

# MarketView

Aerospace / Defense &  
Government Technology  
Services

Winter 2023

**Kipps DeSanto**  
INVESTMENT BANKING



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# Getting Deals Done

- KippsDeSanto has closed 56 transactions<sup>(1)</sup> since January 2021, leveraging depth of experience and unique approaches to achieve optimal results

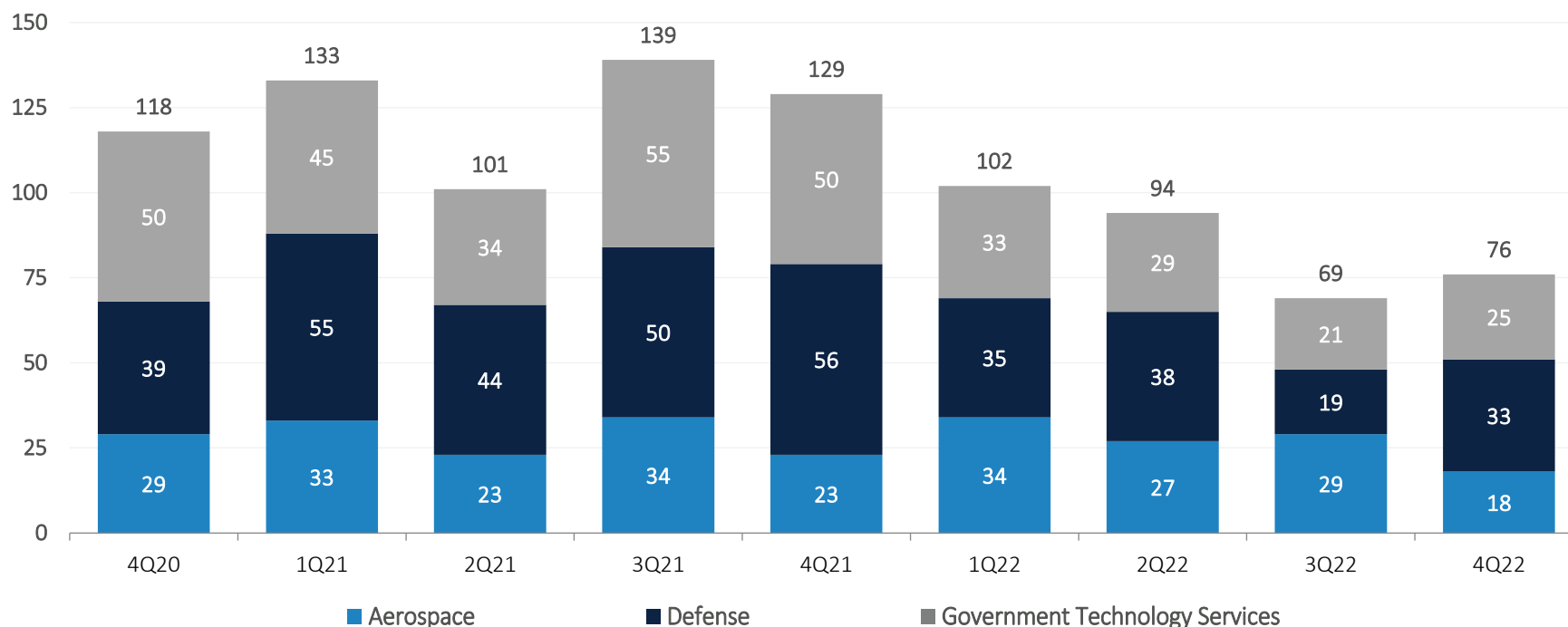
## Select Transaction Success

<p>December 2022</p> <p><b>XCELERATE</b> SOLUTIONS</p> <p>has been acquired by</p> <p><b>McNally</b> CAPITAL</p>	<p>December 2022</p> <p><b>BLACKHAWK</b> AEROSPACE</p> <p>has been acquired by</p> <p><b>New State Aviation Holdings</b></p> <p>a portfolio company of</p> <p><b>NEW STATE</b> CAPITAL PARTNERS</p>	<p>December 2022</p> <p><b>DLH</b></p> <p>has acquired</p> <p><b>GRSi</b></p>	<p>November 2022</p> <p><b>iNovex</b></p> <p>has received an investment from</p> <p><b>ENLIGHTENMENT CAPITAL</b></p>	<p>November 2022</p> <p><b>SYNAPTECH</b></p> <p>has been acquired by</p> <p><b>LMI</b></p> <p>a portfolio company of</p> <p><b>DECLARATION PARTNERS</b> <b>CAPITOL MERIDIAN PARTNERS</b> <b>22C Capital</b></p>	<p>October 2022</p> <p><b>agile</b> DEFENSE</p> <p>has been acquired by</p> <p><b>ENLIGHTENMENT CAPITAL</b></p>	<p>October 2022</p> <p><b>Woodlawn</b> MANUFACTURING</p> <p>a portfolio company of</p> <p><b>LONE STAR INVESTMENT ADVISORS</b></p> <p>has been acquired by</p> <p><b>MDC</b></p>	<p>September 2022</p> <p><b>sbs</b></p> <p>has been acquired by</p> <p>an affiliate of <b>PEAK ROCK CAPITAL</b></p>	<p>September 2022</p> <p><b>SENECA RESOURCES</b></p> <p>has been acquired by</p> <p><b>CAYMUS EQUITY</b></p>	<p>July 2022</p> <p><b>IPKEYS</b></p> <p>has been acquired by</p> <p><b>Chickasaw</b> NATION INDUSTRIES</p>
<p>July 2022</p> <p><b>numerica</b> Space Division</p> <p>has been acquired by</p> <p><b>SLINGSHOT</b> AEROSPACE</p>	<p>July 2022</p> <p><b>LMI</b></p> <p>has been acquired by</p> <p><b>DECLARATION PARTNERS</b> <b>CAPITOL MERIDIAN PARTNERS</b> <b>22C Capital</b></p>	<p>March 2022</p> <p><b>TOP ACES</b></p> <p>a portfolio company of</p> <p><b>CLAIRVEST</b></p>	<p>February 2022</p> <p><b>CENTERPOINT</b></p> <p>has been acquired by</p> <p><b>Gunnison</b> CONSULTING GROUP</p> <p>a portfolio company of</p> <p><b>BLUE DELTA CAPITAL PARTNERS</b></p>	<p>January 2022</p> <p><b>Elbit Systems of America</b> Metro/Merlin Type Certificate and MRO Support Business of M7 Aerospace</p> <p>has been acquired by</p> <p><b>ONTIC</b></p>	<p>January 2022</p> <p><b>B23</b></p> <p>has been acquired by</p> <p><b>TORCH.AI™</b></p>	<p>January 2022</p> <p><b>Boecore</b></p> <p>has been acquired by</p> <p><b>ENLIGHTENMENT CAPITAL</b></p>	<p>December 2021</p> <p><b>B2GROUP</b></p> <p>has been acquired by</p> <p><b>OCTO</b></p> <p>a portfolio company of</p> <p><b>A C P</b></p>	<p>December 2021</p> <p><b>InTec</b> LLC</p> <p>has been acquired by</p> <p><b>ANSER</b></p>	<p>November 2021</p> <p><b>ENTEGRA SYSTEMS</b></p> <p>has been acquired by</p> <p><b>ATS</b> Strength in People</p> <p>a portfolio company of</p> <p><b>BLUE DELTA CAPITAL PARTNERS</b></p>
<p>November 2021</p> <p><b>VARIQ</b></p> <p>has been acquired by</p> <p><b>Capgemini</b></p>	<p>October 2021</p> <p><b>GEOCENT</b></p> <p>has been acquired by</p> <p><b>SEV1TECH</b> Secure. Connect. Evolve.</p> <p>a portfolio company of</p> <p><b>DFW CAPITAL PARTNERS</b></p>	<p>September 2021</p> <p><b>FLATIRONS</b></p> <p>has been acquired by</p> <p><b>TELEO CAPITAL</b></p>	<p>September 2021</p> <p><b>markon solutions.</b></p> <p>has been acquired by</p> <p><b>ANSER ADVISORY</b></p> <p>a portfolio company of</p> <p><b>STERLING INVESTMENT PARTNERS</b></p>	<p>September 2021</p> <p><b>ManagedCare Advisors.</b></p> <p>has been acquired by</p> <p><b>sedgwick</b></p> <p>a portfolio company of</p> <p><b>THE CARLYLE GROUP</b></p>	<p>August 2021</p> <p><b>ATLAS</b> RESEARCH</p> <p>has been acquired by</p> <p><b>CVP</b> Navigating Change</p>	<p>August 2021</p> <p><b>CRAI</b> CORPORATE</p> <p>has been acquired by</p> <p><b>Valor</b> HEALTHCARE</p> <p>a portfolio company of</p> <p><b>TRIVE CAPITAL</b></p>	<p>August 2021</p> <p><b>BEI PRECISION</b></p> <p>a portfolio company of</p> <p><b>J.F. Lehman &amp; Company</b></p> <p>has been acquired by</p> <p><b>Quantic ELECTRONICS</b></p> <p>a portfolio company of</p> <p><b>ARCLINE INVESTMENT MANAGEMENT</b></p>	<p>August 2021</p> <p><b>ATI PARTNERS</b></p> <p>has acquired</p> <p><b>GEOST</b></p>	<p>August 2021</p> <p><b>ERPI</b> Collaboration. Results. Impact.</p> <p>has been acquired by</p> <p><b>ECS</b></p> <p>a segment of</p> <p><b>ASGN Incorporated</b></p>

