

MarketView

Aerospace / Defense &
Government Technology
Services

Fall 2023

Kipps DeSanto
INVESTMENT BANKING



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Getting Deals Done

- KippsDeSanto has closed more than 65 transactions⁽¹⁾ since January 2021, leveraging depth of experience and unique approaches to achieve optimal results

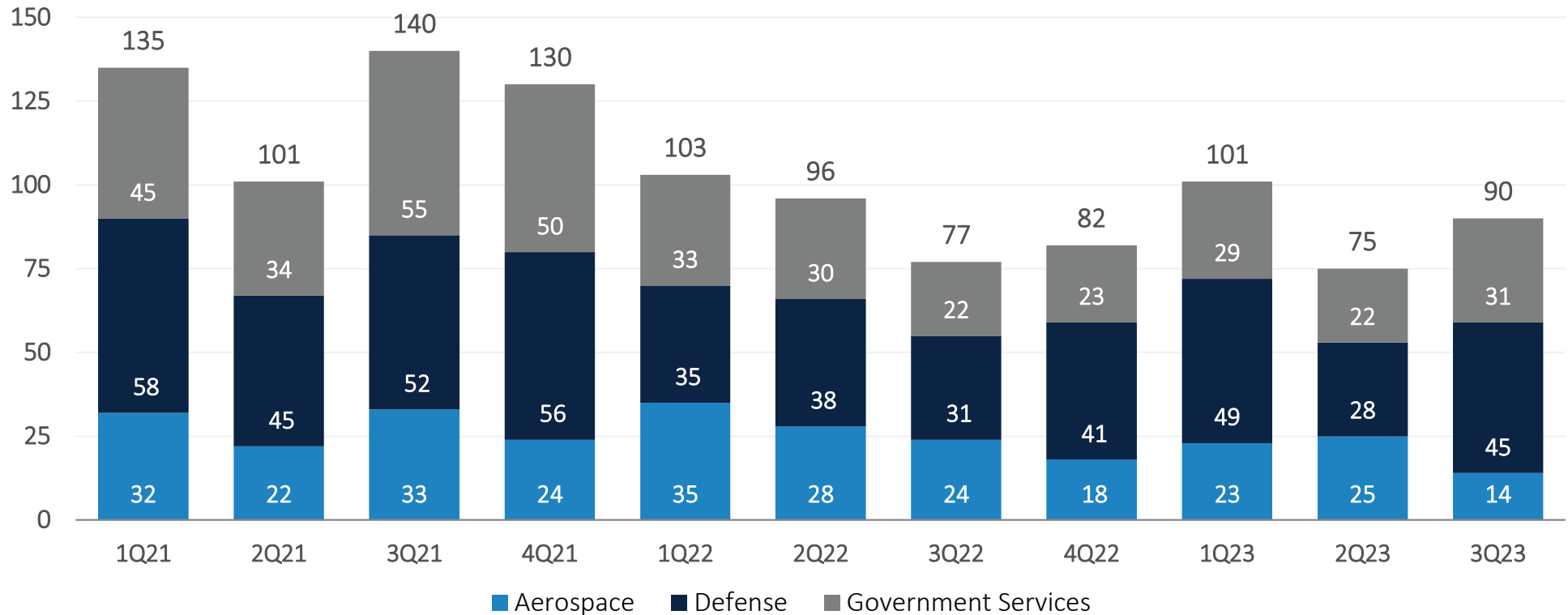
Select Transaction Success

<p>August 2023</p> <p>SOARTECH has been acquired by ESI FORWARD SLOPE INC. a portfolio company of TRIVE CAPITAL</p>	<p>August 2023</p> <p>Aethercomm. has been acquired by FRONTGRADE a portfolio company of VERITAS CAPITAL</p>	<p>June 2023</p> <p>PEGASUS STEEL has been acquired by A C P</p>	<p>April 2023</p> <p>ESI Engineering Solutions, Inc. has merged with MEADOWGATE TECHNOLOGIES</p>	<p>March 2023</p> <p>VAST VIRGINIA SYSTEMS & TECHNOLOGY, INC. has been acquired by ALTAMIRA a portfolio company of ClearSky McNally & BAZOR'S EDGE</p>	<p>February 2023</p> <p>Axim GEOSPATIAL a portfolio company of BLUESTONE INVESTMENT PARTNERS has been acquired by NIV5</p>	<p>December 2022</p> <p>XCELERATE SOLUTIONS has been acquired by McNally CAPITAL</p>	<p>December 2022</p> <p>BLACKHAWK AEROSPACE has been acquired by New State Aviation Holdings a portfolio company of NEW STATE CAPITAL PARTNERS</p>	<p>December 2022</p> <p>DLH has acquired GRSi</p>	<p>November 2022</p> <p>SYNAPTECH has been acquired by LMI a portfolio company of DECLARATION PARTNERS & CAPITOL MERIDIAN PARTNERS 22C Capital</p>
<p>November 2022</p> <p>iNovex has received an investment from ENLIGHTENMENT CAPITAL</p>	<p>November 2022</p> <p>ophir corporation has been acquired by LIGHTRIDGE SOLUTIONS a portfolio company of ATL PARTNERS</p>	<p>October 2022</p> <p>Woodlawn MANUFACTURING a portfolio company of LONE STAR INVESTMENT ADVISORS has been acquired by NDC</p>	<p>October 2022</p> <p>agile DEFENSE has been acquired by ENLIGHTENMENT CAPITAL</p>	<p>September 2022</p> <p>sbs has been acquired by an affiliate of PEAK ROCK CAPITAL</p>	<p>September 2022</p> <p>SENECA RESOURCES has been acquired by CAYMUS EQUITY</p>	<p>July 2022</p> <p>IPKEYS has been acquired by Chickasaw NATION INDUSTRIES</p>	<p>July 2022</p> <p>numerica Space Division has been acquired by SLINGSHOT AEROSPACE</p>	<p>July 2022</p> <p>LMI has been acquired by DECLARATION PARTNERS & CAPITOL MERIDIAN PARTNERS 22C Capital</p>	<p>March 2022</p> <p>TOP ACES a portfolio company of CLAIRVEST</p>
<p>February 2022</p> <p>CENTERPOINT has been acquired by Gunnison CONSULTING GROUP a portfolio company of BLUEDELTA CAPITAL PARTNERS</p>	<p>January 2022</p> <p>Elbit Systems of America Metro/Merlin Type Certificate and MKO Support Business of MT Aerospace has been acquired by ONTIC</p>	<p>January 2022</p> <p>B23 has been acquired by TORCH.AI</p>	<p>January 2022</p> <p>Boecore has been acquired by ENLIGHTENMENT CAPITAL</p>	<p>December 2021</p> <p>B GROUP has been acquired by OCTO a portfolio company of A C P</p>	<p>December 2021</p> <p>InTec LLC has been acquired by ANSER</p>	<p>November 2021</p> <p>ENTEGRA SYSTEMS has been acquired by ATS Strength in People a portfolio company of BLUEDELTA CAPITAL PARTNERS</p>	<p>November 2021</p> <p>VARIQ has been acquired by Capgemini</p>	<p>October 2021</p> <p>GEOCENT has been acquired by SEV1TECH Secure. Connect. Evolve. a portfolio company of DFW CAPITAL PARTNERS</p>	<p>September 2021</p> <p>markon solutions. has been acquired by ANSER ADVISORY a portfolio company of STERLING INVESTMENT PARTNERS</p>

(1) Includes transactions which have not been publicly announced

M&A Trends & Activity

- Overall, 3Q23 saw an increase in deal volume, driven by a stabilizing domestic economy and the defense industry's renewed investment in innovative technologies and capabilities that drive modernization across U.S. government agencies



- Aerospace deal volume declined significantly in 3Q23, reaching its lowest point in over three years, as the sector battles growing labor costs and continued supply chain disruptions
- Defense deal volume increased significantly quarter-over-quarter amidst positive budgetary and investment tailwinds creating a positive M&A environment
- Government Technology Services ("GTS") deals increased in 3Q23 from 2Q23 levels, with in-demand capabilities such as digital transformation and cybersecurity capturing the interest of buyers, particularly private equity groups and their portfolio companies

Highlighted 3Q23 Industry Transactions

Announced August 2023

BAE SYSTEMS

has agreed to acquire



EV: \$5.5B

EV / Revenue: 2.78x

EV / EBITDA⁽¹⁾: 19.6x

- BAE Systems (LON:BA) has agreed to acquire the Aerospace Business of Ball Corporation (NYSE:BALL)
- Ball Aerospace's world-class products, capabilities and deep customer relationships will enhance BAE's existing portfolio in areas including space, C4ISR, and missile systems

