

# MarketView

Aerospace / Defense &  
Government Technology  
Services

Spring 2024

**Kipps DeSanto**  
INVESTMENT BANKING



















































































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# Getting Deals Done

- *KippsDeSanto has closed 75+ transactions<sup>(1)</sup> since January 2021, leveraging depth of experience and unique approaches to achieve optimal results*

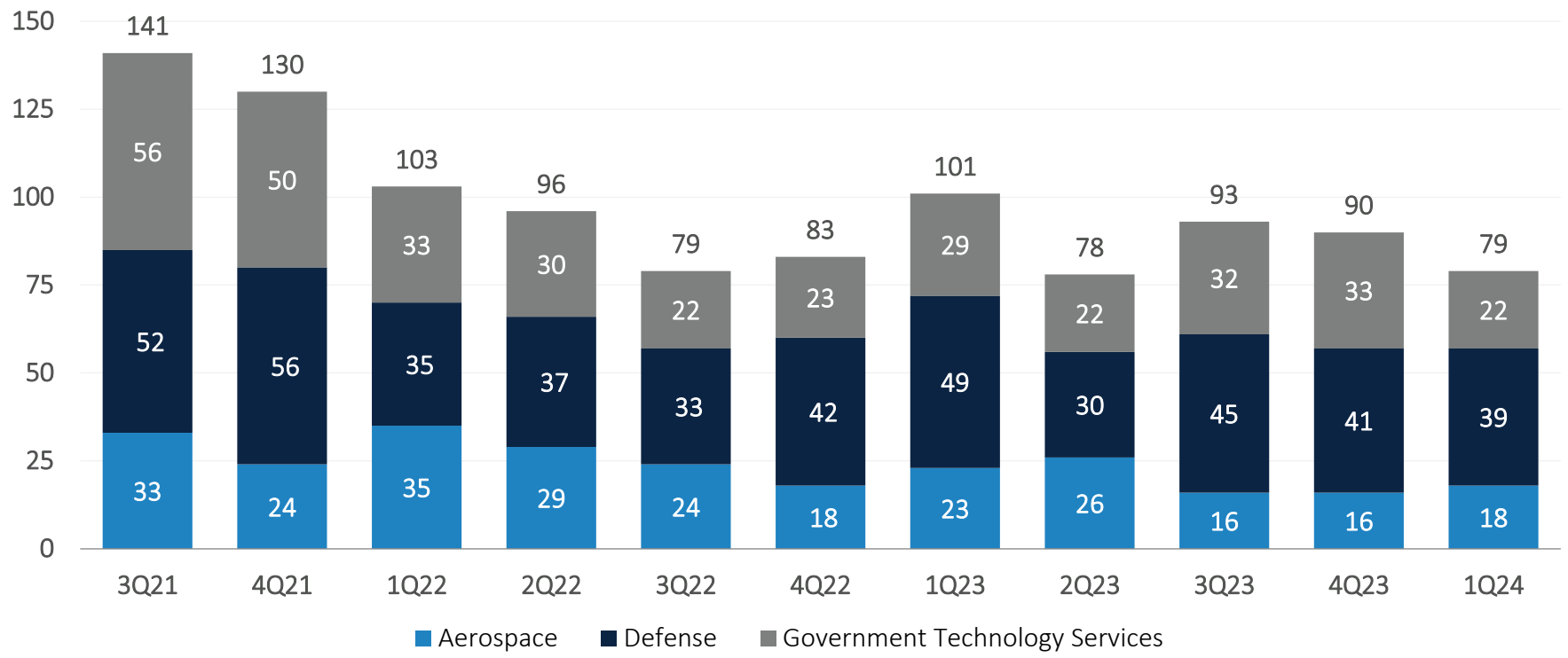
## Select Transaction Success

<p>March 2024</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>March 2024</p>  <p>a portfolio company of</p>   <p>has been acquired by</p> 	<p>December 2023</p>  <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>November 2023</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>November 2023</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>October 2023</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>October 2023</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>September 2023</p>  <p>has received a growth investment from</p> 	<p>August 2023</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>August 2023</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 
<p>July 2023</p>  <p>a portfolio company of</p>  <p>the edgewater funds</p> <p>has been acquired by</p>  <p>a portfolio company of</p> 	<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 &amp; 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>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>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>22C Capital</p>	<p>March 2022</p>  <p>a portfolio company of</p> 	<p>February 2022</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

- Deal volume in 1Q24 decreased while interest rates remain elevated and the market grapples with the timing of Federal Reserve rate cuts
- Despite fewer expected interest rate cuts in 2024, many expect a “soft landing” scenario for the economy as fears of a recession subside; strong corporate balance sheets and dry powder amongst private equity firms fill the M&A market with cash-flush buyers looking to pursue deals



- Aerospace deal volume was consistent with the prior two quarters, as companies counter supply chain challenges by investing in manufacturing technologies and digitization to diversify sources and shorten production lead times
- Defense deal volume was generally in line with prior quarterly levels over the past two years; the sector could benefit as the GFY2025 budget request increases spending on new weapons systems and munitions amidst ongoing conflicts in Ukraine and the Middle East
- Government Technology Services (“GTS”) deal volume decreased from 4Q23 to 1Q24; however, the government’s focus on modernizing legacy systems across cybersecurity, information technology (“IT”), and space could lead to increased M&A activity

