

MarketView

Aerospace / Defense &
Government Technology
Services

Spring 2023

Kipps DeSanto
INVESTMENT BANKING



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Getting Deals Done

- KippsDeSanto has closed 58 transactions⁽¹⁾ since January 2021, leveraging depth of experience and unique approaches to achieve optimal results

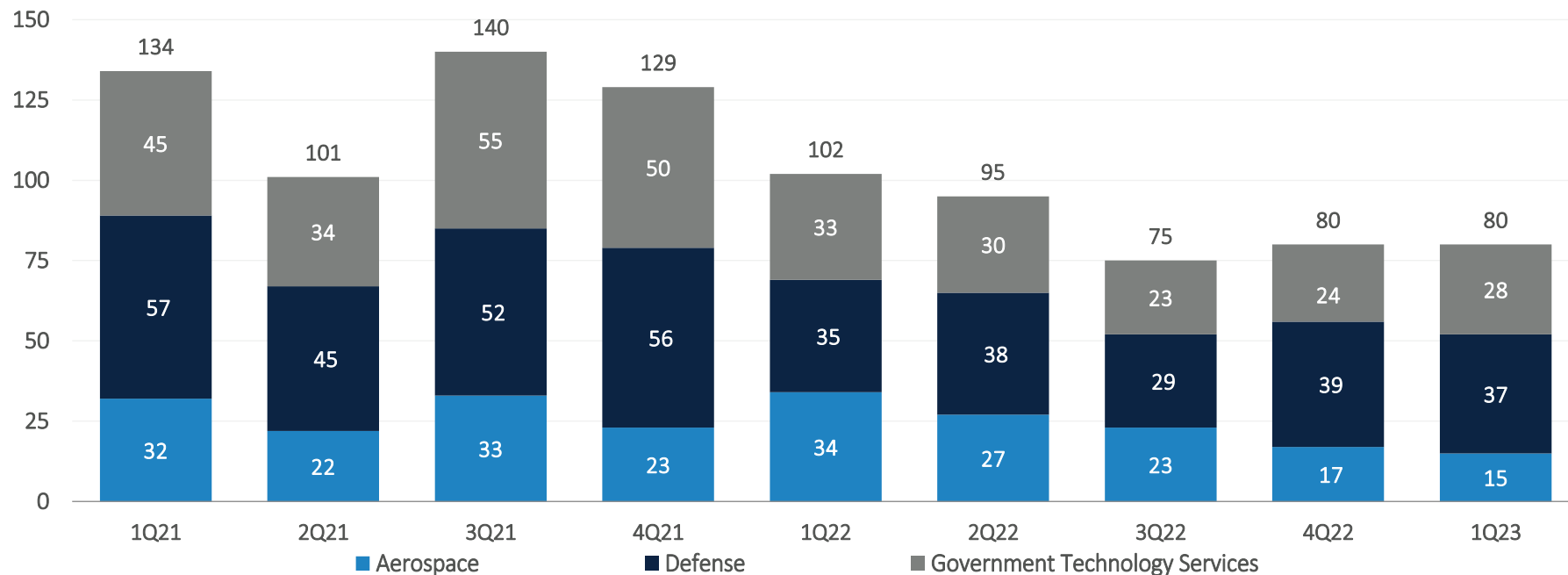
Select Transaction Success

<p>March 2023</p> <p>VST VIRGINIA SYSTEMS & TECHNOLOGY, INC.</p> <p>has been acquired by</p> <p>ALTAMIRA a portfolio company of</p> <p>ClearSky McNally & RAZORS EDGE</p>	<p>February 2023</p> <p>Axim GEOSPATIAL</p> <p>a portfolio company of</p> <p>BLUESTONE INVESTMENT PARTNERS</p> <p>has been acquired by</p> <p>NIV5</p>	<p>December 2022</p> <p>XCELERATE SOLUTIONS</p> <p>has been acquired by</p> <p>McNally CAPITAL</p>	<p>December 2022</p> <p>BLACKHAWK AEROSPACE</p> <p>has been acquired by</p> <p>New State Aviation Holdings</p> <p>a portfolio company of</p> <p>NEW STATE CAPITAL PARTNERS</p>	<p>December 2022</p> <p>DLH</p> <p>has acquired</p> <p>GRSi</p>	<p>November 2022</p> <p>SYNAPTECH</p> <p>has been acquired by</p> <p>LMI a portfolio company of</p> <p>DECLARATION CAPITAL PARTNERS</p> <p>22C Capital</p>	<p>November 2022</p> <p>iNovex</p> <p>has received an investment from</p> <p>ENLIGHTENMENT CAPITAL</p>	<p>November 2022</p> <p>ophir corporation</p> <p>has been acquired by</p> <p>LIGHTRIDGE SOLUTIONS</p> <p>a portfolio company of</p> <p>ATL PARTNERS</p>	<p>October 2022</p> <p>Woodlawn MANUFACTURING</p> <p>a portfolio company of</p> <p>LONE STAR INVESTMENT ADVISORS</p> <p>has been acquired by</p> <p>NBC</p>	<p>October 2022</p> <p>agile DEFENSE</p> <p>has been acquired by</p> <p>ENLIGHTENMENT CAPITAL</p>
<p>September 2022</p> <p>sbs</p> <p>has been acquired by</p> <p>an affiliate of</p> <p>PEAK ROCK CAPITAL</p>	<p>September 2022</p> <p>SENECA RESOURCES</p> <p>has been acquired by</p> <p>CAYMUS EQUITY</p>	<p>July 2022</p> <p>IPKEYS</p> <p>has been acquired by</p> <p>Chickasaw NATION INCORPORATED</p>	<p>July 2022</p> <p>numerica Space Division</p> <p>has been acquired by</p> <p>SLINGSHOT AEROSPACE</p>	<p>July 2022</p> <p>LMI</p> <p>has been acquired by</p> <p>DECLARATION CAPITAL PARTNERS</p> <p>CAPITOL MERIDIAN PARTNERS</p> <p>22C Capital</p>	<p>March 2022</p> <p>TOP ACES</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 Metro/Merlin Type Certificate and MRO Support Business of M7 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>B GROUP</p> <p>has been acquired by</p> <p>OCTO a portfolio company of</p> <p>ACP</p>	<p>December 2021</p> <p>InTec uc</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 Strength in People 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>October 2021</p> <p>GEOCENT</p> <p>has been acquired by</p> <p>SEV1TECH Secure. Connect. Evolve. a portfolio company of</p> <p>DFW CAPITAL PARTNERS</p>	<p>September 2021</p> <p>FLATIRON5</p> <p>has been acquired by</p> <p>TELEO CAPITAL</p>	<p>September 2021</p> <p>markon solutions.</p> <p>has been acquired by</p> <p>ANSER ADVISORY</p> <p>a portfolio company of</p> <p>STERLING INVESTMENT PARTNERS</p>	<p>September 2021</p> <p>Managed Care Advisors.</p> <p>has been acquired by</p> <p>sedgwick</p> <p>a portfolio company of</p> <p>THE CARLYLE GROUP</p>	<p>August 2021</p> <p>ATLAS RESEARCH</p> <p>has been acquired by</p> <p>CVP Navigating Change</p>	<p>August 2021</p> <p>CRA CORPORATE</p> <p>has been acquired by</p> <p>Valor HEALTHCARE a portfolio company of</p> <p>TRIVE CAPITAL</p>

(1) Includes transactions which have not been publicly announced

M&A Trends & Activity

- Deal volume in 1Q23 remained flat, as inflationary pressures and recession fears persist
- Despite recession fears, many corporate balance sheets remain well-positioned for an increase in M&A activity



- Aerospace deal volume declined slightly in 1Q23 indicating a significant decrease year-over-year as the sector continues to battle supply chain issues, staffing shortages, and inflationary pressures
- Defense deal volume declined slightly in 1Q23 from 4Q22; however, the outlook for 2023 remains positive as global defense spending has remained strong since Russia's invasion of Ukraine and the largest U.S. defense budget set for the FY2024
- Government Technology Services ("GTS") deals increased in 1Q23, driven by next generation capabilities and companies prioritizing scalability through M&A; President Biden's FY 2024 Federal Budget Request proposes spending \$74B on information technology ("IT") at civilian agencies, up 15% from 2023, to continue the focus on IT modernization, customer experience, data as a strategic asset, cloud computing, data analytics, and cybersecurity