Announced September 2023

ManTech.
(CARLYLE)

has acquired



EV: ND

EV / Revenue: ND

EV / EBITDA: ND

- Definitive Logic has been acquired by ManTech, a portfolio company of Carlyle Group Inc.
- Definitive Logic's consulting and tailored technology solutions with further expand ManTech's scale, breadth, resources, and career opportunities

Announced August 2023

FRONTGRADE
(VERITAS CAPITAL)

has acquired



EV: ND

EV / Revenue: ND

EV / EBITDA: ND

- Frontgrade Technologies, a portfolio company of Veritas Capital, has acquired Aethercomm
- Aethercomm's radio frequency ("RF") technologies will complement Frontgrade's current portfolio of processing, power, and propulsion solutions

Announced August 2023

A | C | P

has acquired



EV: ND

EV / Revenue: ND

EV / EBITDA: ND

- Arlington Capital Partners ("ACP") has acquired Integrated Data Services, Inc. ("IDS")
- ACP will support the expansion of IDS's flagship software offering, Comprehensive Cost and Requirement ("CCaR") to the rest of the DoD and civil agencies

Announced July 2023

SAFRAN

has agreed to acquire the Actuation and Flight Business of



EV: \$1.8B

EV / Revenue⁽²⁾: 1.20x

EV / EBITDA⁽²⁾: 14.0x

- Safran (ENXTPA:SAF) has agreed to acquire the Actuation and Flight Business of Collins Aerospace, a subsidiary of Raytheon Technologies (NYSE:RTX)
- Positions Safran as a global leader in critical flight control (ATA27) and actual functions to prepare for next-generation platforms as the segments move toward increased electrification

Announced August 2023

FSI
FORWARD SLOPE INC.
(TRIVE CAPITAL)

has acquired



EV: ND

EV / Revenue: ND

EV / EBITDA: ND

- Forward Slope Inc., a portfolio company of Trive Capital, has acquired Soar Technology, Inc. ("SoarTech")
- Enhances SoarTech's growth as the Company continues to provide next-generation, cognitively-inspired AI technologies across the DoD and adjacent customers and applications

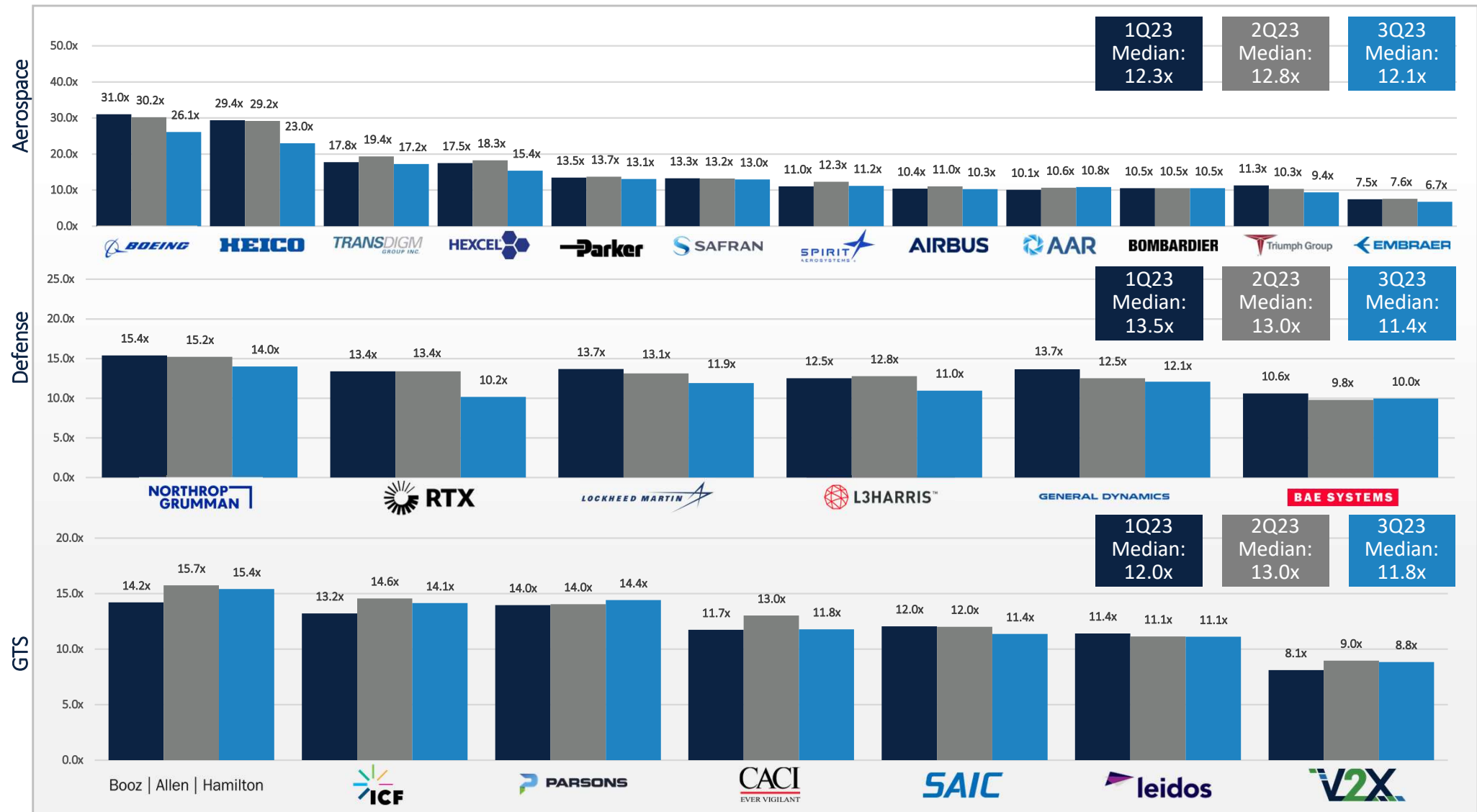
Note: ND = Not Disclosed

(1) Based on LTM as of June 30, 2023

(2) Based on 2023 estimate

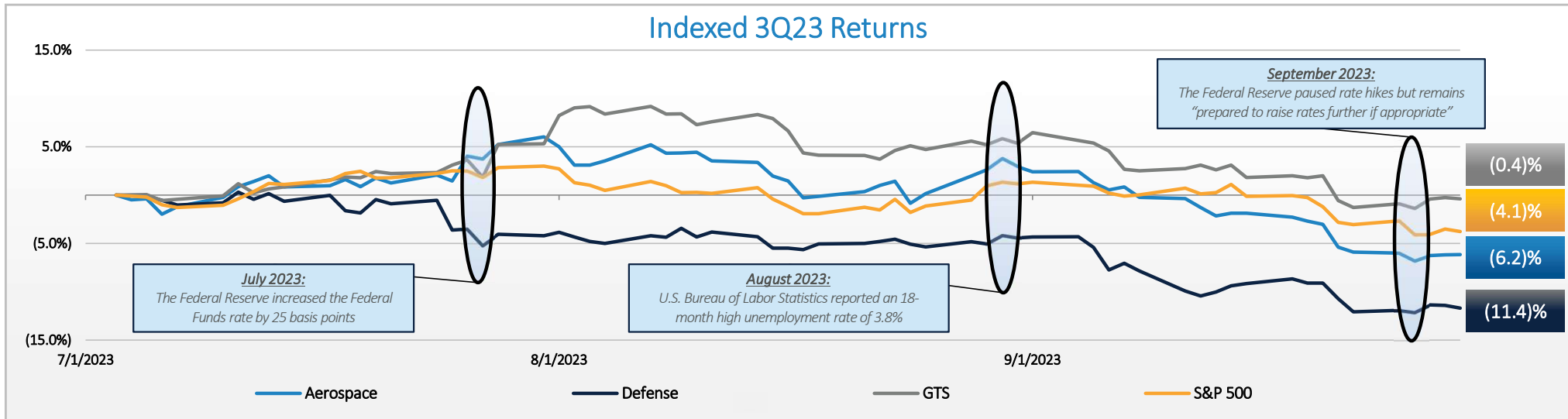
EV / NTM EBITDA Public Market Valuation Trends

- Median public valuations have decreased across all three sectors in 3Q23, as interest rates hit a 22-year high and a government shutdown was narrowly averted through the passage of a continuing resolution, delaying funding for new programs



Equity Capital Markets Performance

- The broader market declined in 3Q23, attributed primarily to the Federal Reserve pointing towards keeping interest rates “higher for longer” in an effort to reduce inflation
- Indices struggled in 3Q23 across all sectors despite the GTS index outperforming the S&P 500; failure to reach an agreement on GFY2024 appropriation bills led to the passing of a 45-day continuing resolution



(6.2)%
3Q23 Performance

55.4%
LTM Performance

Aerospace

Aerospace shares **decreased** in 3Q23 as OEM manufacturers continue to face **supply chain disruptions** amid unprecedented levels of demand