# Highlighted 1Q24 Industry Transactions

Announced March 2024



*has acquired*



**EV: ND**

**EV / Revenue: ND**

**EV / EBITDA: ND**

- J.F. Lehman & Company has acquired Mission Microwave Technologies LLC (“Mission”), a portfolio company of GaAs Labs LLC
- The partnership unlocks Mission’s next phase of growth as a leading provider of GaN-based Solid State Power Amplifiers and Block Upconverters to the satellite communications market

Announced January 2024

**Amphenol®**

*has agreed to acquire*



**EV: \$2.0B**

**EV / Revenue<sup>(1)</sup>: 2.3x**

**EV / EBITDA<sup>(1)</sup>: 11.3x**

- Amphenol (NYSE:APH) has agreed to acquire Carlisle Interconnect Technologies (“CIT”), a subsidiary of Carlisle Companies (NYSE:CSL)
- CIT’s highly engineered harsh environment interconnect solutions will allow Amphenol to deliver a more comprehensive technology solution for customers in harsh environment markets

Announced January 2024

**ARCLINE**  
INVESTMENT MANAGEMENT

*has agreed to acquire*



**EV: \$1.8B**

**EV / Revenue: 2.4x**

**EV / EBITDA: 17.8x**

- Arcline Investment Management, L.P. has agreed to acquire Kaman Corporation (NYSE:KAMN) (“Kaman”)
- The partnership enables Kaman to drive further growth through accelerated investments in both new product developments and strategic acquisitions

Announced March 2024



*has acquired*



**EV: ND**

**EV / Revenue: ND**

**EV / EBITDA: ND**

- Systems Planning & Analysis (“SPA”), a portfolio company of Arlington Capital Partners (“ACP”), has acquired select technical advisory programs of ManTech International Corp., a portfolio company of the Carlyle Group
- The acquisition of these programs further expands SPA’s role across defense and intelligence agencies

Announced February 2024



*has acquired*



**EV: ND**

**EV / Revenue: ND**

**EV / EBITDA: ND**

- BlueHalo, LLC (“BlueHalo”) has acquired Eqlipse Technologies (“Eqlipse”), both of which are portfolio companies of ACP
- Eqlipse will add next-generation products and capabilities to BlueHalo, expand its footprint within the cyber franchise, and enhance the quality of services delivered to its customers

Announced February 2024



*has acquired*



**EV<sup>(2)</sup>: \$800M**

**EV / Revenue<sup>(1)</sup>: 1.5x**

**EV / EBITDA<sup>(1)</sup>: 12.3x**

- CBRE Group (NYSE: CBRE) (“CBRE”) has acquired J&J Worldwide Services, a portfolio company of ACP
- This acquisition enhances CBRE’s technical service capabilities and expands its government client base within Global Workplace Solutions

