

MarketView

Aerospace / Defense &
Government Technology
Services

Summer 2023

Kipps DeSanto
INVESTMENT BANKING



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Getting Deals Done

- KippsDeSanto has closed more than 60 transactions⁽¹⁾ since January 2021, leveraging depth of experience and unique approaches to achieve optimal results

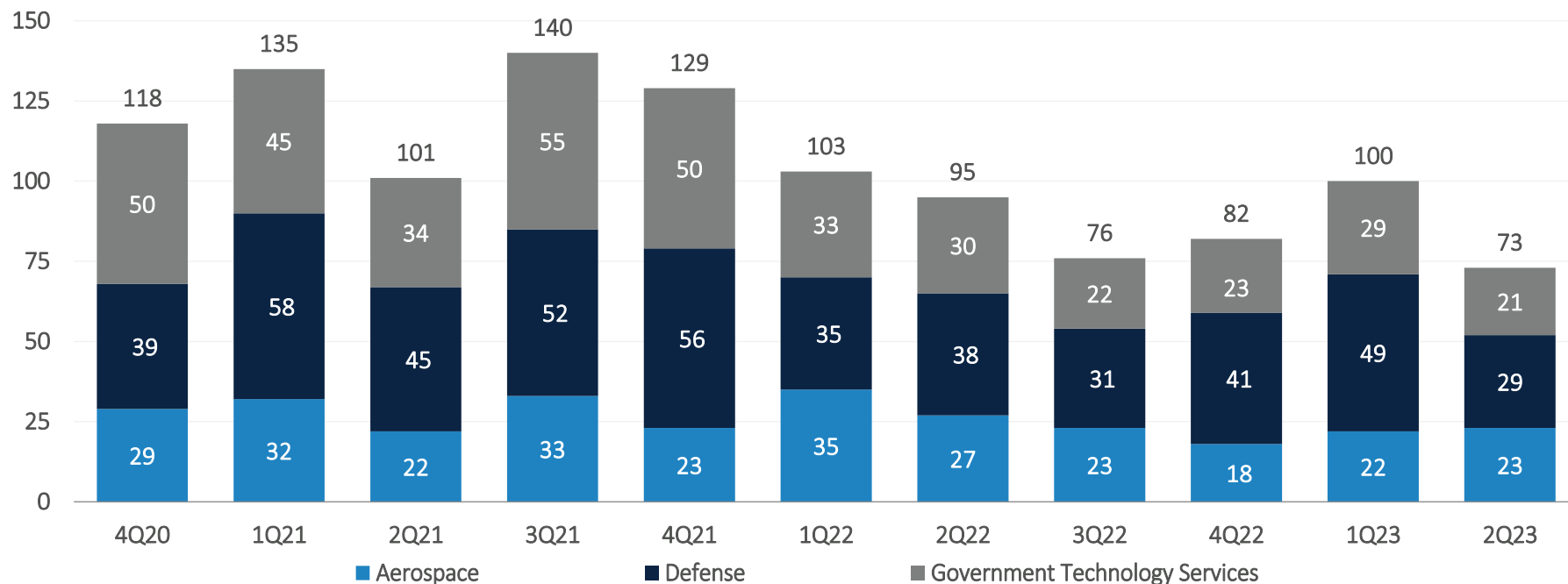
Select Transaction Success

<p>June 2023</p>  <p>has been acquired by</p> 	<p>April 2023</p>  <p>has merged with</p> 	<p>March 2023</p>  <p>has been acquired by</p>  <p>a portfolio company of</p>  <p>McNally Capital & RAZOR'S EDGE</p>	<p>February 2023</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>December 2022</p>  <p>has been acquired by</p> 	<p>December 2022</p>  <p>has been acquired by</p> <p>New State Aviation Holdings</p> <p>a portfolio company of</p> 	<p>December 2022</p>  <p>has acquired</p> 	<p>November 2022</p>  <p>has been acquired by</p>  <p>a portfolio company of</p>  <p>22C Capital</p>	<p>November 2022</p>  <p>has received an investment from</p> 	<p>November 2022</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 
<p>October 2022</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>October 2022</p>  <p>has been acquired by</p> 	<p>September 2022</p>  <p>has been acquired by</p> <p>an affiliate of</p> 	<p>September 2022</p> <p>SENECA/RESOURCES</p> <p>has been acquired by</p> 	<p>July 2022</p>  <p>has been acquired by</p> 	<p>July 2022</p>  <p>has been acquired by</p> 	<p>July 2022</p>  <p>has been acquired by</p>  <p>CAPITOL MERIDIAN PARTNERS</p> <p>22C Capital</p>	<p>March 2022</p>  <p>has been acquired by</p> <p>a portfolio company of</p> 	<p>February 2022</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>January 2022</p>  <p>has been acquired by</p> 
<p>January 2022</p>  <p>has been acquired by</p> 	<p>January 2022</p>  <p>has been acquired by</p> 	<p>December 2021</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>December 2021</p>  <p>has been acquired by</p> 	<p>November 2021</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>November 2021</p>  <p>has been acquired by</p> 	<p>October 2021</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>September 2021</p>  <p>has been acquired by</p> 	<p>September 2021</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>September 2021</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 

(1) Includes transactions which have not been publicly announced

M&A Trends & Activity

- Overall, deal volume in 2Q23 declined; however, a stabilizing economy has set the stage for an increase in M&A activity for the remainder of 2023



- Aerospace deal volume remained relatively flat in 2Q23 as strategic buyers continue to focus predominately on expanding its existing maintenance, repair, and overhaul (“MRO”) or specialized machining capabilities
- Defense deal volume declined significantly in 2Q23 from 1Q23, but given the largest U.S. defense budget set for 2024 and with the U.S. hyper-focused on accelerating production capabilities, further spending is expected as the sector continues to support efforts for the Russia-Ukraine conflict
- Government Technology Services (“GTS”) deals decreased in 2Q23; however, the outlook for the remainder of 2023 remains positive as buyers look to leverage healthy balance sheets and ample targets to pursue inorganic growth, particularly in areas such as cybersecurity and information technology (“IT”) modernization capabilities

Highlighted 2Q23 Industry Transactions

Announced June 2023



EV: ND

EV / Revenue: ND

EV / EBITDA: ND

- Firefly Aerospace, a portfolio company of AE Industrial Partners, has agreed to acquire Spaceflight, Inc.
- Spaceflight's on-orbit experience and Firefly's launch vehicles will enable Firefly to service the entire lifecycle of customers' satellites and spacecraft

Announced June / May 2023



EV: ND

EV / Revenue: ND

EV / EBITDA: ND

EV: ND

EV / Revenue: ND

EV / EBITDA: ND

- iNovex Information Systems Inc. has acquired Secure Innovation, LLC and Innoplex, LLC
- The acquisitions were the first two tuck-ins for Enlightenment Capital's newest platform and expands iNovex's cybersecurity and enterprise IT offerings

Announced June 2023



EV: \$740M

EV / Revenue⁽¹⁾: 2.24x

EV / EBITDA⁽¹⁾: 11.4x

- Barnes Group, Inc. (NYSE: B) has agreed to acquire MB Aerospace Holdings, a portfolio company of The Blackstone Group
- Barnes will realize approximately \$18 million in annual run-rate cost synergies and will utilize MB Aerospace to broaden customer relationships and defense industry exposure

Announced May 2023



EV: ND

EV / Revenue: ND

EV / EBITDA: ND

- Bluestone Investment Partners has acquired Precise Systems, Inc.
- The partnership will fuel Precise Systems' growth in delivering modernized engineering and program management solutions for the U.S. Navy and new customers throughout the Department of Defense ("DoD")

Announced May 2023



EV: \$2.05B

EV / Revenue⁽¹⁾: 2.83x

EV / EBITDA⁽¹⁾: 13.1x

- HEICO (NYSE: HEI) has agreed to acquire Wencor Group, a portfolio company of Warburg Pincus
- Wencor will support the expansion of HEICO's aftermarket product offerings, enabling the company to offer greater savings and capabilities to customers

