

<p>July 2022</p> <p>LMI</p> <p>has been acquired by</p> <p>DECLARATION PARTNERS</p> <p>CAPITOL MERIDIAN PARTNERS</p> <p>22C Capital</p>	<p>March 2022</p> <p>TOP ACES</p> <p>has been acquired by</p> <p>a portfolio company of</p> <p>CLAIRVEST</p>	<p>February 2022</p> <p>CENTERPOINT</p> <p>has been acquired by</p> <p>Gunnison CONSULTING GROUP</p> <p>a portfolio company of</p> <p>BLUE DELTA CAPITAL PARTNERS</p>	<p>January 2022</p> <p>Elbit Systems of America</p> <p>Metro/Merlin Type Certificate and MRO Support Business of MT Aerospace</p> <p>has been acquired by</p> <p>ONTIC</p>	<p>January 2022</p> <p>B23</p> <p>has been acquired by</p> <p>TORCH.AI™</p>	<p>January 2022</p> <p>Boecore</p> <p>has been acquired by</p> <p>ENLIGHTENMENT CAPITAL</p>	<p>December 2021</p> <p>B3 GROUP</p> <p>has been acquired by</p> <p>OCTO</p> <p>a portfolio company of</p> <p>A C P</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>BLUE DELTA CAPITAL PARTNERS</p>	<p>November 2021</p> <p>VARIQ</p> <p>has been acquired by</p> <p>Capgemini</p>
<p>September 2021</p> <p>FLATIRONS</p> <p>has been acquired by</p> <p>TELEO CAPITAL</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</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>August 2021</p> <p>ATLAS RESEARCH</p> <p>has been acquired by</p> <p>CVP</p>	<p>August 2021</p> <p>CRA CRACKSTERS</p> <p>has been acquired by</p> <p>Valor HEALTHCARE</p> <p>a portfolio company of</p> <p>TRIVE CAPITAL</p>	<p>August 2021</p> <p>BEI PRECISION</p> <p>a portfolio company of J.P. Lehman & Company</p> <p>has been acquired by</p> <p>Quantic ELECTRONICS</p> <p>a portfolio company of</p> <p>ARCLINE INVESTMENT MANAGEMENT</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 Monolithics Industries</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>Mission Engineering and Integration Company</p> <p>has merged with</p> <p>QuantiTech</p> <p>a portfolio company of</p> <p>SAGEWIND CAPITAL</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>

(1) Includes transactions which have not been publicly announced

M&A Trends & Activity

- Deal volume in 2Q22 has continued its slowdown from the prior quarter as the strong deal activity in the second half of 2021 stretched the M&A system; buyers have significant dry powder, which should spur deal making in the second half of the year
- Despite the slowdown, M&A market fundamentals for the sectors are favorable given the critical need to keep up with technology and acquire new products that offer expansion opportunities into new markets



- Aerospace deal volume was consistent with its performance in 1Q22, demonstrating resiliency since the early COVID-19 pandemic lows in 2Q20
- Defense deal volume continued its decrease in 2Q22; while this is the case, there is more pressure by European nations to spend more on defense, and as a result, private companies in the defense sector may enjoy a windfall
- Government Technology Services ("GTS") deal volume in 2Q22 continues to be driven by private buyers and private equity-backed portfolio company buyers; the most represented capabilities include cybersecurity and engineering

Highlighted 2Q22 Industry Transactions

Announced April 2022

TTM Technologies

has acquired



EV: \$330M

EV / Revenue: 1.28x

EV / EBITDA: 13.2X

- TTM Technologies has acquired Telephonics Corporation, a subsidiary of Griffon Corporation (NYSE: GFF)
- Expands TTM's product offering vertically into higher-level engineered system solutions and horizontally into surveillance and communications markets, strengthening TTM's position in radar systems

Announced May 2022

CARLYLE

has agreed to acquire

ManTech

EV: \$4.2B

EV / Revenue: 1.62x

EV / EBITDA: 15.6x

- The Carlyle Group (NASDAQ: CG) has agreed to acquire ManTech International Corporation (NASDAQ: MANT)
- Marries up the backing of Carlyle with the scale and focus of ManTech outside of the public markets, and affords substantial M&A capability and capital

Announced April 2022

THE JORDAN COMPANY

has acquired



EV: ND

EV / Revenue: ND

EV / EBITDA: ND

- The Jordan Company ("TJC") has acquired Communications & Power Industries, Inc. ("CPI"), a portfolio company of Odyssey Investment Partners
- Combines TJC's operational expertise with CPI's exceptional management team and technology solutions to accelerate growth and pursue synergistic acquisitions

Announced May 2022



has acquired



EV: \$400M

EV / Revenue: ND

EV / EBITDA: ND

- Parsons Corporation (NYSE: PSN) has acquired Xator Corporation
- Expands Parsons' customer base and brings differentiated technical capabilities in critical infrastructure protection, counter-unmanned aircraft systems, biometrics, and global threat assessment and operations

Announced May 2022



has agreed to acquire



Wheel & Brake Division

EV: \$440M

EV / Revenue: 6.3x

EV / EBITDA: 14.0x

- Kaman Corporation (NYSE:KAMN) has agreed to acquire the Parker-Hannifin Aircraft Wheel & Brake Division
- Expands the breadth of Kaman's product offerings, increases its exposure to attractive markets, and drives meaningful near-term margin and cash flow accretion