Shares of **Spirit AeroSystems Holdings, Inc. (NYSE: SPR)** decreased **48.4% in 3Q23** following widespread manufacturing quality issues on **737 Max fuselage**, further delaying production schedules

(11.4)%
3Q23 Performance

1.1%
LTM Performance

Defense

Defense shares saw a **significant decline** in 3Q23 as the GFY2024 DoD spending bill remains unpassed, threatening funding for new initiatives

Shares of **RTX Corporation (LSE: RTX)** decreased **26.4% in 3Q23**, following a recall of 600-700 aircraft engines suspected to contain contaminated metal, resulting in a **\$3 billion** pre-tax profit reduction

(0.4)%
3Q23 Performance

17.9%
LTM Performance

Government Technology Services

Although GTS shares saw a slight **decrease in 3Q23**, they materially outperformed the broader market, driven by continued government investment in **cybersecurity and AI**

Shares of **Parsons Corporation (NYSE: PSN)** increased **12.9% in 3Q23** after announcing six contract awards worth more than \$100 million each and announcing all-time high revenue, EBIDTA, and growth figures

Aerospace Update

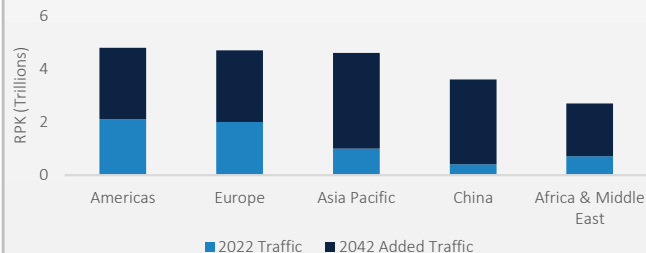
Commercial Aerospace Demand Soars

Boeing's commercial market outlook for 2023-2024 highlights airlines' forward-thinking approach in **network optimization and fleet simplification**, aimed at **enhancing operations and reducing costs**. The global passenger air travel landscape is diversifying, with emerging markets in Asia showing **robust growth** in network, infrastructure, and airline development.

The Aerospace Summit in DC brought forth a **wave of optimism** from airline management teams regarding the demand environment. Despite higher fuel costs impacting profits and some softness in domestic travel demand, Lufthansa's announcement of new North American routes, including the return of the A380 to Dulles, demonstrates a **positive outlook**.

Airlines **proactively staffed up over the summer** season to avoid the operational issues of 2022, reflecting their commitment to providing **smoother travel experiences**.

Air Travel Demand Drives Passenger Fleet Needs



Despite a quarter-over-quarter decrease in aerospace M&A activity, we anticipate **continued investment in innovative technologies** amidst optimistic outlook, including **sustainable aviation fuel, electrification, and hydrogen cells**.

Aerospace Companies Face Myriad Supply-Side Challenges

The aerospace industry has been **steadily recovering** since the COVID-19 pandemic, with **increasing demand for air travel** and renewed investment in **innovative technologies**.

Boeing's total aircraft deliveries within the first seven months of the year totaled 309, **an increase of nearly 28% from the same period in 2022**. Such major aircraft manufacturers continue to juggle supply chain disruptions along with **unprecedented levels of demand and post-pandemic flying surges**.

In August, Spirit AeroSystems reported continuing execution challenges, disclosing **\$105M in losses** related to Boeing and Airbus production programs. Spirit noted that **growing labor costs, continued supply chain disruptions**, and its **rising debt burden** were the main financial drivers to such delays in orders. Spirit's CEO Tom Gentile has stepped down in the wake of a **series of industrial difficulties**, with the Company naming former Boeing executive and Pentagon official Patrick Shanahan as his interim replacement.

RTX Corporation announced in July that it suspected contaminated metal in some engine parts, which has ultimately required **accelerated inspections** and grounded planes, **exacerbating the shortage of new, fuel-efficient engines**, which has sidelined dozens of Airbus and Boeing jetliners worldwide. Such recent events may result in further **tailwinds** for highly differentiated businesses offering **Aftermarket and Maintenance, Repair and Overhaul**, and **Inspection** services to critical aerospace components such as engines and fuselages.

Maintenance, Repair, and Overhaul ("MRO") Ramp Up Given Supply / Demand Imbalances

As global passenger traffic continues to grow this year, engine shop visits are expected to further ascend, with **higher volume** of extensive work scopes anticipated. The rise in MRO shop visits is stressing the challenged MRO **supply chain**, and such engine supply chain issues appear to be **long-term** as lead times grow. Operators are looking to move away from overhauls and constrained parts markets in the short-to-medium term and tap into alternative repair routes, such as non-engine specialist MRO's, parts manufacture approved sourcing, and designated engineering representative repairs.

Aircraft Engine MRO Market – Growth Rate 2022-2027



Reduced demand due to the COVID-19 pandemic has led to **OEM production constraints**. MRO shops have seen **engine lead times grow substantially**, particularly on new-generation asset types in short supply owing to technical underperformance and **stagnant production rates**.

Contributing to these supply chain constraints are **labor shortages**, which airframe manufacturers are looking to rectify by **hiring additional workers** to address capacity concerns. We anticipate these constraints to cause an accelerated shift in M&A focus towards **vertical integration and cross-segment consolidation**. While hiring the right amount of labor is seen as critical to long-term recovery in the supply chain, there is optimism that turnaround times in the engine segment will start to recover as **raw materials** and **specialized workers become available**.

Defense Update

United States Congress Pushing to Pass the GFY2024 Pentagon Spending Bill

In mid-September, the House was unable to produce the necessary votes to pass the annual Pentagon spending bill amounting to **\$826 billion, a 3.2% increase from GFY23 levels**. Negotiations remain ongoing, with the House Freedom Caucus refusing to advance appropriations bills until non-defense spending cuts are secured.

The proposed bill includes a **5.2% pay raise** for servicemembers, the largest increase seen in 20+ years, and **\$315 billion allocated for procurement and RDT&E funding**, the largest amount in DoD history.

U.S. Defense Appropriations Growth



A stopgap 45-day continuing resolution was passed on September 30th, narrowly avoiding a government shutdown. While defense funding will be maintained at its current levels through November 17th, increased production will not be permitted to occur without special exemptions.

In an attempt to proactively combat funding delays and progress initiatives, the U.S. Air Force is pushing to launch programs without a budget through their Quickstart Plan. The **\$100 million proposal** would allow initial early-stage activities to take place prior to the budget passing, such as beginning work on Project Venom; a **\$50 million program to upgrade six F-16 fighter jets**. Additionally, passing of the plan would prevent delays of the Next-Generation Aerial Refueling System ("NGAS") program and allow for the next phases to continue.

Space Domain Awareness Capabilities to Scale Alongside Growing Satellite Orders

The Space Development Agency ("SDA") has made significant advancement towards developing a resilient layered network of military satellites, as part of the Proliferated Warfighter Space Architecture plan. In early August, the SDA awarded Northrop Grumman and Lockheed Martin **\$1.5 billion in combined contracts to build 72 data-transport satellites** capable of direct-to-weapon communications. Following this, SpaceX launched **13 Transport and Tracking Layer satellites** into orbit, with the **final remaining 4 of 28 Tranche 0 satellites** expected to launch later in 2023. This is a major accomplishment for the SDA, nearing full constellation in orbit.

SDA Satellite Orders to Date



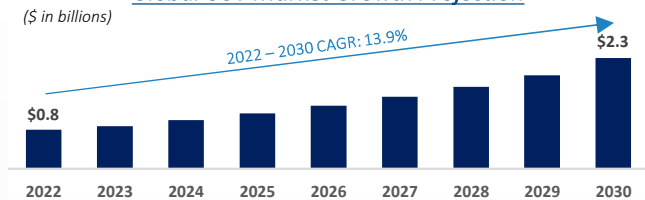
Intelligence agencies are taking steps to protect commercial space assets by entering into the **first joint agreement of its kind**, ensuring intelligence of emerging and imminent threats is shared with commercial satellite operators. The agreement comes in response to growing external threats stemming from Beijing and Moscow's demonstrated anti-satellite capabilities and highlights **commercial sector criticality** in U.S. space domain awareness.

Positive budgetary and investment tailwinds combined with increased satellite launch activity are expected to drive high M&A valuations, with major recent space-related transactions taking place such as **BAE Systems' pending \$5.55 billion acquisition of Ball Aerospace**.

New Era of Marine Uncrewed Surface and Sub-surface Platforms and Systems

Unmanned surface vessels ("USV") are expected to play a significant role in future naval warfare, forecasted to grow from an **\$894 million market in 2023 to over \$2.3 billion in 2027**.