Announced April 2023



EV: ND

EV / Revenue: ND

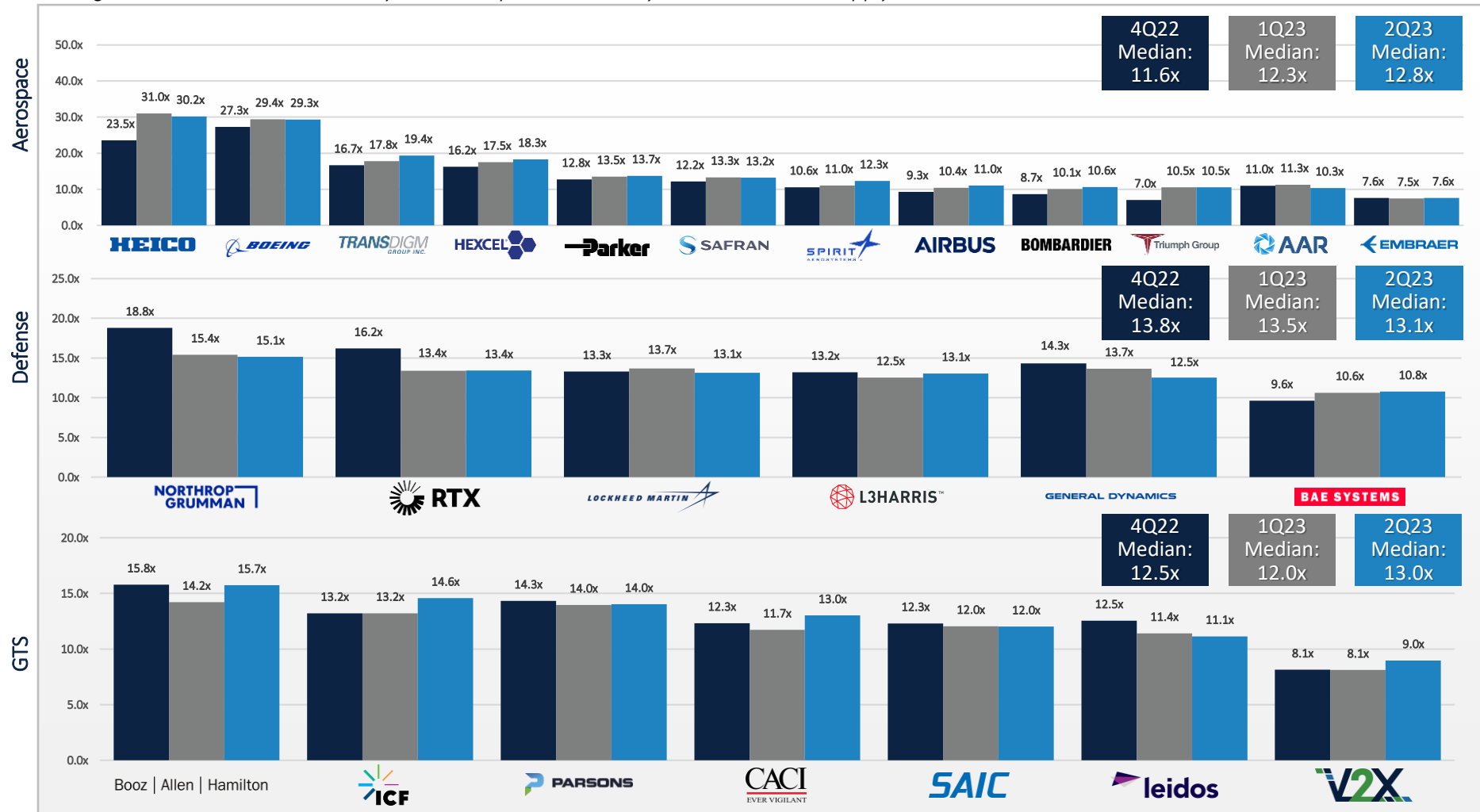
EV / EBITDA: ND

- Meadowgate Technologies LLC has acquired Engineering Solutions LLC ("ESI")
- The combination creates a hybrid technology provider that blends in-house management with cloud-based services for national security agencies

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

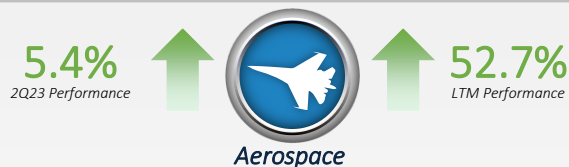
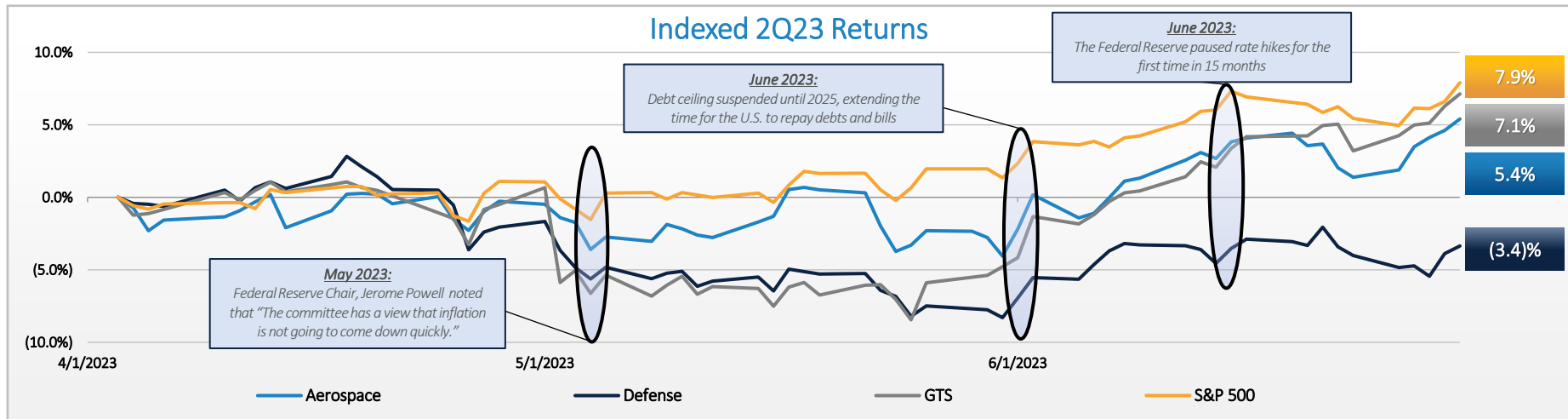
EV / NTM EBITDA Public Market Valuation Trends

- GTS public median valuations increased in 2Q23 from 1Q23 as companies look to rapidly implement innovative technologies, such as artificial intelligence; Aerospace increased slightly in 2Q23 as the sector supply chain continues to rebound; Defense decreased slightly in 2Q23, down from the highs seen in 4Q22 as the industry deals with production delays due to labor and supply chain issues



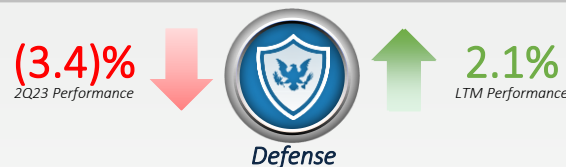
Equity Capital Markets Performance

- The broader market continued to defy expectations and rebounded in 2Q23 as the S&P 500 notched double-digit returns despite the Fed's fastest rate hiking campaign since the 1980s; technology stocks have carried index returns and driven year-to-date performance after struggling in 2022
- The Aerospace index marked a one-year high in 2Q23, showing signs of a promising outlook due to the continued rise of airline travel demand



Aerospace shares **increased** in 2Q23 as demand for air travel has continued to skyrocket, continuing the sharp **increase in overall air traffic** over the last twelve months

Shares of **TransDigm Group Incorporated (NYSE: TDG)** increased 19.9% in 2Q23 following **strong earnings** and aerospace aftermarket performance



Defense shares **decreased** in 2Q23; however, demand for defense products and services **remains high** as the U.S. looks to **increase domestic production** of munitions, armored vehicles, and other critical military supplies

Shares of **BAE Systems (LSE: BAE)** decreased 2.8% in 2Q23, despite **new orders** being placed during the quarter from customers such as the Czech Republic, Japan, Australia, and Romania



GTS shares **increased in 2Q23**, a rebound from the index's performance in 1Q23 as customers continue to desire breakthrough technologies and capabilities relating to **artificial intelligence** and **cybersecurity**

Shares of **V2X (NYSE: VVX)** increased 24.9% in 2Q23 following the report of **strong 1Q23 results** and winning a spot on the U.S. Air Force's **\$32.5 billion, 10-year Training Systems Acquisition IV** program

Aerospace Update

Commercial Aerospace Industry Continues to Soar Above and Beyond Previous Estimates

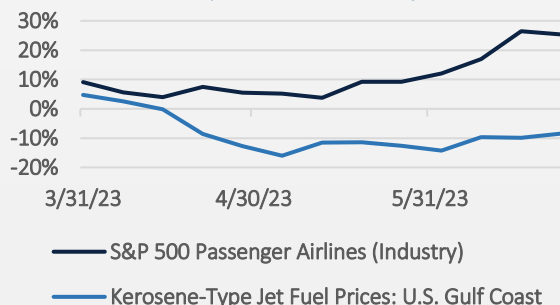
Optimism remains a key theme in the aviation industry as airlines continue to *outperform expectations*.