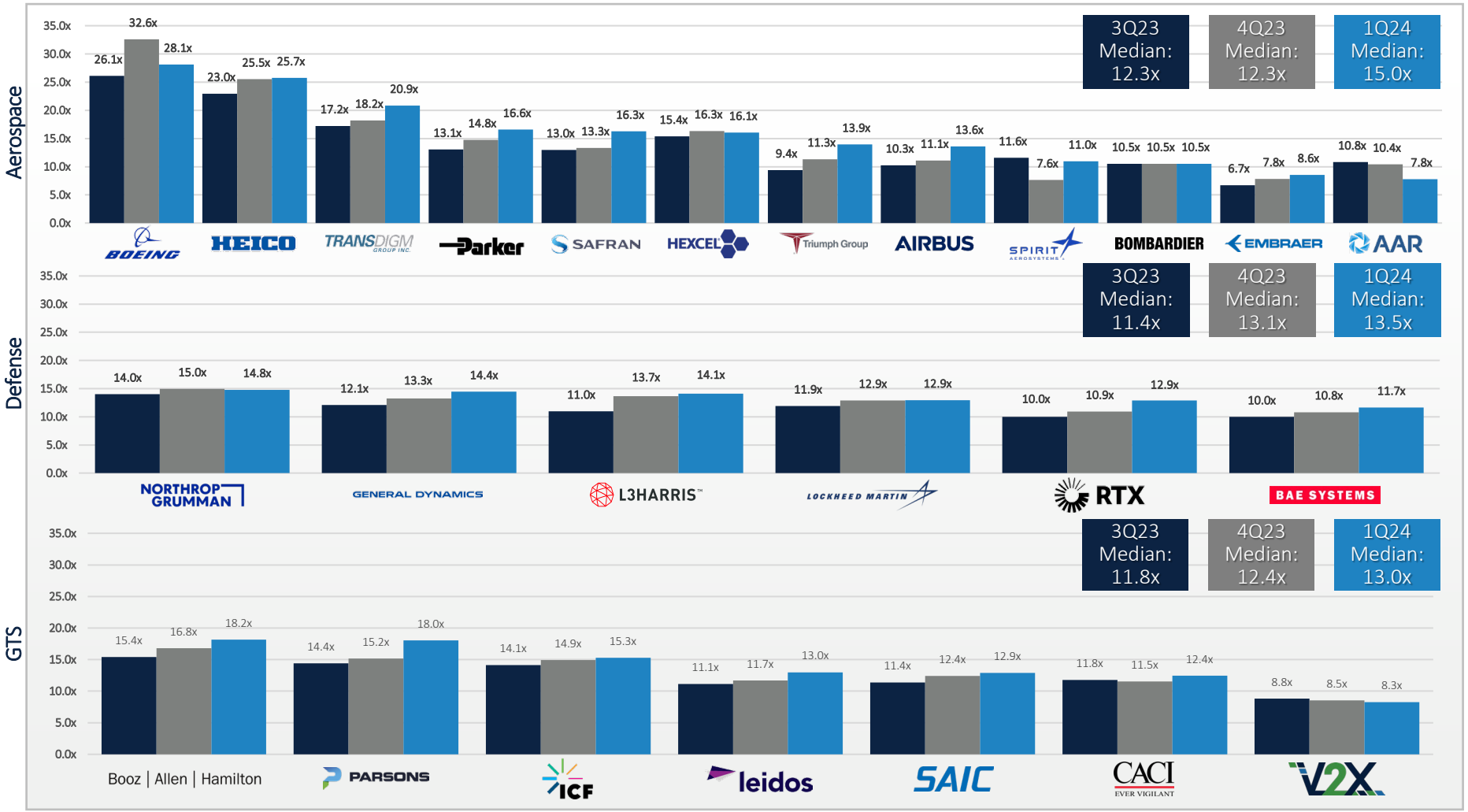
Note: ND = Not Disclosed

(1) Multiple based on NTM financials per press release

(2) Metric excludes potential earnout of \$250 million payable in 2027

# EV / NTM EBITDA Public Market Valuation Trends

- Median public valuations increased across all three sectors in 1Q24, with Aerospace experiencing the most significant multiple expansion, led by the strong performance of Boeing's competitors, as Boeing dealt with renewed aircraft quality and safety concerns

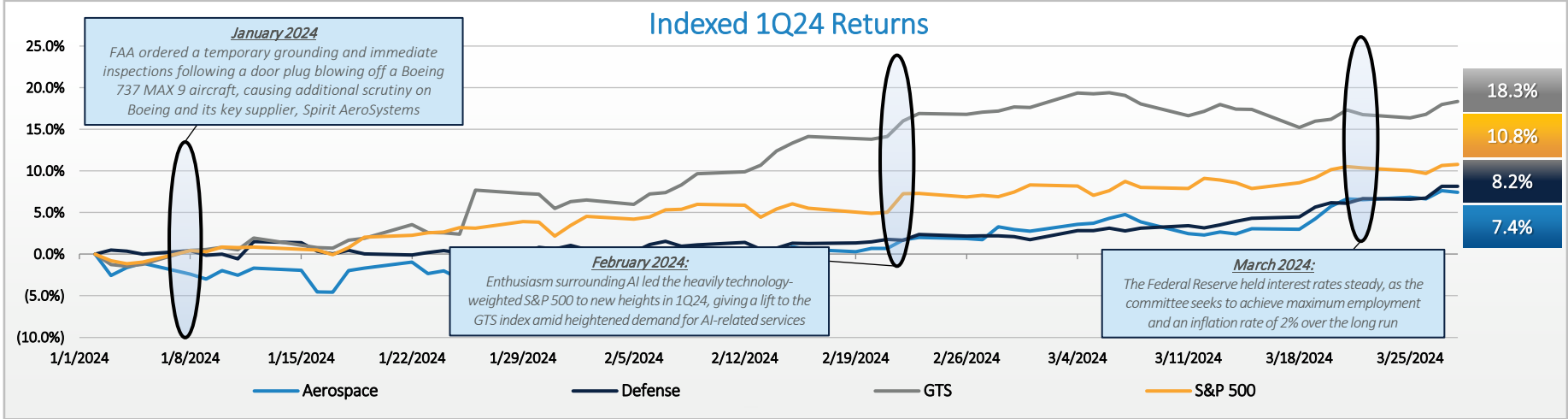


Source(s): S&P Capital IQ

■ = As of September 30, 2023   ■ = As of December 31, 2023   ■ = As of March 31, 2024

# Equity Capital Markets Performance

- The broader market experienced modest growth in 1Q24, with GTS rising substantially, largely attributed to its close alignment with technology-based sectors that have thrived amidst advancements in AI and ongoing IT modernization strategy and implementation
- All indices increased for the quarter, with the GTS index outperforming the S&P 500, while Aerospace / Defense trailed the broader market



**7.4%**  
1Q24 Performance

**28.9%**  
LTM Performance

**Aerospace**

Aerospace shares **increased** in 1Q24 defying initial challenges encountered at the quarter's onset, driven by continued demand for air travel and a resilient commercial aftermarket segment

Shares of **Boeing (NYSE: BA)** decreased **26.0% in 1Q24** after the FAA ordered the temporary grounding of certain Boeing 737 MAX 9 aircraft following the mid-flight emergency involving an Alaskan Airlines flight