(1) Includes transactions which have not been publicly announced

## M&A Trends & Activity

- Deal volume in 4Q22 remained flat, as macro influences continue to have an impact – elevated inflation and looming recession concerns are expected to continue into 2023
- Due to these macro influences, the credit market has tightened through the year, which has impacted M&A financing; these financing difficulties, and the lack of quality targets have reduced overall M&A activity in the sectors for the year
- Despite all the turbulence, private equity buyers remain poised to do deals and there is still a significant amount of strategic activity in the sectors



- Aerospace deal volume declined slightly in 4Q22, while remaining lower than historical levels, as the sector continues to battle supply chain issues and staff shortages
- Defense deal volume saw a significant decrease year-over-year in 4Q22; however, the outlook for 2023 remains positive as global defense spending remains strong while geopolitical conflicts persist with more resources being sent to Ukraine and provisions to assist Taiwan
- Government Technology Services (“GTS”) increased in 4Q22 from 3Q22 levels driven by the continual priority of IT modernization; in-demand focus areas include cybersecurity, data science, and cloud capabilities among others

# Highlighted 4Q22 Industry Transactions

Announced December 2022



*has agreed to acquire*



**EV: \$4.7B**

**EV / Revenue: 2.16x**

**EV / EBITDA: 16.5x**

- L3Harris Technologies (NYSE: LHX) has agreed to acquire Aerojet Rocketdyne Holdings (NYSE: AJRD)
- Accelerates the innovation for national security propulsion solutions and ensures the defense industrial base will have an effective merchant supplier to address current and emerging threats

Announced December 2022



*has acquired*



**EV: ND**

**EV / Revenue: ND**

**EV / EBITDA: ND**

- IBM (NYSE: IBM) has acquired Octo, a portfolio company of Arlington Capital Partners
- Establishes one of the largest digital transformation partners to the federal government, combining two major players with complementary IT modernization and digital transformation capabilities

Announced December 2022



*has agreed to acquire*



**EV: \$6.4B**

**EV / Revenue: 3.66x**

**EV / EBITDA: 15.3x**

- Advent International has agreed to acquire Maxar Technologies (NYSE: MAXR)
- Maxar will utilize the operational expertise, capacity for investment, and resources from Advent to accelerate investments into next-generation satellite technologies and data insights crucial to both government and commercial customers

Announced December 2022



*has acquired*



**EV: \$185.0M**

**EV / Revenue: ND**

**EV / EBITDA: ND**

- DLH Holdings Corporation has acquired Grove Resource Solutions ("GRSi")
- Elevates DLH's information technology and engineering capabilities, while adding additional scale needed to thrive in an increasingly competitive marketplace

Announced October 2022



*has agreed to acquire*



Space Systems Business



**EV: ND**

**EV / Revenue: ND**

**EV / EBITDA: ND**

- Veritas Capital has agreed to acquire CAES Space Systems from CAES, a portfolio company of Advent International
- CAES Space Systems will utilize Veritas' deep domain expertise to accelerate growth within the space and defense electronics markets

Announced November 2022



*has acquired*



**EV: ND**

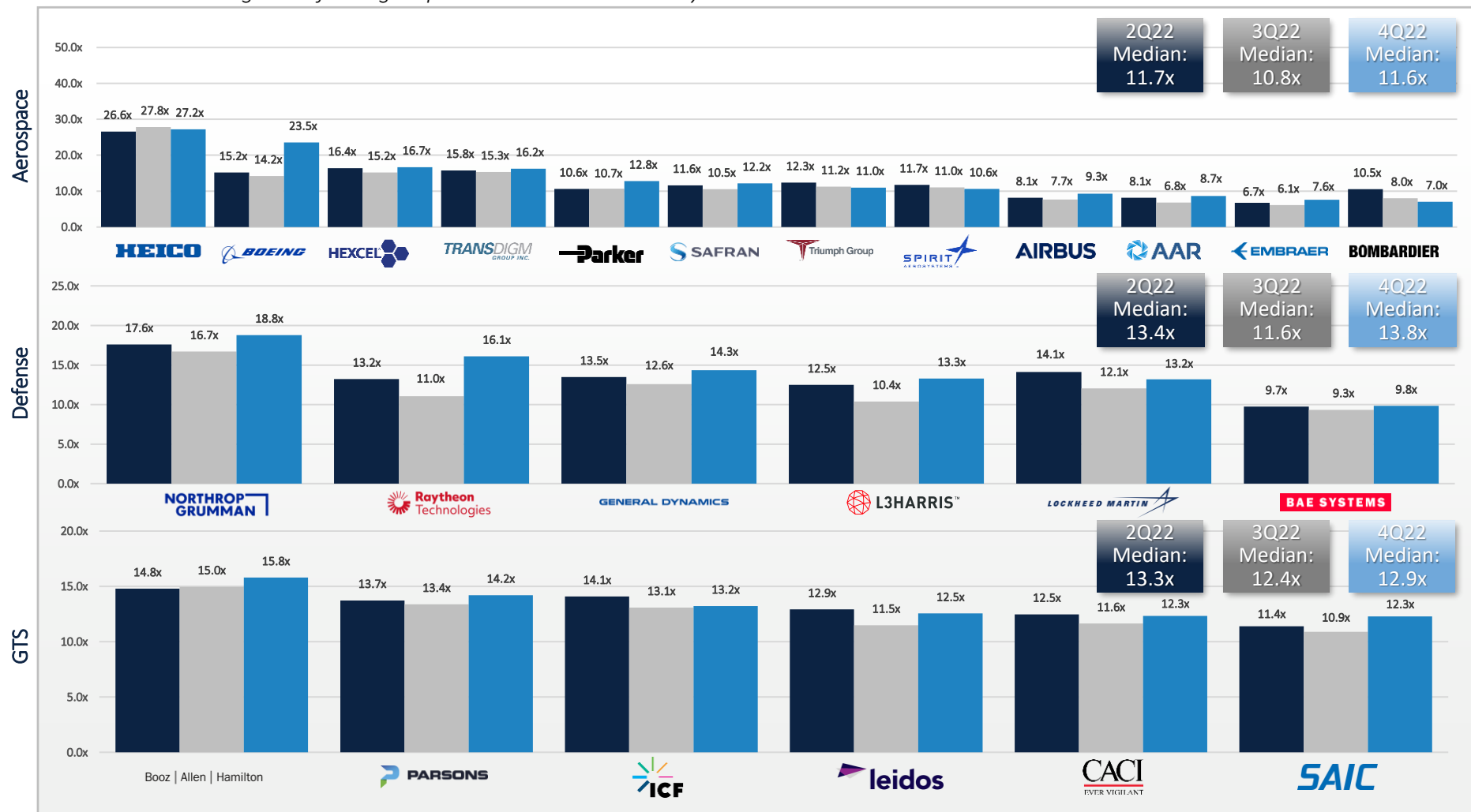
**EV / Revenue: ND**

**EV / EBITDA: ND**

- Enlightenment Capital has acquired Agile Defense
- Creates Enlightenment's newest platform, aimed at meeting the heightened demand by federal customers for digital transformation and customized IT systems and operations