Travel over Memorial Day Weekend reached pre-pandemic levels as nearly *9.8 million passengers flew over the four days*. Furthermore, airlines are expected to maintain an average passenger load factor of *~81% for 2023, in-line with 2019 levels*. Air travel over Independence Day Weekend was projected to include *4.17 million Americans*, an increase of 11.2% over 2022 and 6.6% over 2019. This boost in air traffic demand is expected to have positive effects on aftermarket sales and MRO services companies.

Net profit estimates for the airline industry have more than doubled, to *\$9.8 billion*, as compared to expectations of *\$4.7 billion* heading into 2023 as of last December. Factors driving this surge include the price of jet fuel coming down from 2022 highs and the supply of flights rising by *~25% from 2022*.

These factors continue to *elevate valuations and M&A interest* in the industry as investors and buyers look to capture value in one of the *highest growth industries in 2023*.

Airline Industry vs Jet Fuel Index Performance



Satellite Capacity Expands, Lowering Costs and Driving Demand

Inflight Wi-Fi in the commercial airline industry has seen a *dramatic decrease in cost* recently, as the increase of Low Earth Orbit (“LEO”) satellites has led to an increase in global broadband capacity.

Competition between Viasat, SpaceX, and other LEO providers has driven the capacity increase and lowered prices. For example, Viasat’s Ku-band satellites delivered *5 gigabytes* of data for *\$9,000 per month* in 2017. Today, Viasat’s Ka-band network offers *unlimited data* for *\$9,999 per month* and is expected to offer a *top speed of 100 megabits per second* following the completion of the VS-3 constellation.

Select Satellite and Airline Partnerships



As the commercial airline market continues its ascent to pre-pandemic levels, competitors like *Delta Airlines and JetBlue now offer free inflight Wi-Fi*. Specifically, Delta’s plan promises to offer free inflight Wi-Fi on more than *700 Viasat-equipped aircraft by the end of 2023*.

Delta’s plans place pressure on other major airlines to follow suit, *driving demand for further satellite capacity and interest in LEO satellite companies within the M&A market*.

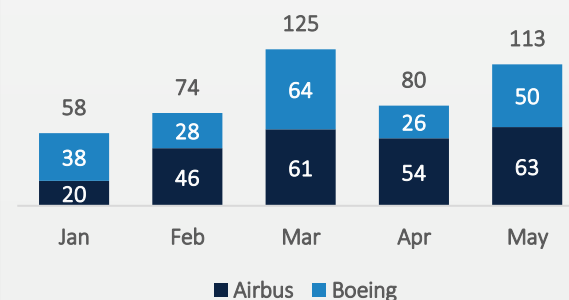
Key Takeaways from the Paris Airshow

After a four-year hiatus, the world’s largest international aerospace gathering, the Paris Air Show, had a successful showing with *2,500+ exhibitors from 47 countries*. A global resurgence in passenger demand has led to an influx of aircraft orders from low-cost European, Asian, and Middle Eastern carriers. Notably, *IndiGo’s order of 500 Airbus jets marked the largest commercial jet deal in civil-aviation history*.

In response to demand generated by the new orders, large original equipment manufacturers (“OEMs”) have increased monthly build rate expectations. Specifically, Airbus expects to build *14 A220 and 65 A320neo aircraft per month*, while Boeing aims to produce *42 of its 737 Max aircraft per month, in 2024*.

As of May 31st, *Airbus has delivered 244 aircraft and Boeing has delivered 206 aircraft in 2023, amounting to 450 combined year-to-date deliveries*. It is expected that combined deliveries for Airbus and Boeing will *increase to 1,297 in 2023*. In 2025, deliveries are expected to *exceed 2018’s peak at 1,791*.

2023 Monthly Aircraft Deliveries



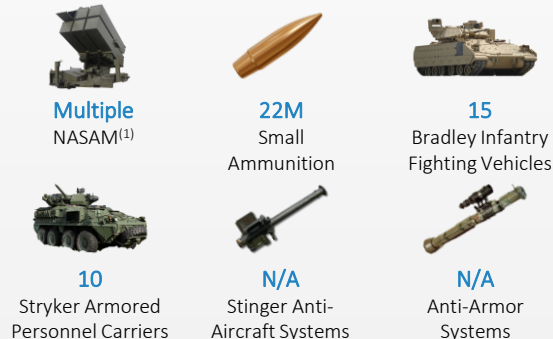
Defense Update

U.S. Reaches \$34B in Weapons and Other Equipment sent to Ukraine as Aid Continues under Presidential Drawdown Authority

In early-June, the DoD announced a **\$2.1 billion assistance package** under the Ukraine Security Assistance Initiative. The package includes Patriot missile battery munitions, Hawk air defense systems and missiles, small hand-launched Puma drones, munitions for laser guided rockets and artillery rounds, and additional funding for training and maintenance support.

In mid-June, the DoD announced a **\$325 million assistance package** under the 40th use of presidential drawdown authority for Ukraine *since August 2021*. The package arrives as Ukraine begins its counteroffensive initiative to retake territory on the 600-mile frontline.

\$325 Million Assistance Package



(1) National Advanced Surface-to-Air Missile Systems

Within the defense sector, companies that are involved in the production of these **highly sought-after products** are expected to capture **significant interest** in the M&A market as companies look to **solidify their market position and reach new customers**.

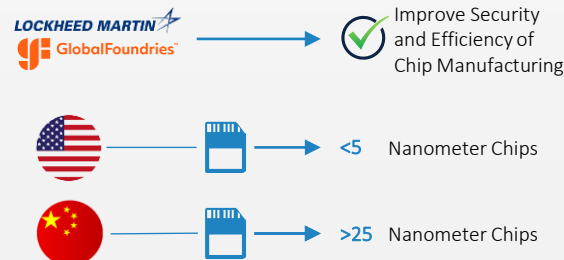
Production of Semiconductor Chips Continues to be at the Forefront of U.S. Defense Industry's Focus

Lockheed Martin and GlobalFoundries announced a partnership aiming to **improve the security and efficiency of chip manufacturing**. This partnership strengthens GlobalFoundries' positioning to pursue **\$2 billion in subsidies set aside for microelectronics in defense systems**.

The race between the U.S. and China to dominate the **\$580 billion semiconductor market** continues to heat up. The U.S. only produces **12% of microprocessors**. Taiwan, which is facing increasing pressure from China, produces **92% of the world's most advanced semiconductors**.

Analysts believe that subsidies alone will not bring China to its goal of **70% self-sufficient semiconductors** by 2025 because China has no capability to produce advanced chips at scale due to lower R&D spending than foreign competitors (**7.6% of revenue compared to 18% in the U.S.**).

The Global Race for Chip Manufacturing

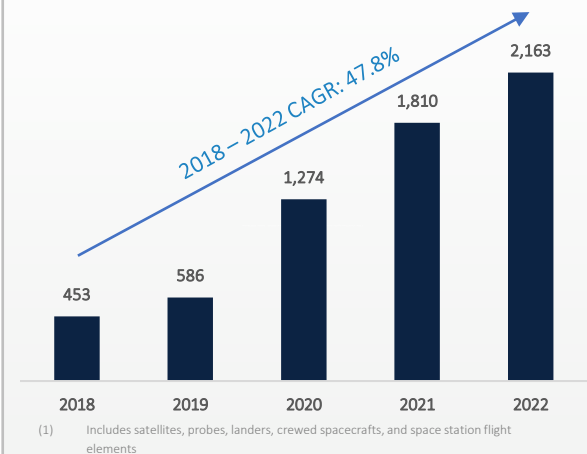


The supply of nanometer chips is projected to continue to grow rapidly as the U.S. and China take more interest and seek out ways to increase production.