Announced June 2022



has agreed to acquire



EV: \$220M

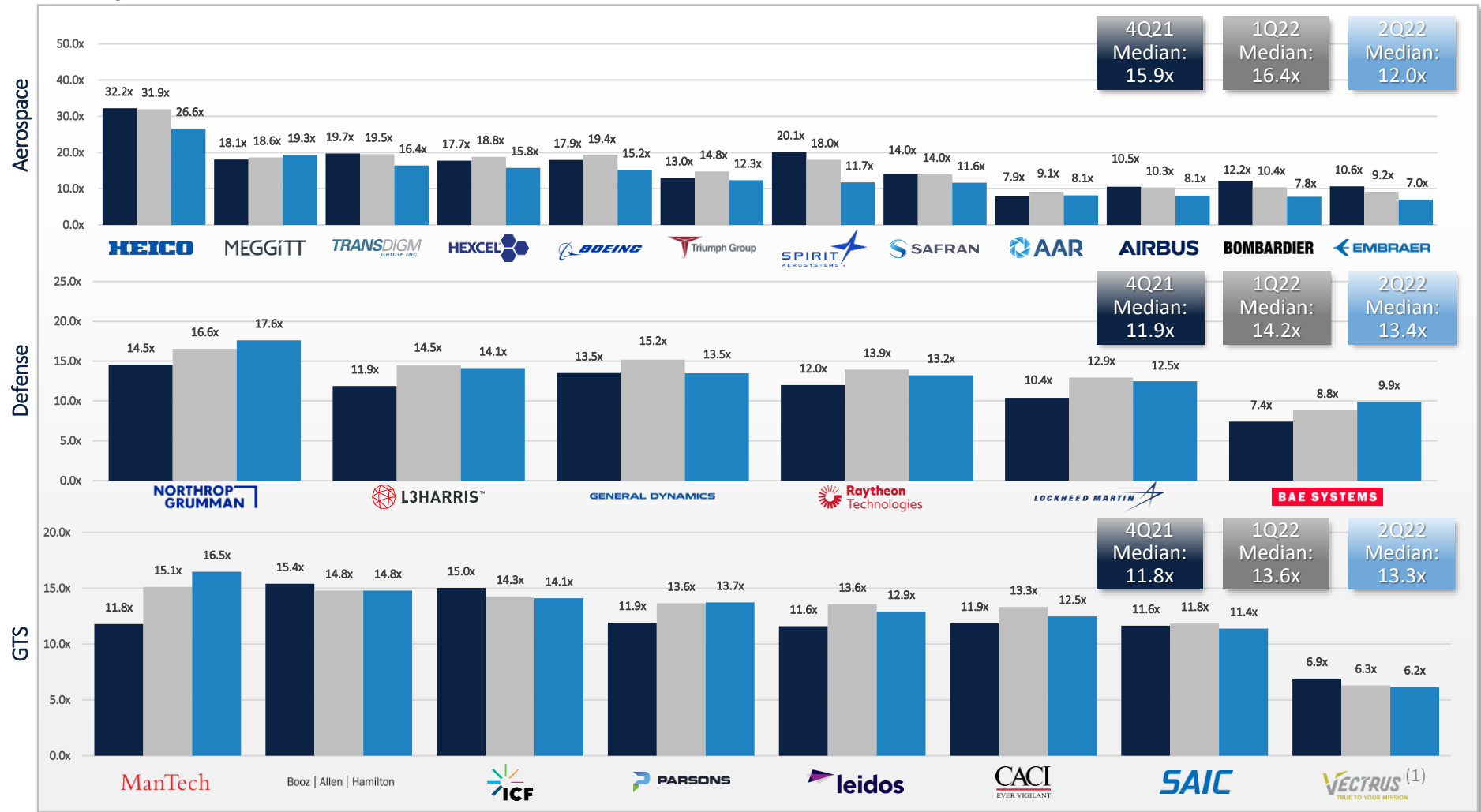
EV / Revenue: 1.63x

EV / EBITDA: ND

- ICF International, Inc. (NASDAQ: ICFI) has agreed to acquire SemanticBits, LLC
- Complements ICF's deep federal health domain expertise and digital modernization capabilities through its full suite of services, including end-to-end agile at scale development capabilities, cloud-native solutions, data analytics, and human-centered design

EV / NTM EBITDA Public Market Valuation Trends

- Public valuations in all three sectors declined in 2Q22 given the downward pressures in the broader market driven from accelerating inflation and rising interest rates



Source: S&P Capital IQ;

(1) Represents financial information for standalone entity as the merger with Vertex was pending in 2Q22

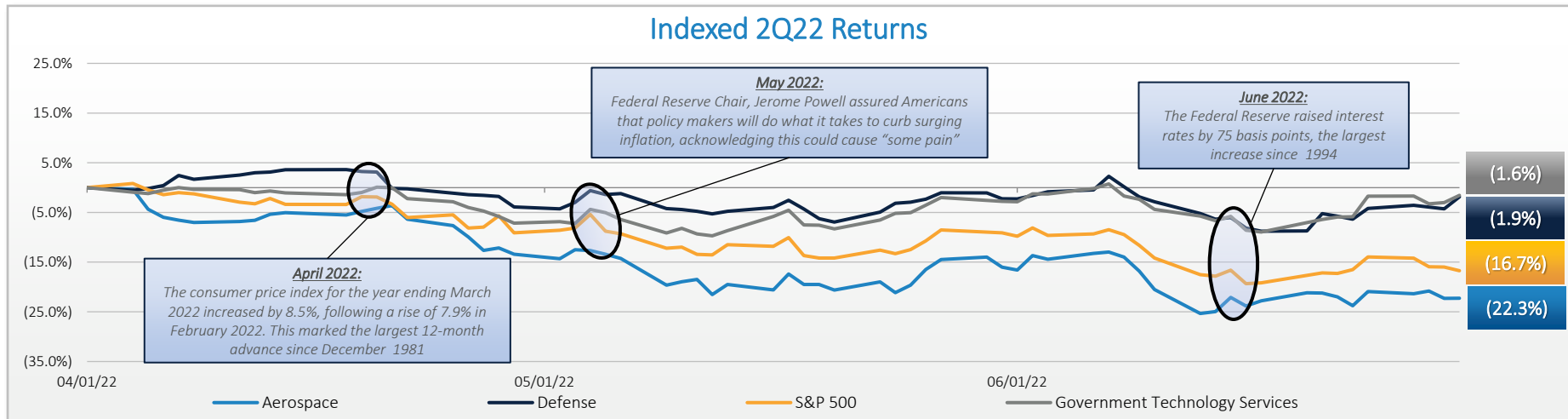
■ = As of December 31, 2021

■ = As of March 31, 2022

■ = As of June 30, 2022

Equity Capital Markets Performance

- The broader market struggled in 2Q22, attributed primarily to inflation pressures that turned out to be more persistent than originally thought, thus leading to the Federal Reserve raising interest rates rapidly from historical lows
- On the other hand, defense and GTS indices benefited significantly from both sectors counter-cyclical posture and expectation of ongoing spending priorities, leading to outperformance for the quarter



Aerospace

Aerospace shares **fell sharply** in 2Q22; despite this, stronger aftermarket, business jet orders, and air freight traffic volumes should **help stock performance** in this sector later this year

Shares of **The Boeing Company (NYSE: BA)** declined **28.3% in 2Q22** as investors are increasingly pricing in a recession, and expressing their belief that Boeing will not be a safe haven stock if conditions worsen from here



Defense

Defense shares saw a **slight decrease** in 2Q22. Shares have outperformed the broader market, driven by continued **geopolitical risks** due to the Ukraine-Russia conflict sparking the expectation of **accelerated defense spending** across the world

Shares of Raytheon Technologies (NYSE: RTX) decreased **4.1%** in 2Q22, outperforming the S&P 500, as it won a pair of high-dollar deals for the U.S. Army



Government Technology Services

Like defense, GTS shares saw a **slight decrease** in 2Q22. The outperformance of the broader market is driven by similar **funding tailwinds** from an **elevated threat** environment as the **battle space becomes more technology reliant**

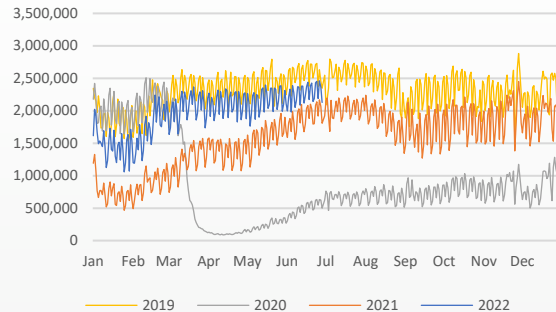
Shares of **ManTech (NASDAQ: MANT)** increased **10.7% in 2Q22**, given the news of its pending sale to The Carlyle Group (NASDAQ: CG)

Aerospace Update

Aerospace industry showing red flags, although leaders remain confident in rebound

There is *great optimism* for the future of the aerospace industry, despite a few indicators flashing red flags; TSA screenings have been *flattening out*, airline bookings have seen back-to-back *monthly decreases in* May and April, and kayak.com searches have decreased 13% month-to-date.

TSA Daily Screening Volume



Moreover, fuel prices are expected to *stay high* in the long-term and *supply chain problems* will continue to persist until the end of 2023. Similarly, recent flight delays and cancellations have been blamed on a *lack of staff* as an increasing number of people leaving low wage work for flexible working practices during the pandemic.

On a positive note, the head of the world's biggest airline trade body (International Air Transport Association) said recently that he remains confident that the industry *will return to profitability* in 2023. As more and more governments loosened COVID-19-related travel restrictions, huge *pent-up demand* drove a widespread return to the skies. The return to profit is already underway in North America, with airlines there now expected to post a collective net income of *\$8.8 billion* this year.

Farnborough International Airshow to Return After Three Years

The *Farnborough International Airshow* will take place from July 18th through July 22nd, returning after a COVID-19 pause. The event will be the *first major* European airshow since the start of the pandemic.

The Farnborough Airshow provides a range of new business opportunities and networking for its global audience. Its anticipated *~1,500 exhibitors* represent a diverse range from every sector and tier of the industry and come from *96 of the world's countries*.

The airshow plans to feature the following themes:

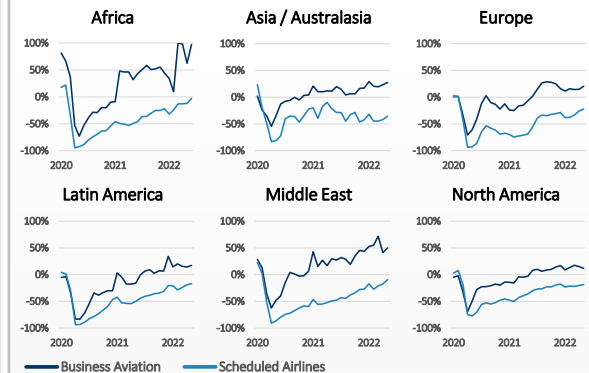


The 2018 event announced *\$192 billion worth of business deals* and with such a buoyant marketplace 2022 should see even more. With this information and *80,000 trade visitors* over 5 days, Farnborough continues to be one of the most important aerospace and defense events to connect within the industry.