Global USV Market Growth Projection



Ukraine has deployed low-cost, hard to detect unmanned sea drones against Russian forces in its fight for control of the Black Sea, disrupting Russian naval operations and hindering port access. Ukraine plans to procure **100 additional USV's** to further expand its hold.

The U.S. Navy has awarded Leidos a **\$95 million contract** to operate and maintain their fleet of medium USV's. The FY2024 budget includes a request for **\$555 million in research and development funding** for medium, large, and extra-large USV's, paving the way for future innovation.

Gulf nations are leveraging sea drones to curb illicit drug and arms trafficking, with plans to expand their fleet. U.S. Naval officials are targeting **100 USV platforms in the Middle East by the end of 2023**, with a majority coming from regional partners.

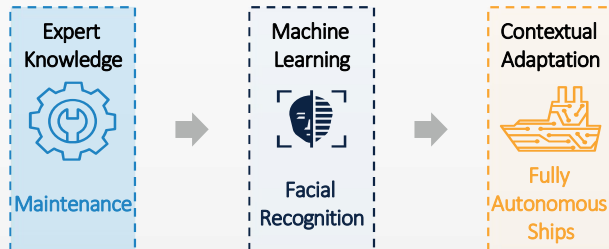
As global demand continues to grow, a race to enhance USV capabilities and deliver **comprehensive turnkey solutions** is underway, creating M&A opportunities such as **ACUA Ocean and HydroSurv's recently announced intention to merge**.

Government Technology Services Update

Pentagon Views Artificial Intelligence Capabilities as Key to Countering China Threat

The Pentagon is working to leverage **Artificial Intelligence (“AI”) powered technologies, drones, and automated systems** to counter threats from China and Russia. The strategy is an effort to keep pace with China’s expanding military despite fears that the U.S. government’s bureaucracy inhibits the speed of adopting innovative systems.

One key area of focus for the Pentagon is autonomous systems **leveraging AI to detect and engage enemy targets** with a similar approach to Task Force 59, which was the U.S. Navy’s drone network created to monitor Iran’s activity. Other key mission-focused capabilities, such as **analyzing intelligence information** or providing recommendations on the battlefield are continuing to be developed.



Using AI to improve government functions is a key research and development initiative for fiscal year 2025 with designing, piloting, and assessing the “results of new approaches” as a major area of spending according to a White House strategy memo published in August. In the latest Pentagon budget request, **\$1.8 billion** is allocated to AI specifically. Thus, the sector is **ripe for innovation** and new players to enter the space, creating an opening for M&A as approximately **15% of this year’s Government Technology Services deals had targets with AI / ML capabilities**.

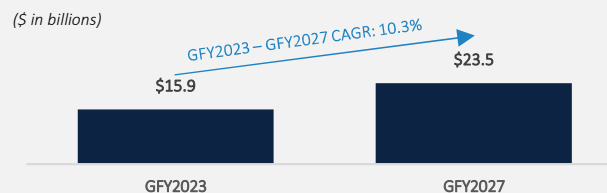
Cloud Marketplace Evolves with New FedRAMP Guidance and Increased Spending

New policy guidance is anticipated to help Federal agencies comply with the Federal Risk and Authorization Management Program (“FedRAMP”). FedRAMP is a cyber certification which, once granted, allows cloud service providers to work with federal data across any agency for **ease of adoption**. The **expansion of the Joint Authorization Board** and the **creation of a Federal Secure Cloud Advisory Committee** has bolstered both the FedRAMP Authorization Act, and framework for continued cloud adoption.

Software-as-a-service (“SaaS”) and platform-as-a-service (“PaaS”) cloud offerings continue to gain momentum as companies apply an innovative commercial approach to solving government issues to simplify the management of their networks. Drew Myklegard, deputy Federal CIO of the White House tech policy office, recently spoke to the growth of providers and tools, but emphasized the continued **need for guidance to increase adoption rates** as multi-cloud environments grow in complexity.

We anticipate cloud capabilities will continue to be in **high demand for M&A purposes**. After lagging the private sector, the DoD is spending approximately the same on cloud as its commercial counterparts, now with a **focus on adopting zero trust**. In 2023, there have been **20 deals closed with cloud capabilities year-to-date**, compared to 10 during all of 2022.

Federal Cloud Market (GFY2023 – GFY2027)

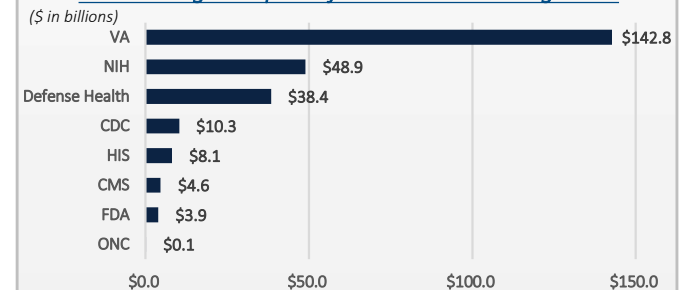


Increased Discretionary Budget Spending for Healthcare IT Focused on Modernization

Healthcare continues to remain a **resilient** sector in the Federal government, evident through multiple agencies requesting **additional discretionary budget authority**. Due to the rising cost of healthcare, the government is **prioritizing the modernization of legacy systems** in order to both **improve patient care and increase cost efficiencies**. Other key areas of investment are advancing public health equity, mitigating current and emerging threats, bolstering supply chain, and driving research in early detection of diseases.

Current challenges include aging systems and inadequate data management, thus Federal agencies are seeking to **leverage telehealth solutions, AI / ML, 5G, virtual / augmented reality, and cloud computing**. Spending on health IT solutions is expected to **increase from \$9.2 billion in FY2023 to \$11.7 billion in FY2027, a 27% increase**.

GFY24 Budget Requests for Health Mission Agencies



Given the increased attention and spending on healthcare IT following the COVID-19 pandemic, the space is open for innovative players to tackle legacy problems in a new way, creating an **opportunity for significant M&A activity**. High-end capabilities with direct application to the Federal health space are expected to **drive significant demand**.

3Q23 Aerospace Transactions

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin		Rev.	EBITDA
09/06/23	Loar Group Inc. (portco. of Abrams Capital Management)	CAV Systems (portco. of Baird Capital)	Provides airborne ice protection systems and drag reduction technology to commercial aerospace and defense markets	ND	ND	ND	ND		ND	ND
08/31/23	Oneida Molded Plastics (portco. of Cedar Ridge Holding Company)	Phoenix Tool & Mold	Provides plastic injection molded parts and tooling using engineered resins for aerospace and industrial applications	ND	ND	ND	ND		ND	ND
08/22/23	H.I.G. Capital	Ascent Global Logistics (portco. of Elliott Investment Management)	Provides technology-enabled expedited logistics and supply chain services for complex, time-critical logistics requirements in on-demand ground and air expedited logistics solutions	ND	ND	ND	ND		ND	ND
08/21/23	RBC Bearings, Inc. (NYSE: RBC, RBCP)	Specline, Inc.	Provides precision spherical bearings, rod ends, and journal bearings using proprietary manufacturing processes to the commercial and defense aerospace markets	\$18.7	\$8.4	ND	ND		2.2x	ND
08/16/23	Thrust Capital Partners	Dishon Limited	Provides complex machined components and assemblies with a focus on hard metals (esp. titanium and inconel alloys) primarily supporting tier 1 and OEM customers in the aviation, space, and satellite market sectors	ND	ND	ND	ND		ND	ND
08/08/23	Airshare	Aircraft Management Business of Wheels Up (NYSE: UP)	Provides on-demand, global private aviation solutions, aircraft management services, safety and security solutions, and managed services	ND	ND	ND	ND		ND	ND
08/07/23	KKR (NYSE: KKR) & Fuchs family	OHB SE (XTRA: OHB)	Provides high-technology solutions and satellite systems for earth observation, navigation, telecommunications, science, and reconnaissance	\$840.7	ND	ND	ND		ND	ND
07/24/23	Bridger Aerospace (NASDAQ: BAER)	Bighorn Airways	Acquisition of a fleet of 12 aircraft used for wildfire smoke jumping, special mission transport, and delivery for government customers	\$39.3	\$22.0	\$5.0	23%		1.8x	7.9x
07/21/23	Safran SA (ENXTPA: SAF)	Actuation and Flight Control Business of Collins Aerospace (subsidiary of RTX Technologies (NYSE: RTX))	Provides high-technology actuation and flight control systems for commercial and military aircraft and helicopters	\$1,800.0	\$1,500.0	\$128.6	9%		1.2x	14.0x
07/20/23	Bridgepoint (LSE: BPT)	SK AeroSafety Group (portco of Levine Leichtman Capital)	Provides MRO services for aircraft components and related safety and survivability equipment to the global commercial aviation market	ND	ND	ND	ND		ND	ND
07/19/23	Arquimea	Ecliptic Enterprises	Provides rugged optical payloads, avionics, and sensor systems for capturing, controlling, and managing data on rockets and spacecraft for customer, civil, and defense markets	ND	ND	ND	ND		ND	ND
07/13/23	GEM Manufacturing (portco of CORE Industrial Partners)	Coining Manufacturing and Precision Machine Products	Provides die stamping, screw machining, computer numerical control machining, and wire electrical discharge machining manufacturing technologies used in precision component production to a diverse base of end users	ND	ND	ND	ND		ND	ND
07/12/23	Thales (EPA: HO)	Cobham Aerospace Communications (subsidiary of Cobham Limited (portco. of Advent International))	Provides airborne avionics systems focused on safety cockpit communications to commercial and military manufacturers of aircraft, helicopters, and unmanned aerial vehicles	\$1,100.0	\$200.0	ND	ND		5.5x	ND
07/10/23	Innovative Solutions & Support (NASDAQ: ISSC)	Key Assets and Exclusive Licensing Agreement of the Inertial, Communication, and Navigation Product Lines of Honeywell International (NASDAQ: HON)	Provides exclusive key licenses and assets including the right to manufacture, upgrade, and repair certain inertial, communication, and navigation product lines from Honeywell	\$36.0	ND	ND	ND		ND	ND