Space Launches Expected to Rise in 2023, Positively Impacting Space-Based Programs

The rise of proliferated satellite constellations creates a need for more rockets, and the U.S. Space Force manages the **two busiest spaceports in Florida and California**, respectively. These two locations provided payload processing and support for **73 missions in 2022** and are expected to surpass **130 launches in 2023**. This number could **triple in the coming years**.

Number of Objects⁽¹⁾ Launched into Space Trending Upwards



Increased launch demand has placed strain on the U.S. Space Force's launch infrastructure. The service's fiscal **2024 budget includes \$1.3 billion** for infrastructure projects over the next five years.

The U.S. hosts **20 spaceports**, yet only four provide the vertical launch capabilities required by many launches. Upcoming important missions include SpaceX's launch of **4,000 Starlink satellites** and an anticipated **8,000 additional Starlink launches** within the next three years.

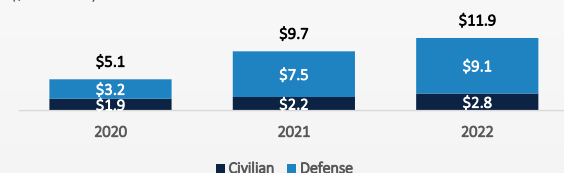
Government Technology Services Update

The Use and Investment of Blockchain Technology in the Federal Government

The use and investment in blockchain technology is gaining traction across multiple federal agencies, primarily driven by **concerns over cryptocurrency fraud and tax evasion**. Federal law enforcement and financial regulation agencies such as the Federal Bureau of Investigation, Treasury Department, and the Securities and Exchange Commission are investing in analytics to **examine blockchains forensically, track cryptocurrency transactions, and identify any potential threats**. Federal civilian agencies are also evaluating blockchain solutions for tasks like **asset management, cybersecurity, and digital maintenance**. Overall, federal spending in blockchain related work **rose by 140% from 2020 to 2022** and civilian agencies **spend three times more per year on blockchain technology than the DoD**.

Federal Blockchain Spending 2020 - 2022

(\$ in millions)



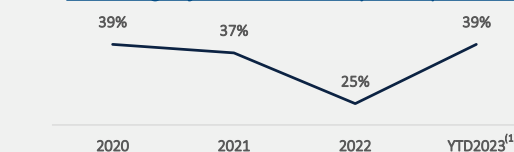
Global blockchain **M&A activity increased by 40% in the first quarter of 2023 by volume**. As the government continues to decentralize existing architecture, blockchain-powered ecosystems are becoming even more important in **developing and monetizing digital assets and creating digital trust**. The growing federal spending on blockchain technology presents new areas for differentiation by contractors around technology, and thereby significant organic growth and value creation potential for M&A interest in 2H23 and beyond.

Increased Focus on Ukraine Information Sharing Models to Prevent Chinese Cyberattacks

The U.S. Intelligence Community's annual threat assessment warned that Chinese cyber operations are increasingly focused on disruptive impacts and are resembling Russian operations. Specifically, Microsoft and U.S. intelligence agencies revealed a **Chinese-linked hacking group, "Volt Typhoon,"** targeted critical infrastructure in the U.S., and telecommunications infrastructure in Guam. The Department of Homeland Security has emphasized the importance of following the **well-executed model of intelligence sharing prior to Russia's invasion of Ukraine**. Federal agencies are taking action, including the Cybersecurity and Infrastructure Security Agency ("CISA") which launched the "Shields Up" campaign to encourage U.S. businesses to improve their cyber posture to **preemptively protect against a Chinese cyberattack**.

Given the increased emphasis on building resilience to a potential attack, cybersecurity capabilities continued to be at the forefront of M&A activity in 2Q23, to **include both product and services**. During the quarter, ten transactions closed with targets providing cyber-enabled strengths, notably by Enlightenment Capital-backed portfolio companies iNovex (acquired Innoplex and Secure Innovations) and Agile Defense (acquired XOR Security). Year-to-date, approximately **40%** of announced government technology services transactions **have promoted a cyber element to their go-to-market strategy**.

Percentage of GTS Deals with Cyber Capabilities



(1) As of June 26, 2023

New Legislation Impact on Federal Spending

In early-June, Congress passed the Fiscal Responsibility Act of 2023, to **suspend the U.S. government's debt ceiling until January 1, 2025**. The Act also restricts federal spending with statutory caps, withdraws \$27 billion unobligated funds from pandemic-related legislation for Congress to redistribute to other areas of the federal budget, and amends requirements under certain federal assistance programs.

Military spending in GFY2024 will remain at President Biden's budget request, representing a **3% increase from GFY2023 to \$886 billion**. Overall, the budgetary caps on **base discretionary funding will total \$1.59 trillion and \$1.60 trillion** for GFY2024 and GFY2025, respectively. The bill appropriates **\$22 billion** to the Department of Commerce's nonrecurring expenses fund to **modernize information and business technology systems**.

Proposed Spending Limits GFY2024 - GFY2029

(\$ in trillions)



As the Act sets in, companies continue to return to normal performance levels and better understand **future growth potential**. The DoD continues to be a slower growth market with larger players traditionally looking to **inorganic growth as an accelerator**. While larger public companies have been relatively quiet on the M&A front, budget clarity and ongoing integrations from the significant M&A activity seen in 2021 and 2022 may motivate a **more aggressive approach** during the remainder of 2023.

2Q23 Aerospace Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
06/27/23	Prince Industries (Portco of HC Private Investments)	Vulcan Machine	Provides tight tolerance precision machined parts for aerospace and defense customers	ND	ND	ND	ND		ND	ND
06/15/23	MiddleGround Capital	A.M. Castle & Co.	Provides specialty metals types (e.g., alloy steel, aluminum, carbon steel, stainless steel), formats (e.g., bar, plate, sheet, tube, and extruded shapes), and metals services (e.g., cutting and slitting) to industrial and aerospace end markets in North America, Europe, and Asia	ND	ND	ND	ND		ND	ND
06/15/23	New State Aviation Holdings (portco of New State Capital Partners)	Finnoff Aviation Products	Provides proprietary engine and propeller upgrades for Pilatus PC-12 aircraft and also serves as a distributor of propeller blades for the PC-12, King Air 90s, 200s, and 350s	ND	ND	ND	ND		ND	ND
06/13/23	Arcline Investment Management LP	International Water-Guard Industries (portco of BASE Equity Partners LP)	Provides proprietary potable water systems and components ranging from water treatment units to components such as pumps, on-demand water heaters, tanks, and structural details with control technology on over 4,000 business and commercial jet aircraft	ND	ND	ND	ND		ND	ND
06/05/23	Barnes Group (NYSE: B)	MB Aerospace (portco of The Blackstone Group)	Provides precision aero-engine components, including high-value fabricated assemblies and complex machined components, component repair, and vertically integrated special processes, for a wide range of applications that directly serve major aero-engine OEMs and Tier 1 suppliers	\$740.0	\$330.0 ⁽¹⁾	\$65.0 ⁽¹⁾	20%		2.2x	11.4x
06/05/23	AE Industrial Partners	Yingling Aviation	Provides MRO and fixed-base operator ("FBO") services to business aviation and government customers throughout the U.S.	ND	ND	ND	ND		ND	ND
05/30/23	Oshkosh Corp. (NYSE: OSK)	AeroTech Business of JBT Corporation (NYSE: JBT)	Provides aviation ground support products, gate equipment, and airport services to commercial airlines, airports, air-freight carriers, ground handling, and military customers	\$800.0	\$603.8	\$54.5	9%		1.3x	14.7x
05/23/23	Primat Group (portco. of HCI Equity Partners)	Curtis Metal Finishing Company	Provides engineered protective coating, pre-treatment, heat treatment, and technical intermediation services for metal fasteners with customers in the aerospace, military, automotive, construction, appliance, and other related sectors	ND	ND	ND	ND		ND	ND
05/23/23	NAI Group (portco of Pritzker Private Capital)	KSM Electronics	Provides custom cable and wire harness assemblies and electromechanical / box builds with consultative manufacturing and production capabilities, enabling innovative products and complex solutions to aerospace, defense, communications, energy, and industrial customers globally	ND	ND	ND	ND		ND	ND
05/18/23	GracoRoberts (portco of CM Equity Partners)	Pacific Coast Composites	Provides (as a stocking distributor) 400+ composites products from 20 suppliers and 15 product categories, including adhesives, bagging materials, pre-pregs, resins, honeycomb core supported by spec-driven in-house converting, and custom kitting and slitting capabilities	ND	ND	ND	ND		ND	ND
05/15/23	HEICO (NYSE: HEI)	Wencor Group (portco of Warburg Pincus)	Provides program management and services, Parts Manufacturer Approval design and development, Designated Engineering Representative component maintenance repair, used serviceable material, rotatable exchanges, and an extensive network of distribution solutions	\$2,050.0	\$724.0 ⁽¹⁾	\$156.5 ⁽¹⁾	22%		2.8x	13.1x
05/04/23	VSE Corp (NASDAQ: VSEC) & Loar Group	Desser Aerospace (portco of Graham Partners)	Provides value-added aftermarket solutions offering proprietary solutions, specialty distribution, and MRO services to a diverse customer base spanning commercial aviation, business and general aviation, and military aftermarket segments	\$124.0	ND	ND	ND		ND	ND
05/03/23	AIM MRO Holdings (portco of AE Industrial Partners, LP)	Gerard Poly Mouldings ("GPM")	Provides silicone and urethane masking products used to protect critical hardware for aero engines and industrial gas turbines throughout MRO processes	ND	ND	ND	ND		ND	ND
04/25/23	Mégatech A.Q. (portco of MiddleGround Capital)	Advantage Metal Products	Provides full-service machining services, specializing in precision sheet metal fabrication, CNC machining, and other value-added services, including assembly, automated powder coating, and batch coating for the aerospace, defense, homeland security, and other commercial end markets	ND	ND	ND	ND		ND	ND
04/24/23	Undisclosed Buyer	Avon Machining (portco of Speyside Equity)	Provides large, complex, precision parts such as compression covers, gears, valves, housings, and full assemblies with aluminum, stainless steel, and titanium alloys for heavy industrial OEMs primarily in North America	ND	ND	ND	ND		ND	ND
04/19/23	FCAH Aerospace (portco of O2 Investment Partners)	Cobalt Aero Services	Provides routine and as-needed component MRO services such as on-site inspection assistance, on-site repair support, and full shop inspection and support with specialization in nacelle component and thrust reverser part repair, replacement, overhaul, and exchange	ND	ND	ND	ND		ND	ND