Business Jets See a Boom in Activity

Private jet travel has passed pre-pandemic levels while commercial airlines still *face headwinds*.

Business Aviation / Scheduled Airline Travel % YoY Change



Despite the *re-emergence* of major commercial airlines and their premium-class offerings, flying private has been *growing steadily*: the market's compound annual growth rate between 2022 and 2026 is conservatively projected in the high-single digits; the first five months of 2022 have seen double-digit increases. Individual private aviation companies, meanwhile, have reported as much as 30 percent increases over 2021.

Private flights now account for a *quarter of all air traffic* in the U.S., about twice pre-pandemic levels. Flight delays and cancellations, wariness of potential COVID exposure, and surging wealth among the ultra-rich have helped drive demand from both companies and individuals alike.

Top U.S. companies have been *fueling demand*, spending more money last year on private jet travel than they have since 2012.

Defense Update

Competition for Space Force Launches Heats Up

As the U.S. Space Force plans for the next round of contracting for national security launch services beyond 2027, action on Capitol Hill is heating up — with *industry lobbying* emerging into the fold.

Companies are competing for *billions of dollars* and several years of guaranteed business for winning launch providers under the service's National Security Space Launch ("NSSL") program when the current "Phase 2" is completed in 2025. Space Force will open bidding for "Phase 3" in fiscal 2024.

Meanwhile, the Space Force is attempting to convince the Pentagon to grant it *maximum flexibility* in future launch services and integration contracting; the organization would like to tailor launch options for the multitude of new missions it envisions for the future.

United Launch Alliance ("ULA"), a joint venture between *Boeing* and *Lockheed Martin*) and *SpaceX* were each awarded Phase 2 NSSL contracts in 2020, with ULA receiving 60% and SpaceX 40% of military and Intelligence Community launch missions for the five years. The contracts run through 2025, but the launches are *budgeted two years ahead*— the final launches under the Phase 2 contract will occur in 2027.

The Space Force has allocated around *\$10 billion* for 35 planned launches over the duration of the Pentagon's Future Year Defense Program — with about *\$2.8 billion* for 15 planned launches that would go under NSSL Phase 3 in FY26 and FY27.

Commercial Companies are Becoming Increasingly Involved in Defense

The Russia-Ukraine conflict has *expanded* global military use of commercial satellite communications ("SATCOM"); the war has led to an *"explosion of activity"* for commercial SATCOM. The revolution in technology made satellites smaller, less expensive, and highly capable — allowing for their placement into private hands.

Military officials claim the use of commercial SATCOM has often led to an *increase in performance* because commercial providers have been able to keep up with the technology, putting *newer capabilities* into place. In many ways, this has allowed the U.S. to spread out military SATCOM capabilities and utilize commercial SATCOM capabilities. The constellations that commercial partners are sending into orbit help fill in a series of gaps and make U.S. intelligence *more connected* than ever.

Satellite Images of Ukraine Conflict from Planet Labs



The U.S. Space Force's Commercial Satellite Communications Office said it plans to *award nearly \$2.3 billion* in commercial SATCOM contracts in the next two years. The Space Force, in a 2020 vision document, claimed SATCOM should be an *"integrated enterprise"* of military and commercial systems. Per the document, "for those frequency bands, coverage areas or specialized capabilities not offered by the commercial SATCOM industry, purpose-built constellations and payloads will be acquired".

DoD Budget Request & Inflation Guidance Memo

The Senate Armed Services Committee ("SASC") wants to *increase national security spending* by around \$45 billion over what the Biden administration has requested, bringing the top line budget for the proposed National Defense Authorization Act ("NDAA") up to *\$847 billion*. The topline jump means to account for inflation, security assistance to Ukraine and to help replenish stockpiles of American weapons, among other expenditures. Previously, the House Appropriations subcommittee on defense rejected a large raise, keeping their version of the funding bill at *\$762 billion*, in line with President Joe Biden's request. Still, SASC members expect the amount of the House NDAA to increase as negotiations proceed.

The national defense topline would total *~\$860 billion* after adding more than \$10 billion in defense-related provisions outside NDAA authority. Key lawmakers have been predicting a *hike in defense spending*, despite the department's budget request released in March, which was the *highest in history*.

Related to inflation, the DoD released a memo *providing guidance* to contracting officers asked by contractors to use economic price adjustments ("EPA") clauses to address *inflation*. The memo clarifies that it depends on contract type; cost-plus is paid by the government, whereas fixed-price contracts depend on cost ceilings and various other clauses in place. For instance, there are fixed-price contracts with EPAs, but contractors *must bear the risk* under firm-fixed-price ("FFP"). Although there have been many questions about requests for equitable adjustment ("REA"), the DoD asserted that contractors with FFP contracts are unlikely to see relief.

Government Technology Services Update

Inflation Impact on the Government Contracting Market

With the *U.S. inflation rate at 40-year highs*, the *government technology services* sector is beginning to feel the effects. Wage inflation has had an impact on large and small contractors alike who cannot raise wages beyond what is set forth in the contract. To combat this issue and avoid contractors losing employees to the commercial sector, the DoD has recently released guidance for fixed-price contractors, recognizing the impact, and encouraging contracting officers to *provide relief* under *EPA* clauses. These EPA clauses give the contracting officer the *authority to accept* a fixed price contract without having to develop pricing based on worst case projections to cover the cost risk attributable to *unstable market conditions*. Additionally, stating that the contracting officer should *limit the scope of the EPA clause* to those costs most likely to be impacted by economic fluctuations.

U.S. Inflation Rate Trend



White House Budget Continues to Focus on Federal Health Spending

As the country continues to learn from its experience with the COVID-19 pandemic, the *President's GFY2023 budget request* reflects *increased prioritization* of Federal Health initiatives, including an investment in *pandemic preparedness* and *biodefense of \$81.7 million* over five years across HHS agencies. Specific *technology-focused investments include \$28 billion* for the CDC to enhance public health system infrastructure, threat surveillance, and global health security, *and \$1.8 billion for the FDA's* contribution to the *"Pandemic Preparedness Plan"* to expand regulatory capacity on vaccines and therapeutics and improve IT and laboratory infrastructure.



34%
GFY2022
Funding

The FDA budget *increased to \$8.4 billion*, representing *a 34% increase over GFY2022* appropriated funding. Firms with a strong presence at the FDA stand to benefit from increased investment in new technologies as the agency looks to identify and address instances of *food safety lapses and enhance compliance efforts*.

The HHS overall budget of \$138B represents a *\$29 billion, or 27% increase over 2021 enacted levels*. An increased focus on public health preparedness includes over \$3 billion for IT investments, including \$646 million for cybersecurity enhancements and modernizing Medicare payment systems, and over \$250 million in data modernization and forecasting to identify future threats. Firms that are well positioned within the Federal Health market are going to benefit from the ongoing *push to modernize Federal health agencies*.



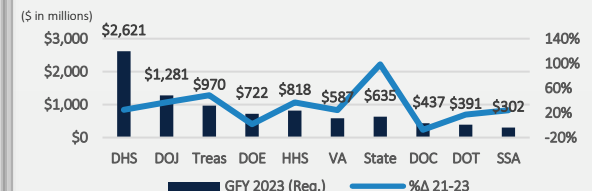
27%
2021
Enacted

Cybersecurity Shortcomings Continue to Highlight Government's Need for Modernization

As the U.S. continues to stare down complex geopolitical issues, witnessing the power of cyber-attacks and seeing the ease of performing such exercises in the Ukraine-Russia conflict, it is no surprise that *cybersecurity is at the forefront* of the government agenda. In a recent 2021 report from Black Kite, 20% of examined government agencies are still vulnerable to ransomware attacks such as phishing, highlighting the continued need to modernize these platforms. On the heels of these reports, government organizations' continuing commitment to cyber and cloud services has led *CISA to issue new guidance* for applying modern network security practices across multiple cloud computing scenarios. The goal of the memorandum is to *streamline efforts* to make it easier for government agencies to *adopt cloud services* and *limit potential security breaches*.