Highlighted 1Q23 Industry Transactions

Announced March 2023

TRANSDIGM
GROUP INC.

has agreed to acquire

Calspan

EV: \$725M

EV / Revenue⁽¹⁾: 3.63x

EV / EBITDA: ND

- TransDigm Group, Inc. (NYSE: TDG) has agreed to acquire Calspan Corp
- TransDigm sees an opportunity for its current operating model to support Calspan's aftermarket services in the aerospace and defense industry

Announced March 2023

ASRC FEDERAL

has agreed to acquire

SAIC

Logistics and Supply Chain
Management

EV: \$350M

EV / Revenue: ND

EV / EBITDA: ND

- ASRC Federal has agreed to acquire the logistics and supply chain management arm of Science Applications International Corporation (NYSE: SAIC)
- Establishes ASRC as a leading provider of secure, technology-enabled supply chain management and logistics solutions for the Defense Logistics Agency, a Department of Defense ("DoD") services provider

Announced March 2023

THE STERLING GROUP
CAPITOL
MERIDIAN
PARTNERS

has agreed to acquire

PrimeFlight
(CARLYLE)

EV: ND

EV / Revenue: ND

EV / EBITDA: ND

- The Sterling Group and Capital Meridian Partners has agreed to acquire PrimeFlight Aviation, a portfolio company of Carlyle Group Inc
- The Sterling Group and Capital Meridian will utilize PrimeFlight's organic and inorganic growth strategy to strengthen their position in the aviation industry

Announced February 2023

NV5

has acquired

Axim
GEOSPATIAL

EV: ND

EV / Revenue: ND

EV / EBITDA: ND

- NV5 Global, Inc. has acquired Axim Geospatial, LLC
- The acquisition will expand and diversify NV5's customer base to include new municipalities and commercial clients, strengthen NV5's leadership position in geospatial utility solutions, and present opportunities for synergies with NV5's high-altitude data acquisition capabilities

Announced February 2023

LONE STAR FUNDS

has agreed to acquire

TITAN
ACQUISITION HOLDINGS

(CARLYLE **stellex**)
CAPITAL MANAGEMENT

EV: ND

EV / Revenue: ND

EV / EBITDA: ND

- Lone Star Funds has agreed to acquire Titan Acquisition Holdings, a portfolio company of Carlyle Group Inc. and Stellex Capital Management
- Lone Star will utilize Titan to expand their services offerings and have positive sustainable growth

Announced January 2023

McNally CAPITAL

has acquired

XCELERATE
SOLUTIONS

EV: ND

EV / Revenue: ND

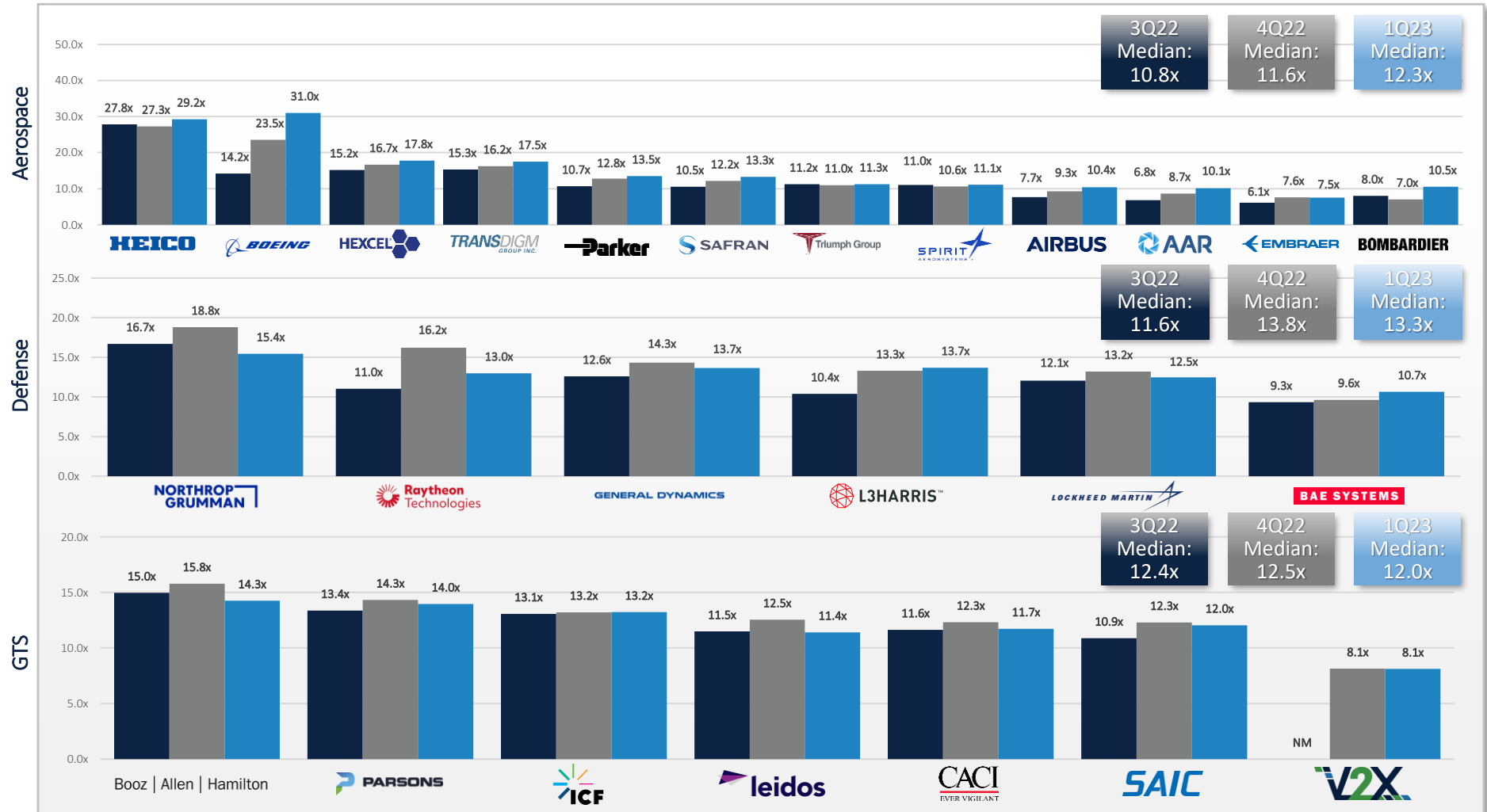
EV / EBITDA: ND

- McNally Capital has acquired Xcelerate Solutions
- Creates McNally's newest platform, which will continue to strengthen the company's offerings in enterprise security, strategic consulting, and digital transformation solutions

(1) Based on 2023E Revenue
Note: ND = Not Disclosed

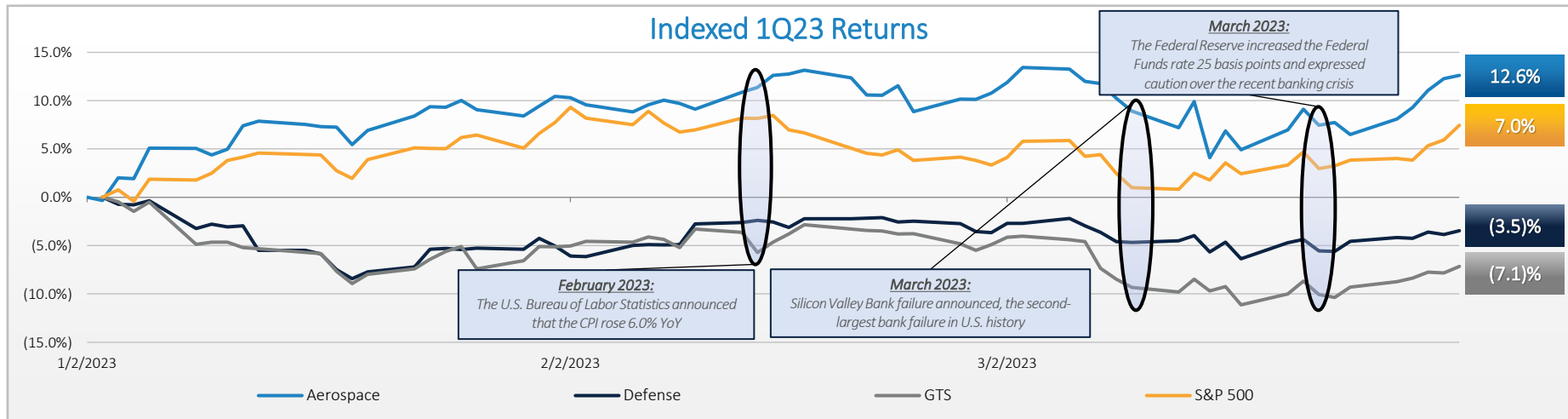
EV / NTM EBITDA Public Market Valuation Trends