(1) 2023 estimates

Note: ND = Not Disclosed

2Q23 Aerospace Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
04/19/23	FCAH Aerospace (portco of O2 Investment Partners)	Air Cargo Equipment	Provides repair, overhaul, exchange, and sale of on-aircraft cargo systems and parts, including restraints, latches, guides, rails, roller trays, tracks, casters, cowls, and door and panel latches	ND	ND	ND	ND		ND	ND
04/14/23	Olympus Partners	International Wire Group Holdings ("IWG") (portco of Atlas Holdings)	Provides integrated copper and copper-alloy wire products, including a broad spectrum of copper wire configurations and gauges with a variety of electrical and conductive characteristics primarily utilized by aerospace, defense, and various commercial industrial end markets globally	ND	ND	ND	ND		ND	ND
04/05/23	ForeFlight (subsidiary of The Boeing Company (NYSE: BA))	CloudAhoy	Provides post-flight debriefing, analytics, and flight operations quality assurance software products for flight training, as well as business, general, and military aviation pilots and operators	ND	ND	ND	ND		ND	ND
04/04/23	Vance Street Partners	Aero Group Holdings ("AGH")	Provides six independent, proprietary FAA approved new and replacement PMA component brands (i.e., Tempest, Alcor, Marvel-Schleber, Precision Airmotive, Consolidated Fuel Systems, and Stratus Tool Technologies) that primarily support Lycoming / Continental engines	ND	ND	ND	ND		ND	ND
04/04/23	Excelus Manufacturing Solutions (portco of Sky Peak Capital)	MacLean Precision Machine Company	Provides precision-machined, tight-tolerance parts of all types of stainless steels, Inconel, titanium, and other hard to machine aerospace metals using turning, milling, grinding, and inspection capabilities to extremely close tolerances for the aerospace, defense, and semiconductor industries	ND	ND	ND	ND		ND	ND
04/03/23	LifePort	Advanced materials line of businesses of Aeromatrix Composites (portco of Architect)	Provides aerospace exterior and interior composite structures with capabilities inclusive of manufacturing design, testing, assembly, and repair for fixed / rotor wing manned and unmanned aircraft for commercial and government customers	ND	ND	ND	ND		ND	ND
04/03/23	Dukane Seacom (subsidiary of HEICO (NYSE: HEI))	Asset purchase and exclusive license for the Aircraft Emergency Locator Transmitter ("ELT") product line of Honeywell International (NASDAQ: HON)	Provides of the RESCU 406 emergency locator transmitter family that enable critical emergency transmission signals in the event of aircraft impact on land or water used on nearly all air transport commercial aircraft models, in addition to numerous business, commuter, and rotary wing aircraft	ND	ND	ND	ND		ND	ND

2Q23 Defense Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
06/30/23	Golden Gate Capital	DMC Power (portco of Bridgepoint Capital)	Provides proprietary, high quality connection systems for transmission, distribution, and substation applications for mission and life-critical commercial and military aerospace hydraulic systems globally	ND	ND	ND	ND		ND	ND
06/30/23	Ideal Electric Company	Louis Allis Company, Beloit Power Systems, and Colt Industries Large Motor and Generator IP Portfolio	Provides the right, as an IP Portfolio sale, to engineer, design, manufacture, sell, and market all Louis Allis induction motors above 950 HP that have functioned as specialty electric motors (e.g. compressors, lifts, anchors, thrusters, fans, antennas, gun turrets) for the U.S. Navy and U.S. Army	ND	ND	ND	ND		ND	ND
06/25/23	Anduril Industries	Adranos Energetics	Provides solid rocket fuel and rocket motors to solve critical challenges in national security and commercial spaceflights	ND	ND	ND	ND		ND	ND
06/20/23	Trident Maritime Systems (portco of J.F. Lehman & Co.)	Assets of Custom Alloy Corporation ("CAC")	Provides highly specialized alloyed forgings, fittings, and piping with a strong reputation for complexity, quality, and on-time delivery to defense and industrial end users as a critical supplier to the U.S. Navy on key programs, including nuclear submarines and aircraft carriers	ND	ND	ND	ND		ND	ND
06/14/23	Arlington Capital Partners	Pegasus Steel	Provides complex fabricated steel structures used for the construction of submarines, aircraft carriers, and other naval and industrial systems primarily for the U.S. Navy's Columbia-class and Virginia-class submarines and the Ford-class aircraft carrier	ND	ND	ND	ND		ND	ND
06/08/23	Firefly Aerospace (portco of AE Industrial Partners)	Spaceflight	Provides flight-proven orbital vehicles enabling payload deliveries, hosting, transfer, and rideshare services with capabilities spanning clean room manufacturing and assembly, environmental testing, and large high bays for concurrent spacecraft production	ND	ND	ND	ND		ND	ND
06/05/23	KKR (NYSE: KKR)	CIRCOR International (NYSE: CIR)	Provides mission-critical flow control products and services for the industrial, aerospace, and defense markets serving more than 14,000 customers in approximately 100 countries	\$2,000.0	\$804.4	\$123.2	15%		2.5x	16.2x
06/02/23	Indra (BME: IDR)	Park Air (subsidiary of Northrop Grumman (NYSE: NOC))	Provides ground-to-air radio systems and air traffic management radios throughout the world, enabling communication with aircraft during take-off, flight, and landing with two core product lines serving the civil and military sectors	ND	ND	ND	ND		ND	ND
05/31/23	Avem Partners	ASTECH Engineered Products (portco of Ten Oaks Group)	Provides welded honeycomb metallic aerostructures to the global aerospace and defense industry for commercial and military aircraft, missiles, and space vehicles for several customers, including ITP Aero, Northrop Grumman, Pratt & Whitney, Spirit Aerosystems, and Boeing	ND	ND	ND	ND		ND	ND
05/31/23	The Carlyle Group (NasdaqGS: CG)	Meopta Optika	Provides high-precision, specialized industrial and handheld optical, opto-mechanical, and opto-electronic solutions spanning design, development, manufacturing, production, and testing for defense, industrial, and consumer optics	\$753.9	\$3,877.2		ND		0.2x	ND
05/25/23	3D Systems (NYSE: DDD)	Stratasys (Nasdaq: SSYS)	Provides market-leading, premium polymer-based 3D printing systems, materials, and consumables, with fused deposition modeling and PolyJet AM machines for military, aerospace, space, automotive, and various commercial markets globally	\$1,531.5	\$637.4	\$6.1	1%		2.4x	251.1x
05/25/23	Maury Microwave (portco of Artemis Capital Partners)	Wireless Telecom Group (NYSEAMERICA: WTT)	Provides advanced Radio Frequency ("RF") and microwave communication technologies, including high-performance electronic test equipment, phase noise analysis, and frequency generation products	\$48.4	\$21.5	(\$2.1)	(10%)		2.3x	(23.4x)
05/24/23	Stratolaunch (portco of Cerberus)	Modified B747 "Cosmic Girl" aircraft	Modified Boeing 747 and its related parts and equipment	\$17.0	ND	ND	ND		ND	ND
05/24/23	Launcher (subsidiary of Vast)	Mojave, CA test site from Virgin Orbit Holdings	Test site in Mojave, California, along with machinery, equipment, and inventory there	\$2.7	ND	ND	ND		ND	ND
05/24/23	Rocket Lab (NASDAQ: RLKB)	Long Beach, CA, Aerospace Production and Manufacturing Assets from Virgin Orbit Holdings	Certain production assets, machinery, and equipment at Virgin Orbit's 144k+ square foot HQ and manufacturing complex in Long Beach, CA	\$16.1	ND	ND	ND		ND	ND
05/09/23	Israel Aerospace Industries Ltd. ("IAI")	Intracom Defense S.A. (subsidiary of Intracom Technologies SARL)	Provides tactical communications, hybrid power systems, security solutions, and customized defense electronics primarily for the Greek military, European defense ministries, and NATO	\$72.3	ND	ND	ND		ND	ND