**8.2%**  
1Q24 Performance

**9.6%**  
LTM Performance

**Defense**

Defense shares **increased** in 1Q24 as the Pentagon unveiled its GFY2025 budget request of ~\$850 billion, allocating a substantial portion to hypersonic defense technology and cyberspace

Shares of **RTX Corp (NYSE: RTX)** increased by **15.9% in 1Q24** after its subsidiaries, Collins Aerospace and Pratt & Whitney reported a record backlog and stronger-than-expected results

**18.3%**  
1Q24 Performance

**49.2%**  
LTM Performance

**Government Technology Services**

GTS shares **outperformed the broader market in 1Q24** driven by escalating demand for next-generation digital and cyber capabilities as the federal government prioritizes spending within the sector

Shares of **Booz Allen Hamilton (NYSE: BAH)** increased **16.1% in 1Q24** following strong organic revenue growth, impressive margin performance, and expansion of its workforce in CY4Q23

# Aerospace Update

## Boeing's Strategic Shift Amid Emerging Crisis

In light of the *federal investigation*, Boeing faces *intense safety and regulatory scrutiny*, including the Federal Aviation Agency ordering audits of its assembly lines. Airline CEOs, including those from Ryanair and United, have voiced concerns, with some *urging Boeing to stop production of certain models*. With these concerns, the new CEO faces a crucial task of *restoring confidence in Boeing's manufacturing and safety procedures*. Further, Boeing's customers have been pushing the hardest for a strategic shift.

Boeing has enacted a strategic shift, including new management appointments, discussions on potential *Spirit AeroSystems ("Spirit") acquisition*, and consideration of divesting its Digital Receiver Technology ("DRT") subsidiary. The potential acquisition of Spirit could help *stabilize its defense business* and *enhance its position* for bidding on future military aircraft programs, whereas the consideration of selling DRT is likely aimed at divesting a *non-core asset*.

### Key Management Changes



President & CEO David Calhoun will step down at the end of the year



Stephanie Pope, current COO, will take over as CEO of Commercial Airplanes

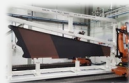
### Spirit AeroSystems Segments



Fuselage Systems



Propulsion Systems



Wing Systems

### DRT Overview



25+ Years of Mission Support



Latest Digital Signal Processing & FPGA Technology



Advanced Signals Capabilities

## SDA Advances PWSA with Tranche 2 Satellite Awards

The Space Development Agency ("SDA") continues to make significant strides in advancing its *Proliferated Warfighter Space Architecture ("PWSA")* through the development of its *Transport and Tracking Layer*, aimed at missile warning, tracking, and defense capabilities. To build such a complex architecture system while adhering to its "move fast" mandate, the *SDA broke the architecture down into bite-size chunks* known as "tranches". There have been recent awards to three companies – *Lockheed Martin, L3Harris, and Sierra Space* – to build *54 satellites for the Tranche 2 Tracking Layer*, a successor program to Tranche 0 and 1. Under Tranche 0, SDA currently operates four tracking satellites in orbit, with *plans to add another four satellites*. Under Tranche 1, SDA plans to add an additional 39 satellites.

Each vendor will deliver a combination of *wide field-of-view missile warning / tracking satellites* and those equipped with fire control-quality infrared sensors for preliminary missile defense mission capabilities. The contracts, totaling approximately *\$2.5 billion*, underscore the significance of this initiative in enhancing global missile defense readiness.

The sustained investment in satellite development not only reflects *ongoing commitment to national security* but also has implications for the M&A landscape. The *increased participation of companies in bidding for SDA contracts* signals a *growing market for smaller, more affordable satellites*. This trend is likely to spur consolidation and intensify competition among larger defense primes. Moreover, the collaborative efforts and technological advancements demonstrated in each Tranche could *fuel further M&A activities*.

## Aftermarket M&A Activity Remains Resilient in Turbulent Times for Commercial Aerostructures

In the face of uncertainty surrounding original equipment manufacturers ("OEMs"), particularly Boeing, the *aftermarket segment* in commercial aerostructures *continues to show resilience*. Despite a downturn in overall M&A activity within the commercial aerospace sector since 2021, *aftermarket services remain a focal point for investors*. Noteworthy transactions, like AAR's acquisition of Triumph's Product Support Group, highlight *sustained interest in aftermarket opportunities*, even amidst concerns about interest rates and inflation. Further, the financial firm Crosslake announced in March that it had completed the *acquisition of the South Florida-based MRO companies Continental Aircraft Support and Magnum Aircraft Repair Services*.

### Highlighted Transactions



Meaningfully scales AAR's repair capabilities and is highly complementary to its existing portfolio



Material step in Crosslake's strategic objective to have the Parts Platform become a vital and trusted supply chain partner

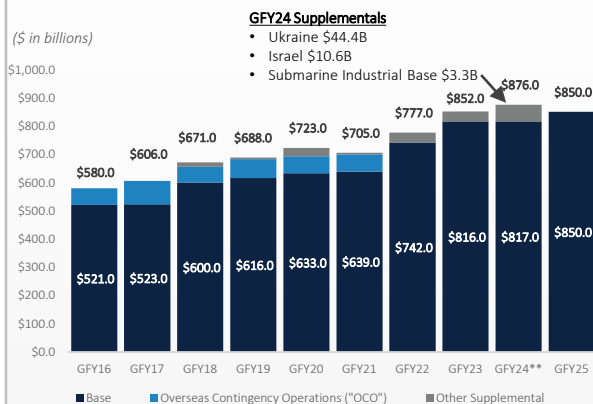
Looking ahead, *aftermarket M&A is poised to thrive*, with a focus on mid-tier consolidation and investments in engine-related services. This trend is driven by factors such as *technological advancements*, potential for *higher margins*, and ongoing *supply chain challenges*, all amidst sustained demand for commercial air travel. Despite the overall decline in deal value and count, *investor confidence remains strong*, particularly in segments such as commercial aftermarket and defense. *Private capital* is expected to play a *significant role* in mid-tier consolidation efforts, while engines are likely to emerge as a primary target for strategic acquisitions.