- GTS and defense public median valuations have decreased slightly in 1Q23 from 4Q22; aerospace sees growth, driven primarily by surging travel demand and the continued recovery of the global economy



Equity Capital Markets Performance

- The broader market rebounded in 1Q23 despite rising inflationary pressures and the Silicon Valley Bank failure shaking the market; the Federal Reserve cautiously raised rates by 25 basis points in February and March, down from 75 and 50 basis points in November and December 2022, respectively
- The Aerospace index outperformed the S&P 500 in 1Q23 as air carriers anticipate an increase in air traffic, signaled by a boost in aircraft orders such as Air India's 470 aircraft order announced on February 14th from manufacturers Boeing and Airbus



12.6%
1Q23 Performance

13.1%
LTM Performance

Aerospace

Aerospace shares **outperformed** the broader market in 1Q23 as demand for passenger jets to serve growing middle classes in **emerging markets** such as China and India proves robust

Shares of Bombardier Group (TSX: BBD.B) **increased 39.6% in 1Q23**, largely driven by strengthening fundamentals and increased aircraft deliveries, which are estimated to **improve 12.1%** over 2022 from **123 to 138 aircraft**

(3.5)%
1Q23 Performance

3.1%
LTM Performance

Defense

Defense shares **decreased** in 1Q23, despite **increased demand** for defense products and services as nations continue to prioritize national defense due to **rising tensions** in Eastern Europe and the South Pacific

Shares of **BAE Systems (LSE: BA.) increased 14.8% in 1Q23**, boosted by **increased demand** from major customers such as the U.S., the U.K., Saudi Arabia, and Australia

(7.1)%
1Q23 Performance

2.9%
LTM Performance

Government Technology Services

GTS shares **decreased** in 1Q23 despite positive signs from President Biden's **\$6.8T budget proposal**

ICF International, Inc. (NASDAQ: ICFI) gained 10.8% in 1Q23 after making significant strides in executing on existing contracts and capturing opportunities in **high-growth markets**: IT modernization / digital transformation, disaster management, and environmental and infrastructure services

Aerospace Update

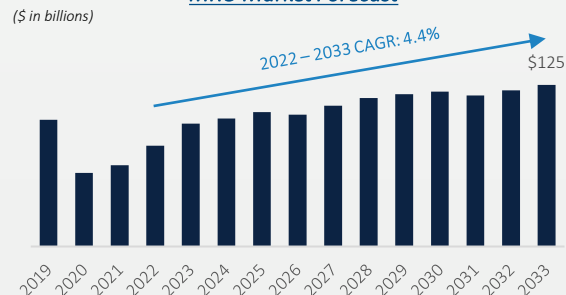
Global Aviation Industry Continues Recovery Despite Numerous Hurdles

The aviation industry has shrugged off tight labor markets, inflation, and continued supply chain woes in a bid to *continue to rebound in 2023* and beyond.

When looking at long-term production and supply, the global commercial fleet in 2033 is expected to reach *over 36,000*, representing a *compound annual growth rate ("CAGR") of 2.9%*. In the short-term, in-service fleet is expected to *continue to increase*, building off an *increase of 7% from January 2022 to January 2023*.

The maintenance, repair, and overhaul ("MRO") industry also remains a *bright spot* for the aerospace sector. The global aftermarket, the key provider of MRO services, *expanded 18% in 2022* to \$77 billion and is anticipated to *accelerate another 22% in 2023 to \$94 billion*. In the long-term, the global aerospace *MRO market is on pace to reach \$125 billion by 2033*, representing a CAGR of 2.9%. Furthermore, this growth is expected to be *fuelled by ambitious fleet expansion plans from air carriers and military forces* as significant aircraft retirements are on the horizon. All of these factors have made MRO a priority *among aerospace buyers*.

MRO Market Forecast



Artificial Intelligence's Future in the Aerospace Industry

Investments in the artificial intelligence ("AI") market have seen a *rapid increase* recently, as companies look to develop *innovative solutions* to enhance efficiency of several aerospace-related tasks, including *flight operations, proactive aircraft maintenance, and the production of aircraft parts*.

The global AI and robotics in aerospace and defense market is estimated to reach *\$35.9 billion by 2031*, representing a *7.9% CAGR* from the \$17.2 billion seen in 2021.

Select AI Partnerships, Investments, and Initiatives

AIRBUS



BOEING

AtlasAI



Shield AI

In the race to build fully autonomous, unmanned aerial vehicles, Airbus and Boeing are strategically aligning themselves with AI startup firms. *Atlas AI*, an economic activities focused software and data analytics firm, received *\$7 million* from a consortium of investors, including Airbus Ventures, to accelerate product development and market outreach. *Acubed*, the Silicon Valley innovation center of Airbus, hopes to implement AI as a means of advancing aerial mobility. *Boeing has partnered with Shield AI*, an AI pilot software firm focused on both the *commercial and military use* of the company's proprietary autonomous aircraft software. Partnerships, investments, and initiatives such as these highlight the unique ways large aerospace companies are fueling growth and innovation in this market.

Competition in the Space Industry Expected to Fuel Global Investment in Low Earth Orbit

While the U.S. currently has the edge in space, *China continues to gain ground*, causing the U.S. government and corporate leaders to call for policies and investments to keep U.S. companies out front. This is anticipated to *spur significant growth in the space sector*.

Specifically, China is deploying their own low Earth orbit ("LEO") products, such as broadband satellite constellations, to compete with U.S. companies in being the *go-to global internet provider*, especially in markets such as Asia, South America, and Africa. These *broadband constellations are key to communication, navigation, and intelligence gathering*.

As a result, the number of *LEO satellites is expected to increase dramatically* with China's state-funded company, SatNet, which is expected to *increase its fleet by around 13,000 satellites*. Amazon, through its Project Kuiper initiative, will launch *1,618 satellites by 2026*. Combined, SatNet, U.S.-based Amazon, U.K.-based OneWeb, and Canada-based Telesat are anticipated to contribute *90,000 total new satellites* to LEO in the near-term.

Additionally, with satellite launches expected to accelerate in the near-term, companies with innovative launch capabilities such as re-usable rockets, sustainable fuel methods, 3-D manufacturing, and reliable communication technologies are set to benefit. This competition is expected to reverberate throughout the space industry in the form of *increased M&A activity and early-stage and venture investments*.

Defense Update

U.S. Air Force to Pursue Major Aircraft Retirements in 2024, Foreshadowing Significant Funding and Potential M&A Activity

The U.S. Air Force is looking to retire **310 aircraft** as part of its modernization program, **opening up considerable 2024 funding** for research and development ("R&D") and aircraft upgrades and causing potential downstream effects on M&A activity.

While this retirement plan still needs to be approved by Congress, it would **more than double the number of aircraft retirements** from the 115 approved by Congress in the FY2023 budget. Through this effort, the U.S. Air Force expects to improve the sensors on its Boeing E-3 Sentry fleet, **accelerate the development of autonomous drone platforms**, invest in autonomous programming, and establish its **Next Generation Air Dominance ("NGAD") technology**.

As for the effects this will have on M&A activity within the defense sector, acquisitive companies are expected to look to **enhance capabilities** in order to meet future demand and be **well-positioned** to perform the related work mentioned above.

Select Proposed 2024 Aircraft Retirements



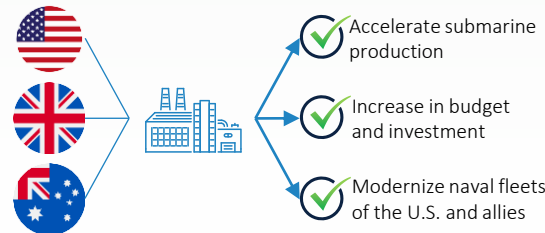
Pentagon Continues to Focus Heavily on Building a Robust and Resilient Industrial Base

In March, the U.S. made a series of strategic moves to shore up its military industrial base, including **increasing funding to produce top priority missiles** and partnering with the U.K. and Australia to **expand its submarine manufacturing capacity**.