With *clear mission needs*, and the government's horizon focused on *increased investment in cyber* highlighted in President Biden's proposed 2023 budget, the opportunity for cybersecurity platforms and IT modernization firms to take advantage of the increase in spending to solve the modernization dilemma has never been stronger, and individuals should expect this trend to continue through the *remainder of 2022*.

Cybersecurity Budget Across Top 10 Civilian Depts.





2Q22 Aerospace Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
06/21/22	McFarlane Aviation, Inc. (portco of Vance Street Capital, LLC)	Airforms, Inc.	Provides replacement engine baffles for a wide range of general aviation aircraft in private sector and U.S. federal government aviation markets	NA	NA	NA	NA	NA	NA
06/15/22	Karman Space & Defense (portco of Trive Capital Holdings, LLC)	MG Resin Technology (portco Cornerstone Research Group, Inc)	Provides high-temperature composite materials used in hypersonic flight vehicles and other applications	NA	NA	NA	NA	NA	NA
06/13/22	TAE Aerospace Pty. Ltd	Southwest Airmotive Corp.	Provides repair, maintenance, and overhaul services for Pratt & Whitney PT-6 engines	NA	NA	NA	NA	NA	NA
06/10/22	Enjet Aero, LLC	Integral Industries, Inc	Provides components and assemblies for private sector and U.S. federal government commercial and military aircraft engine markets	NA	NA	NA	NA	NA	NA
06/09/22	Senior plc (LON: SNR)	Spencer Aerospace Manufacturing, LLC	Provides highly engineered, high-pressure hydraulic fluid fittings for use in commercial and military aerospace applications	\$60.0	\$12.0	\$1.0	8%	5.00x	60.0x
06/08/22	Electra.aero, Inc.	Airflow.aero, Inc.	Provides short take-off and Landing ("eSTOL") aircraft for regional cargo and passenger travel	NA	NA	NA	NA	NA	NA
05/23/22	Kaman Corp. (NYSE:KAMN)	Parker Hannifin Corp. (NYSE: PH) Aircraft Wheel & Brake Division	Provides aircraft wheel and brake systems and related hydraulic products for the general aviation, business aviation, rotorcraft, and military aircraft markets	\$440.0	\$70.0 ⁽¹⁾	\$31.4 ⁽¹⁾	45%	6.29x	14.0x
05/19/22	Joby Aviation	Avionyx, Inc.	Provides full life-cycle avionics software and hardware engineering services for a wide variety of aircraft in the private sector and U.S. federal government aerospace and defense markets	NA	NA	NA	NA	NA	NA
05/19/22	Extant Aerospace (subsidiary of TransDigm Group, Inc (NYSE: TDG))	Astronautics Corporation of America's Electromechanical Indicator Product Line	Provides airborne defense platforms supporting the U.S. Military and its partners	\$27.0	NA	NA	NA	NA	NA
05/17/22	StandardAero (portco of The Carlyle Group)	Electron Beam Development Corp. (dba: EB Airfoils)	Provides high quality fan blade repairs and overhauls for private sector and U.S. federal government aviation markets	NA	NA	NA	NA	NA	NA
05/17/22	Micross Components, Inc. (portco of Behrman Capital)	PAAL Technologies Holdings, Inc.	Provides a full range of MIL-STD-1553 data bus components and RF transformers for signal processing applications to the private sector and U.S. federal government aerospace and defense markets	NA	NA	NA	NA	NA	NA
05/13/22	Modern Aviation, Inc. (portco of Tiger Infrastructure Partners, L.P.)	Superior Aviation Company (SACjet)	Provides operation of three FBO facilities: Executive Jet Center, located at Sacramento Executive Airport ("SAC"), Capitol Jet Center, located at Sacramento International Airport ("SMF"), and Mather Jet Center, located at Mather Airport ("MHR")	NA	NA	NA	NA	NA	NA
05/09/22	CPI International, Inc. (portco of The Jordan Company, L.P.)	AdamWorks, LLC	Provides composites engineering and manufacturing solutions specializing in airborne sensor pods and composite structures for airliner Wi-Fi connectivity in the commercial, private, and the U.S. federal government aerospace and defense markets	NA	NA	NA	NA	NA	NA
05/05/22	Latecoere S.A. (Paris: LAT.PA) (portco of Searchlight Capital Partners, L.P.)	Avcorp Industries Inc. (TSX: AVP) (portco of Panta Holdings B.V.)	Provides design, fabrication and assembly of metal, composite, and plastic components for the aerospace market	\$33.0	\$76.6	NA	NA	0.43x	NA
05/04/22	Summit Interconnect, Inc. (portco of Lindsay Goldberg, LLC)	Advanced Assembly LLC	Provides a full-range of manufacturing services for prototypes and low volume quantities for private sector and U.S. federal government aerospace and defense markets	NA	NA	NA	NA	NA	NA
05/03/22	MHD-Rockland, Inc.	Northwest Propeller Service, Inc.	Provider of maintenance, repair, and overhaul solutions for aircraft propeller systems in the private sector and U.S. federal government markets	NA	NA	NA	NA	NA	NA

Note: ND = Not Disclosed; NM = Not Meaningful

(1) 2021 Revenue and EBITDA

2Q22 Aerospace Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
04/29/22	Bristow Group, Inc. (NYSE: VTOL)	British International Helicopter Services Limited	Provides safe, agile, and skilled helicopter services to both military and commercial clients	NA	NA	NA	NA	NA	NA
04/28/22	G.S. Precision, Inc. (portco of AE Industrial Partners, LP)	F.T. Gearing	Provider of highly engineered gears to the aerospace and defense industries	NA	NA	NA	NA	NA	NA
04/28/22	Vitrex, LLC (portco of Branford Castle Partners, L.P.)	MTI Instruments	Provides non-contact metrology, position, displacement, and vibration applications within the design, QA / QC, manufacturing, production, test, and research markets	\$10.8	NA	NA	NA	NA	NA
04/26/22	Compass Precision, LLC (portco of Main Street Capital Holdings, LLC)	R&D Machine and Engineering, Inc	Provides complicated metal components in the aerospace, defense, and space markets	NA	NA	NA	NA	NA	NA
04/26/22	Novaria Group, Inc.	FMI Chemical, Inc.	Provides aircraft Original Equipment Manufacturers ("OEMs") and Maintenance, Repair, and Overhaul ("MRO") facilities worldwide with nonmetallic aerospace sealants, compounds, and coatings for aircraft manufacturing and MRO	NA	NA	NA	NA	NA	NA
04/20/22	SKYTRAC Systems Ltd. (subsidiary of ACR Group (portco of The Jordan Company, L.P.))	Aviation Division of Troo Corp.	Provides real-time map-based predictive flight following, mission monitoring, and location intelligence to Operational Control Centers ("OCCs") and flight departments around the world	NA	NA	NA	NA	NA	NA
04/15/22	Flight Check Comercial Aviation Services (portco of Lineage Capital)	Boxell's Line Maintenance Division	Provides outsourced aircraft maintenance services to airline operators at Charleston International Airport, Savannah / Hilton Head International Airport, and Hilton Head Island Airport	NA	NA	NA	NA	NA	NA
04/11/22	PCX Aerosystems, LLC (portco of Greenbriar Equity Group, L.P.)	Honematic Machine Corp.	Provides precision hollow components for honing drilling & deep hole boring technology	NA	NA	NA	NA	NA	NA
04/06/22	Applied Composites Holdings, LLC (portco of AE Industrial Partners)	North Coast Composites, Inc. and North Coast Tool & Mold Corp. (subsidiaries of Unitech Holdings, Inc, a portco of Acorn Growth Companies)	Provides advanced composites for aerospace applications	NA	NA	NA	NA	NA	NA
04/05/22	Novaria Group (portco of KKR & Co.)	Hohman Plating and Mfg., LLC.	Provides metal finishing and coating services to private sector and U.S. federal government aerospace, medical, defense, and electronics markets	NA	NA	NA	NA	NA	NA
04/04/22	Precinmac Precision Machining (portco of Pine Island Capital Partners)	Petersen Inc.	Provides fabrication, advanced manufacturing and machining services for nuclear, petrochemical, aerospace, mining and industrial projects, equipment, and parts	NA	NA	NA	NA	NA	NA
04/04/22	First Aviation Services Inc. (portco of First Equity)	Heliblade	Provides maintenance for Bell, Airbus, and Leonardo main and tail rotors	NA	NA	NA	NA	NA	NA