# Defense Update

## GFY2025 Defense Budget Takeaways

The U.S. Department of Defense (“DoD”) faces budget constraints as the GFY2025 Defense Budget represents **just 1% growth over GFY2024**, prompting reductions to important programs like the *F-35 and Virginia-class submarines*.

### DOD Budget GFY2010 – GFY2025



\*\* GFY2024 Reflects Continuing Resolution

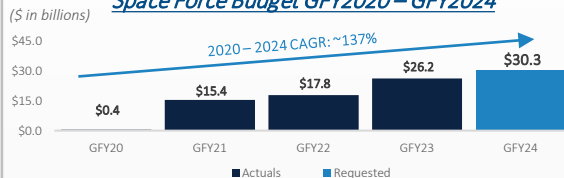
The GFY2025 budget focuses on bolstering defense against *emerging threats*, allocating substantial funds for *ballistic missile defense, long-range fires, space capabilities, and cyberspace activities*. Despite these crucial investments, bipartisan concerns persist about the *expanding budget and fiscal accountability*.

*Budget constraints and enhanced fiscal scrutiny may affect M&A* within the defense sector, compelling companies to adjust to a tough funding climate. With the evolving defense landscape, firms must align with the shifting strategic needs of the DoD, likely *focusing M&A activity on areas prioritized by the GFY2025 DoD priorities* such as missile defense and cyberspace.

## U.S. Space Command Advocacy for Increased Funding

U.S. Space Command is advocating for an additional **\$1.2 billion** in GFY2025 funding to enhance the military’s space capabilities, particularly to counter threats from *Russia and China*. This funding would primarily support classified programs like the *U.S. Navy Mobile Counterspace Capability* and *Lunar Locust*, aimed at strengthening offensive and defensive measures in space.

### Space Force Budget GFY2020 – GFY2024



In addition to classified programs, the funding request also includes allocations for *commercial and military operations facilities, space domain awareness sensors, and radars*. This includes upgrades to the Army’s *Long-Range Tracking and Instrumentation Radar* in the Pacific region. Without adequate funding, integration efforts and deep-space surveillance capabilities could be compromised, especially in the Pacific region where radar capabilities are essential.

This increased investment emphasizes the growing recognition of *space as a vital domain* for military operations. It also signals the evolving nature of threats in space and the need for proactive measures to protect national interests. Furthermore, the emphasis on space capabilities could have *significant implications for M&A activity*, as companies may need to adapt and invest in space-related technologies and capabilities to remain competitive and address emerging security concerns.

## Heightened Emphasis on Hypersonic & Supersonic Technologies

The DoD is *intensifying its focus on hypersonic technology*, evident in the U.S. Air Force’s proposed budget allocation of \$517 million for the *Hypersonic Attack Cruise Missile (“HACM”)* development in GFY2025, marking a significant increase.

Successful tests, like the *Air-launched Rapid Response Weapon (“ARRW”)*, underscore the U.S. defense industry’s commitment to countering *threats from the advancements of nations like Russia and China*. The U.S. Navy’s Offensive Anti-Surface Warfare (“OASuW”) Weapon Increment II program, particularly the hypersonic air-launched OASuW (“HALO”), also stands to benefit from increased DoD funding, aiming for early operational capability by GFY2029.

The U.S.’s emphasis on hypersonic defense technology underscores its significance in future military strategies, *exemplified by the \$28.5 billion GFY2025 budget request for U.S. missile-defense* which could bolster domestic M&A activity as U.S. defense companies are likely to position themselves to capitalize on funding opportunities.

Globally, *Russia and China’s advancements* in hypersonic technologies continue to *push the need for missile defenses worldwide*. NATO’s expansion of its innovation accelerator, doubling its accelerating sites, some of which focus on hypersonics, and *Germany’s \$5.5 billion deal with RTX* for Patriot Missiles highlight the global prioritization of missile defenses. This trend could spur *strategic alliances* and *increase M&A activity* as firms seek to navigate the rapidly evolving landscape of missile threats.