According to the Pentagon's proposed FY2024 budget, **\$30.6 billion will be set aside for munitions**, an increase of \$5.8 billion from the amount requested for FY2023. With this increased funding, the U.S. aims to **replenish stockpiles that have been depleted by the war in Ukraine** and **maximize the production of munitions** that are key to deterring potential conflicts in the Indo-Pacific region.

The agreement between the U.S., Australia, and the U.K., called AUKUS, invests heavily in naval production, **accelerating the construction of attack submarines to 2 per year** and **providing Australia with 3 to 5 Virginia-class submarines** and **its own nuclear-powered submarine**, the SSN AUKUS, by 2040.

Key Takeaways from AUKUS Agreement



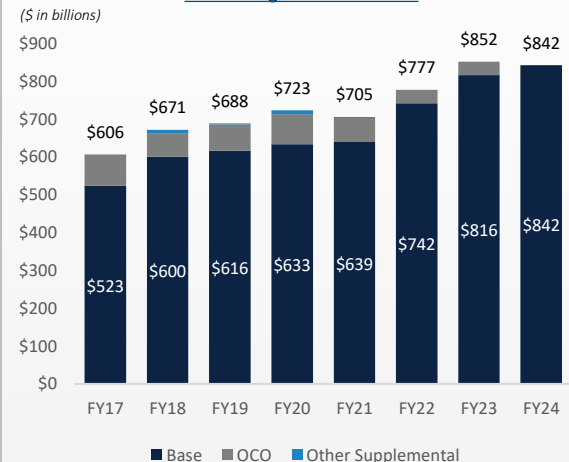
The combination of these decisions are expected to **significantly scale defense-related production** and potentially **expand the customer-base** for U.S. defense manufacturers.

Pentagon Unveils Largest Nominal-Dollar Peacetime Budget in U.S. History

The DoD announced its FY2024 defense budget base, requesting **\$842 billion, 3% higher** than the FY2023 budget of \$816 billion.

Budget highlights include **\$170 billion for procurement**, an **increase of 16.5%** from 2023, and **\$145 billion for research, development, test, and evaluation ("RDT&E")**, an **increase of 11.5%** from 2023.

DoD Budget FY17 – FY24



The budget also sets aside **\$9.1 billion, the largest ever requested, for the Pacific Deterrence Initiative ("PDI")**, which is focused on modernizing and strengthening the DoD's presence in the Indo-Pacific region, primarily to limit China's growing military influence in the area.

This significant budgetary growth is expected to **fuel demand for advanced capabilities** throughout the defense industry, **contributing to an ultra-competitive M&A landscape**.

Government Technology Services Update

National AI Task Force Seeks more than \$2.6B from Congress for R&D

The National AI Task Force is seeking more than **\$2.6 billion over a six-year period** to create a roadmap for future AI and R&D. In addition, the task force is requesting **another \$750 million investment** every two years to ensure National AI Research Resource ("NAIRR") remains up to date.

NAIRR Six-Year Budget Summary Spread



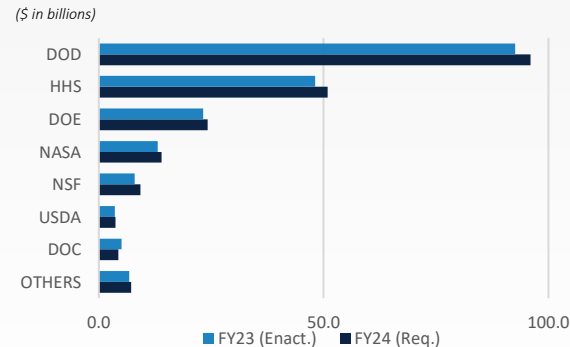
The proposed budget is driven by the increasing costs and anticipated growth of **advanced software resources**. The task force's report highlights four goals for the new project: (i) **spur innovation**, (ii) **increase the diversity of AI talent**, (iii) **expand capacity for research in the U.S.**, and (iv) **advance trustworthy AI**. The request, in addition to the National Institute of Standards and Technology's AI risk framework, also stresses the importance of setting the standard for responsible AI research to resolve some of the emerging challenges around ethical usage while continuing to innovate.

The proposal comes at a critical moment in the R&D lifecycle as the use of AI technology receives **increased public attention** with the launch of new mainstream tools including Chat-GPT, an AI Chatbot fine-tuned for human interaction in a conversational manner. With increased funding and dedicated resources for AI research, **the demand for this capability will grow** in the GTS sector.

FY2024 Federal Budget Prioritizes IT Modernization, Cybersecurity, and Investments in Key Technologies

The Biden administration released its FY2024 federal budget emphasizing investments in **critical mission areas**, presenting significant contracting opportunities in systems modernization, cloud computing, AI, and data analytics. The budget request of **\$1.8 trillion** expands the U.S. mission to fund key priority areas in **R&D (\$209.7 billion)**, **IT (\$73.5 billion)** and **cybersecurity (\$26.2 billion)**. With these budget increases from FY2023, the administration is emphasizing a continued focus on these capabilities for civilian and defense agencies.

FY 2024 R&D Budget Request by Department



The continued emphasis in IT modernization and cybersecurity in the FY2024 budget drives an **increase in demand for companies and first movers** in these mission areas and promotes innovation and sustainment of **U.S. superiority in technological capabilities**. The emphasis on R&D in emerging technologies in these areas, specifically AI, operational technologies, cloud infrastructure, telecommunications, and data analytics, is expected to drive M&A demand for target companies with these critical capabilities.

Department of Veterans Affairs ("VA") IT 2024 Budget Request

On March 9th, the Biden Administration released its FY2024 Budget Request proposing **\$10.1 billion in IT funding for the VA**, a 4.9% increase from FY2023, demonstrating the White House's increased focused on supporting the agency's IT modernization needs. The VA's budget includes **\$927 million to support cybersecurity** efforts, 50%+ higher than FY2023, and **\$6.4 billion for the Office of Information and Technology** to improve the Veteran experience by automating healthcare outcomes, accelerating investment in digital telecommunications, and continuing business transformation.

Additionally, the VA is continuing to invest in the development of the **Electronic Health Record Modernization program ("EHRM")**, which was originally **budgeted for \$16 billion** but could cost significantly more after some rollout issues. If successful, the VA's new EHRM program would be one of the **most advanced EHR systems in the country**.

The VA uses T4NG as its **primary vehicle** for acquiring technology transformation services and solutions. The next iteration, T4NG 2, is expected to be awarded this year to **30 awardees** and will run in conjunction with its predecessor until the original **\$22 billion ceiling** is met. T4NG 2 may influence corporate and private equity M&A activity, as buyers look to acquire their way onto the contract vehicle or as awardees look to bolster their presence under the new vehicle. **Nine of the 21 holders of the original T4NG award were acquired** (Triple-I, Kforce Government, Systems Made Simple, B3 Group, Favor TechConsulting, Halfaker & Associates, HMS, Liberty IT, and GovCIO).