2Q22 Defense Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
06/28/22	Primus Aerospace (portco of Angeles Equity Partners, LLC)	Raloid Corp.	Provides close-tolerance components and assemblies such as warheads, detail mechanical components, mechanical assemblies, and ground support assemblies	NA	NA	NA	NA	NA	NA
06/24/22	Photonics Management Europe S.R.L. (subsidiary of Hamamatsu Photonics K.K. (OTCMKTS: HPHTF))	NKT Photonics, (subsidiary of NKT Cables A/S)	Provides high-performance fiber lasers, fiber optic sensing systems, and photonic crystal fibers for private sector and U.S. federal and international government aerospace, defense, medical & life sciences, and nano & quantum technology markets	\$216.4	NA	NA	NA	NA	NA
06/23/22	Pine Grove Holdings, LLC	KKSP Precision Machining, LLC (portco of Mill Point Capital, LLC)	Provides high volume precision and made-to-print automatic screw machine products for aerospace, heavy trucks, munitions, and military equipment	NA	NA	NA	NA	NA	NA
06/23/22	Lincotek Rubbiano S.p.a	Hitemco	Provides special coating, surface finishing processes for OEM components in private sector and U.S. federal government automotive, defense, and aerospace markets	NA	NA	NA	NA	NA	NA
06/22/22	RE3DTECH (portco of CORE Industrial Partners, LLC)	GoProto, Inc.	Provides turnkey plastic and metal part manufacturing solutions for private sector and U.S. federal government markets	NA	NA	NA	NA	NA	NA
06/21/22	Vitesse Systems (portco of Trive Capital)	Custom Microwave, Inc.	Provides high-performance, passive antennas engineered, manufactured, and tested for space and ground applications in private sector and U.S. federal government markets	NA	NA	NA	NA	NA	NA
06/21/22	Allied Motion Technologies Inc. (NasdaqGM: AMOT)	Airex, LLC	Provides high precision electromagnetic components and solutions for aerospace / defense, life sciences, semiconductor, and other commercial industrial applications	NA	NA	NA	NA	NA	NA
06/21/22	ARCH Cutting Tools, LLC (portco of The Jordan Company, L.P.)	New York State Tool Co.	Provides custom made solid round carbide tools, catering to metals and applications in the aerospace and defense industries	NA	NA	NA	NA	NA	NA
06/16/22	Leonardo DRS, Inc. (subsidiary of Leonardo S.p.A (Milan: LDO.MI))	RADA Electronic Industries Ltd. (NASDAQ: RADA)	Provides naval and maritime systems, ground combat mission command and network computing, global satellite communications and network infrastructure, aviation logistics and avionics systems, and intelligence and security solutions	NA	NA	NA	NA	NA	NA
06/16/22	Prototek Sheetmetal Fabrication, LLC (portco of Truarc Partners)	Protocam, LLC	Provides industrial 3D prototyping services for private sector and U.S. federal government defense, aerospace, automotive, and medical markets.	NA	NA	NA	NA	NA	NA
06/14/22	Quantic Electronics, LLC (portco of Arcline Investment Management L.P.)	Mircowave Dynamics	Provides free running and phase-locked oscillators, amplifiers, frequency converters, frequency multipliers, custom sub-assemblies and integrated microwave assemblies for the private and U.S federal government industrial, aerospace, and defense sectors	NA	NA	NA	NA	NA	NA
06/09/22	CGI Automated Manufacturing, Inc. (portco of CORE Industrial Partners, LLC)	Elite Manufacturing Technologies, Inc.	Provides precision sheet metal components, cabinets, consoles, and final or near-final enclosures	NA	NA	NA	NA	NA	NA
06/07/22	Plaskolite, LLC (portco of Pritzker Private Capital)	MXL Industries, Inc.	Provides optical plastic parts for customers in the motorsports, security, military, and industrial safety sectors	NA	NA	NA	NA	NA	NA
06/06/22	iNRCORE, LLC (portco of The Jordan Company)	Vanguard Electronics Co.	Provides custom high-reliability magnetic components, including inductors and transformers, for applications in the space, defense, aerospace, and medical sectors	NA	NA	NA	NA	NA	NA
06/02/22	ARCH Medical Solutions Corp. (portco of The Jordan Company, L.P.)	M&K Engineering, Inc.	Provides critical components for private sector and U.S. federal government medical, aerospace, and defense industries	NA	NA	NA	NA	NA	NA
06/02/22	Fairbanks Morse Defense (a portco of Arcline Investment Management)	Research Tool & Die	Provides secure and support cables and wires for naval ships	NA	NA	NA	NA	NA	NA

Note: ND = Not Disclosed; NM = Not Meaningful

2Q22 Defense Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
06/01/22	Rafael USA, Inc. (subsidiary of Rafael Advanced Defense Systems Ltd.)	PVP Advanced EO Systems, Inc.	Provides electro-optical imaging systems and components for private sector and U.S. federal government aerospace and defense markets	NA	NA	NA	NA	NA	NA
05/31/22	Allied Motion Technologies, Inc. (NasdaqGM: AMOT)	FPH Group	Provides engineered products including drive motors, black box assemblies, and military vehicle components in private sector and U.S. federal government defense markets	NA	NA	NA	NA	NA	NA
05/24/22	Kratos Defense & Security Solutions, Inc. (NasdaqGS: KTOS)	Engineering Division of Southern Research Institute	Provides advanced materials for extreme environments, including hypersonic, space, missile, missile defense, strategic deterrence, propulsion systems, and energy applications	\$80.0	\$50.0	NA	NA	1.60x	NA
05/20/22	Reunert, Ltd.	Etion Create (subsidiary of Etion Ltd.)	Provides customized electronic subsystems and products	\$13.2	\$1.9	NA	NA	6.95x	NA
05/17/22	Sigma Defense Systems, LLC (portco of Sagewind Capital, LLC)	Sub U Systems	Provides deployable tactical edge-of-network route, switch, and computing technology for private sector and U.S. federal government aerospace and defense markets	NA	NA	NA	NA	NA	NA
05/09/22	ACR Group (portco of The Jordan Company)	Blue Sky Network, LLC	Provides satellite tracking systems and two-way communications for remotely active private sector and U.S. government defense and environmental markets	NA	NA	NA	NA	NA	NA
05/09/22	Allied Motion Technologies Inc. (NasdaqGM: AMOT)	ThinGap, Inc.	Provides low profile, brushless DC motor kits and assemblies that utilize a proprietary wave-wound stator architecture and highly optimized rotors for private sector and U.S. federal government defense markets	NA	NA	NA	NA	NA	NA
05/04/22	Summit Interconnect, Inc. (portco of Lindsay Goldberg, LLC)	Royal Circuit Solutions, Inc.	Provides quick-turn, advanced technology prototype printed circuit boards for private sector and U.S. federal government industrial, medical, automotive, consumer, semiconductor, datacom, and space markets	NA	NA	NA	NA	NA	NA
05/03/22	Micross Components, Inc., (portco of Behrman Capital)	High-Reliability Discrete Diodes and Assemblies business of Semtech Corporation (NasdaqGS: SMTG)	Provides semiconductor solutions, including Qualified Product List ("QPL") and non-QPL diodes, rectifiers and transient voltage suppression products to aerospace, defense, medical and other high-reliability customers	NA	NA	NA	NA	NA	NA
05/03/22	Cadre Holdings, Inc. (NYSE: CDRE)	Cyalume Technologies, Inc. (subsidiary of CPS Performance Materials Corp. (portco of Arsenal Capital Partners))	Provides proprietary chemical illumination solutions for military, first responder, and other commercial applications	\$35.0	\$25.0	NA	NA	1.40x	NA
04/26/22	Thales Defense & Security, Inc. (TDSI) (subsidiary of Thales S.A. (Paris: HO.PA))	51% equity stake in Advanced Acoustic Concepts, LLC (AAC) (subsidiary of Leonardo DRS)	Provides advanced sonar, acoustic training and knowledge management systems, as well as open architecture systems and software integration	NA	\$80.0	NA	NA	NA	NA
04/19/22	The Jordan Company	Communications & Power Industries ("CPI") (portco of Odyssey Investment Partners)	Provides electronic components, subsystems, and antenna systems for communications, government, and medical markets	NA	NA	NA	NA	NA	NA
04/19/22	Arcline Investment Management, L.P.	Meritec, Inc.	Provides high-performance interconnect embedded systems and connectors	NA	NA	NA	NA	NA	NA
04/18/22	TTM Technologies, Inc. (NasdaqGS: TTM)	Telephonics Corp. (subsidiary of Griffon Corp. (NYSE: GFF))	Provides highly sophisticated intelligence, surveillance and communications solutions that are deployed across a wide range of land, sea, and air applications	\$330.0	\$257.3	NA	NA	1.28x	NA
04/18/22	CTS Corp. (NYSE: CTS)	Meggitt A/S ((subsidiary of Meggitt Sensing Systems) (subsidiary of Meggitt plc (LSE: MGGT))	Provides piezoelectric ceramics for five strategic markets: vibration sensors, underwater acoustics, medical ultrasound, flowmeters, and NDT	\$76.5	NA	NA	NA	NA	NA
04/11/22	Accurus Aerospace Corp. (portco of Liberty Hall Capital Partners)	Ferra Holdings, Ltd.	Designs, manufactures, and maintains subsystems and structures for commercial and military aviation, defense, automotive, and other sectors	NA	NA	NA	NA	NA	NA