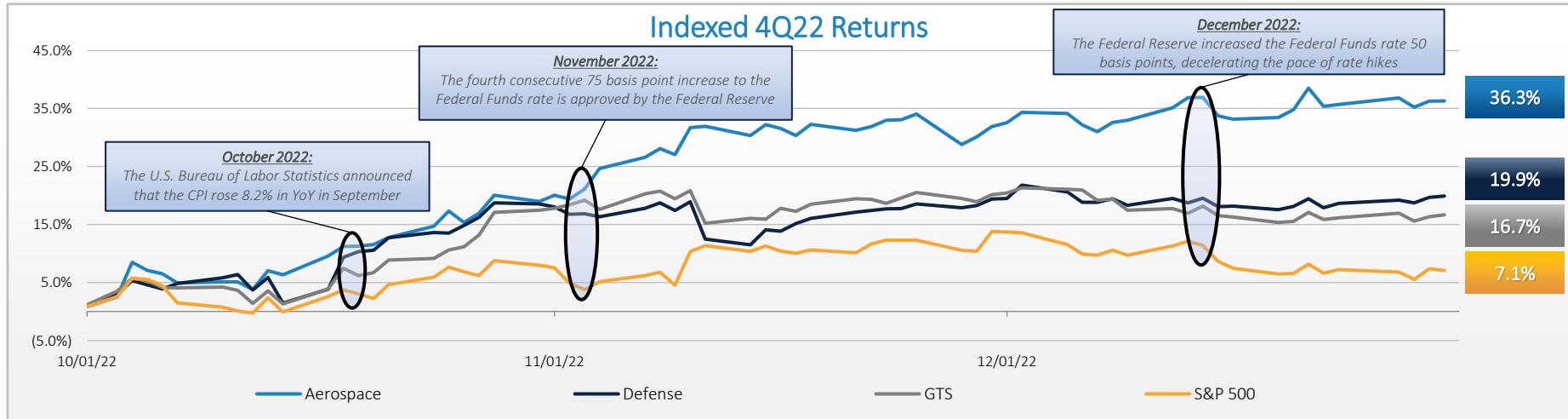
# EV / NTM EBITDA Public Market Valuation Trends

- Median public valuations increased across all three sectors in 4Q22, with defense making the largest leap, as the rebound was led by a focus on industries receiving stable funding despite macroeconomic volatility



# Equity Capital Markets Performance

- The broader market rebounded in 4Q22, benefitting from easing inflation data (from the existing elevated levels), and the Federal Reserve shifting down the pace of rate hikes, the first step down after four straight 75 basis point hikes to the Federal Funds rate
- The Aerospace, Defense, and GTS indices outperformed the S&P 500 in 4Q22 as geopolitical tensions persist, which could increase global defense spending further with a focus on intelligence and homeland security, enterprise IT, C4ISR, cyber, and space



**36.3%** ↑  
4Q22 Performance

**(6.1%)** ↓  
LTM Performance



## Aerospace

Aerospace shares **rebounded** in 4Q22 as aircraft **order and utilization data** show signs of strength going into 2023 despite **continued supply chain challenges** across the sector

Shares of **The Boeing Company (NYSE: BA)** increased **57.3% in 4Q22** as the company secured multiple large orders, including United Airline's record purchase of **100 787 Dreamliners** with the option to purchase an **additional 100 aircraft**

**19.9%** ↑  
4Q22 Performance

**27.7%** ↑  
LTM Performance



## Defense

Defense shares **increased** in 4Q22 as nations **prioritize national security** due to recent geopolitical conflicts

Shares of **Raytheon Technologies (NYSE: RTX)** increased **23% in 4Q22** as it was awarded a **\$1.2 billion** contract to supply surface-to-air missile systems, associated equipment, and services to support the United States' effort to provide military assistance to the Ukraine

**16.7%** ↑  
4Q22 Performance

**21.8%** ↑  
LTM Performance



## Government Technology Services

GTS shares **outperformed** the broader market in 4Q22 as the sector continues to benefit from **positive budgetary trends** including the **modernization of IT systems, cybersecurity**, and investments into **technology in the battlefield**

**Science Applications International Corporation (NYSE: SAIC)** gained 25.4% in 4Q22. One highlight was the Pentagon's focus on JADC2, an area where SAIC has won over \$500 million in contracts this year



# Aerospace Update

## Upticks in Recent Order and Inventory / Utilization Data Suggests Air Travel is on the Up

*Economic uncertainty and supply chain woes* have kept commercial airlines and air cargo demand from fully recovering from the COVID-19 pandemic; however, there have been some optimistic trends such as *elevated order metrics and utilization data* that suggest global aviation markets are *trending positively* into 2023.

Deliveries of Boeing and Airbus aircraft are expected *to increase by ~18%* in 2023, and deliveries of large commercial engines are expected to recover in 2023 after declining in 2022. Another sign of strength this quarter include United Airlines' plan to *purchase 100 of Boeing's 787 Dreamliners*, with the option to purchase 100 additional aircraft. Considering multiple large aircraft orders like United's announced in December, airlines have indicated their confidence in Boeing as the leading manufacturer for U.S. airlines.

Additionally, while the fleet of parked aircraft *remains higher than pre-pandemic levels*, the number of parked aircraft is *down 49%* from their levels in 2020, signaling that airlines are holding onto capacity as new aircraft come online and as passenger levels continue to increase.

### Recent Major Aircraft Orders

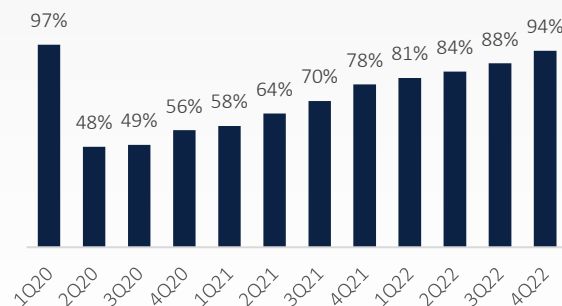
Southwest	DELTA	UNITED
2023 Delivery	2024 Delivery	2025 Delivery
90 Aircraft	100 737 MAX	100 787 Dreamliners

## MRO Trends to Look for in 2023

Due to *aging aircraft fleets and delayed aircraft deliveries*, MRO markets are expected to experience *robust growth in the first half of 2023* as OEMs continue to recover from the depths of the pandemic. Aftermarket equipment and parts providers in particular are experiencing increased demand from these industry dynamics.

Sales of engine systems & components by large MRO companies in 4Q22 are at *~94% of 4Q19 levels*, with expectations that levels will reach *100% in 2023E*. 4Q22 marks the first time that aftermarket sales have been *more than 90% of 4Q19* levels since the COVID-19 pandemic began in the first half of 2020.

### Aftermarket Recovery: Sales vs Same Period of 2019



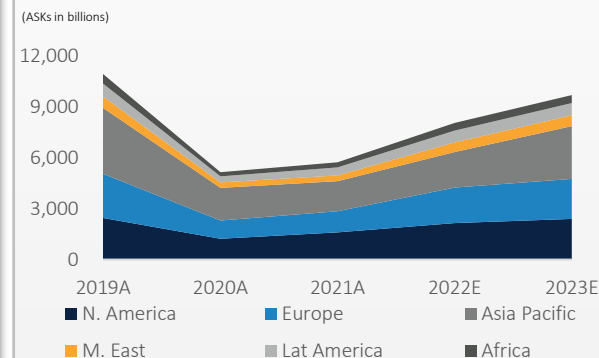
Airlines will also look to further *consolidate their supply chains* in 2023 as large players look to ensure supply chain efficiency, stimulating M&A activity in the sector. On that same note, as airlines seek new ways to minimize risk, *MRO providers that are closest to the primary operations of airlines* will attract the most work moving forward.

## Asian Aviation Markets Expected to Drive Air Traffic Growth in 2023

As North American and European aviation markets continue to recover, growth in the aviation markets in 2023 is *expected to come from Asian markets*. However, recovery in Asia is mainly *dependent on the extent of Chinese re-opening efforts* after multiple periods of lockdown in 2022.

Signs of strength in the Asian aviation markets include domestic flight activity increasing to *65% of pre-pandemic levels in China* in December and an *influx of Lunar New Year bookings*, signaling a positive trajectory heading into 2023.

### Actual Seat Kilometers ("ASK") by Geography



Due to widespread lockdowns across Asia in 2022 and, *ASKs in the region remained below 60% of 2019 levels*. In 2023, Asia Pacific (excluding China) and Chinese ASKs are *expected to grow to 87% and 69% of 2019 levels*, respectively as China moves away from its COVID Zero strategy.

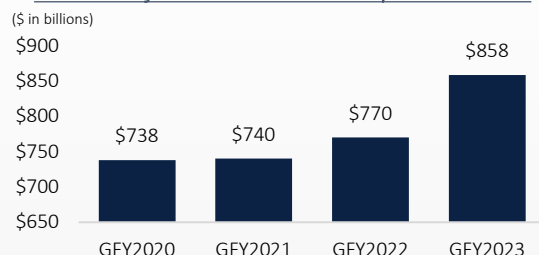
# Defense Update

## U.S. Senate Passes Record \$858 Billion Defense Act

The Senate voted 83-11 to authorize an **8% defense budget increase** over GFY2022 levels, and the GFY2023 National Defense Authorization Act (“NDAA”) adds **allocated \$858 billion in funding**.

This focuses on a pay raise for troops, additional funding to help the Pentagon cope with inflation, and expanded capacity for the defense industrial base to produce major weapons systems.

### National Defense Authorization Act Spend Over Time



The bill provides **over \$800 million in additional security assistance to Ukraine** next year and includes a range of provisions to strengthen Taiwan amid tensions with China, which says the planned measures will help the island’s military preparedness and “ensure the freedom, openness, peace, and stability of the Indo-Pacific region.”