1Q23 Aerospace Transactions

(\$ in millions)

Announced						EBITDA		EV / LTM	
Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	Margin	Rev.	EBITDA
03/21/23	Ducommun, Inc. (NYSE: DCO)	BLR Aerospace, LLC	Provides aerodynamic systems including FastFin systems, winglet systems, propellers, and flow modifiers that enhance the productivity, performance and safety of rotary- and fixed-wing aircraft on commercial and military platforms	\$115.0	ND	ND	ND	ND	ND
03/20/23	AAR Corp. (NYSE: AIR)	Trax USA Corp.	Provides critical software applications for managing aircraft maintenance and fleet management, including materials planning and purchasing, engineering, scheduling, regulatory compliance, work orders, and personnel	\$120.0	\$30.0 ⁽¹⁾	\$8.0 ⁽¹⁾	27%	4.0x	15.0x
03/16/23	RE3DTECH (portco of CORE Industrial Partners, LLC)	Phoenix Proto Technologies	Provides on-demand design and manufacturing services with expertise in rapid, production-quality aluminum tooling, and injection molding services	ND	ND	ND	ND	ND	ND
03/06/23	National Instruments Corporation (NASDAQ: NATI)	Smart Embedded Technologies ("SET") GmbH	Provides semiconductor test systems, hardware in the loop and functional test systems, and development and manufacturing electronic systems solutions for the aviation, semiconductor, and automotive industries	ND	ND	ND	ND	ND	ND
03/06/23	Kernel Group Holdings (NASDAQ: KRNLU)	AIRO Group Holdings, Inc.	Provides multi-faceted air mobility, autonomy, and aerospace platform with differentiated technologies and capabilities that dynamically address high growth market trends across the entire aviation and aerospace ecosystem	\$847.0	ND	ND	ND	ND	ND
03/06/23	The Sterling Group and Capitol Meridian Partners	PrimeFlight Aviation Services (portco of The Carlyle Group)	Provides major airlines, airports, cargo, and general aviation customers with ground support equipment maintenance, ground handling services, aircraft services, into-plane fueling, deicing, aviation cleaning supplies, and terminal services	ND	ND	ND	ND	ND	ND
03/02/23	Signia Aerospace (portco of Arcline Investment Management)	Lifesaving Systems Corp.	Provides helicopter and maritime rescue and survival equipment for private sector and U.S. federal government aerospace and defense markets	ND	ND	ND	ND	ND	ND
02/28/23	Cadrex Manufacturing Solutions (portco of CORE Industrial Partners, LLC)	D&R Machine Company	Provides Computer Numerical Control ("CNC") precision machining solutions for the aerospace and defense markets	ND	ND	ND	ND	ND	ND
02/17/23	Tex-Tech Industries, Inc. (portco of Arlington Capital Partners)	SGL Carbon SE (Gardena, CA Operating Assets)	Provides complex, industry leading, high-temperature composite materials and components with high carbon and silica purities	ND	ND	ND	ND	ND	ND
02/14/23	CORE Industrial Partners	GEM Manufacturing	Provides precision deep drawn metal components and mechanical assemblies for customers across a variety of end markets, including electric vehicles, mining, aerospace, defense, and industrial	ND	ND	ND	ND	ND	ND
02/08/23	Prince Industries, Inc. (portco of HC Private Investments ("HCPI"))	Precision Shapes, Inc. ("PSI")	Provides complex material and tight tolerance precision machining solutions to private sector and U.S. federal government aerospace and defense markets	ND	ND	ND	ND	ND	ND
02/02/23	StandardAero (portco of The Carlyle Group)	Western Jet Aviation (portco of Fletch Equity)	Provides maintenance services for business jets offering a myriad of aircraft on ground and scheduled maintenance services including airframe inspections and engine and accelerated processing unit troubleshooting	ND	ND	ND	ND	ND	ND
02/01/23	VSE Corp. (NASDAQ: VSEC)	Precision Fuel Components, LLC	Provides MRO services for engine accessory and fuel systems supporting the business and general aviation markets	ND	ND	ND	ND	ND	ND
01/26/23	Trive Capital	Kittyhawk, Inc.	Provides hot isostatic pressing services for a variety of industries including space, commercial aerospace, defense, and medical applications	ND	ND	ND	ND	ND	ND
01/17/23	AIM MRO Holdings, Inc. (portco of AE Industrial Partners, LP)	Tribologix, Inc.	Provides engineered surface coatings solutions which reduce friction and wear in extreme environments to aerospace, defense, and energy customers	ND	ND	ND	ND	ND	ND

(1) Equity research 2024 estimates
Note: ND = Not Disclosed



1Q23 Defense Transactions

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin		Rev.	EBITDA
03/28/23	In-Place Machining (portco of LLC)	Western Machine Works	Provides mechanical design, repair, and maintenance (inclusive of MRO) services for precision components including shafts and rolls across naval & marine, pulp & paper, and wind & hydroelectric power markets	ND	ND	ND	ND		ND	ND
03/27/23	CNL Strategic Capital	Tactical Medical Solutions ("TacMed Solutions")	Provides a suite of medical products including traumatic injury products, hemorrhage control tourniquets, immobilization tools, and critical care kits that equip, train, and protect emergency and military professionals	ND	ND	ND	ND		ND	ND
03/23/23	Castellum, Inc. (NYSEAM:CTM)	Global Technology and Management Resources, Inc. ("GTMR")	Provides a cadre of mature and highly experienced individuals and powerful solutions to the most complex engineering and acquisition challenges	ND	\$10.0 ⁽¹⁾	ND	ND		ND	ND
03/20/23	ATL Partners	Ophir Corporation	Provides systems and services to military and commercial markets, with a specialization in laser radar systems and sensors for a large number of military and commercial aircraft platforms	ND	ND	ND	ND		ND	ND
03/16/23	Hunter Defense Technologies ("HDT Global") (portco. of Nexus Capital Management)	Aviation Ground Equipment Corp. ("AGEC")	Provides aviation ground support equipment, including land-based and shipboard portable ground power units, portable universal load banks, aircraft start unit hoses, connectors, and spares	ND	ND	ND	ND		ND	ND
03/14/23	TransDigm Group, Inc. (NYSE: TDG)	Calspan Corp.	Provides independent testing and technology development services, solutions, and systems, with applications including mobility & safety, flight & wind tunnel, jet engine test solutions, and hypersonics	\$725.0	\$200.0 ⁽¹⁾	ND	ND		3.6x	ND
03/14/23	Ajax Defense	Whelan Machine & Tool, LLC (portco of Gremada Industries)	Provider and distributor of precision machine products and services including manual and precision and turning milling services for the defense, transportation, sanitation, energy, automotive, and law enforcement industries	ND	ND	ND	ND		ND	ND
03/13/23	Voyager Space Holdings, Inc.	ZIN Technologies, Inc.	Provides leading engineering, design, and integration company with decades-long experience providing critical human-rated spaceflight systems and monitoring solutions	ND	ND	ND	ND		ND	ND
03/13/23	Iten Defense (portco of Edgewater)	Transparent Armor Solutions ("TAS")	Provides certified ballistic glass and frame systems for defense, automotive, and architectural applications	ND	ND	ND	ND		ND	ND
03/09/23	Gilat Satellite Networks (NASDAQ: GILT)	DataPath, Inc. (portco of The White Oak Group)	Provides advanced and secure communications solutions tailored to the unique requirements of its commercial, government, military, aerospace, broadcast, and critical infrastructure clients	ND	ND	ND	ND		ND	ND
03/08/23	Epiris LLP	LoneStar PRD Group Ltd. (portco of AEA Investors)	Provides customized, high-performance fasteners, gaskets, and precision machined components to leading original equipment manufacturer ("OEMs")	ND	ND	ND	ND		ND	ND
03/08/23	International Defense & Aerospace Group ("IDAG")	Ace Aeronautics, LLC	Provides commercial and military off-the-shelf products for fixed and rotary wing aircraft that provide state-of-the-art system solutions to resolve avionics obsolescence and capability gaps	ND	ND	ND	ND		ND	ND
03/07/23	Raptor Scientific, LLC (portco of L Squared Capital Partners, LLC)	King Nutronics Corp.	Provides test, measurement, and calibration equipment (e.g., pressure, temperature, air data, torque/force, and oxygen-clean sensors) for the defense, industrial, space, and aerospace markets	ND	ND	ND	ND		ND	ND
03/06/23	MACOM (NASDAQ:MTSI)	Linearizer Communications Group	Provides non-linear microwave predistortion solutions for use in terrestrial, avionic, and space-based applications and high-performance microwave photonic solutions for use in the industrial and defense markets	\$49.0	ND	ND	ND		ND	ND
03/03/23	Cobham Advanced Electronic Solutions (subsidiary of Cobham Ltd. (portco of Advent International))	Specialist Radio Frequency Business of Ultra Electronics Holdings Ltd. (subsidiary of Cobham Ltd. (portco of Advent International))	Provides microwave and millimeter wave solutions for radars, flight instrumentation, weapon sensors, electronic warfare systems, and guidance systems for contractors, the U.S., and international governments	ND	ND	ND	ND		ND	ND
03/03/23	TRM Equity	Gamma Aerospace, LLC	Provides multi-contoured formed and multi-axis machined parts for private sector and U.S. federal government markets	ND	ND	ND	ND		ND	ND

(1) Management 2023 estimates
Note: ND = Not Disclosed

1Q23 Defense Transactions, cont.