Note: ND = Not Disclosed

2Q23 Defense Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
05/08/23	Bernhard Capital Partners ("BCP")	Duotech Services	Provides a wide range of repair and remanenance, remanufacturing, testing, overhaul, and engineering solutions for electronic and electro-mechanical equipment supporting major air and ground-based radar and related systems as well as proprietary radar products and systems globally	ND	ND	ND	ND		ND	ND
05/08/23	Kymera International (portco of Palladium Equity Partners)	Thermal Spray Solutions	Provides high-performance thermal spray coatings for corrosion and wear resistant solutions and on-site metal coating applications to the U.S. Navy, the shipbuilding sector, and key industrial customers throughout the U.S.	ND	ND	ND	ND		ND	ND
05/03/23	ITT Inc. (NYSE: ITT)	Micro-Mode Products	Provides high-bandwidth RF and hermetic connectors for various harsh environment defense and space-based applications, including radar, satellite, and smart defense systems qualified on numerous U.S. space and defense programs for over 30 years	\$80.0	\$26.0 ⁽¹⁾	ND	ND		3.1x	ND
05/02/23	Micross Components (portco of Behrman Capital)	Technograph Microcircuits	Provides hybrid integrated circuits, RF & microwave products, optoelectronics, and printed circuit board ("PCB") assembly for private sector and international government space, aerospace, defense, medical, automotive, telecommunications, and energy end markets	ND	ND	ND	ND		ND	ND
05/01/23	Bernhard Capital Partners ("BCP")	VSE Federal & Defense ("FDS") (subsidiary of VSE Corporation (NASDAQ: VSEC))	Provides reliable supply chain and logistics management services, technical support, modernizations, and MRO services to maintain and extend the lifecycle of land, sea, and air military assets	\$100.0	ND	ND	ND		ND	ND
04/28/23	Firan Technology Group ("FTG") (TSE: FTG)	IMI, Inc.	Provides fabricated, specialized RF / microwave, mixed dielectric / hybrid substrates, and traditional PCBs with capabilities enabling PTFE, FR-4, ceramic filled, and woven glass substrates	ND	ND	ND	ND		ND	ND
04/27/23	Nikon Americas (subsidiary of Nikon Corporation (TSE: 7731))	Avonix Imaging	Provides X-ray and computed tomography systems used in analyzing the quality of manufactured goods, including military-related devices and components such as ammunition, small arms, fuses, detonators, bullets, and grenades	ND	ND	ND	ND		ND	ND
04/27/23	Fastener Distribution Holdings ("FDH Aero") (portco of Audax Private Equity)	BJG Electronics (portco of Rockwood Equity Partners)	Provides interconnect and electromechanical products (e.g., connectors, backshells, wire & cable products, RF / microwave products) for the defense, commercial aerospace, and space end-markets	ND	ND	ND	ND		ND	ND
04/11/23	APCT (portco of Industrial Growth Partners)	San Diego PCB	Provides custom, accurate, high-reliability, PCB design services and full lifecycle solutions spanning design and layout through to prototyping and production to hundreds of defense, military, commercial aerospace, and communications customers across North America	ND	ND	ND	ND		ND	ND
04/11/23	Clayens NP Group (portco of One Equity Partners ("OEP"))	Parkway Products (portco of Heartwood Partners)	Provides precision molded products requiring high performance and advanced materials enabled by high performance polymers, magnesium thixomolding, thermoplastic molding, thermoset molding, and machined plastics solutions	ND	ND	ND	ND		ND	ND
04/10/23	Compass Precision (portco of Main Street Capital Holdings)	Bergeron Machine	Provides precision Swiss-style machined products, manufacturing extremely tight tolerance parts from a variety of exotic metals, including Inconel, Monel, and titanium alloys serving the semiconductor, aerospace, and defense industries	ND	ND	ND	ND		ND	ND
04/04/23	Alpha Safety Holdings (portco of Benford Capital Partners)	Pajarito Scientific Corporation	Provides equipment and services related to nuclear material characterization, radiation safety, modular panel containment systems, specialty ventilation systems, and other highly engineered products and technical services	ND	ND	ND	ND		ND	ND
04/03/23	BlueHalo (portco of Arlington Capital Partners)	Verus Technology Group	Provides counter unmanned aircraft systems ("c-UAS") products and services, including SkyView, providing passive RF-based detection, identification, tracking, and telemetry extraction of small UAS servicing the private sector, the DoD, and federal civilian markets	ND	ND	ND	ND		ND	ND

(1) 2022 figure
Note: ND = Not Disclosed

2Q23 Government Technology Services Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM	
								Rev.	EBITDA
06/22/23	Broadtree Partners	Joint Research and Development Inc. ("JRAD")	Provides scientific, engineering, and professional services to the public sector	ND	ND	ND	ND	ND	ND
06/07/23	York Space Systems (portco of AE Industrial Partners)	Emergent Space Technologies	Provides advanced systems and flight software for civil, military, and commercial space missions	ND	ND	ND	ND	ND	ND
06/06/23	CDW Corporation	Enquizit	Provides AWS cloud services that solve customer challenges and deliver meaningful outcomes through innovative technical solutions	ND	ND	ND	ND	ND	ND
06/01/23	iNovex Information Systems (portco of Enlightenment Capital)	Secure Innovations	Provides cybersecurity and vulnerability assessment solutions to the DoD and Intelligence Community	ND	ND	ND	ND	ND	ND
05/30/23	SilverEdge Government Solutions (portco of Godspeed Capital Management LP)	Gardetto Engineering	Provides cybersecurity, software, and intelligence solutions to the DoD and Intelligence Community	ND	ND	ND	ND	ND	ND
05/24/23	Agile Defense (portco of Enlightenment Capital)	XOR Security	Provides cybersecurity and platform engineering services which defend critical networks for commercial and federal clients -- notably, the DoD and homeland security	ND	ND	ND	ND	ND	ND
05/22/23	FR Capital	Fregata Systems	Provides innovative networking, data management, and communications technologies solving vital needs of the DoD and Intelligence Community	ND	ND	ND	ND	ND	ND
05/18/23	Three Saints Bay	Bennett Aerospace	Provides professional and technical services to the DoD and federal civilian sectors	ND	ND	ND	ND	ND	ND
05/17/23	iNovex Information Systems (portco of Enlightenment Capital)	Innoplex	Provides technology platforms for cybersecurity, signals intelligence, cloud infrastructure, and IT operations	ND	ND	ND	ND	ND	ND
05/16/23	B&A, Inc.	iDoxSolutions	Provides content management, enterprise records management, and data analytics solutions by using an agile-based development method	ND	ND	ND	ND	ND	ND
05/09/23	Bluestone Investment Partners	Precise Systems	Provides mission readiness and software development services to the U.S. Navy, U.S. Marine Corps, and U.S. Air Force	ND	ND	ND	ND	ND	ND
05/09/23	Boecore (portco of Enlightenment Capital)	La Jolla Logic	Provides cyber security, network security, cyber engineering, artificial intelligence, data protection, cloud deployment, advanced technology, and risk management solutions	ND	ND	ND	ND	ND	ND
05/04/23	Culmen International (portco of Hale Capital Partners)	Vysnova Partners	Provides a broad range of professional and technical support services worldwide for government and commercial clients	ND	ND	ND	ND	ND	ND
04/27/23	Lentech	Eclipse Engineering	Provides software and IT solutions to the private sector, the DoD, and Intelligence Community	ND	ND	ND	ND	ND	ND
04/24/23	ASRC Federal	Broadleaf (subsidiary of The Hawaii-Pacific Foundation for Soft Power Solutions)	Provides cybersecurity, network engineering and cloud migration, as well as professional services including training and program management solutions to the aerospace, federal civilian, defense, and homeland security markets	ND	ND	ND	ND	ND	ND
04/20/23	Chesapeake Technology International (portco of Bluestone Investment Partners)	Rapid Imaging Technologies	Provides artificial intelligence and augmented reality-based software and rapid imaging solutions which allow for real-time geospatial situational awareness information on live video for the private sector, the DoD, and Intelligence Community	ND	ND	ND	ND	ND	ND