The bill also authorizes more funds to develop hypersonic weapons, close the Red Hill Bulk Storage Facility in Hawaii, and purchase weapons systems, including Lockheed Martin’s F-35 fighter jets and DDG-51 destroyers made by General Dynamics. The legislation allocates billions to bolstering production to refill U.S. stockpiles sent to Ukraine, and to procure additional munitions and expand the U.S. industrial base production capacity to decrease China’s influence in the U.S. defense supply chain.

## NATO Launches the World’s First Multi-Sovereign Venture Capital Fund to Invest in Early-Stage Emerging Technologies

The NATO Innovation Fund (“NIF”) launched at the Madrid Summit in June as a way for the Alliance to boost its defense capabilities through investments in dual-use emerging and disruptive technologies (“EDTs”).

The NIF is **a one-billion-euro fund** that will invest in start-ups and venture capital funds developing dual-use emerging technologies, launched by 22 out of 30 allies, making it the world’s **first multi-sovereign venture capital fund**. The fund intends to identify often-underlooked dual-use investment opportunities across the Alliance in EDTs, such as artificial intelligence, autonomy, space, hypersonics, and more, with an aim to scale startups and eventually incorporate them in NATO’s defense capabilities.

While the fund’s ultimate goal is to help deliver NATO’s mission to defend freedom and the international rules-based order, it also has the opportunity to extend collaboration with democracies in the Asia-Pacific including Taiwan, South Korea, and Japan, which would strength their linkages to the NATO defense-technology ecosystem. The fund aims to foster a dynamic transatlantic ecosystem of accelerators, co-investors, later-stage investment funds, research facilities, and innovators in dual-use technology.

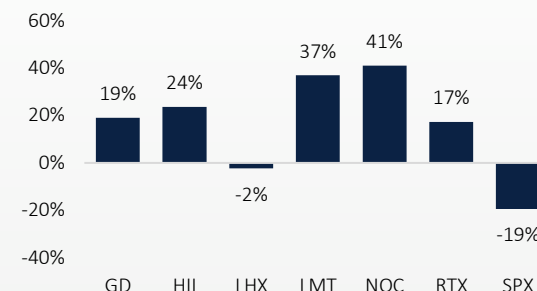
While the NIF is focused on investments in early-stage companies, as startups grow and scale, the need for simultaneous growth-stage investment funds that are focused on dual-use technologies will rise.

## Macro Environment is Bolstering Defense Stocks

The current macro environment helps Defense stocks due to their **strong fundamental bases** and positioning a haven from recession concerns.

The macro environment has been particularly favorable for Northrop Grumman and Lockheed Martin, which show strength going into 2023 based on valuation, sentiment, and potential upside to 2023 – 2024 estimates. Overall, Defense Primes and Services were up across the board as a result of the conflict in Ukraine.

### Defense Primes Performance 2022



The bull case for defense is supported by confrontation with China supporting Defense budgets, Ukraine War supporting Defense spending for the U.S. and allies, war in the headlines supporting multiples, defense offering visible growth amid recession fears, and Congress supporting the investment accounts.

Several supporting factors of a bear case for defense include some valuations being elevated, money hiding in defense stocks potentially exiting once there is more confidence in the macro-outlook, a continuing resolution adding uncertainty to the growth trajectory and political risk, and persistent supply chain issues.



# Government Technology Services Update

## Federal Government Prepares for a Quantum World

The ongoing development of [Quantum Information Science \("QIS"\)](#) is poised to provide federal agencies with a robust set of solutions to their most complex challenges through ultra-advanced computing. While advanced, the burgeoning technology presents [major cyber risk](#), particularly through the decryption of cryptographic algorithms used to protect federal data and systems.

Considering the juxtaposition, the White House issued two directives that recommit quantum R&D funding and supply guidelines to support federal agencies as they transition to a quantum environment. These guidelines prompted Congress to pass the [Quantum Computing Cybersecurity Preparedness Act](#) on December 16th, 2022.

The White House and Congress' action signal a commitment towards deepening the U.S.' quantum capability while staying ahead of potential rivals. The House and Senate have passed separate bills this year committing [~\\$29 billion in Quantum Computing and Artificial Intelligence \("AI"\) research](#), which are awaiting reconciliation. Ultimately, agencies will require contractor's solutions to harness the benefit of QIS and avoid the potential threats.

### GFY2023 Quantum R&D Budget Requests



## Environmental, Social, Governance ("ESG") Becomes a Top Priority for Biden Administration

Recently enacted funding has highlighted the importance of ESG-related initiatives to the current Administration. The [Infrastructure Investment and Jobs Act \("IIJA"\)](#), [Supreme Court Security Funding Act of 2022 \(CHIPS and Science Act\)](#), and the [Inflation Reduction Act \("IRA"\)](#) contain additional agency funding and authorizations to bolster ESG-related activities and meet White House sustainability goals.

### Specific Technology-Related ESG Funding Provisions:



[\\$16.5 billion](#) for research in 10 technology areas including advanced energy and industrial efficiency technologies



[\\$3.3 billion](#) to support coastal conservation, restoration, and protection



[\\$600 million](#) in grants to industry performing research and development of alternatives to critical materials

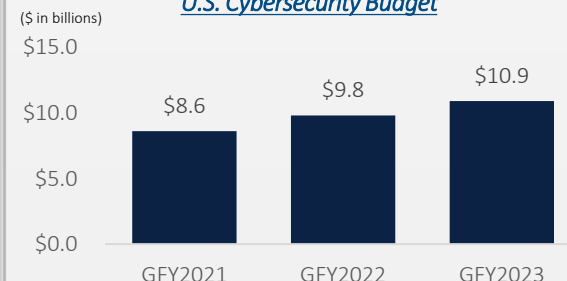
In addition to funding increases, federal contractors should anticipate GFY2023 to bring [increased compliance around climate change](#). In November 2022, DoD, GSA, and NASA published the Federal Supplier Climate Risks and Resilience Rule, which proposed amending the [Federal Acquisition Regulation \("FAR"\)](#) to require federal contractors to [report on and reduce greenhouse gas \("GHG"\) emissions](#). The rule would direct select federal contractors to [align emissions with GHG protocol corporate standards, report on financial climate risks, and develop emission reduction targets](#).

## Cybersecurity Remains at the Forefront of White House Policies

Looking to GFY2023, the White House continues to emphasize cybersecurity innovation across federal agencies. The implementation of such policies requires additional oversight and accountability to improve visibility, transparency, and performance across federal agencies. The recent implementation of [Cyber Executive Order 14028](#) requires federal agencies to remain charged with improving the nations cyber resiliency and risk management. This executive order also [mandates improvements to supply chain security, translating into pressure on product and service providers](#).

The executive order laid out five key areas of focus for GFY2023 spending: [Zero Trust Architecture \("ZTA"\)](#), [Data Collection and Information Sharing, Vulnerability and Incident Response, Cloud Security, and Software Supply Chain Security](#). On cloud security, a federal strategy and FedRAMP modernization plan are expected. As the role of cloud in federal agencies' IT modernization and cyber strategies increases, so does the importance of FedRAMP, which is expected to receive an additional \$10M for GFY2023 to support and invest in automation for the security authorization process.