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin		Rev.	EBITDA
03/03/23	Top Aces, Inc. (portco of Clairvest Group, Inc.) (strategic investment)	EpiSci	Provides next generation mission autonomy solutions for national security problems with capabilities including networked, collaborative, and autonomous swarm surrogates	ND	ND	ND	ND		ND	ND
02/21/23	TriMas Corp. (NasdaqGS: TRS)	Weldmac Manufacturing Company	Provides high-performance, complex metal fabricated components and assemblies for the aerospace, defense, and space launch markets	ND	\$33.0 ⁽¹⁾	ND	ND		ND	ND
02/21/23	AEM (portco of Industrial Growth Partners)	Central Semiconductor Corp.	Provides design and manufacturing services of standard and custom discrete semiconductor solutions for a range of end-markets, including industrial, medical, aerospace, space, defense, and commercial	ND	ND	ND	ND		ND	ND
02/21/23	Vast Space	Launcher Space	Provides the world's most efficient rockets and transfer vehicles to deliver small satellites to orbit by combining liquid propulsion technology and onsite 3D manufacturing	ND	ND	ND	ND		ND	ND
02/16/23	EDGE Group PJSC	Milrem AS	Provides robotics and autonomous systems for private sector and international government markets	ND	ND	ND	ND		ND	ND
02/14/23	Lorom Industrial (portco of Cornell Capital)	Segue Manufacturing (portco of Axia Capital)	Provides global contract electronics manufacturing, specializing in custom electromechanical cable assembly and engineering services for the medical sector	ND	ND	ND	ND		ND	ND
02/03/23	Lone Star Funds	Titan Acquisition Holdings (portco of The Carlyle Group and Stellex Capital Management)	Provides ship repair services and heavy complex fabrication	ND	ND	ND	ND		ND	ND
02/03/23	MACOM (NASDAQ:MTSI)	OMMIC SAS	Provides semiconductor wafer fabrication and epitaxial growth and monolithic microwave integrated circuit processing and design services using gallium arsenide and gallium nitride compounds	\$41.4	ND	ND	ND		ND	ND
01/31/23	Highlander Partners LP	Black Sage Technologies, Inc. (portco of Acorn Growth Companies)	Provides counter unmanned aircraft systems and security solutions for military, internal security, and critical infrastructure industries	ND	ND	ND	ND		ND	ND
01/26/23	Fletch Equity	Oceanwide Repair, LLC	Provides marine ship repair services including structural steel repairs, piping repair and fabrication, mechanical and rigging, underwater hull repair, and other critical services for commercial and military markets	ND	ND	ND	ND		ND	ND
01/20/23	Quad-C Management, Inc.	QED Technologies International, Inc. ("QED") (subsidiary of Entegris, Inc.)	Provides high performance polishing and metrology of surfaces and materials and manufactures highly precise optical components for the global precision optics industry	ND	ND	ND	ND		ND	ND
01/16/23	NIOA Group	Barrett Firearms Manufacturing, Inc.	Provides long-range, large-calibre, precision rifle design and manufacturing for the use of civilians, sport shooters, law enforcement agencies, the U.S. military, and other countries	ND	ND	ND	ND		ND	ND
01/12/23	Epiq Solutions (portco of Veritas Capital Fund Management, LLC)	Xiphos Systems Corp.	Provides high-performance, space-focused computing solutions, and high-performance processing products optimized for size, weight, and power, typically integrated into avionics for satellite and unmanned vehicles	ND	ND	ND	ND		ND	ND
01/10/23	Micross Components, Inc. (portco of Behrman Capital)	High-Reliability DC-DC Converter Business of Infineon Technologies AG (XETRA: IFX.DE; OTCQX: IFNNY)	Provides high-reliability DC-DC converters, including hybrid and custom board based power products for space, strategic defense, aerospace, and other high-reliability customers	ND	ND	ND	ND		ND	ND
01/10/23	APCT, Inc. (portco of Industrial Growth Partners)	Advanced Circuits, Inc. (subsidiary of Compass Group Diversified Holdings, LLC (NYSE: CODI))	Provides software-enabled design and manufacture of small-run, quick-turn, and low volume production printed circuit boards, including multi-layer rigid and high-density interconnect products	\$220.0	ND	ND	ND		ND	ND
01/05/23	Highlander Partners LP	DZYNE Technologies, Inc.	Provides cutting-edge unmanned aircraft systems for the DoD and various other domestic and international government agencies	ND	ND	ND	ND		ND	ND

(1) 2022 revenue
Note: ND = Not Disclosed

1Q23 Defense Transactions, cont.

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA	EV / LTM	
Date	Buyer / Investor						Margin	Rev.	EBITDA
01/05/23	Dedrone Holdings, Inc. (Subsidiary of Axon Enterprises, Inc. (NasdaqGS: AAXN))	A&H Security Systems (aka Aerial Armor)	Provides counterdrone systems and is an integrator of drone detection hardware	ND	ND	ND	ND	ND	ND
01/05/23	Emko Capital	The EF Precision Group	Provides highly complex close tolerance CNC machining and assembly for aerospace, defense, medical, semiconductor, and life sciences	ND	ND	ND	ND	ND	ND
01/05/23	Emko Capital	AERO Engineering & Manufacturing	Provides OEM specified turnkey production, mission-critical aftermarket spares, and inventory management solutions for aerospace and defense customers	ND	ND	ND	ND	ND	ND
01/04/23	George Industries, Inc. (portco of Behrman Capital)	Alexander Machine & Tool Company, Inc.	Provides highly engineered solutions that are critical to the performance and functionality of advanced electronic systems (avionics, communication, land defense, and space systems)	ND	ND	ND	ND	ND	ND
01/04/23	Micross Components, Inc. (portco of Behrman Capital)	KCB Solutions (portco of Artemis Capital Partners)	Provides radio frequency and microwave surface mount microcircuits and hybrids, focused on space, aerospace, and defense applications	ND	ND	ND	ND	ND	ND

1Q23 Government Technology Services Transactions

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin		Rev.	EBITDA
03/23/23	ASRC Federal	Logistics and Supply Chain Management Arm of SAIC	Provides supply chain management, logistics systems integration, sustaining and in-service engineering, logistics services, transportation consulting, and product support solutions	\$350.0	ND	ND	ND		ND	ND
03/21/23	Emmes	Essex Management	Provides bioinformatics and health information technology consulting services to government, private sector, and academic organizations	ND	ND	ND	ND		ND	ND
03/14/23	Parsons Corporation	IPKeys Power Partners, LLC	Provides comprehensive, cloud-based cybersecurity, software solutions that operate at the intersection of IT and operational technology for private sector and U.S. federal government defense markets	\$43.0	ND	ND	ND		ND	ND
03/13/23	Optiv Security, Inc.	ClearShark, LLC	Provides technical and information technology services to the defense and intelligence sectors	ND	ND	ND	ND		ND	ND
03/01/23	Cherokee Federal	Criterion Systems, Inc.	Provides systems integration and cyber operations solutions serving the private sectors and the U.S. federal government	ND	ND	ND	ND		ND	ND
03/01/23	Altamira Technologies Corporation	Virginia Systems & Technology, Inc. ("VaST")	Provides software development services to private sector and U.S. federal government aerospace and defense markets	ND	ND	ND	ND		ND	ND
02/22/23	NV5 Global, Inc.	Axim Geospatial	Provides end-to-end geospatial services and solutions throughout the U.S. through core competencies that include big data services, geomatics, business solutions, cloud services, infrastructure security, analytics, and professional services	ND	ND	ND	ND		ND	ND
02/22/23	cBEYONData	Summit2Sea Consulting LLC	Provides data analytics, robotic process automation, and enterprise application modernization services to private sector and U.S. federal government civilian, defense, and energy markets	ND	ND	ND	ND		ND	ND
02/16/23	The Cadmus Group	Nathan Associates Inc.	Provides economic and analytics consulting services to government and commercial clients specializing in international development, litigation and expert services, infrastructure project development and finance, and advisory-based services	ND	ND	ND	ND		ND	ND
02/15/23	LinQuest Corporation	Capability Analysis & Measurement Organization LLC	Provides a range of RDT&E solutions for warfighter applications in private sector and U.S. federal government defense markets	ND	ND	ND	ND		ND	ND
02/13/23	Boecore, Inc.	Orbit Logic, Inc.	Provides commercial off-the-shelf software and implementation solutions to private sector and U.S. federal government aerospace markets	ND	ND	ND	ND		ND	ND
02/02/23	BlueAlly Technology Solutions, LLC	n2grate Government Technology Solutions, LLC	Provides integrated IT services and solutions serving the private sectors and federal government defense, healthcare, and civilian markets	ND	ND	ND	ND		ND	ND
01/31/23	GI Partners	Atlas Technical Consultants, Inc.	Provides infrastructure and environmental solutions to private sector and U.S. federal government defense, healthcare, and transportation markets	\$1,050.0	\$599.1	\$71.8	12%	1.8x	14.6x	
01/31/23	LinQuest Corporation	Hellebore Consulting Group, LLC	Provides next-generation software engineering solutions for private sectors and U.S. federal government defense markets	ND	ND	ND	ND		ND	ND
01/26/23	AE Industrial Partners	REDLattice Incorporated	Provides full spectrum cyber capabilities for customers in the U.S. national security, defense, and commercial communities	ND	ND	ND	ND		ND	ND
01/18/23	Boathouse Capital	Compendium Federal Technology, LLC ("CFT")	Provides technology and engineering services to the public and private sectors	ND	ND	ND	ND		ND	ND