Note: ND = Not Disclosed; NM = Not Meaningful

2Q22 Defense Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
04/08/22	Airbus SE (Paris: AIR.PA)	DSI Datensicherheit GmbH	Provides cryptography and communication systems for space, airborne, and naval & ground	NA	NA	NA	NA	NA	NA
04/06/22	Katek SE (KTEK.F)	SigmaPoint Technologies Inc.	Provides value-added electronics engineering and manufacturing services to private sector and international government communication, defense, electronics, and energy markets	NA	\$100.0	NA	NA	NA	NA
04/04/22	Echelon Supply and Service (portco of HCI Equity Partners)	Berg-Nelson Co., Inc.	Provides supply chain management and logistics services distributor of industrial hose, fluid power products, and hose assembly solutions throughout a diverse set of end markets including the U.S. Department of Defense, oil and gas, food and beverage,	NA	NA	NA	NA	NA	NA

2Q22 Government Technology Services Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
06/27/22	Yulista Holding, LLC, (subsidiary of tribally owned Calista Corp.)	Troy7, Inc.	Provides telemetry data reduction & analysis, range communications support, launch and range operations, modeling and simulation, vehicle design and trade studies, guidance navigation and controls design, quality and mission assurance, and laser	NA	NA	NA	NA	NA	NA
06/22/22	Apollo Information Systems Corp.	CyberDefenses, Inc.	Provides cybersecurity services to the U.S. federal government, state and local governments, and commercial enterprises	NA	NA	NA	NA	NA	NA
06/15/22	SEMPRE.ai	NewSpace Networks	Provides remotely generated data and enables highly efficient communication from space, utilizing satellite network optimization, AI, and edge computing	NA	NA	NA	NA	NA	NA
06/14/22	Ad Hoc, LLC	Cascade Technologies	Provides IT services in in cloud management, accessibility, bilingual content, and operations	NA	NA	NA	NA	NA	NA
06/08/22	Unison (portco of The Carlyle Group)	Plan4 Healthcare	Provides planning , performance, and budget tracking solutions to the Veterans Health Administration ("VHA")	NA	NA	NA	NA	NA	NA
06/08/22	ICF International, Inc. (NASDAQ: ICFI)	SemanticBits, LLC	Provides digital health services for commercial, academic, and government organizations	\$220.0	\$135.0 ⁽¹⁾	NA	NA	1.63x	NA
06/01/22	Electrosoft Services	Achilles Shield, Inc.	Provides cybersecurity, consulting, staff augmentation, and managed security services and assessments for private sector and U.S. federal government markets	NA	NA	NA	NA	NA	NA
05/27/22	The Acacia Group	The Baer Group	Provides Enterprise Resource Planning ("ERP"), cloud integration, and data transformation to the public and private sectors	NA	NA	NA	NA	NA	NA
05/23/22	Parsons Corporation (NYSE: PSN)	Xator Corporation	Provides mission-focused solutions addressing critical infrastructure protection, national security, and mission training requirements for the U.S. government around the world	\$400.0	NA	NA	NA	NA	NA
05/17/22	DC Capital Partners, LLC	Valkyrie Enterprises, LLC	Provides advanced engineering services and technology solutions that support U.S. national security and diplomatic missions globally	NA	NA	NA	NA	NA	NA
05/16/22	The Carlyle Group Inc	ManTech International Corporation (NASDAQ: MANT)	Provides innovative technologies and solutions for mission-critical national security programs	\$4,200.0	\$2,596.3	\$268.5	10%	1.62x	15.6x
05/11/22	LookingGlass Cyber (portco of NewSpring Capital)	Next5	Provides business intelligence and strategic advisory to help companies develop, acquire and protect technologies of the future	NA	NA	NA	NA	NA	NA
05/11/22	Axiologic Solutions	Data Intelligence Technologies, Inc.	Provides cyber security and big data analytics for private sector and U.S. federal government defense markets. The company also provides big data engineering, data science, DevOps, artificial intelligence / machine learning, and software engineering	NA	NA	NA	NA	NA	NA
05/02/22	Two Six Technologies (portco of The Carlyle Group)	Thresher Ventures	Provides software products which detect, analyze, and predict media manipulation by foreign governments for private sector and U.S. federal government defense markets	NA	NA	NA	NA	NA	NA
05/04/22	Avantus Federal (portco of NewSpring Capital)	Far Ridgeline Engagements, Inc.	Provides highly differentiated and tailored operational, training and technical solutions in support of national security missions	NA	NA	NA	NA	NA	NA
04/24/22	Definitive Logic Corp.	Digital Mobilizations, Inc.	Provides agile development in pathfinding pilots & rapid prototyping, algorithm development, artificial intelligence & machine learning, instrumenting, test & evaluation, and DevSecOps to the private sector and U.S. federal government defense and intel	NA	NA	NA	NA	NA	NA

Note: ND = Not Disclosed; NM = Not Meaningful

(1) 2022E Revenue

2Q22 Government Technology Services Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
04/20/22	Applied Information Sciences	Xgility	Provides Microsoft-focused digital transformation solutions	NA	NA	NA	NA	NA	NA
04/19/22	Booz Allen Hamilton (NYSE: BAH)	Reveal Technology	Provides intuitive, rapid intelligence at the austere tactical edge where power, compute, and bandwidth are often in short supply	NA	NA	NA	NA	NA	NA
04/14/22	ERC, Inc. (portco of Brightstar Capital Partners)	Oasis Systems, LLC (portco of GF Fund)	Provides acquisition program management, engineering, enterprise systems management, environmental services, information assurance, network operations and systems management, software development and management, test and evaluation,	NA	NA	NA	NA	NA	NA
04/12/22	ClearShark, LLC	FedBiz IT Solutions, LLC	Provides enterprise IT and emerging technology products and services to U.S. federal government defense, financial, homeland security, and intelligence markets	NA	NA	NA	NA	NA	NA
04/12/22	PCS-Mosaic Holdings, LLC	Four subsidiaries of ASRC Federal	Provides information technology solutions to the Intelligence Community	NA	NA	NA	NA	NA	NA
04/08/22	Battle Investment Group	Bart & Associates	Provides information technology systems integration solutions to private sector and federal government homeland security and defense markets	NA	NA	NA	NA	NA	NA
04/05/22	Digital Management, LLC (portco of OceanSound Partners)	Aurotech, Inc. (portco of OpenGate Capital Management)	Provides full lifecycle modernization capabilities including application development, data science and analytics, cybersecurity, and digital strategy services	NA	NA	NA	NA	NA	NA
04/04/22	EM Key Solutions, Inc.	CORTEK, Inc.	Provides integrated base defense / force protection, cyber, forensics / biometrics, systems and software engineering, and program management support services for private sector and U.S. federal government markets	NA	NA	NA	NA	NA	NA
04/04/22	Qualis Corp.	Engineering Team from Nimble TSC	Provides agile software development for DoD manned and unmanned aviation systems, ground vehicles, missile systems, and test equipment	NA	NA	NA	NA	NA	NA
04/04/22	Two Six Technologies (portco of The Carlyle Group)	River Loop Security, LLC	Provides technical expertise in the fields of cybersecurity and embedded systems to defense and commercial customers	NA	NA	NA	NA	NA	NA