Note: ND = Not Disclosed

2Q23 Government Technology Services Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA	EV / LTM	
							Margin	Rev.	EBITDA
04/20/23	Meadowgate Technologies (portco of The Acacia Group)	Engineering Solutions ("ESI")	Provides software and system engineering, IT infrastructure, mission assurance, research and product development, and signals intelligence ("SIGINT") operations and analysis for the Intelligence Community	ND	ND	ND	ND	ND	ND
04/18/23	Renovus Capital	Aretum (fka Miracle Systems)	Provides management and technology solutions to private sector, federal civilian, defense, homeland security, and transportation markets	ND	ND	ND	ND	ND	ND
04/10/23	Akima	Pinnacle Solutions, Inc. ("PSI")	Provides training device development, modifications, technical publications, and engineering and training services to the aerospace and defense markets	ND	ND	ND	ND	ND	ND
04/05/23	Chugach Government Solutions	Vector Planning & Services, Inc. ("VPSI")	Provides systems engineering services to the private sector and the DoD	ND	ND	ND	ND	ND	ND
04/03/23	Core4Ce	Patchadvisor	Provides comprehensive vulnerability assessments for the private sector, federal civilian, and defense markets	ND	ND	ND	ND	ND	ND

Public Company Trading Analysis

(\$ in millions, except per share amounts)

Aircraft and Engine OEMs	Stock Price 06/30/23	% 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	\$211.16	94.3%	\$127,032	\$167,680	\$70,538	\$2,045	2.9%	\$77,894	\$4,407	5.7%	2.38x	NM	2.15x	NM
General Electric Company	109.85	99.6%	119,622	122,885	78,366	8,849	11.3%	63,074	7,124	11.3%	1.57x	13.9x	1.95x	17.2x
Airbus SE	144.50	98.8%	114,018	109,520	63,588	7,556	11.9%	69,958	9,512	13.6%	1.72x	14.5x	1.57x	11.5x
Safran SA	156.62	98.6%	65,788	66,582	21,026	4,081	19.4%	25,203	4,802	19.1%	3.17x	16.3x	2.64x	13.9x
MTU Aero Engines AG	259.17	96.9%	13,949	14,612	5,696	771	13.5%	6,919	1,218	17.6%	2.57x	19.0x	2.11x	12.0x
Median		98.6%	\$114,018	\$109,520	\$63,588	\$4,081	11.9%	\$63,074	\$4,802	13.6%	2.38x	15.4x	2.11x	12.9x

Aerostructures	Stock Price 06/30/23	% 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	\$76.02	99.4%	\$6,414	\$7,077	\$1,645	\$328	19.9%	\$1,810	\$374	20.7%	4.30x	21.6x	3.91x	18.9x
Spirit AeroSystems Holdings, Inc.	29.19	75.7%	3,071	6,470	5,286	(80)	NM	6,201	421	6.8%	1.22x	NM	1.04x	15.4x
Senior plc	2.23	95.3%	912	1,128	1,022	85	8.3%	1,197	121	10.1%	1.10x	13.3x	0.94x	9.3x
Triumph Group, Inc.	12.37	73.3%	810	2,293	1,379	194	14.1%	1,407	211	15.0%	1.66x	11.8x	1.63x	10.8x
Median		85.5%	\$1,992	\$4,381	\$1,512	\$140	14.1%	\$1,609	\$293	12.6%	1.44x	13.3x	1.34x	13.1x

Note: NM = Not Meaningful

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

Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Aerospace Suppliers	Stock Price 06/30/23	% 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.	\$49.56	99.8%	\$20,483	\$24,101	\$5,942	\$1,313	22.1%	\$6,375	\$1,443	22.6%	4.06x	18.4x	3.78x	16.7x
Woodward, Inc.	118.91	99.6%	7,139	7,894	2,591	331	12.8%	2,831	427	15.1%	3.05x	23.9x	2.79x	18.5x
Curtiss-Wright Corporation	183.66	99.9%	7,042	8,265	2,628	572	21.8%	2,700	585	21.7%	3.14x	14.4x	3.06x	14.1x
Moog Inc.	108.43	97.7%	3,444	4,403	3,138	365	11.6%	3,233	415	12.8%	1.40x	12.1x	1.36x	10.6x
Astronics Corporation	19.86	96.1%	645	826	575	0	0.0%	670	40	5.9%	1.44x	NM	1.23x	20.8x
Ducommun Incorporated	43.57	74.8%	634	901	730	80	10.9%	765	101	13.2%	1.23x	11.3x	1.18x	8.9x
Héroux-Devtek Inc.	11.58	92.9%	398	519	402	39	9.6%	439	55	12.5%	1.29x	13.5x	1.18x	9.4x
Median		97.7%	\$3,444	\$4,403	\$2,591	\$331	11.6%	\$2,700	\$415	13.2%	1.44x	13.9x	1.36x	14.1x

Aftermarket / MRO	Stock Price 06/30/23	% 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	\$894.17	99.4%	\$49,115	\$66,555	\$5,897	\$2,777	47.1%	\$6,684	\$3,352	50.2%	11.29x	24.0x	9.96x	19.9x
HEICO Corporation	176.94	98.0%	21,251	22,266	2,488	669	26.9%	2,797	738	26.4%	8.95x	33.3x	7.96x	30.2x
Singapore Technologies Engineering Ltd	2.72	89.3%	8,477	13,105	6,738	798	11.8%	7,147	1,022	14.3%	1.94x	16.4x	1.83x	12.8x
SIA Engineering Company Limited	1.84	97.3%	2,064	1,683	599	53	8.8%	679	51	7.5%	2.81x	32.0x	2.48x	33.0x
AAR Corp.	57.76	99.0%	1,973	2,158	1,913	158	8.3%	1,993	198	9.9%	1.13x	13.6x	1.08x	10.9x
Median		98.0%	\$8,477	\$13,105	\$2,488	\$669	11.8%	\$2,797	\$738	14.3%	2.81x	24.0x	2.48x	19.9x