Note: ND = Not Disclosed

1Q23 Government Technology Services Transactions, cont.

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin		Rev.	EBITDA
01/12/23	Blue Delta Capital Partners	Core One Solutions	Provides national security mission support services to the defense and intelligence sectors	ND	ND	ND	ND		ND	ND
01/12/23	McNally Capital	Xcelerate Solutions	Provides comprehensive security capabilities to identify, reduce, and mitigate enterprise risks for defense, law enforcement, and IC customers	ND	ND	ND	ND		ND	ND
01/11/23	One Equity Partners	Mythics Emergent Group ("MEG")	Provides its customers software and hardware licenses, as well as related implementation, maintenance, and support services	ND	ND	ND	ND		ND	ND
01/10/23	Digital Intelligence Systems, LLC ("DISYS")	LinTech Global, Inc. ("LinTech")	Provides financial management, agile software development, enterprise IT infrastructure support, cyber security, and health IT services to federal defense and civilian government agencies	ND	ND	ND	ND		ND	ND
01/05/23	MartinFed	Xcel Engineering	Provides engineering services from IT staffing, IT solutions, environmental engineering, and project management and consulting	ND	ND	ND	ND		ND	ND
01/05/23	Tetra Tech, Inc.	Amyx, Inc.	Provides enterprise technology services, cybersecurity, and management consulting services	ND	ND	ND	ND		ND	ND
01/03/23	NV5 Global, Inc.	Visual Information Solutions Business of L3Harris Technologies, Inc.	Provides software used by scientists, engineers, and others to extract information from images captured by sources such as satellites, aircraft, and meteorological devices	ND	ND	ND	ND		ND	ND

Public Company Trading Analysis

(\$ in millions, except per share amounts)

Aircraft and Engine OEMs	Stock Price 03/31/23	% 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	\$212.43	96.0%	\$127,283	\$168,680	\$66,608	\$1,647	2.5%	\$78,725	\$5,282	6.7%	2.53x	NM	2.14x	NM
Airbus SE	133.94	97.8%	105,487	99,668	62,801	8,195	13.0%	69,705	9,510	13.6%	1.59x	12.2x	1.43x	10.5x
General Electric Company	95.60	99.9%	104,231	118,425	76,555	8,687	11.3%	62,716	6,939	11.1%	1.55x	13.6x	1.89x	17.1x
Safran SA	148.35	98.7%	62,983	63,777	21,026	4,081	19.4%	24,950	4,800	19.2%	3.03x	15.6x	2.56x	13.3x
MTU Aero Engines AG	250.54	97.6%	13,420	14,084	5,696	771	13.5%	6,790	1,160	17.1%	2.47x	18.3x	2.07x	12.1x
Median		97.8%	\$104,231	\$99,668	\$62,801	\$4,081	13.0%	\$62,716	\$5,282	13.6%	2.47x	14.6x	2.07x	12.7x

Aerostructures	Stock Price 03/31/23	% 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	\$68.25	91.0%	\$5,752	\$6,414	\$1,578	\$298	18.9%	\$1,774	\$366	20.6%	4.07x	21.5x	3.61x	17.5x
Spirit AeroSystems Holdings, Inc.	34.53	69.3%	3,628	6,935	5,030	14	0.3%	6,384	625	9.8%	1.38x	NM	1.09x	11.1x
Senior plc	1.94	88.2%	795	1,011	1,022	85	8.3%	1,167	118	10.1%	0.99x	11.9x	0.87x	8.6x
Triumph Group, Inc.	11.59	43.3%	753	2,245	1,372	149	10.9%	1,360	199	14.6%	1.64x	15.1x	1.65x	11.3x
Median		78.7%	\$2,212	\$4,329	\$1,475	\$117	9.6%	\$1,567	\$282	12.4%	1.51x	15.1x	1.37x	11.2x

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 03/31/23	% 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.	\$42.37	95.5%	\$17,448	\$20,989	\$5,663	\$1,260	22.2%	\$6,139	\$1,403	22.9%	3.71x	16.7x	3.42x	15.0x
Curtiss-Wright Corporation	176.26	96.6%	6,752	7,921	2,557	553	21.6%	2,687	581	21.6%	3.10x	14.3x	2.95x	13.6x
Woodward, Inc.	97.37	77.1%	5,816	6,577	2,460	342	13.9%	2,706	416	15.4%	2.67x	19.2x	2.43x	15.8x
Moog Inc.	100.75	98.1%	3,202	4,086	3,072	361	11.8%	3,220	422	13.1%	1.33x	11.3x	1.27x	9.7x
Ducommun Incorporated	54.71	93.9%	665	903	713	78	10.9%	746	100	13.5%	1.27x	11.6x	1.21x	9.0x
Astronics Corporation	13.36	83.6%	417	581	535	(7)	NM	637	45	7.0%	1.09x	NM	0.91x	13.1x
Héroux-Devtek Inc.	9.67	72.3%	331	442	395	39	9.8%	424	51	12.1%	1.12x	11.5x	1.04x	8.6x
Median		93.9%	\$3,202	\$4,086	\$2,460	\$342	12.8%	\$2,687	\$416	13.5%	1.33x	13.0x	1.27x	13.1x

Aftermarket / MRO	Stock Price 03/31/23	% 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	\$737.05	95.5%	\$40,242	\$56,738	\$5,632	\$2,600	46.2%	\$6,336	\$3,193	50.4%	10.07x	21.8x	8.96x	17.8x
HEICO Corporation	171.04	96.3%	20,524	21,550	2,339	627	26.8%	2,759	731	26.5%	9.21x	NM	7.81x	NM
Singapore Technologies Engineering Ltd	2.75	86.7%	8,583	13,211	6,738	798	11.8%	7,235	1,014	14.0%	1.96x	16.5x	1.83x	13.0x
SIA Engineering Company Limited	1.69	82.4%	1,898	1,497	547	(7)	NM	664	54	8.1%	2.74x	NM	2.25x	NM
AAR Corp.	54.55	95.9%	1,863	2,048	1,913	158	8.3%	1,993	198	9.9%	1.07x	12.9x	1.03x	10.4x
Median		95.5%	\$8,583	\$13,211	\$2,339	\$627	19.3%	\$2,759	\$731	14.0%	2.74x	16.5x	2.25x	13.0x