Public Company Trading Analysis

(\$ in millions, except per share amounts)

Aircraft and Engine OEMs	Stock Price 06/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2022E			EV / LTM		EV / CY2022E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
The Boeing Company	\$136.72	56.5%	\$80,888	\$126,477	\$61,060	\$52	0.1%	\$75,188	\$5,201	6.9%	2.07x	NM	1.68x	24.3x
Airbus SE	96.64	76.3%	76,093	73,627	59,641	8,303	13.9%	61,329	8,306	13.5%	1.23x	8.9x	1.20x	8.9x
General Electric Company	63.67	54.8%	70,079	86,755	74,164	6,878	9.3%	75,970	9,403	12.4%	1.17x	12.6x	1.14x	9.2x
Safran SA	98.48	76.5%	42,032	44,683	17,392	2,872	16.5%	18,572	3,534	19.0%	2.57x	15.6x	2.41x	12.6x
MTU Aero Engines AG	181.58	78.6%	9,703	10,377	4,864	611	12.6%	5,385	888	16.5%	2.13x	17.0x	1.93x	11.7x
Median		76.3%	\$70,079	\$73,627	\$59,641	\$2,872	12.6%	\$61,329	\$5,201	13.5%	2.07x	14.1x	1.68x	11.7x

Aerostructures	Stock Price 06/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2022E			EV / LTM		EV / CY2022E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Hexcel Corporation	\$52.31	81.5%	\$4,397	\$5,142	\$1,405	\$236	16.8%	\$1,591	\$302	19.0%	3.66x	21.8x	3.23x	17.0x
Spirit AeroSystems Holdings, Inc.	29.30	55.0%	3,077	5,794	4,227	86	2.0%	5,191	398	7.7%	1.37x	NM	1.12x	14.5x
Triumph Group, Inc.	13.29	47.7%	859	2,227	1,460	184	12.6%	1,370	163	11.9%	1.53x	12.1x	1.63x	13.6x
Senior plc	1.41	62.6%	579	787	892	64	7.2%	895	85	9.5%	0.88x	12.3x	0.88x	9.3x
Median		58.8%	\$1,968	\$3,685	\$1,432	\$135	9.9%	\$1,481	\$233	10.7%	1.45x	12.3x	1.37x	14.1x

Note: NM = Not Meaningful

Sources: S&P Capital IQ, company filings, and KippsDeSanto research

Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Aerospace Suppliers	Stock Price 06/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2022E			EV / LTM		EV / CY2022E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Howmet Aerospace Inc.	\$31.45	83.5%	\$13,143	\$17,019	\$5,087	\$1,154	22.7%	\$5,625	\$1,307	23.2%	3.35x	14.7x	3.03x	13.0x
Meggitt PLC	9.59	93.3%	7,487	8,540	2,016	302	15.0%	2,036	432	21.2%	4.24x	28.3x	4.19x	19.8x
Woodward, Inc.	92.49	71.6%	5,609	6,179	2,255	350	15.5%	2,480	441	17.8%	2.74x	17.7x	2.49x	14.0x
RBC Bearings Incorporated	184.95	73.8%	5,299	6,901	943	242	25.6%	1,462	396	27.1%	7.32x	28.6x	4.72x	17.4x
Curtiss-Wright Corporation	132.06	81.0%	5,077	6,240	2,468	505	20.5%	2,553	548	21.5%	2.53x	12.4x	2.44x	11.4x
Moog Inc.	79.39	88.2%	2,536	3,346	2,927	323	11.0%	3,066	379	12.3%	1.14x	10.4x	1.09x	8.8x
Ducommun Incorporated	43.04	74.0%	518	793	645	77	12.0%	700	98	14.1%	1.23x	10.3x	1.13x	8.1x
Héroux-Devtek Inc.	10.79	70.7%	372	492	429	57	13.3%	437	66	15.1%	1.14x	8.6x	1.13x	7.5x
Astronics Corporation	10.17	52.7%	321	451	455	(1)	NM	548	23	4.2%	0.99x	NM	0.82x	19.5x
Median		74.0%	\$5,077	\$6,179	\$2,016	\$302	15.2%	\$2,036	\$396	17.8%	2.53x	13.5x	2.44x	13.0x

Aftermarket / MRO	Stock Price 06/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2022E			EV / LTM		EV / CY2022E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
TransDigm Group Incorporated	\$536.67	78.2%	\$29,305	\$45,056	\$5,018	\$2,245	44.7%	\$5,571	\$2,664	47.8%	8.98x	20.1x	8.09x	16.9x
HEICO Corporation	131.12	82.3%	15,730	16,221	2,010	530	26.4%	2,226	602	27.0%	8.07x	30.6x	7.29x	27.0x
Singapore Technologies Engineering Ltd	2.93	96.7%	9,139	10,298	5,706	703	12.3%	6,446	846	13.1%	1.80x	14.6x	1.60x	12.2x
SIA Engineering Company Limited	1.75	89.4%	1,969	1,566	418	(50)	NM	521	45	8.7%	3.75x	NM	3.00x	NM
AAR Corp.	41.84	79.2%	1,457	1,577	1,782	132	7.4%	1,857	182	9.8%	0.89x	12.0x	0.85x	8.7x
Median		82.3%	\$9,139	\$10,298	\$2,010	\$530	19.3%	\$2,226	\$602	13.1%	3.75x	17.4x	3.00x	14.5x

Note: NM = Not Meaningful

Sources: S&P Capital IQ, company filings, and KippsDeSanto research

Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Defense Primes	Stock Price 06/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2022E			EV / LTM		EV / CY2022E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Raytheon Technologies Corporation	\$96.11	90.7%	\$142,537	\$171,156	\$64,853	\$11,350	17.5%	\$68,328	\$12,519	18.3%	2.64x	15.1x	2.50x	13.7x
Lockheed Martin Corporation	429.96	89.6%	114,599	124,361	65,750	8,743	13.3%	66,005	9,863	14.9%	1.89x	14.2x	1.88x	12.6x
Northrop Grumman Corporation	478.57	97.2%	74,391	86,710	35,307	7,338	20.8%	36,552	4,834	13.2%	2.46x	11.8x	2.37x	17.9x
General Dynamics Corporation	221.25	86.8%	61,325	71,591	38,472	5,268	13.7%	39,494	5,170	13.1%	1.86x	13.6x	1.81x	13.8x
L3Harris Technologies, Inc.	241.70	86.4%	46,618	54,159	17,350	3,561	20.5%	17,536	3,752	21.4%	3.12x	15.2x	3.09x	14.4x
BAE Systems plc	10.09	98.8%	31,789	36,970	26,433	3,011	11.4%	26,840	3,656	13.6%	1.40x	12.3x	1.38x	10.1x
Median		90.1%	\$67,858	\$79,150	\$36,890	\$6,303	15.6%	\$38,023	\$5,002	14.3%	2.17x	13.9x	2.13x	13.8x

Defense Systems	Stock Price 06/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2022E			EV / LTM		EV / CY2022E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Safran SA	\$98.48	76.5%	\$42,032	\$44,683	\$17,392	\$2,872	16.5%	\$18,572	\$3,534	19.0%	2.57x	15.6x	2.41x	12.6x
Huntington Ingalls Industries, Inc.	217.82	95.3%	8,723	11,782	9,822	1,003	10.2%	10,783	984	9.1%	1.20x	11.7x	1.09x	12.0x
Kongsberg Gruppen ASA	35.73	83.7%	6,328	5,999	3,212	399	12.4%	3,058	421	13.8%	1.87x	15.0x	1.96x	14.2x
AeroVironment, Inc.	82.20	72.0%	2,036	2,151	446	52	11.7%	485	82	17.0%	4.83x	NM	4.43x	26.1x
Median		80.1%	\$7,526	\$8,891	\$6,517	\$701	12.1%	\$6,920	\$702	15.4%	2.22x	15.0x	2.18x	13.4x