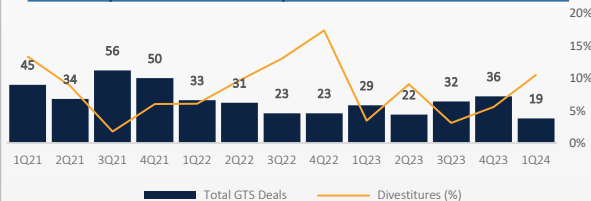
# Government Technology Services Update

## GTS Divestiture Activity Outlook

Several recent, high-profile divestitures have occurred in the GTS market, to include:

- **ManTech**, a portfolio company of Carlyle, divested select technical advisory services programs for an undisclosed amount (1Q24)
- **VSE (NASDAQ: VSEC)** divested its Federal and Defense Segment for \$44 million (1Q24)
- **Jacobs (NYSE: J)** announced a definitive agreement to divest its Critical Mission Solutions and Cyber and Intelligence businesses for an undisclosed amount (4Q23)
- **RTX (NYSE: RTX)**, formerly Raytheon Technologies, agreed to divest its cybersecurity and intelligence business for \$1.3 billion (4Q23)

### Quarterly Divestitures Compared to Total GTS M&A Deals



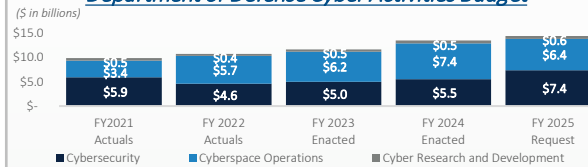
The divestiture trend has been driven by companies reassessing their portfolios, *shedding non-core businesses to improve profitability* or better align with global trends amid industry consolidation. Additionally, a December 2022 Biden Administration law focusing on Organizational Conflicts of Interest (“OCI”) has spurred strategic divestiture activity across the government contracting landscape.

Following years of *industry consolidation*, along with stricter OCI policies, the market is poised for *continued divestiture activity*, creating *unique acquisition opportunities* in the coming quarters.

## Cyber and Space: Critical Domains of Warfare in the 21st Century

*Cyber and space capabilities have emerged as drivers of M&A activity* in the GTS market. As Russia and China attempt to gain positions of advantage in space and across U.S. cyber infrastructure, both domains have received *increased funding*. The President’s recent GFY2025 Defense Budget Request includes *\$33.7 billion for space capabilities and \$14.5 billion for cyber activities*.

### Department of Defense Cyber Activities Budget



Russia’s ongoing invasion of Ukraine *underscores the heightened importance of space capabilities* and the U.S. military’s *reliance on satellite intelligence and associated infrastructure*. Across the broader cyber landscape, the Cybersecurity and Infrastructure Security Agency reported that adversaries continue to make attempts to infiltrate critical domestic cyber infrastructure, heightening the U.S. military’s *focus on protecting access to U.S. cyberspace*.

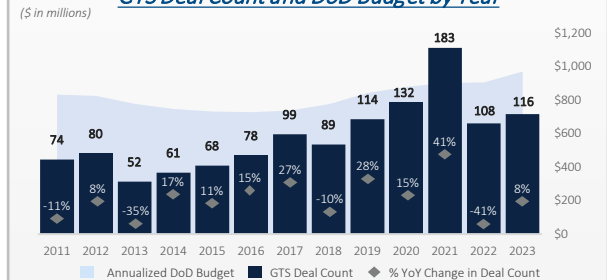
Recent deals in the GTS market highlight an *emphasis on cyber and space capabilities*. In 1Q24, BlueHalo acquired Eqlipse, expanding its cyber franchise. 4Q23 saw Enlightenment Capital invest in Ridgeline International for its cyber software platform, and Acclaim Technical Services acquired IC cybersecurity solutions provider, Alder Technology. With cyber and space emerging as battlefields, these transactions, among others, suggest the *demand for these capabilities will continue to drive M&A activity moving forward*.

## Impact of Presidential Election Cycles on GTS M&A Activity

As the country prepares for the upcoming U.S. Presidential election, sellers and investors are contemplating *whether elections have a meaningful impact on M&A*. We took a closer look at deal activity in election years and the following year to investigate any meaningful trends.

Based on the analysis, election years generally bring an increase in deal activity, while post-election years yield mixed results. Deal volume was up in the years where there was a change in administration (i.e., 2017 and 2021) and down in second-term presidential wins (i.e., 2013).

### GTS Deal Count and DoD Budget by Year



However, there are multiple factors to consider when assessing these trends (e.g., *tax rates, sequestration, budget dynamics*, etc.). Although the aforementioned factors are partially driven by the White House, *congressional elections influence policy and budgets* too. M&A activity is also a function of buyers’ *theses around the growth prospects* of given verticals (e.g., Federal Health IT, DoD Engineering, Space, etc.). Overall, there has been a *relatively steady climb in M&A activity irrespective of who is in the White House*, demonstrating the resilience of the GTS sector and suggesting *strong M&A volumes in 2024 and 2025*.