Note: ND = Not Disclosed

3Q23 Defense Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA Margin	EV / LTM Rev.	EBITDA
09/29/23	Cyberlux Corporation (OTC: CYBL)	Datron World Communications, Inc.	Provides tactical communications systems enabling voice, data, and video connectivity for governments, security forces, and commercial users	ND	ND	ND	ND	ND	ND
09/29/23	EDGE Group	SIATT	Provides integrated, intelligent weapons systems for installation onto aircraft, naval vessels, tanks, and other land vehicles as well as select radar, sensor, and avionics systems technologies	ND	ND	ND	ND	ND	ND
09/26/23	Maritime Partners, LLC	U.S. Marine Management LLC ("USMMI") (subsidiary of Maersk Line, Limited)	Provides chartered U.S. flag tanker and military support vessel services to the US Navy	ND	ND	ND	ND	ND	ND
09/25/23	Allient, Inc. (NASDAQ: ALNT)	Sierramotion, Inc.	Provides motion components, mechatronic solutions, and electro-mechanical systems for space-bound vehicles, satellite communications, imaging systems, and defense systems	ND	ND	ND	ND	ND	ND
09/20/23	Cadence Design Systems, Inc. (NASDAQ: CDNS)	Intrinsix Corp., a subsidiary of CEVA, Inc. (NASDAQ: CEVA)	Provides design engineering solutions for complex system-on-chip products focused on the U.S. aerospace & defense industry	ND	ND	ND	ND	ND	ND
09/18/23	Knowles Corporation (NYSE: KN)	Cornell Dubilier	Provides high-quality film, electrolytic, and mica capacitors used in military, aerospace, medtech, and related industrial applications to OEM and distribution partners	\$263.0	\$135.0	\$27.4	20%	1.9x	9.6x
09/15/23	General Atomics Electromagnetic Systems (a division of General Atomics)	EO Vista, LLC	Provides space-based and airborne electro-optical payload systems supporting intelligence, surveillance, and reconnaissance technologies	ND	ND	ND	ND	ND	ND
09/15/23	Vislink Technologies, Inc. (NASDAQ: VISL)	Broadcast Microwave Services, LLC (portco. of CapitalView Investment Partners, L.P.)	Provides microwave technology systems to a diverse customer base in government surveillance, law enforcement, uncrewed aerial vehicles, and unmanned ground vehicles markets	ND	ND	ND	ND	ND	ND
09/15/23	Excelitas Technologies (portco. of AEA Investors, LP)	Heraeus Noblelight America LLC (subsidiary of Heraeus Holding GmbH)	Provides specialty light sources and solutions for analytical instrumentation, industrial curing, water treatment, electronics manufacturing, and battery production	ND	ND	ND	ND	ND	ND
09/08/23	Mubea	Cyclone Manufacturing, Inc.	Provides machining, sheet metal fabrication, tube bending, welding, and structural assemblies of aerospace structural components to commercial government aerospace markets	ND	\$88.2	ND	ND	ND	ND
09/08/23	Tuthill Corp.	EaglePicher Technologies, LLC (portco. of GTCR, LLC)	Provides power systems, batteries, energetic devices, and battery management systems for defense, aerospace, medical, and related industrial applications	ND	ND	ND	ND	ND	ND
09/08/23	Rock West Composites	Performance Plastics, Inc. (portco. of JW Hill Capital)	Provides precision-engineered composite aerostructure components, focused on small to mid-size assemblies, for major military and commercial OEMs as well as Tier 1 suppliers	ND	ND	ND	ND	ND	ND
09/07/23	Universal Technical Resource Services, Inc.	Hunter Manufacturing Services	Provides advanced precision machined parts with turning and milling machines enabling prototyping, design, testing, and machining capabilities to aerospace, defense, and industrial markets	ND	ND	ND	ND	ND	ND
09/07/23	Anduril Industries, Inc.	Blue Force Technologies	Provides rapid prototyping, digital engineering, and open architectures design to deliver next-generation high-end composite autonomous aircraft and their components	ND	ND	ND	ND	ND	ND
09/07/23	CoreDux Group (portco. of Arcline Investment Management)	Pyramid Precision Machine, Inc.	Provides machined precision components and sub-assemblies with specialties in unique metals and materials for the semiconductor, aerospace & defense, and energy transition supply chain	ND	ND	ND	ND	ND	ND
09/06/23	Concurrent Technologies PLC (LON: CNC)	Phillips Aerospace	Provides custom ruggedized avionics systems, off-the-shelf simulation for test tools, and build-to-print fabrication services serving predominantly defense customers	\$3.4	ND	ND	ND	ND	ND

Note: ND = Not Disclosed

3Q23 Defense Transactions, cont.

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin		Rev.	EBITDA
09/06/23	AMETEK, Inc. (NYSE:AME)	United Electronic Industries	Provides data acquisition and control instrumentation for the aerospace, defense, energy, and semiconductor industries	ND	\$35.0	ND	ND		ND	ND
09/05/23	Aerox Aviation Oxygen Systems (portco. of O2 Aero Acquisitions)	Fluid Power	Provides oxygen breathing components and portable systems to the US Military, major airframe manufacturers, airlines, and leading systems integrators worldwide	ND	ND	ND	ND		ND	ND
09/05/23	Cerberus Capital Management, L.P.	Resonant Sciences	Provides payload and survivability technology solutions specializing in advanced apertures allowing the rapid design, build, test, and production of flight operational systems	ND	ND	ND	ND		ND	ND
08/31/23	Saab AB (STO: SAAB-B)	Blue Bear Systems Group Ltd.	Provides AI-enabled autonomous swarm systems with software-enabled and hardware-enabled capabilities for complex defense and security applications	ND	ND	ND	ND		ND	ND
08/31/23	MDA Space (TSE: MDA)	SatixFy Space Systems UK Ltd., a division of Satixfy Communications Ltd. (NYSEAMERICAN: SATX)	Provides digital satellite communications payloads and subsystems enabling on-board satellite capabilities for military and civilian applications	\$40.0	ND	ND	ND		ND	ND
08/29/23	SiOnyx (portco. of DC Capital Partners)	Amigen (d.b.a. American Imaging Engineering)	Provides thermal sensors and low-power systems integrated with digital imaging fusion software systems enabling color digital and thermal night vision for various military and commercial end users	ND	ND	ND	ND		ND	ND
08/22/23	Sidus Space (NASDAQ: SIDU)	Exo-Space	Provides AI / ML space-hardened hardware and resilient software for applications to enable the upload, exchange, and continuous improvement of onboard payloads analytics	\$0.5	ND	ND	ND		ND	ND
08/22/23	MACOM Technology Solutions Holdings, Inc. (NASDAQ: MTSI)	RF Business of Wolfspeed, Inc. (NYSE: WOLF)	Provides radio frequency ("RF") technology optimized with gallium nitride ("GaN") on silicon carbide products with GaN wafer fabrication capabilities	\$125.0	ND	ND	ND		ND	ND
08/22/23	AeroVironment (NASDAQ: AVAV)	Tomahawk Robotics	Provides AI-enabled robotic control systems that integrate networks of unmanned expeditionary vehicles, sensors, and third-party software for U.S. federal government defense markets	\$120.0	ND	ND	ND		ND	ND
08/17/23	BAE Systems (LON: BA)	Aerospace Business of Ball Corporation (NYSE: BALL)	Provides specialized instruments, sensors, and spacecraft enabling laser communications systems to monitor space-based threats for defense and civilian applications across all domains	\$5,550.0	\$2,000.0	\$283.2	14%	2.8x	19.6x	
08/15/23	Pono Capital Three, Inc. (NASDAQ: PTHR)	Horizon Aircraft	Provides hybrid electric vertical takeoff and landing technology ("eVTOL") with patented ducted fan-in-wings enabling aircraft to fly with speed, range, and operational utility and payload capacity	\$96.0	ND	ND	ND		ND	ND
08/15/23	Align Capital Partners	Global Guardian	Provides an integrated suite of security, medical, and travel-related services	ND	ND	ND	ND		ND	ND
08/14/23	Nano Dimension, Ltd. (NASDAQ: NNDM)	Additive Flow	Provides simulation software for mechanical, thermal, thermo-mechanical properties to aerospace & defense, semiconductors, and advanced optics and optoelectronics industries	ND	ND	ND	ND		ND	ND
08/09/23	Polytech Defense Spares (portco of PDI Group)	Polytechnic Industries	Provides fasteners, small gun parts, gears, light assemblies, and other critical spare gun parts in support of U.S. military operations	ND	ND	ND	ND		ND	ND
08/08/23	Photonics Foundries, Inc.	Defense Optoelectronics and Broadband Segment Product Lines (Except Chips Business) of EMCORE Corp. (NASDAQ: EMKR)	Provides ruggedized optoelectronic solutions used in inertial navigation products for the aerospace and defense markets	ND	ND	ND	ND		ND	ND
08/07/23	Versar, Inc. (portco of Kingswood Capital Management)	Louis Berger Services (subsidiary of WSP Global (TSX:WSP))	Provides operations and maintenance services with expertise in aerial port operations, contingency logistics, and ground support services at defense installations and civilian facilities	ND	ND	ND	ND		ND	ND