### U.S. Cybersecurity Budget



# 4Q22 Aerospace Transactions<sup>(1)</sup>

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
12/23/22	AVEX, Inc. (portco of New State Capital)	Blackhawk Aerospace	Provides a wide range of aviation services including MRO, engine upgrades, composites, aircraft sales, and other technologies to the commercial and government aviation markets	ND	ND	ND	ND		ND	ND
12/22/22	Integrated Polymer Solutions (portco of Arcline Investment Management)	Akrofire, Inc.	Provides highly engineered, elastomeric, fire seal solutions and cargo bay repairs for the business jet, commercial aerospace, and defense aerospace markets	ND	ND	ND	ND		ND	ND
12/08/22	Greenbriar Equity Group, LP	Applied Aerospace Structures Corp. (portco of Venture Associates Partners, LLC)	Provides complex composite and metal bonded structures and assemblies for both military and commercial applications	ND	ND	ND	ND		ND	ND
12/07/22	Tiger Infrastructure Partners LP	Eirtech Aviation Services, Ltd. and International Aerospace Coating Holdings L.P. (portfolio company of Vance Street Capital)	Provides exterior and interior aircraft painting, aircraft refurbishment and graphics together with a range of specialist services for private sector and international government aerospace markets	ND	ND	ND	ND		ND	ND
12/06/22	C&L Aviation Group	ACIAS Technics	Provides structural component repair and overhaul for multiple aircraft types	ND	ND	ND	ND		ND	ND
12/01/22	Jet Parts Engineering, Inc. (portco of Vance Street Capital LLC)	Northeast Aero Compressor	Provides component repairs focused on complex pneumatic, hydraulic, and electro-mechanical parts in commercial and cargo aircraft	ND	ND	ND	ND		ND	ND
11/30/22	Whitcraft Group (portco of Clayton, Dubilier & Rice ("CD&R") and Greenbriar Equity Group, L.P.)	Paradigm Precision (portco of The Carlyle Group (NASDAQ: CG))	Provides complex machining, fabrications, and assemblies for engine manufacturers	ND	ND	ND	ND		ND	ND
11/07/22	Indra Sistemas S.A. (Madrid: IDR.MC)	Air Traffic Management Business of Selex ES, Inc. (subsidiary of Leonardo S.p.A (Milan: LDO.MI))	Provides ground-based navigation, precision landing (ILS, CVOR / DVOR, and DME) and surveillance systems to military and civil aviation customers globally	ND	ND	ND	ND		ND	ND
11/03/22	Re:Build Manufacturing	Answer Engineering	Provides design, development, and analysis services as an engineering consulting firm to customers across all major aerospace market segments, including commercial aviation, general aviation, defense, urban air mobility, space exploration, launch and communications systems	ND	ND	ND	ND		ND	ND
11/03/22	ATL Partners	Aero Accessories & Repair, Inc.	Provides advanced repair solutions for next generation fuel, hydraulic, pneumatic, & electro-mechanical components for private sector and U.S. Federal Government aerospace markets	ND	ND	ND	ND		ND	ND
10/19/22	Adani Defense Systems & Technologies Ltd	Indian MRO Air Works	Provides maintenance, repair, and overhaul for aircrafts	\$48.6	ND	ND	ND		ND	ND
10/11/22	Ansys, Inc. (NasdaqGS: ANSS)	Cullmore and Ring Technologies, Inc.	Provides orbital thermal analysis solutions for private sector and U.S. Federal Government aerospace and defense markets	ND	ND	ND	ND		ND	ND
10/11/22	Unical Aviation, Inc., (portco of Platinum Equity Holdings)	Component Repair Business of CaVU Aerospace, Inc.	Provides aircraft component repair and 24/7 Aircraft on Ground support services	ND	ND	ND	ND		ND	ND
10/06/22	ZeroAvia, Inc.	Hypoint, Inc.	Provides next generation hydrogen fuel cell systems with zero CO2 emissions energy performance for the air transportation and urban air mobility markets	\$80.0	ND	ND	ND		ND	ND
10/04/22	AeroRepair Corp (n/k/a Aero 3, Inc.) (portco of GenNx360 Capital Partners)	Aircrafters, Inc.	Provides wheel and brake parts for the aviation industry through its aftermarket distribution of Collins wheel and brake parts, its extensive parts inventory, and the provision of exchange asset pools for multiple global operators	ND	ND	ND	ND		ND	ND
10/04/22	AEA Investors L.P.	Worldwide Electric Corp. (portco of Graycliff Partners L.P.)	Provides electric motors, motor controls, rotary and solid-state power frequency converters, and gear reducers for applications in the industrial, aerospace, and government markets	ND	ND	ND	ND		ND	ND

(1) Includes announced transactions  
Note: ND = Not Disclosed; NM = Not Meaningful



## 4Q22 Aerospace Transactions, cont.<sup>(1)</sup>

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin		Rev.	EBITDA
10/03/22	3D Plus S.A. (subsidiary of HEICO Corp.'s Electronic Technologies Group (NYSE: HEI.A))	Trad SAS	Provides test and simulation services to measure radiation effects on electronic components and materials, software for radiation testing and effects modeling, and sourcing/screening services on radiation tolerant and radiation hardened components	ND	ND	ND	ND		ND	ND
10/03/22	Qnnect (portco of Arcline Investment Management)	Connectronics, Inc.	Provides high performance RF and Microwave connectors and adapters for the Aerospace, Telecom, Military, Test and Measurement and Medical applications	ND	ND	ND	ND		ND	ND

(1) Includes announced transactions  
Note: ND = Not Disclosed; NM = Not Meaningful

# 4Q22 Defense Transactions<sup>(1)</sup>

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
12/22/22	Titan Innovations	Sky Sapience Ltd. (subsidiary of COMSovereign Holding Corp. (NasdaqCM: COMS))	Provides aerial rotorcraft platforms for defense, homeland security and commercial markets	\$1.8	ND	ND	ND		ND	ND
12/18/22	L3Harris Technologies, Inc. (NYSE: LHX)	Aerojet Rocketdyne Holdings, Inc. (NYSE: AJRD)	Provides specialized power and propulsion systems, as well as armament systems	\$4,700.0	\$2,179.1	\$284.0	13%	2.2x	16.5x	
12/16/22	Advent International	Maxar Technologies (NYSE:MAXR)	Provides comprehensive space solutions and secure, precise geospatial intelligence	\$6,400.0	\$1,747.0	\$418.0	24%	3.7x	15.3x	
12/15/22	Summit Equity Group & Midwest Growth Partners	Manitowoc Tool & Machining (portco of Merit Capital Partners)	Provides a wide range of precision machining capabilities and related services specializing in medium- to high-volume and high cost-of-failure components for long-duration OEM platforms	ND	ND	ND	ND		ND	ND
12/09/22	Forged Solutions Group Ltd. (portco of Arlington Capital Partners)	Continental Forge Co.	Provides precision near-net shape forged, machined solutions, and is a supplier of aerospace components to private sector and U.S. Federal Government aerospace and defense markets	ND	ND	ND	ND		ND	ND
11/30/22	Logistics Management Institute, Inc. (portco of Declaration Partners, Capitol Meridian Partners, and 22C Capital)	Synaptech	Provides cutting-edge digital engineering, modeling, and simulation software for U.S. Federal Government defense and space markets	ND	ND	ND	ND		ND	ND
11/28/22	Katek SE (KTEK.F)	Nextek, Inc.	Provides full-service electronics manufacturing services to private sector and U.S. Federal Government aerospace, defense, and medical markets	ND	\$37.0	ND	ND		ND	ND
11/28/22	Highlander Partners LP	Liteye Systems, Inc.	Provides multi-domain and multi-mission defense systems for private sector and U.S. Federal Government defense markets	ND	ND	ND	ND		ND	ND
11/25/22	Czechoslovak Group a.s.	Fiocchi Munizioni S.p.A.	Provides small caliber ammunition and products for private sector and international government special law enforcement and hunting markets	ND	\$393.0	ND	ND		ND	ND
11/21/22	Plansee SE	Mi-Tech Metals, Inc.	Provides precision tungsten alloys and tungsten composites for private sector and U.S. Federal Government aerospace, defense, industrial, and medical markets	ND	ND	ND	ND		ND	ND
11/18/22	The Albers Group LLC (dba: Albers Aerospace)	Garrett Container Systems, Inc.	Provides aluminum storage, shipping containers, and tactical kits for private sector and U.S. Federal Government defense markets	ND	ND	ND	ND		ND	ND
11/16/22	Curtiss-Wright Corp. (NYSE: CW)	Keronite Group Ltd.	Provides Plasma Electrolytic Oxidation (PEO) surface treatment applications for private sector and international government defense, commercial aerospace, semiconductor manufacturing, and industrial vehicle markets	\$35.0	\$9.0	ND	ND	3.9x	ND	
11/14/22	Rheinmetall AG (XETRA: RHM.DE)	Expal Systems SA (subsidiary of MAXAMCorp Holding S.L. (portco of Rhone Capital))	Provides weapon systems, munitions, energetic productions, applications and technological systems, maintenance services, modernization and integrated logistics support for military vehicles and aircraft systems	\$1,240.0	\$416.0	ND	ND	3.0x	ND	
11/07/22	Bollinger Shipyards Lockport, LLC	VT Halter Marine, Inc. and ST Engineering Halter Marine & Offshore, Inc. (subsidiaries of Singapore Technologies Engineering Ltd (SES: STEG.SI))	Provides ship design, construction, dry-docking, upgrades, repair, conversion, and major fabrication services	\$15.0	ND	ND	ND		ND	ND
11/07/22	PCX Aerosystems, LLC (portco of Greenbriar Equity Group, L.P.)	Timken Aerospace Drive Systems, LLC (subsidiary of The Timken Co. (NYSE: TKR))	Provides flight critical assemblies, sub-assemblies, and components for military and civil aircraft	ND	ND	ND	ND		ND	ND
11/04/22	Safran Electronics & Defense (subsidiary of Safran S.A. (Paris: SAF.PA) and MBDA Holdings SAS)	Syrlinks	Provides radiocommunication and radio frequency products for private sector, U.S. Federal Government, and international space, defense, security, and time-frequency markets	ND	ND	ND	ND		ND	ND

(1) Includes announced transactions  
Note: ND = Not Disclosed; NM = Not Meaningful