# 1Q24 Aerospace Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin	Rev.	Rev.	EBITDA
03/27/24	Diploma PLC (LSE: DPLM)	Peerless Aerospace Fastener Corp.	Provides fasteners and related inventory management services specializing in standard, oversize, and non-standard grip lengths for the aerospace industry	\$300.0	\$107.7	ND	ND	2.8x	ND	
03/27/24	Tube Bending Technology (portco. of Washington Equity Partners)	Scarrott Metallurgical Company	Provides vacuum brazing and heat treating aerospace alloys with capabilities in heat treating and brazing stainless steel, titanium, Inconel, and refractory metals for aerospace, defense, and space markets	ND	ND	ND	ND	ND	ND	
03/26/24	Metal Finishing Technologies, LLC (portco. of Battle Investment Group)	Aqua Blasting Corp.	Provides shoot peening, glass bead peening, wet abrasive peening, soda blasting, tumbling, surface finish testing, and other related services for aerospace, defense, medical, and semiconductor markets	ND	ND	ND	ND	ND	ND	
03/25/24	Aerostar International, Inc. (portco. of TCOM L.P.)	Near Space Corp.	Provides high altitude, near space platforms and flight test services for private sector and U.S. federal government aerospace markets	ND	ND	ND	ND	ND	ND	
03/16/24	Albion River LLC	Maytag Aircraft Corp. (subsidiary of Worldwide Flight Services Inc. (subsidiary of SATS Ltd (SGX: S58)))	Provides aircraft fueling services, air terminal services, ground handling services and base operations support exclusively to the U.S. Department of Defense	\$46.0	ND	ND	ND	ND	ND	
03/11/24	Crosslake Group, LLC	Continental Aircraft Support, Inc.	Provides MRO services with key capabilities including instruments, avionics, pneumatics, electrical accessories, mechanical accessories, and galley equipment for aerospace, defense, and commercial markets	ND	ND	ND	ND	ND	ND	
03/11/24	Crosslake Group, LLC	Magnum Aircraft Repair Services, Inc.	Provides MRO services with specialization in testing and maintaining Hydraulic components for commercial, and military aircraft applications	ND	ND	ND	ND	ND	ND	
03/07/24	Yingling Aviation, Inc. (portco. of AE Industrial Partners, LP)	Mid-Continent Aviation Services, Inc.	Provides aircraft MRO services in addition to aircraft parts, technical assistance, and sales support for business aviation and government customers throughout the U.S.	ND	ND	ND	ND	ND	ND	
03/07/24	Kittyhawk, Inc. (portco. of Trive Capital Management, LLC ("Trive Capital"))	Stack HIP, LLC (subsidiary of Stack Metallurgical Services, Inc.)	Provides metal processing services such as Hot Isostatic Pressing and vacuum heat treating solutions with the largest high-pressure HIP vessels in North America for aerospace, space, defense, and medical applications	ND	ND	ND	ND	ND	ND	
03/04/24	Ampaire, Inc.	Magpie Aviation, Inc.	Provides decarbonized aviation services to overcome short range electrical aircraft limitations for private sector, aerospace, and defense markets	ND	ND	ND	ND	ND	ND	
03/01/24	Safran Nacelles SAS (subsidiary of Safran S.A. (ENXTPA: SAF))	3D Metal Forming	Provides manufacturing of prototype and series parts utilizing High Energy Hydro Forming technology to enable production of Monolithic Integrated Structures from thick plate for aerospace, architectural, and energy markets	ND	ND	ND	ND	ND	ND	
02/29/24	ProFlo Industries, LLC (subsidiary of PrimeFlight Aviation Services, Inc. (portco. of Capitol Meridian Partners and The Sterling Group))	Garsite Progress, LLC and Progress Tank	Provides aviation refueling and liquid waste transportation for international, commercial, and military markets	ND	ND	ND	ND	ND	ND	
02/21/24	Novaria Holdings, LLC (portco. of KKR & Co. Inc. (NYSE: KKR))	Anillo Industries, Inc.	Provides specialty components and hardware including aircraft washers, shims, bushings, spacers, fillers, tapers, standoffs, nut plates, and chemical and heat-treating processing services for private sector and U.S. federal government aerospace and defense markets	ND	ND	ND	ND	ND	ND	
02/13/24	Indra Sistemas S.A. (BME: IDR)	The remaining 65% stake in Global Training Aviation, S.L.	Provides simulation systems and training programs equipped with 6 of the latest generation level D Full Flight Simulators across multiple global training centers, for private sector and international government aeronautical markets	ND	ND	ND	ND	ND	ND	
02/08/24	De Havilland Aircraft of Canada (portco. of Longview Aviation Capital Corp.)	Calgary Manufacturing Operations of Field Aerospace (portco. of Trive Capital)	Provides build-to-print parts and subassemblies with NADCAP accreditation for chemical processing, heat treating, and non-destructive testing for major commercial aerospace OEMs like Bombardier, Viking and Boeing	ND	ND	ND	ND	ND	ND	
02/07/24	Pinnacle X-Ray Solutions, LLC (portco. of Altus Capital Partners)	Willick Engineering Co., Inc.	Provides best-in-class turn-key nondestructive testing x-ray systems, real-time inspection services, and professional radiographic systems repair and support services to military, aerospace, and related industries	ND	ND	ND	ND	ND	ND	

# 1Q24 Aerospace Transactions, cont.

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin	Rev.	EBITDA	EBITDA
01/16/24	Sunshine Avionics (subsidiary of HEICO Corporation (NYSE: HELA))	Exclusive License and Key Related Assets for Select Display Product Lines from Honeywell International (NASDAQ: HON)	Provides Boeing Cockpit Displays and Legacy Displays product lines with the capability to produce, sell, and repair these displays in addition for other legacy displays	ND	ND	ND	ND	ND	ND	ND
01/16/24	CORE Industrial Partners	Aviation Concepts, LLC	Provides ultrasonic machining components, including avionics, rotatable components, actuation systems, hydraulics, landing gear, and auxiliary power units, for the aftermarket commercial aviation industry	ND	ND	ND	ND	ND	ND	ND