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 03/31/23	% 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	\$97.93	90.0%	\$142,793	\$172,011	\$67,074	\$11,324	16.9%	\$72,430	\$12,840	17.7%	2.56x	15.2x	2.37x	13.4x
Lockheed Martin Corporation	472.73	94.7%	120,319	134,418	65,984	8,734	13.2%	65,660	9,814	14.9%	2.04x	15.4x	2.05x	13.7x
Northrop Grumman Corporation	461.72	83.0%	70,236	82,659	36,602	7,680	21.0%	38,321	5,344	13.9%	2.26x	10.8x	2.16x	15.5x
General Dynamics Corporation	228.21	88.8%	62,581	73,453	39,407	5,485	13.9%	41,161	5,374	13.1%	1.86x	13.4x	1.78x	13.7x
L3Harris Technologies, Inc.	196.24	74.1%	37,277	44,390	17,062	2,867	16.8%	17,709	3,528	19.9%	2.60x	15.5x	2.51x	12.6x
BAE Systems plc	12.16	99.1%	37,081	41,933	25,614	3,254	12.7%	30,075	3,956	13.2%	1.64x	12.9x	1.39x	10.6x
Median		89.4%	\$66,408	\$78,056	\$38,005	\$6,583	15.4%	\$39,741	\$5,359	14.4%	2.15x	14.3x	2.10x	13.5x

Defense Systems	Stock Price 03/31/23	% 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	\$148.35	98.7%	\$62,983	\$63,777	\$21,026	\$4,081	19.4%	\$24,950	\$4,800	19.2%	3.03x	15.6x	2.56x	13.3x
Huntington Ingalls Industries, Inc.	207.02	79.6%	8,251	10,987	10,676	1,151	10.8%	10,884	1,018	9.3%	1.03x	9.5x	1.01x	10.8x
Kongsberg Gruppen ASA	40.42	95.9%	7,137	7,206	3,228	444	13.7%	3,414	506	14.8%	2.23x	16.2x	2.11x	14.2x
AeroVironment, Inc.	91.66	80.3%	2,299	2,417	487	65	13.3%	584	119	20.4%	4.96x	NM	4.14x	20.3x
Median		88.1%	\$7,694	\$9,096	\$6,952	\$797	13.5%	\$7,149	\$762	17.0%	2.63x	15.6x	2.33x	13.8x

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)

Defense Electronics / Comm.	Stock Price 03/31/23	% 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	\$447.36	90.6%	\$21,027	\$24,468	\$5,459	\$1,316	24.1%	\$5,742	\$1,405	24.5%	4.48x	18.6x	4.26x	17.4x
Hensoldt AG	36.07	92.0%	3,787	4,151	1,824	233	12.8%	2,018	350	17.4%	2.28x	17.8x	2.06x	11.8x
Mercury Systems, Inc.	51.12	75.1%	2,970	3,494	1,000	147	14.7%	1,060	223	21.0%	3.49x	23.8x	3.30x	15.7x
Viasat, Inc.	33.84	67.7%	2,584	5,709	2,867	463	16.1%	2,649	502	19.0%	1.99x	12.3x	2.16x	11.4x
Kratos Defense & Security Solutions, Inc.	13.48	60.6%	1,707	1,997	898	35	3.9%	990	88	8.9%	2.22x	NM	2.02x	22.7x
Comtech Telecommunications Corp.	12.48	74.0%	348	654	514	30	5.8%	546	52	9.5%	1.27x	21.9x	1.20x	12.6x
Median		74.5%	\$2,777	\$3,823	\$1,412	\$190	13.7%	\$1,539	\$287	18.2%	2.25x	18.6x	2.11x	14.1x

Homeland Security	Stock Price 03/31/23	% 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	\$21.24	95.0%	\$7,471	\$8,007	\$3,537	\$594	16.8%	\$3,720	\$714	19.2%	2.26x	13.5x	2.15x	11.2x
MSA Safety Incorporated	133.50	91.2%	5,235	5,683	1,528	369	24.1%	1,619	379	23.4%	3.72x	15.4x	3.51x	15.0x
OSI Systems, Inc.	102.36	99.2%	1,725	2,099	1,191	147	12.3%	1,303	222	17.0%	1.76x	14.3x	1.61x	9.5x
Smith & Wesson Brands, Inc.	12.31	73.6%	565	586	516	109	21.0%	495	90	18.3%	1.14x	5.4x	1.18x	6.5x
Median		93.1%	\$3,480	\$3,891	\$1,359	\$258	18.9%	\$1,461	\$301	18.7%	2.01x	13.9x	1.88x	10.3x

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 03/31/23	% 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.	\$92.06	82.8%	\$12,630	\$17,788	\$14,396	\$1,478	10.3%	\$14,998	\$1,559	10.4%	1.24x	12.0x	1.19x	11.4x
Booz Allen Hamilton Holding Corporation	92.69	82.4%	12,261	14,966	9,064	853	9.4%	9,757	1,050	10.8%	1.65x	17.5x	1.53x	14.3x
CACI International Inc	296.28	92.8%	6,765	8,511	6,481	649	10.0%	6,715	726	10.8%	1.31x	13.1x	1.27x	11.7x
SAIC	107.46	91.1%	5,870	8,339	7,704	675	8.8%	7,247	672	9.3%	1.08x	12.4x	1.15x	12.4x
Parsons Corporation	44.74	89.2%	4,685	5,393	4,195	312	7.4%	4,502	388	8.6%	1.29x	17.3x	1.20x	13.9x
ICF International, Inc.	109.70	90.5%	2,055	2,820	1,780	167	9.4%	1,979	213	10.8%	1.58x	16.9x	1.43x	13.2x
V2X, Inc.	39.72	77.9%	1,228	2,446	2,891	158	5.5%	3,851	302	7.8%	0.85x	15.5x	0.64x	8.1x
Median		89.2%	\$5,870	\$8,339	\$6,481	\$649	9.4%	\$6,715	\$672	10.4%	1.29x	15.5x	1.20x	12.4x

Government Technology Software	Stock Price 03/31/23	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Palantir Technologies Inc.	\$8.45	56.9%	\$17,757	\$15,450	\$1,906	(\$139)	NM	\$2,205	\$530	24.0%	8.11x	NM	7.01x	NM
Tyler Technologies, Inc.	354.64	78.6%	14,831	15,666	1,850	316	17.1%	1,955	478	24.5%	8.47x	NM	8.01x	NM
BigBear.ai Holdings, Inc.	2.44	15.1%	345	533	155	(34)	NM	161	(5)	NM	3.44x	NM	3.31x	NM
Telos Corporation	2.53	20.2%	177	71	217	(49)	NM	127	(23)	NM	0.33x	NM	0.56x	NM
Median		38.5%	\$7,588	\$7,991	\$1,034	NM	NM	\$1,058	\$237	NM	5.77x	NM	5.16x	NM

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)

Engineering & Construction	Stock Price 03/31/23	% 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.	\$117.51	78.2%	\$14,890	\$18,602	\$15,341	\$1,365	8.9%	\$16,171	\$1,505	9.3%	1.21x	13.6x	1.15x	12.4x
AECOM	84.32	91.5%	11,716	13,653	13,264	945	7.1%	14,242	991	7.0%	1.03x	14.4x	0.96x	13.8x
Tetra Tech, Inc.	146.91	86.6%	7,819	8,116	2,893	378	13.1%	3,574	445	12.5%	2.81x	NM	2.27x	18.2x
KBR, Inc.	55.05	94.9%	7,518	9,142	6,564	418	6.4%	6,987	737	10.6%	1.39x	NM	1.31x	12.4x
Babcock International Group PLC	3.70	80.5%	1,867	3,074	4,591	313	6.8%	4,791	574	12.0%	0.67x	9.8x	0.64x	5.4x
Median		86.6%	\$7,819	\$9,142	\$6,564	\$418	7.1%	\$6,987	\$737	10.6%	1.21x	13.6x	1.15x	12.4x
Space	Stock Price 03/31/23	% 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.	\$51.06	98.3%	\$3,858	\$6,201	\$1,605	\$286	17.8%	\$1,853	\$526	28.4%	3.86x	21.7x	3.35x	11.8x
Rocket Lab USA, Inc.	4.04	46.2%	1,930	1,614	211	(105)	NM	288	(73)	NM	7.65x	NM	5.60x	NM
Redwire Corporation	3.03	42.4%	195	338	161	(30)	NM	235	(2)	NM	2.11x	NM	1.44x	NM
Astra Space, Inc.	0.43	9.6%	115	25	9	(250)	NM	27	(137)	NM	2.68x	NM	0.92x	NM
Momentus Inc.	0.59	12.3%	55	15	0	(90)	NM	2	(56)	NM	NM	NM	6.78x	NM
Median		42.4%	\$195	\$338	\$161	NM	NM	\$235	NM	NM	3.27x	NM	3.35x	NM

Note: NM = Not Meaningful

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



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