# 4Q22 Defense Transactions, cont.<sup>(1)</sup>

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
11/03/22	Artemis Capital Partners	McDaniel Advanced Ceramic Technologies LLC	Provides high-performance proprietary advanced tubular ceramics and components for mission-critical applications across Semiconductor, Aerospace & Defense, Medical, Energy, and other Diversified Industrial end-markets	ND	ND	ND	ND		ND	ND
11/02/22	Safran Electronics & Defense (subsidiary of Safran S.A. (Paris: SAF.PA) and MBDA Holdings SAS)	63% equity stake in Cie. Industrielle des Lasers (subsidiary of ArianeGroup Holding SAS)	Provides target rangefinders, designators, guidance systems, nuclear applications, particle size and shape analyzers, deformable mirrors, optical coatings, transparent ceramics, and nanotechnologies	ND	ND	ND	ND		ND	ND
11/01/22	Breeze Holdings Acquisition Corp. (Nasdaq: BREZ) (SPAC)	True Velocity Ammunition, LLC	Provides advanced technology manufacturing company focused on developing and producing ammunition utilizing cutting-edge composite materials for military, law enforcement and commercial application	\$1,211.0	ND	ND	ND		ND	ND
11/01/22	AMETEK, Inc.	Navitar, Inc.	Provides advanced optical components and solutions for high precision applications across a diverse set of end markets	ND	ND	ND	ND		ND	ND
11/01/22	AMETEK, Inc.	RTDS Technologies, Inc.	Provides hardware, software, and support services for real time power system simulation applications in private sector and international government markets	\$430.0	\$100.0	ND	ND		4.3x	ND
10/26/22	National Presto Industries, Inc. (subsidiary of National Defense Corp. (NYSE:NPK))	Woodlawn Manufacturing Ltd. (portco of Lone Star Investment Advisors LLC)	Provides rocket warhead bodies, countermeasure flare cases, and other ammunition metal parts to the United States Military	ND	ND	ND	ND		ND	ND
10/26/22	Teledyne Technologies, Inc. (NYSE: TDY)	ETM-Electromatic, Inc.	Provides high voltage and high power microwave and high-energy X-ray subsystems for the private sector and U.S. Federal Government communications, radar/EW, test/measurement, medical, and security markets	ND	ND	ND	ND		ND	ND
10/19/22	Airobotics Ltd. (TASE: AIRO)	Iron-Drone Ltd.	Provides autonomous counter-drone systems for private sector and international government aerospace markets	ND	ND	ND	ND		ND	ND
10/13/22	Veritas Capital	CAES Space Systems (subsidiary of Cobham Ltd. (portco of Advent International Corp.))	Provides high-reliability electronic solutions for space, defense, healthcare and industrial applications	ND	ND	ND	ND		ND	ND
10/10/22	Sierra Nevada Corp.	Portfolio Assets & Intellectual Property of Voly Defense Solutions, LLC	Provides unmanned aerial vehicles (UAVs) designed for aerial logistics and Intelligence, Surveillance, and Reconnaissance (ISR) applications	ND	ND	ND	ND		ND	ND
10/07/22	Prince & Izant, LLC (portco of Industrial Growth Partners)	Peltier Mfg., Inc.	Provides specialized preforms and complex metal microstamping for high-precision industrial application for the aerospace & defense, space, medical, electronics, HVACR, and other industrial markets	ND	ND	ND	ND		ND	ND
10/06/22	Viavi Solutions Inc. (NasdaqGS: VIAV)	Jackson Labs Technologies, Inc.	Provides Position, Navigation and Timing (PNT) solutions for critical infrastructure serving both military and civilian applications	ND	ND	ND	ND		ND	ND
10/04/22	HDT Global, Inc. (portco of Nexus Capital Management LP)	Federal-Fabrics-Fibers, Inc.	Provides unique woven and non-woven air supported products to private and U.S. Federal Government military markets	ND	ND	ND	ND		ND	ND
10/04/22	AE Industrial Partners, LP and BlackRock, Inc. (NYSE: BLK)	York Space Systems, LLC	Provides small satellites, satellite components and turnkey mission operations to private sector and U.S. Federal Government aerospace and defense markets	ND	ND	ND	ND		ND	ND
10/03/22	QinetiQ Australia Pty. Ltd. (subsidiary of QinetiQ plc (LSE: QQ.L))	Air Affairs Pty Ltd.	Provides targets and training services, and electronic warfare capabilities to the Australian Defense Force, as well as aerial surveillance and reconnaissance in support of government firefighting efforts	\$34.3	\$27.8	\$3.2	12%		1.2x	10.7x
10/03/22	Redwire Corp. (NYSE: RDW)	Space Products division of QinetiQ Group plc (LSE: QQ.L)	Provides design and integration of critical space infrastructure and other instruments for end-to-end space missions	\$31.5	\$48.1	\$4.9	10%		0.7x	6.4x

(1) Includes announced transactions  
 Note: ND = Not Disclosed; NM = Not Meaningful



# 4Q22 Defense Transactions, cont.<sup>(1)</sup>

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA	EV / LTM	
Date	Buyer / Investor						Margin	Rev.	EBITDA
10/03/22	L3Harris Technologies, Inc. (NYSE: LHX)	Tactical Data Links business of ViaSat, Inc. (NasdaqGS: VSAT)	Provides advanced tactical radio and information distribution systems that enable real-time collection and dissemination of video and data using secure, jam-resistant transmission links from manned aircraft, ground mobile vehicles and other remote platforms to networked communication and command centers	\$1,960.0	\$400.0	\$125.0	31%	4.9x	15.7x

(1) Includes announced transactions  
Note: ND = Not Disclosed; NM = Not Meaningful

# 4Q22 Government Technology Services Transactions<sup>(1)</sup>

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin		Rev.	EBITDA
12/19/22	Pearson plc (NYSE: PSO)	Personnel Decisions Research Institutes, LLC (portco of Exponent Private Equity LLP)	Provides human capital and career management, training, organizational development, and integrated solutions for private sector and U.S. Federal Government civilian, defense, healthcare, homeland security, and law enforcement markets.	\$190.0	ND	ND	ND		ND	ND
12/16/22	EM Key Solutions, Inc.	The Brandon Green Management Group, LLC	Provides program and project management, strategic communications management, information technology, healthcare management, and subject matter expertise solutions to private sector and U.S. Federal Government defense markets.	ND	ND	ND	ND		ND	ND
12/08/22	The Acacia Group	Runtime Technologies, LLC (dba: Isos Technology)	Provides professional, managed, and enterprise solutions to private sector and U.S. Federal Government defense, healthcare, and technology markets.	ND	ND	ND	ND		ND	ND
12/08/22	DLH Holdings Corp. (NASDAQ: DLHC)	Grove Resource Solutions, Inc.	Provides technology, business solutions, and research and engineering services to federal customers	\$185.0	ND	ND	ND		ND	ND
12/07/22	IBM Corporation	Octo (portco of Arlington Capital Partners)	Provides digital services for the federal government, specializing in scalable agile software development, user experience design, and cloud engineering solutions to improve, modernize, and optimize government IT systems.	NA	NA	ND	ND		ND	ND
12/07/22	Cydecor, Inc.	InnovaSystems International, LLC	Provides enterprise and advanced software solutions which streamline access to critical military decisioning data in support of key defense readiness programs in private sector and U.S. federal and state government markets	ND	ND	ND	ND		ND	ND
12/01/22	Logistics Management Institute, Inc. (portco of Declaration Partners, Capital Meridian Partners, and 22C Capital)	Synaptch	Provides digital engineering, modeling, and simulation software for the national security and space industries	ND	ND	ND	ND		ND	ND
11/30/22	Trive Capital	Forward Slope Incorporated	Provides tactical visualization systems, geospatial mapping tools, data science, cyber security, and turnkey global surveillance solutions to private sector and U.S. Federal Government defense markets	ND	ND	ND	ND		ND	ND
11/30/22	Enlightenment Capital	iNovex Information Systems	Provides IT consulting, engineering, development, and integration services designed to defend against cyber threats in private sector and U.S. Federal Government defense markets	ND	ND	ND	ND		ND	ND
11/16/22	Enlightenment Capital	Agile Defense, Inc.	Provides information technology and digital transformation solutions to the U.S. Federal Government defense, homeland security, intelligence, and transportation markets	ND	ND	ND	ND		ND	ND
11/09/22	CNSI (portco of The Carlyle Group)	Kepro (portco of Apax Partners LLP)	Provides technology-enabled care management, quality oversight, and clinical assessment services announced an agreement to merge	ND	ND	ND	ND		ND	ND
11/09/22	Edgesource Corporation	Auspex LLC	Provides advanced data analytics, cybersecurity, and management consulting services to private sector and U.S. Federal Government intelligence markets	ND	ND	ND	ND		ND	ND
11/02/22	The Cadmus Group	Wheelhouse Group, Inc. (portco of CI Capital Partners, LLC)	Provides change management services for private sector and U.S. Federal Government civilian, environmental, and financial markets.	ND	ND	ND	ND		ND	ND
11/03/22	Maxar Technologies	Wovenware, Inc.	Provides custom and patented AI, computer vision and other digital transformation solutions and services for private sector and U.S. Federal Government markets	ND	ND	ND	ND		ND	ND
11/02/22	Sparton DeLeon Springs, LLC	Logos Technologies, LLC	Provides advanced sensors and platforms, analytics and multi-source dataset processing, and biochemicals solutions for private sector and U.S. Federal Government defense markets	ND	ND	ND	ND		ND	ND
10/24/22	SilverEdge Government Solutions (portco of Godspeed Capital Management LP)	Counter Threat Solutions, LLC	Provides all source and counterintelligence analysis, identity intelligence, and enterprise IT and data management solutions for private sector and U.S. Federal Government intelligence markets	ND	ND	ND	ND		ND	ND