Note: NM = Not Meaningful

Sources: S&P Capital IQ, company filings, and KippsDeSanto research

Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Defense Electronics / Comm.	Stock Price 06/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2022E			EV / LTM		EV / CY2022E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Teledyne Technologies Incorporated	\$375.11	75.9%	\$17,571	\$21,558	\$5,130	\$1,174	22.9%	\$5,519	\$1,344	24.3%	4.20x	18.4x	3.91x	16.0x
Mercury Systems, Inc.	64.33	89.0%	3,710	4,142	949	162	17.1%	1,064	239	22.5%	4.36x	25.5x	3.89x	17.3x
Ultra Electronics Holdings plc	42.07	99.9%	3,018	3,072	1,152	182	15.8%	1,099	200	18.2%	2.67x	16.9x	2.79x	15.3x
Hensoldt AG	25.19	79.7%	2,645	3,264	1,723	234	13.6%	1,764	301	17.0%	1.89x	13.9x	1.85x	10.9x
Viasat, Inc.	30.63	44.5%	2,280	4,884	2,788	480	17.2%	2,982	613	20.5%	1.75x	10.2x	1.64x	8.0x
Kratos Defense & Security Solutions, Inc.	13.88	47.7%	1,735	1,879	814	50	6.2%	896	87	9.7%	2.31x	37.3x	2.10x	21.7x
Comtech Telecommunications Corp.	9.07	32.7%	241	494	505	17	3.3%	476	39	8.1%	0.98x	29.9x	1.04x	12.8x
Median		75.9%	\$2,645	\$3,264	\$1,152	\$182	15.8%	\$1,099	\$239	18.2%	2.31x	18.4x	2.10x	15.3x

Homeland Security	Stock Price 06/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2022E			EV / LTM		EV / CY2022E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Smiths Group plc	\$17.01	85.2%	\$6,290	\$6,017	\$3,286	\$613	18.7%	\$3,112	\$623	20.0%	1.83x	9.8x	1.93x	9.7x
MSA Safety Incorporated	121.07	72.3%	4,762	5,218	1,422	312	21.9%	1,508	332	22.0%	3.67x	16.7x	3.46x	15.7x
OSI Systems, Inc.	85.44	84.1%	1,456	1,781	1,179	157	13.4%	1,219	210	17.2%	1.51x	11.3x	1.46x	8.5x
Smith & Wesson Brands, Inc.	13.13	33.1%	601	523	864	286	33.1%	637	156	24.6%	0.60x	1.8x	0.82x	3.3x
Median		78.2%	\$3,109	\$3,500	\$1,301	\$299	20.3%	\$1,363	\$271	21.0%	1.67x	10.6x	1.70x	9.1x

Note: NM = Not Meaningful

Sources: S&P Capital IQ, company filings, and KippsDeSanto research



Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Government Services	Stock Price 06/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2022E			EV / LTM		EV / CY2022E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Leidos Holdings, Inc.	\$100.71	90.6%	\$13,763	\$19,239	\$13,916	\$1,464	10.5%	\$14,189	\$1,474	10.4%	1.38x	13.1x	1.36x	13.1x
Booz Allen Hamilton Holding Corporation	90.36	98.8%	11,954	14,363	8,364	922	11.0%	8,865	929	10.5%	1.72x	15.6x	1.62x	15.5x
CACI International Inc	281.78	89.9%	6,597	8,660	6,125	620	10.1%	6,484	677	10.4%	1.41x	14.0x	1.34x	12.8x
SAIC	93.10	97.0%	5,184	7,778	7,512	647	8.6%	7,505	670	8.9%	1.04x	12.0x	1.04x	11.6x
Parsons Corporation	40.42	96.6%	4,193	4,728	3,735	251	6.7%	3,880	334	8.6%	1.27x	18.9x	1.22x	14.2x
ManTech International Corporation	95.45	99.4%	3,909	4,250	2,596	269	10.3%	2,674	258	9.6%	1.64x	15.8x	1.59x	16.5x
ICF International, Inc.	95.00	87.8%	1,785	2,459	1,588	152	9.6%	1,709	172	10.0%	1.55x	16.1x	1.44x	14.3x
Vectrus, Inc. ⁽¹⁾	33.46	63.5%	396	537	1,806	67	3.7%	1,851	85	4.6%	0.30x	8.0x	0.29x	6.4x
Median		93.6%	\$4,688	\$6,253	\$4,930	\$444	9.9%	\$5,182	\$502	9.8%	1.40x	14.8x	1.35x	13.6x

Government Technology Software	Stock Price 06/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2022E			EV / LTM		EV / CY2022E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Palantir Technologies Inc.	\$9.07	31.0%	\$18,563	\$16,308	\$1,647	(\$320)	NM	\$1,987	\$549	27.6%	9.90x	NM	8.21x	29.7x
Tyler Technologies, Inc.	332.48	59.6%	13,789	14,873	1,754	345	19.7%	1,859	480	25.8%	8.48x	NM	8.00x	NM
Telos Corporation	8.08	23.3%	549	443	237	(39)	NM	235	21	8.7%	1.87x	NM	1.88x	21.5x
Median		31.0%	\$13,789	\$14,873	\$1,647	(\$39)	19.7%	\$1,859	\$480	25.8%	8.48x	#NUM!	8.00x	25.6x

Note: NM = Not Meaningful

Sources: S&P Capital IQ, company filings, and KippsDeSanto research

(1) Represents financial information for standalone entity as the merger with Vertex was pending in 2Q22

Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Engineering & Construction	Stock Price 06/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2022E			EV / LTM		EV / CY2022E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Jacobs Engineering Group Inc.	\$127.13	84.6%	\$16,352	\$19,934	\$14,378	\$1,409	9.8%	\$15,489	\$1,479	9.5%	1.39x	14.1x	1.29x	13.5x
AECOM	65.22	81.6%	9,199	11,351	13,242	848	6.4%	13,957	919	6.6%	0.86x	13.4x	0.81x	12.4x
Tetra Tech, Inc.	136.55	70.8%	7,330	7,618	2,726	338	12.4%	2,825	354	12.5%	2.79x	22.6x	2.70x	21.5x
KBR, Inc.	48.39	85.0%	6,753	8,469	7,592	526	6.9%	6,643	646	9.7%	1.12x	16.1x	1.27x	13.1x
Babcock International Group PLC	3.75	79.5%	1,895	3,802	5,876	(269)	NM	5,010	553	11.0%	0.65x	NM	0.76x	6.9x
Median		81.6%	\$7,330	\$8,469	\$7,592	\$526	8.4%	\$6,643	\$646	9.7%	1.12x	15.1x	1.27x	13.1x

Space	Stock Price 06/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2022E			EV / LTM		EV / CY2022E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Maxar Technologies Inc.	\$26.09	63.5%	\$1,923	\$4,208	\$1,783	\$434	24.3%	\$1,817	\$467	25.7%	2.36x	9.7x	2.32x	9.0x
Rocket Lab USA, Inc.	3.79	17.8%	1,758	1,304	85	(107)	NM	206	(34)	NM	15.38x	NM	6.32x	NM
Virgin Galactic Holdings, Inc.	6.02	11.1%	1,557	1,146	4	(320)	NM	2	(333)	NM	NM	NM	NM	NM
Astra Space, Inc.	1.30	7.7%	343	97	4	(194)	NM	20	(180)	NM	NM	NM	4.87x	NM
Redwire Corporation	3.04	17.9%	192	277	139	(44)	NM	167	9	5.3%	1.99x	NM	1.66x	NM
Momentum Inc.	2.16	14.7%	177	70	0	(100)	NM	5	NM	NM	NM	NM	12.81x	NM
Median		16.2%	\$950	\$711	\$44	(\$103)	24.3%	\$93	(\$34)	15.5%	2.36x	9.7x	4.87x	9.0x

Note: NM = Not Meaningful

Sources: S&P Capital IQ, company filings, and KippsDeSanto research

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