Note: ND = Not Disclosed

3Q23 Defense Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin		Rev.	EBITDA
08/07/23	Frontgrade Technologies (portco of Veritas Capital)	Aethercomm, Inc.	Provides high-power RF solid state power amplifiers ("SSPAs"), high-power RF switches, and transceivers / receivers to defense and space electronics markets	ND	ND	ND	ND		ND	ND
08/02/23	Day & Zimmerman	Empire Products, Inc.	Provides propellant bags, charge bags, and various tactical equipment to support US military programs	ND	ND	ND	ND		ND	ND
07/27/23	Trexon (portco of Audax Private Equity)	603 Manufacturing (subsidiary of RF Logic)	Provides wire cable assemblies, microwave coaxial cable assemblies, and various electro-mechanical assemblies to defense, aerospace, and industrial markets	ND	ND	ND	ND		ND	ND
07/25/23	Evantic (portco of Edgewater Capital Partners)	Plastic Distributors and Fabricators	Provides high-precision, complex parts in demanding operating environments for covers, frames, housings, caps, filters, separators, gaskets, rings, wheels, and other structural components	ND	ND	ND	ND		ND	ND
07/24/23	TV Ammo, Inc. ("True Velocity" (fka Breeze Holdings (NASDAQ: BREZ)))	Delta P Design	Provides centerfire rifle suppressors and accessories using 3D metal printing technology	ND	ND	ND	ND		ND	ND
07/21/23	Ampaire	Talyn Air	Provides advanced eVTOL technologies with future applicability in unmanned aerial commercial cargo	ND	ND	ND	ND		ND	ND
07/19/23	Gooch & Housego (AIM:GHH)	Artemis Optical	Provides thin-film optical filters for tailored electro-optical and laser protection, as well as bespoke head-up display combiners	\$11.7	\$5.7	\$0.9	16%		2.1x	12.7x
07/17/23	Lightridge Solutions (fka GEOST, LLC. (portco of ATL Partners))	Trident Systems	Provides open-architecture space electronics encompassing multi-function, RF processors, software-defined radios, on-board processors, and data storage solutions for national security space missions	ND	ND	ND	ND		ND	ND
07/10/23	Israel Aerospace Industries	HELA Systems Private Limited	Provides full MRO product support, testing, and technical services, with expertise in RF and microwave technologies, primarily to Indian defense customers	ND	ND	ND	ND		ND	ND
07/08/23	RapidFlight	IP Portfolio of Local Motors	Provides large format 3D printing and other additive manufacturing technologies with applicability to RapidFlight's superior-quality unmanned aircraft systems	ND	ND	ND	ND		ND	ND
07/06/23	Artemis Capital Partners	SightLine Applications	Provides field-proven, on-board AI / ML-enabled video processing solutions optimized for tactical missions	ND	ND	ND	ND		ND	ND
07/06/23	Private Buyer (Perry Sandy)	Communications-Applied Technology	Provides communications equipment and radio inter-operability products designed for extreme environments that bridge dissimilar equipment, bands, and frequencies deployed on armored vehicles, mobile command posts, crewed boats, and aircrafts	ND	ND	ND	ND		ND	ND
07/05/23	Abracon (portco of Genstar Capital, LLC)	NEL Frequency Controls	Provides precision timing devices meeting ultra-low phase noise, ultra-low power consumption, and ultra-high frequency requirements in a compact form factor used across a broad spectrum of high-tech applications	ND	ND	ND	ND		ND	ND

Note: ND = Not Disclosed

3Q23 Government Technology Services Transactions

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin	Rev.	EBITDA	EBITDA
09/26/23	Arlington Capital Partners	Exostar, LLC	Provides cloud-based solutions that offer identity and secure access protection to mitigate risk in highly-regulated industries such as aerospace and defense, life sciences, and healthcare	ND	ND	ND	ND	ND	ND	ND
09/20/23	Proteus Capital Solutions, LLC	CSSI, Inc.	Provides technical air traffic management services to the private sector and U.S. federal government	ND	ND	ND	ND	ND	ND	ND
09/19/23	Alvarez & Marsal Capital Partners	VTG	Provides force modernization and digital transformation solutions to the defense and national security sectors	ND	ND	ND	ND	ND	ND	ND
09/08/23	Lurie Investments	Knexus Research	Provides AI / ML-enabled research analytics, systems and software engineering, simulations and tested development, and performance studies for the DoD and other key defense agencies	ND	ND	ND	ND	ND	ND	ND
09/07/23	Saab AB	CrowdAI, Inc.	Provides AI-based data science and analytics solutions serving the private sector and U.S. federal government defense markets	ND	ND	ND	ND	ND	ND	ND
09/06/23	Systems Planning and Analysis, Inc.	PRKK, LLC	Provides rapid warfighter-solutions, system engineering, threat intel analysis, and tailored modeling, simulation, and analysis solutions for the DoD and Intelligence Community	ND	ND	ND	ND	ND	ND	ND
09/05/23	First Advantage Corporation	Infinite ID	Provides advanced software, data, and integration solutions enabling biometric identification and authentication to government agencies	\$41.0	ND	ND	ND	ND	ND	ND
09/05/23	Bridge Core Federal	GeoYeti LLC	Provides advanced analytics, data science, and development services for the Intelligence Community	ND	ND	ND	ND	ND	ND	ND
08/24/23	Peak Technologies, Inc.	North Coast Technical Sales, Inc.	Provides machine vision hardware and image processing software for private sector and U.S. federal government aerospace markets	ND	ND	ND	ND	ND	ND	ND
08/24/23	Scout Space, Inc.	Free Space, Inc.	Provides space domain awareness and space security solutions for private sector and U.S. federal government aerospace and defense markets	ND	ND	ND	ND	ND	ND	ND
08/23/23	The Parsons Corporation	Sealing Technologies, Inc.	Provides cybersecurity solutions across defensive cyber operations, critical infrastructure network protection, and secure data management for private sector and U.S. federal government defense markets	\$200.0	ND	ND	ND	ND	ND	ND
08/23/23	Forward Slope Incorporated	SoarTech	Provides advanced artificial intelligence ("AI") solutions to address complex Department of Defense ("DoD") mission requirements	ND	ND	ND	ND	ND	ND	ND
08/22/23	Michael Baker International	Tidal Basin Government Consulting LLC	Provides enterprise and community development solutions to private sector and U.S. federal government markets	ND	ND	ND	ND	ND	ND	ND
08/22/23	Owl Cyber Defense Solutions, LLC	Big Bad Wolf Security LLC	Provides next generation cloud infrastructure security for private sector and U.S. federal government	ND	ND	ND	ND	ND	ND	ND
08/22/23	Forward Slope Incorporated	Hypergiant Industries	Provides AI-enabled, cloud-based command and control technologies and deployed solutions in addition to a geospatial data visualization and actions platform	ND	ND	ND	ND	ND	ND	ND
08/21/23	Aretum, LLC	Artemis Consulting, Inc.	Provides consulting, mission support, and technology solutions for private sector and federal government markets, including custom application development, big data, cloud development, engineering and management, DevSecOps, and enterprise IT resources	ND	ND	ND	ND	ND	ND	ND

Note: ND = Not Disclosed

3Q23 Government Technology Services Transactions, cont.