(1) Includes announced transactions  
Note: ND = Not Disclosed; NM = Not Meaningful

# 4Q22 Government Technology Services Transactions, cont.<sup>(1)</sup>

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
10/12/22	SilverEdge Government Solutions (portco of Godspeed Capital Management LP)	Qvine Corp.	Provides DevOps engineering, SysOps administration, Solutions Architecture, and bespoke SaaS solutions to private sector and U.S. Federal Government intelligence markets.	ND	ND	ND	ND		ND	ND
10/11/22	Boecore, Inc. (portco of Enlightenment Capital)	Ascension Engineering Group, LLC	Provides Wideband and Protected SATCOM, systems engineering, integration & test, DevSecOps, and space system mission operations for private sector and U.S. Federal Government aerospace and defense markets	ND	ND	ND	ND		ND	ND
10/07/22	JANUS Research Group, LLC (portco of CM Equity Partners)	Cape Henry Associates, Inc.	Provides manpower and personnel analyses and training solutions for the Department of Defense and other Federal customers	ND	ND	ND	ND		ND	ND
10/03/22	ASGN, Inc. (NYSE: ASGN)	Iron Vine Security LLC	Provides end-to-end, next-generation cybersecurity and zero-trust solutions for private sector and U.S. Federal Government civilian, healthcare, and education markets	ND	ND	ND	ND		ND	ND
10/03/22	Business Integra Technology Solutions, Inc.	Chenega Federal Systems	Provides technology-focused professional services to the Defense and Intelligence sectors of the Federal Government	ND	ND	ND	ND		ND	ND

(1) Includes announced transactions  
Note: ND = Not Disclosed; NM = Not Meaningful

# Public Company Trading Analysis

(\$ in millions, except per share amounts)

Aircraft and Engine OEMs	Stock Price 12/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
The Boeing Company	\$190.49	82.9%	\$113,529	\$156,555	\$61,421	(\$2,681)	NM	\$81,446	\$7,553	9.3%	2.55x	NM	1.92x	NM
Airbus SE	118.65	91.7%	93,435	89,958	54,043	6,590	12.2%	73,404	10,106	13.8%	1.66x	13.7x	1.23x	8.9x
General Electric Company	83.79	80.8%	91,555	109,556	75,072	7,571	10.1%	76,585	9,685	12.6%	1.46x	14.5x	1.43x	11.3x
Safran SA	124.95	97.4%	53,334	54,024	17,977	3,333	18.5%	23,914	4,692	19.6%	3.01x	16.2x	2.26x	11.5x
MTU Aero Engines AG	216.09	91.5%	11,550	12,222	4,901	701	14.3%	6,932	1,160	16.7%	2.49x	17.4x	1.76x	10.5x
Median		91.5%	\$91,555	\$89,958	\$54,043	\$3,333	13.2%	\$73,404	\$7,553	13.8%	2.49x	15.3x	1.76x	10.9x

Aerostructures	Stock Price 12/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Hexcel Corporation	\$58.85	89.4%	\$4,953	\$5,660	\$1,509	\$296	19.6%	\$1,748	\$374	21.4%	3.75x	19.2x	3.24x	15.1x
Spirit AeroSystems Holdings, Inc.	29.60	55.5%	3,116	6,313	4,780	140	2.9%	6,135	652	10.6%	1.32x	NM	1.03x	9.7x
Triumph Group, Inc.	10.52	37.8%	684	2,170	1,363	155	11.3%	1,346	202	15.0%	1.59x	14.0x	1.61x	10.8x
Senior plc	1.51	81.7%	621	802	885	73	8.3%	1,159	112	NM	0.91x	11.0x	0.69x	NM
Median		68.6%	\$1,900	\$3,915	\$1,436	\$147	9.8%	\$1,547	\$288	15.0%	1.46x	14.0x	1.32x	10.8x

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 12/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Howmet Aerospace Inc.	\$39.41	99.1%	\$16,304	\$20,188	\$5,435	\$1,232	22.7%	\$6,161	\$1,452	23.6%	3.71x	16.4x	3.28x	13.9x
Curtiss-Wright Corporation	166.99	91.5%	6,397	7,753	2,466	498	20.2%	2,694	593	22.0%	3.14x	15.6x	2.88x	13.1x
Woodward, Inc.	96.61	74.8%	5,771	6,467	2,383	345	14.5%	2,690	430	16.0%	2.71x	18.7x	2.40x	15.0x
Moog Inc.	87.76	97.5%	2,783	3,623	3,036	351	11.6%	3,211	420	13.1%	1.19x	10.3x	1.13x	8.6x
Ducommun Incorporated	49.96	85.9%	605	869	689	76	11.1%	753	106	14.1%	1.26x	11.4x	1.15x	8.2x
Héroux-Devtek Inc.	9.71	70.7%	334	445	383	42	11.0%	437	64	14.7%	1.16x	10.6x	1.02x	6.9x
Astronics Corporation	10.30	69.3%	329	502	493	(15)	NM	618	36	5.9%	1.02x	NM	0.81x	13.8x
Median		85.9%	\$2,783	\$3,623	\$2,383	\$345	13.0%	\$2,690	\$420	14.7%	1.26x	13.5x	1.15x	13.1x

Aftermarket / MRO	Stock Price 12/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
TransDigm Group Incorporated	\$629.65	92.0%	\$34,237	\$51,000	\$5,429	\$2,468	45.5%	\$6,199	\$3,122	50.4%	9.39x	NM	8.23x	16.3x
HEICO Corporation	153.64	92.7%	18,219	18,831	2,208	586	26.5%	2,640	709	26.8%	8.53x	NM	7.13x	NM
Singapore Technologies Engineering Ltd	2.50	79.4%	7,777	11,995	5,975	734	12.3%	7,175	992	13.8%	2.01x	16.3x	1.67x	12.1x
SIA Engineering Company Limited	1.75	85.7%	1,959	1,584	463	46	9.9%	664	61	9.2%	3.42x	NM	2.39x	NM
AAR Corp.	44.90	85.0%	1,522	1,722	1,844	158	8.6%	1,962	199	10.1%	0.93x	10.9x	0.88x	8.7x
Median		85.7%	\$7,777	\$11,995	\$2,208	\$586	12.3%	\$2,640	\$709	13.8%	3.42x	13.6x	2.39x	12.1x

Note: NM = Not Meaningful

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



# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Defense Primes	Stock Price 12/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Raytheon Technologies Corporation	\$100.92	95.2%	\$148,530	\$179,716	\$66,025	\$11,370	17.2%	\$72,464	\$13,563	18.7%	2.72x	15.8x	2.48x	13.3x
Lockheed Martin Corporation	486.49	97.5%	127,496	136,546	64,722	8,770	13.6%	65,778	9,881	15.0%	2.11x	15.6x	2.08x	13.8x
Northrop Grumman Corporation	545.61	98.1%	83,976	96,878	35,208	8,580	24.4%	37,838	5,133	13.6%	2.75x	11.3x	2.56x	18.9x
General Dynamics Corporation	248.11	96.6%	67,986	78,612	38,848	5,322	13.7%	42,023	5,683	13.5%	2.02x	14.8x	1.87x	13.8x
L3Harris Technologies, Inc.	208.21	74.4%	39,644	46,994	16,834	3,442	20.4%	17,485	3,560	20.4%	2.79x	13.7x	2.69x	13.2x
BAE Systems plc	10.31	98.1%	31,671	37,865	24,207	2,774	11.5%	29,364	4,049	13.8%	1.56x	13.6x	1.29x	9.4x
Median		97.0%	\$75,981	\$87,745	\$37,028	\$6,951	15.5%	\$39,931	\$5,408	14.4%	2.42x	14.2x	2.28x	13.5x