Note: NM = Not Meaningful

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

Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Defense Primes	Stock Price 06/30/23	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
RTX (fka Raytheon Technologies)	\$97.96	90.0%	\$142,836	\$174,643	\$68,572	\$11,880	17.3%	\$72,704	\$12,840	17.7%	2.55x	14.7x	2.40x	13.6x
Lockheed Martin Corporation	460.38	90.6%	116,592	129,752	66,146	8,792	13.3%	65,791	9,864	15.0%	1.96x	14.8x	1.97x	13.2x
Northrop Grumman Corporation	455.80	81.9%	69,218	82,912	36,602	7,680	21.0%	38,416	5,348	13.9%	2.27x	10.8x	2.16x	15.5x
General Dynamics Corporation	215.15	83.8%	58,918	68,978	39,896	5,315	13.3%	41,488	5,345	12.9%	1.73x	13.0x	1.66x	12.9x
BAE Systems plc	11.78	89.4%	39,113	43,965	25,614	3,254	12.7%	30,732	4,099	13.3%	1.72x	13.5x	1.43x	10.7x
L3Harris Technologies, Inc.	195.77	76.7%	37,089	47,360	17,430	2,763	15.9%	17,851	3,432	19.2%	2.72x	17.1x	2.65x	13.8x
Median		86.6%	\$64,068	\$75,945	\$38,249	\$6,498	14.6%	\$39,952	\$5,346	14.5%	2.11x	14.1x	2.07x	13.4x

Defense Systems	Stock Price 06/30/23	% 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	\$156.62	98.6%	\$65,788	\$66,582	\$21,026	\$4,081	19.4%	\$25,203	\$4,802	19.1%	3.17x	16.3x	2.64x	13.9x
Huntington Ingalls Industries, Inc.	227.60	87.5%	9,079	11,883	10,774	1,115	10.3%	10,916	1,023	9.4%	1.10x	10.7x	1.09x	11.6x
Kongsberg Gruppen ASA	45.54	98.7%	8,012	8,115	3,236	467	14.4%	3,519	522	14.8%	2.51x	17.4x	2.31x	15.6x
AeroVironment, Inc.	102.28	91.0%	2,663	2,693	541	71	13.2%	642	124	19.3%	4.98x	NM	4.20x	21.7x
Median		94.8%	\$8,545	\$9,999	\$7,005	\$791	13.8%	\$7,218	\$772	16.9%	2.84x	16.3x	2.47x	14.7x

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)

<u>Defense Electronics / Comm.</u>	Stock Price 06/30/23	% 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	\$411.11	91.6%	\$19,341	\$22,500	\$5,521	\$1,330	24.1%	\$5,738	\$1,397	24.3%	4.08x	16.9x	3.92x	16.1x
Viasat, Inc.	41.26	87.1%	5,086	6,557	2,556	290	11.3%	4,057	1,278	31.5%	2.57x	22.6x	1.62x	5.1x
Hensoldt AG	32.84	80.1%	3,448	3,978	1,911	248	13.0%	2,036	360	17.7%	2.08x	16.1x	1.95x	11.1x
Mercury Systems, Inc.	34.59	53.2%	2,013	2,531	1,010	133	13.2%	1,023	180	17.6%	2.51x	19.0x	2.48x	14.0x
Kratos Defense & Security Solutions, Inc.	14.34	88.4%	1,830	2,148	934	38	4.1%	994	88	8.8%	2.30x	NM	2.16x	24.5x
Comtech Telecommunications Corp.	9.14	54.2%	255	554	528	28	5.3%	553	52	9.3%	1.05x	19.8x	1.00x	10.7x
Median		83.6%	\$2,730	\$3,255	\$1,461	\$191	12.2%	\$1,529	\$270	17.6%	2.40x	19.0x	2.06x	12.5x

<u>Homeland Security</u>	Stock Price 06/30/23	% 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	\$20.89	91.0%	\$7,302	\$7,862	\$3,537	\$594	16.8%	\$3,847	\$753	19.6%	2.22x	13.2x	2.04x	10.4x
MSA Safety Incorporated	173.96	98.8%	6,831	7,600	1,596	392	24.6%	1,684	400	23.8%	4.76x	19.4x	4.51x	19.0x
OSI Systems, Inc.	117.83	92.7%	1,971	2,302	1,203	169	14.1%	1,318	245	18.6%	1.91x	13.6x	1.75x	9.4x
Smith & Wesson Brands, Inc.	13.04	83.0%	601	613	479	88	18.4%	499	96	19.2%	1.28x	7.0x	1.23x	6.4x
Median		91.9%	\$4,401	\$4,951	\$1,399	\$281	17.6%	\$1,501	\$323	19.4%	2.07x	13.4x	1.89x	9.9x

Note: NM = Not Meaningful

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

Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Government Services	Stock Price 06/30/23	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Booz Allen Hamilton Holding Corporation	\$111.60	99.2%	\$14,618	\$17,265	\$9,259	\$608	6.6%	\$9,987	\$1,068	10.7%	1.86x	28.4x	1.73x	16.2x
Leidos Holdings, Inc.	88.48	79.8%	12,137	17,389	14,601	1,469	10.1%	15,023	1,532	10.2%	1.19x	11.8x	1.16x	11.4x
CACI International Inc	340.84	99.4%	7,769	9,746	6,642	680	10.2%	6,871	743	10.8%	1.47x	14.3x	1.42x	13.1x
SAIC	112.48	95.4%	6,038	8,141	7,736	692	8.9%	7,198	672	9.3%	1.05x	11.8x	1.13x	12.1x
Parsons Corporation	48.14	96.0%	5,048	5,801	4,420	325	7.3%	4,656	401	8.6%	1.31x	17.9x	1.25x	14.5x
ICF International, Inc.	124.39	96.7%	2,337	3,151	1,850	176	9.5%	1,984	214	10.8%	1.70x	17.9x	1.59x	14.7x
V2X, Inc.	49.56	97.2%	1,537	2,819	3,378	207	6.1%	3,852	302	7.8%	0.83x	13.6x	0.73x	9.3x
Median		96.7%	\$6,038	\$8,141	\$6,642	\$608	8.9%	\$6,871	\$672	10.2%	1.31x	14.3x	1.25x	13.1x

Government Technology Software	Stock Price 06/30/23	% 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.	\$15.33	89.3%	\$32,476	\$29,910	\$1,985	(\$91)	NM	\$2,209	\$560	25.3%	15.07x	NM	13.54x	NM
Tyler Technologies, Inc.	416.47	97.8%	17,461	18,227	1,866	308	16.5%	1,956	479	24.5%	9.77x	NM	9.32x	NM
BigBear.ai Holdings, Inc.	2.35	34.7%	361	539	161	(35)	NM	165	(7)	NM	3.35x	NM	3.26x	NM
Telos Corporation	2.56	20.5%	178	78	202	(46)	NM	128	(23)	NM	0.39x	NM	0.61x	NM
Median		62.0%	\$8,911	\$9,383	\$1,034	(\$40)	16.5%	\$1,061	\$236	24.9%	6.56x	NM	6.29x	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 06/30/23	% 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.	\$118.89	86.1%	\$15,081	\$18,766	\$15,585	\$1,353	8.7%	\$16,377	\$1,517	9.3%	1.20x	13.9x	1.15x	12.4x
AECOM	84.69	91.9%	11,772	13,801	13,540	962	7.1%	14,193	997	7.0%	1.02x	14.3x	0.97x	13.8x
KBR, Inc.	65.06	99.1%	8,830	10,387	6,553	596	9.1%	7,063	745	10.5%	1.59x	17.4x	1.47x	13.9x
Tetra Tech, Inc.	163.74	96.5%	8,716	9,789	3,163	402	12.7%	3,864	486	12.6%	3.10x	24.3x	2.53x	20.1x
Babcock International Group PLC	3.59	76.9%	1,814	3,020	4,591	313	6.8%	4,895	585	11.9%	0.66x	9.7x	0.62x	5.2x
Median		91.9%	\$8,830	\$10,387	\$6,553	\$596	8.7%	\$7,063	\$745	10.5%	1.20x	14.3x	1.15x	13.8x

Space	Stock Price 06/30/23	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Rocket Lab USA, Inc.	\$6.00	82.3%	\$2,872	\$2,626	\$225	(\$117)	NM	\$301	(\$80)	NM	11.66x	NM	8.73x	NM
Redwire Corporation	2.55	55.7%	164	323	185	(16)	NM	236	6	2.6%	1.74x	NM	1.37x	NM
Astra Space, Inc.	0.37	19.3%	100	49	5	(230)	NM	29	(145)	NM	9.00x	NM	1.71x	NM
Momentus Inc.	0.32	12.1%	30	10	0	(86)	NM	2	(67)	NM	NM	NM	4.35x	NM
Median		37.5%	\$132	\$186	\$95	(\$101)	NM	\$132	(\$74)	NM	9.00x	NM	3.03x	NM

Note: NM = Not Meaningful

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

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