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin	Rev.	Rev.	EBITDA
08/16/23	Converged Security Solutions LLC	Solutions By Design II, LLC	Provides cybersecurity, application development, DevSecOps, as well as cloud and infrastructure solutions for private sector and U.S. federal government civilian and healthcare markets	ND	\$150.0	ND	ND	ND	ND	ND
08/08/23	Arcfield	Strategic Technology Consulting, LLC	Provides full-spectrum model-based systems engineering and digital engineering services and solutions for commercial industry customers, U.S. defense agencies, and defense prime contractors	ND	ND	ND	ND	ND	ND	ND
08/07/23	Versar, Inc.	Louis Berger Services, Inc.	Provides operations and maintenance services for complex infrastructure assets at mission-essential defense and civilian facilities worldwide	ND	ND	ND	ND	ND	ND	ND
08/03/23	Sentar, Inc.	Waterfront Technical Services LLC	Provides flight and ground operations, data center operations, information technology, software development, and testing solutions supporting NASA's spaceflight missions	ND	ND	ND	ND	ND	ND	ND
08/02/23	Arlington Capital Partners	Integrated Data Services, Inc.	Provides software development, technical services, business consulting, financial management, business process management, and reconciliation services in support of defense and civilian departments	ND	ND	ND	ND	ND	ND	ND
08/01/23	T-Rex Solutions, LLC	Cyber Cloud Technologies LLC	Provides a suite of enterprise IT services to the federal government, including cybersecurity and cloud services	ND	ND	ND	ND	ND	ND	ND
08/01/23	ManTech International Corporation	Definitive Logic	Provides digital transformation consulting and technology solutions to defense, homeland security, and federal civilian agencies	ND	ND	ND	ND	ND	ND	ND
07/26/23	NewSpring Holdings, LLC	Bridge Core, LLC	Provides visual intelligence, cybersecurity, and other technical solutions to the U.S. government intelligence community	ND	ND	ND	ND	ND	ND	ND
07/18/23	RSC2, Inc	Navigant Systems	Provides professional engineering services for private sector and U.S. federal government aerospace, defense, and intelligence markets	ND	ND	ND	ND	ND	ND	ND
07/18/23	IMB Partners	eTelligent Group LLC	Provides IT modernization, big data, DevOps, program management, and cyber solutions to the U.S. government	ND	ND	ND	ND	ND	ND	ND
07/13/23	The Swift Group, LLC	OPS Consulting, LLC	Provides highly specialized mission critical technology services and solutions which support the U.S. Intelligence Community and DoD	ND	ND	ND	ND	ND	ND	ND
07/12/23	Enlightenment Capital	Red Alpha	Provides cybersecurity, cloud computing, enterprise, and large-scale distributed / virtual systems administration	ND	ND	ND	ND	ND	ND	ND
07/11/23	Mission1st Group, Inc.	Ardent Management Consulting	Provides digital transformation, location intelligence, data science, and analytics solutions for private sector and U.S. federal government homeland security markets	ND	ND	ND	ND	ND	ND	ND
07/10/23	TPG Inc.	Global Governments and Critical Infrastructure Business ("G2CI") of Forcepoint, LLC	Provides cybersecurity, information operations, and information assurance to protect critical information and infrastructures from complex threats	\$2,450.0	\$400.0	ND	ND	6.1x	ND	ND
07/05/23	Chickasaw Nation Industries	Washington Business Dynamics, LLC	Provides business optimization services, mission management, and strategic solutions to federal customers in the civilian and defense sectors	ND	ND	ND	ND	ND	ND	ND

Note: ND = Not Disclosed

Public Company Trading Analysis

(\$ in millions, except per share amounts)

Aircraft and Engine OEMs	Stock Price 09/30/23	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2023E			EV / LTM		EV / CY2023E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
General Electric Company	\$110.55	93.7%	\$119,701	\$123,206	\$80,938	\$9,441	11.7%	\$64,083	\$7,712	12.0%	1.52x	13.1x	1.92x	16.0x
The Boeing Company	191.68	78.8%	115,622	154,152	73,608	1,075	1.5%	78,200	2,814	3.6%	2.09x	NM	1.97x	NM
Airbus SE	134.40	91.5%	106,064	101,426	67,266	7,984	11.9%	67,273	9,011	13.4%	1.51x	12.7x	1.51x	11.3x
Safran SA	157.32	96.8%	66,088	66,528	24,157	4,610	19.1%	24,361	4,618	19.0%	2.75x	14.4x	2.73x	14.4x
MTU Aero Engines AG	181.78	70.1%	9,773	10,364	6,500	965	14.8%	6,607	1,208	18.3%	1.59x	10.7x	1.57x	8.6x
Median		91.5%	\$106,064	\$101,426	\$67,266	\$4,610	11.9%	\$64,083	\$4,618	13.4%	1.59x	12.9x	1.92x	12.8x

Aerostructures	Stock Price 09/30/23	% 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	\$65.14	82.4%	\$5,502	\$6,177	\$1,706	\$345	20.2%	\$1,817	\$373	20.5%	3.62x	17.9x	3.40x	16.6x
Spirit AeroSystems Holdings, Inc.	16.14	41.9%	1,699	5,139	5,393	(90)	NM	6,095	185	3.0%	0.95x	NM	0.84x	NM
Senior plc	1.99	88.6%	814	1,056	1,180	96	8.1%	1,180	116	9.8%	0.90x	11.0x	0.89x	9.1x
Triumph Group, Inc.	7.66	57.5%	588	2,119	1,357	195	14.3%	1,417	209	NM	1.56x	10.9x	1.50x	10.1x
Median		69.9%	\$1,257	\$3,629	\$1,531	\$145	14.3%	\$1,617	\$197	9.8%	1.26x	11.0x	1.19x	10.1x

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 09/30/23	% 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.	\$46.25	90.1%	\$19,065	\$22,685	\$6,197	\$1,343	21.7%	\$6,471	\$1,457	22.5%	3.66x	16.9x	3.51x	15.6x
Woodward, Inc.	124.26	93.3%	7,507	8,170	2,778	383	13.8%	2,991	509	17.0%	2.94x	21.3x	2.73x	16.1x
Curtiss-Wright Corporation	195.63	93.3%	7,494	8,634	2,723	594	21.8%	2,772	599	21.6%	3.17x	14.5x	3.11x	14.4x
Moog Inc.	112.96	94.4%	3,602	4,642	3,215	368	11.4%	3,316	419	12.6%	1.44x	12.6x	1.40x	11.1x
Ducommun Incorporated	43.51	74.7%	634	927	743	81	10.9%	767	103	13.5%	1.25x	11.5x	1.21x	9.0x
Astronics Corporation	15.86	70.7%	517	722	621	4	0.6%	677	54	8.0%	1.16x	NM	1.07x	13.3x
Héroux-Devtek Inc.	11.84	96.4%	401	541	431	44	10.2%	429	53	12.4%	1.26x	12.3x	1.26x	10.2x
Median		93.3%	\$3,602	\$4,642	\$2,723	\$368	11.4%	\$2,772	\$419	13.5%	1.44x	13.6x	1.40x	13.3x

Aftermarket / MRO	Stock Price 09/30/23	% 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	\$843.13	89.7%	\$46,527	\$63,192	\$6,243	\$2,998	48.0%	\$6,821	\$3,475	50.9%	10.12x	21.1x	9.26x	18.2x
HEICO Corporation	161.93	88.9%	19,646	20,556	2,641	688	26.1%	3,210	788	24.5%	7.78x	NM	6.40x	NM
Singapore Technologies Engineering Ltd	2.86	99.2%	8,923	13,396	7,115	897	12.6%	7,078	1,009	14.3%	1.88x	14.9x	1.89x	13.3x
AAR Corp.	59.53	93.2%	2,067	2,353	2,094	162	7.7%	2,183	211	9.7%	1.12x	14.5x	1.08x	11.2x
SIA Engineering Company Limited	1.75	94.8%	1,967	1,592	655	59	9.0%	695	63	9.0%	2.43x	NM	2.29x	NM
Median		93.2%	\$8,923	\$13,396	\$2,641	\$688	12.6%	\$3,210	\$788	14.3%	2.43x	14.9x	2.29x	13.3x

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)