Defense Systems	Stock Price 12/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Safran SA	\$124.95	97.4%	\$53,334	\$54,024	\$17,977	\$3,333	18.5%	\$23,914	\$4,692	19.6%	3.01x	16.2x	2.26x	11.5x
Huntington Ingalls Industries, Inc.	230.68	88.7%	9,205	12,294	10,541	1,147	10.9%	10,920	1,015	9.3%	1.17x	10.7x	1.13x	12.1x
Kongsberg Gruppen ASA	42.18	98.3%	7,451	7,671	2,805	377	13.4%	3,502	514	14.7%	2.73x	NM	2.19x	14.9x
AeroVironment, Inc.	85.66	75.1%	2,140	2,231	443	46	10.3%	594	129	21.6%	5.04x	NM	3.76x	17.4x
Median		93.0%	\$8,328	\$9,982	\$6,673	\$762	12.2%	\$7,211	\$764	17.1%	2.87x	13.5x	2.22x	13.5x

Note: NM = Not Meaningful

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

# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

<u>Defense Electronics / Comm.</u>	Stock Price 12/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Teledyne Technologies Incorporated	\$399.91	81.0%	\$18,744	\$22,320	\$5,416	\$1,214	22.4%	\$5,697	\$1,381	24.2%	4.12x	18.4x	3.92x	16.2x
Mercury Systems, Inc.	44.74	61.9%	2,594	3,135	991	154	15.6%	1,054	221	21.0%	3.16x	NM	2.97x	14.2x
Hensoldt AG	23.62	73.1%	2,480	3,018	1,691	210	12.4%	2,041	356	17.4%	1.79x	14.4x	1.48x	8.5x
Viasat, Inc.	31.65	60.0%	2,392	5,301	2,836	481	17.0%	3,164	669	21.1%	1.87x	11.0x	1.68x	7.9x
Kratos Defense & Security Solutions, Inc.	10.32	46.4%	1,300	1,578	861	40	4.6%	985	94	9.6%	1.83x	NM	1.60x	16.7x
Comtech Telecommunications Corp.	12.14	49.9%	337	624	501	28	5.7%	534	54	10.1%	1.25x	NM	1.17x	11.6x
<b>Median</b>		<b>61.0%</b>	<b>\$2,436</b>	<b>\$3,077</b>	<b>\$1,341</b>	<b>\$182</b>	<b>14.0%</b>	<b>\$1,548</b>	<b>\$288</b>	<b>19.2%</b>	<b>1.85x</b>	<b>14.4x</b>	<b>1.64x</b>	<b>12.9x</b>

<u>Homeland Security</u>	Stock Price 12/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Smiths Group plc	\$19.26	97.4%	\$6,803	\$6,964	\$3,122	\$520	16.6%	\$3,405	\$656	19.3%	2.23x	13.4x	2.04x	10.6x
MSA Safety Incorporated	144.19	94.8%	5,652	6,111	1,495	352	23.6%	1,617	372	23.0%	4.09x	17.4x	3.78x	16.4x
OSI Systems, Inc.	79.52	77.1%	1,340	1,691	1,172	153	13.0%	1,288	219	17.0%	1.44x	11.1x	1.31x	7.7x
Smith & Wesson Brands, Inc.	8.68	45.8%	398	397	564	137	24.3%	491	97	19.7%	0.70x	2.9x	0.81x	4.1x
<b>Median</b>		<b>86.0%</b>	<b>\$3,496</b>	<b>\$3,901</b>	<b>\$1,334</b>	<b>\$252</b>	<b>20.1%</b>	<b>\$1,452</b>	<b>\$295</b>	<b>19.5%</b>	<b>1.84x</b>	<b>12.2x</b>	<b>1.68x</b>	<b>9.2x</b>

Note: NM = Not Meaningful

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

# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

<u>Government Services</u>	Stock Price 12/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Leidos Holdings, Inc.	\$105.19	94.7%	\$14,378	\$19,217	\$14,190	\$1,445	10.2%	\$15,059	\$1,564	10.4%	1.35x	13.3x	1.28x	12.3x
Booz Allen Hamilton Holding Corporation	104.52	92.9%	13,820	16,164	8,817	955	10.8%	9,656	1,040	10.8%	1.83x	16.9x	1.67x	15.5x
CACI International Inc	300.59	94.1%	7,063	8,860	6,318	639	10.1%	6,762	733	10.8%	1.40x	13.9x	1.31x	12.1x
SAIC	110.93	94.1%	6,060	8,545	7,518	653	8.7%	7,719	696	9.0%	1.14x	13.1x	1.11x	12.3x
Parsons Corporation	46.25	92.2%	4,787	5,570	4,043	316	7.8%	4,471	397	8.9%	1.38x	17.7x	1.25x	14.0x
ICF International, Inc.	99.05	81.7%	1,866	2,781	1,692	159	9.4%	1,977	213	10.8%	1.64x	17.5x	1.41x	13.0x
V2X, Inc.	41.29	90.7%	1,258	2,468	1,362	123	9.0%	3,868	311	8.0%	1.81x	NM	0.64x	7.9x
<b>Median</b>		<b>92.9%</b>	<b>\$6,060</b>	<b>\$8,545</b>	<b>\$6,318</b>	<b>\$639</b>	<b>9.4%</b>	<b>\$6,762</b>	<b>\$696</b>	<b>10.4%</b>	<b>1.40x</b>	<b>15.4x</b>	<b>1.28x</b>	<b>12.3x</b>

<u>Government Technology Software</u>	Stock Price 12/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Tyler Technologies, Inc.	\$322.41	59.3%	\$13,425	\$14,336	\$1,832	\$350	19.1%	\$2,000	\$498	24.9%	7.83x	NM	7.17x	NM
Palantir Technologies Inc.	6.42	33.9%	13,355	11,131	1,830	(183)	NM	2,305	514	22.3%	6.08x	NM	4.83x	NM
Telos Corporation	5.09	31.5%	342	231	234	(36)	NM	186	6	3.4%	0.99x	NM	1.24x	NM
BigBear.ai Holdings, Inc.	0.67	4.2%	85	256	148	(87)	NM	173	1	0.8%	1.73x	NM	1.48x	NM
<b>Median</b>		<b>32.7%</b>	<b>\$6,848</b>	<b>\$5,694</b>	<b>\$1,032</b>	<b>(\$62)</b>	<b>19.1%</b>	<b>\$1,093</b>	<b>\$252</b>	<b>12.9%</b>	<b>3.90x</b>	<b>NM</b>	<b>3.15x</b>	<b>NM</b>

Note: NM = Not Meaningful

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

# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Engineering & Construction	Stock Price 12/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Jacobs Solutions Inc.	\$120.07	79.9%	\$15,202	\$18,904	\$14,923	\$1,311	8.8%	\$16,022	\$1,520	9.5%	1.27x	14.4x	1.18x	12.4x
AECOM	84.93	97.7%	11,776	13,678	13,148	925	7.0%	14,167	989	7.0%	1.04x	14.8x	0.97x	13.8x
Tetra Tech, Inc.	145.19	82.3%	7,692	7,980	2,836	368	13.0%	3,087	406	13.1%	2.81x	NM	2.58x	19.7x
KBR, Inc.	52.80	92.7%	7,244	8,751	7,455	429	5.8%	7,027	727	10.3%	1.17x	NM	1.25x	12.0x
Babcock International Group PLC	3.40	76.0%	1,718	2,924	4,591	313	6.8%	4,903	538	11.0%	0.64x	9.4x	0.60x	5.4x
Median		82.3%	\$7,692	\$8,751	\$7,455	\$429	7.0%	\$7,027	\$727	10.3%	1.17x	14.4x	1.18x	12.4x

Space	Stock Price 12/30/22	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Maxar Technologies Inc.	\$51.74	99.6%	\$3,859	\$6,232	\$1,747	\$418	23.9%	\$1,921	\$531	27.7%	3.57x	14.9x	3.24x	11.7x
Rocket Lab USA, Inc.	3.77	30.2%	1,784	1,431	187	(96)	NM	288	(36)	NM	7.66x	NM	4.97x	NM
Virgin Galactic Holdings, Inc.	3.48	24.5%	955	430	2	(415)	NM	19	(397)	NM	NM	NM	NM	NM
Redwire Corporation	1.98	22.6%	126	228	148	(31)	NM	248	9	3.7%	1.54x	NM	0.92x	NM
Astra Space, Inc.	0.43	6.1%	116	(20)	9	(253)	NM	23	(135)	NM	NM	0.1x	NM	0.1x
Momentum Inc.	0.78	16.5%	66	8	0	(102)	NM	2	(56)	NM	NM	NM	NM	NM
Median		23.5%	\$541	\$329	\$79	(\$99)	23.9%	\$136	(\$46)	15.7%	3.57x	7.5x	3.24x	5.9x

Note: NM = Not Meaningful

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



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