Defense Primes	Stock Price 09/30/23	% 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 Corporation	\$71.97	66.1%	\$104,506	\$137,645	\$70,573	\$12,088	17.1%	\$72,796	\$12,928	17.8%	1.95x	11.4x	1.89x	10.6x
Lockheed Martin Corporation	408.96	80.5%	102,989	116,861	67,393	10,385	15.4%	66,627	9,894	14.8%	1.73x	11.3x	1.75x	11.8x
Northrop Grumman Corporation	440.19	79.1%	66,601	80,661	37,881	7,243	19.1%	38,769	5,338	13.8%	2.13x	11.1x	2.08x	15.1x
General Dynamics Corporation	220.97	86.0%	60,226	70,557	40,859	5,081	12.4%	42,506	5,329	12.5%	1.73x	13.9x	1.66x	13.2x
BAE Systems plc	12.18	93.7%	36,950	41,536	28,613	3,773	13.2%	29,841	3,955	13.3%	1.45x	11.0x	1.39x	10.5x
L3Harris Technologies, Inc.	174.12	68.3%	32,932	42,193	17,988	2,760	15.3%	19,305	3,470	18.0%	2.35x	15.3x	2.19x	12.2x
Median		79.8%	\$63,413	\$75,609	\$39,370	\$6,162	15.4%	\$40,637	\$5,333	14.3%	1.84x	11.3x	1.82x	12.0x

Defense Systems	Stock Price 09/30/23	% 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	\$157.32	96.8%	\$66,088	\$66,528	\$24,157	\$4,610	19.1%	\$24,361	\$4,618	19.0%	2.75x	14.4x	2.73x	14.4x
Huntington Ingalls Industries, Inc.	204.58	78.7%	8,156	10,947	10,899	1,073	9.8%	10,989	1,036	9.4%	1.00x	10.2x	1.00x	10.6x
Kongsberg Gruppen ASA	41.37	89.2%	7,277	7,590	3,348	487	14.5%	3,482	517	14.8%	2.27x	15.6x	2.18x	14.7x
AeroVironment, Inc.	111.53	89.7%	2,912	2,962	584	95	16.2%	673	141	21.0%	5.07x	NM	4.40x	21.0x
Median		89.5%	\$7,717	\$9,268	\$7,124	\$780	15.4%	\$7,235	\$777	16.9%	2.51x	14.4x	2.46x	14.5x

Note: NM = Not Meaningful

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

Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Defense Electronics / Comm.	Stock Price 09/30/23	% 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	\$408.58	91.1%	\$19,234	\$22,227	\$5,590	\$1,354	24.2%	\$5,730	\$1,382	24.1%	3.98x	16.4x	3.88x	16.1x
Hensoldt AG	29.57	74.4%	3,105	3,755	1,912	252	13.2%	1,945	343	17.6%	1.96x	14.9x	1.93x	10.9x
Viasat, Inc.	18.46	39.0%	2,290	7,998	2,761	351	12.7%	3,653	1,061	29.1%	2.90x	22.8x	2.19x	7.5x
Mercury Systems, Inc.	37.09	62.7%	2,199	2,717	974	91	9.4%	966	131	13.5%	2.79x	NM	2.81x	20.8x
Kratos Defense & Security Solutions, Inc.	15.02	86.8%	1,923	2,229	967	42	4.3%	1,002	88	8.8%	2.31x	NM	2.22x	NM
Comtech Telecommunications Corp.	8.75	51.9%	244	543	528	28	5.3%	553	52	9.3%	1.03x	19.4x	0.98x	10.5x
Median		68.6%	\$2,245	\$3,236	\$1,443	\$172	11.0%	\$1,473	\$237	15.6%	2.55x	17.9x	2.21x	10.9x

Homeland Security	Stock Price 09/30/23	% 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	\$19.76	89.6%	\$6,836	\$7,362	\$3,906	\$587	15.0%	\$3,663	\$728	19.9%	1.88x	12.6x	2.01x	10.1x
MSA Safety Incorporated	157.65	85.0%	6,196	6,900	1,671	428	25.6%	1,714	425	24.8%	4.13x	16.1x	4.03x	16.2x
OSI Systems, Inc.	118.04	84.4%	1,983	2,299	1,278	169	13.3%	1,364	242	17.7%	1.80x	13.6x	1.69x	9.5x
Smith & Wesson Brands, Inc.	12.91	94.3%	596	605	509	92	18.0%	515	97	18.9%	1.19x	6.6x	1.17x	6.2x
Median		87.3%	\$4,089	\$4,600	\$1,474	\$299	16.5%	\$1,539	\$333	19.4%	1.84x	13.1x	1.85x	9.8x

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)

<u>Government Services</u>	Stock Price 09/30/23	% 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	\$109.27	87.3%	\$14,319	\$17,215	\$9,664	\$1,015 ⁽¹⁾	10.5%	\$10,179	\$1,090	10.7%	1.78x	17.0x	1.69x	15.8x
Leidos Holdings, Inc.	92.16	83.1%	12,658	17,827	14,842	1,528	10.3%	15,116	1,556	10.3%	1.20x	11.7x	1.18x	11.5x
CACI International Inc	313.93	87.4%	7,113	9,069	6,703	709	10.6%	6,872	744	10.8%	1.35x	12.8x	1.32x	12.2x
Parsons Corporation	54.35	94.5%	5,701	6,530	4,767	359	7.5%	5,015	432	8.6%	1.37x	18.2x	1.30x	15.1x
SAIC	105.54	85.4%	5,587	7,650	7,689	932	12.1%	7,231	676	9.3%	0.99x	8.2x	1.06x	11.3x
ICF International, Inc.	120.81	88.3%	2,273	3,085	1,927	185	9.6%	1,983	213	10.7%	1.60x	16.7x	1.56x	14.5x
V2X, Inc.	51.66	91.0%	1,611	2,777	3,858	251	6.5%	3,900	303	7.8%	0.72x	11.1x	0.71x	9.2x
Median		87.4%	\$5,701	\$7,650	\$6,703	\$709	10.3%	\$6,872	\$676	10.3%	1.35x	12.8x	1.30x	12.2x

<u>Government Technology Software</u>	Stock Price 09/30/23	% 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.	\$16.00	79.1%	\$34,429	\$31,652	\$2,045	(\$36)	NM	\$2,214	\$610	27.5%	15.48x	NM	14.29x	NM
Tyler Technologies, Inc.	386.14	90.5%	16,248	17,035	1,902	317	16.7%	1,959	487	24.9%	8.96x	NM	8.70x	NM
BigBear.ai Holdings, Inc.	1.51	22.3%	235	405	162	(30)	NM	165	(9)	NM	2.50x	NM	2.45x	NM
Telos Corporation	2.39	21.3%	166	75	179	(41)	NM	130	(15)	NM	0.42x	NM	0.58x	NM
Median		50.7%	\$8,242	\$8,720	\$1,040	(\$33)	16.7%	\$1,062	\$239	26.2%	5.73x	NM	5.57x	NM

(1) Includes Booz Allen Hamilton's \$377.45M settlement to the Department of Justice as an addback

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 09/30/23	% 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.	\$136.50	99.0%	\$17,188	\$20,715	\$15,945	\$1,332	8.4%	\$16,556	\$1,529	9.2%	1.30x	15.6x	1.25x	13.5x
AECOM	83.04	90.1%	11,520	13,349	13,962	672	4.8%	14,498	989	6.8%	0.96x	19.9x	0.92x	13.5x
Tetra Tech, Inc.	152.03	87.7%	8,095	9,071	3,430	431	12.6%	3,911	491	12.5%	2.64x	NM	2.32x	18.5x
KBR, Inc.	58.94	89.5%	7,952	9,397	6,690	646	9.7%	7,045	748	10.6%	1.40x	14.5x	1.33x	12.6x
Babcock International Group PLC	5.04	95.9%	2,550	3,270	5,491	311	5.7%	5,187	547	10.5%	0.60x	10.5x	0.63x	6.0x
Median		90.1%	\$8,095	\$9,397	\$6,690	\$646	8.4%	\$7,045	\$748	10.5%	1.30x	15.0x	1.25x	13.5x

Space	Stock Price 09/30/23	% 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.	\$4.38	54.4%	\$2,133	\$1,954	\$232	(\$128)	NM	\$265	(\$88)	NM	8.43x	NM	7.38x	NM
Redwire Corporation	2.89	63.1%	187	356	209	(8)	NM	239	10	4.4%	1.71x	NM	1.49x	NM
Astra Space, Inc.	1.85	16.7%	34	13	3	(185)	NM	22	(134)	NM	3.87x	NM	0.60x	NM
Momentus Inc.	2.00	2.5%	4	(1)	2	(81)	NM	2	(67)	NM	NM	NM	NM	NM
Median		35.5%	\$111	\$185	\$106	(\$105)	NM	\$131	(\$77)	4.4%	3.87x	NM	1.49x	NM

Note: NM = Not Meaningful

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



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