# 1Q24 Defense Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin	Rev.	Rev.	EBITDA
03/27/24	Honeywell International, Inc. (NASDAQGS: HON)	Civitanavi Systems SRL (BIT: CNS)	Provides the design, development, manufacture, and sale of high-tech solutions for inertial navigation and stabilization systems for international government aerospace, defense, and industrial markets	\$216.6	\$49.9	\$8.8	18%	4.3x	24.6x	
03/26/24	Fairbanks Morse Defense (portco. of Arcline Investment Management LP)	Ammcon Corp.	Provides CNC manufacturing of based fittings and assembled components specializing in plastics, steel, brass, bronze, aluminum, stainless, castings, forgings, weldments, and exotic alloys for the U.S. Navy, U.S. Coast Guard, and Military Sealift Command	ND	ND	ND	ND	ND	ND	ND
03/17/24	Rheinmetall AG (XTRA: RHM)	REEQ B.V.	Provides lightweight electromobility tactical transport vehicles such as Unmanned Ground Vehicles, side-by-side buggies, and quads for commercial, private sector, and international defense markets	ND	ND	ND	ND	ND	ND	ND
03/14/24	J.F. Lehman & Co.	Mission Microwave Technologies, LLC (portco. of GaAs Labs LLC)	Provides Solid-State Power Amplifiers and Block Upconverters with capabilities in gallium nitride transistors, power combining technology, and full-system designs for ground-based, airborne, maritime and space-based applications across government and commercial markets	ND	ND	ND	ND	ND	ND	ND
03/14/24	ArmorWorks Enterprises, LLC (portco. of Littlejohn Capital, LLC)	Fox Valley Metal Tech, Inc.	Provides precision metal fabrications specializing in custom electrical enclosures and consoles, components and fabrications for military trailers, radar systems, and watertight doors and hatches for use on naval ships, submarines, and combat vessels	ND	ND	ND	ND	ND	ND	ND
03/13/24	Aeronix Technologies Group (portco. of ShoreView Industries, LLC)	Augustus Aerospace Company	Provides robust, integrated space-based mission payloads with specialization in communications; radar; position, navigation, and timing payloads; and on-board processing systems for defense and intelligence community customers	ND	ND	ND	ND	ND	ND	ND
03/13/24	Aeronix Technologies Group (portco. of ShoreView Industries, LLC)	Systems Integration Plus	Provides ruggedized mission computing solutions for applications on a variety of air, ground, and naval defense platforms	ND	ND	ND	ND	ND	ND	ND
03/12/24	Teledyne Technologies, Inc. (NYSE: TDY)	Valeport Ltd.	Provides underwater sensors including sound velocity probes, current and flow meters, and conductivity, temperature, and depth sensors for environmental, energy, construction, and defense markets	ND	ND	ND	ND	ND	ND	ND
03/05/24	McDanel Advanced Ceramic Technologies, LLC (portco. of Artemis Capital Partners)	Rayotek Scientific, Inc.	Provides advanced optical window and mirror systems specializing in a variety of sapphire, glass, and related advanced materials for aerospace, defense, space, and semiconductor industries	ND	ND	ND	ND	ND	ND	ND
03/04/24	Luxium Solutions, LLC (portco. of SK Capital Partners, LP and Edgewater Capital Partners)	PLX, Inc. (portco. of Tincum Capital Partners)	Provides high-quality, advanced monolithic optics with inhouse manufacturing and environmental testing facilities, performance testing capabilities, and optical analysis equipment for commercial, aerospace, defense, and industrial markets	ND	ND	ND	ND	ND	ND	ND
03/04/24	Iridium Communications Inc. (NASDAQGS: IRDM)	Satelles, Inc.	Provides development of low Earth orbit satellite management technology to deliver assured positioning, navigation, and timing via a secure satellite broadcast signal for private sector and U.S. federal government markets	\$143.8	ND	ND	ND	ND	ND	ND
02/29/24	VSE Corporation (NASDAQ:VSEC)	Turbine Controls, Inc.	Provides aftermarket aircraft maintenance, repair, and overhaul support services specializing in a variety of engine components and a range of airframe and engine accessory repairs for commercial and military applications	\$120.0	ND	ND	ND	ND	ND	ND
02/29/24	Two Undisclosed Buyers	VSE Federal & Defense (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	\$44.0	ND	ND	ND	ND	ND	ND
02/26/24	kSARIA Corp. (portco. of Behrman Capital)	Charles E. Gillman Co.	Provides high-reliability electrical cables and a range of harnesses that can withstand severe operating conditions for private sector and U.S. federal government defense, medical, and transportation markets	ND	ND	ND	ND	ND	ND	ND
02/20/24	High Point Aerotechnologies, LLC. (portco. of Highlander Partners L.P.)	Flex Force Enterprises, Inc.	Provides innovative drone defense and remote and stabilized weapons solutions across the UAS and Counter-UAS markets for private sector and aerospace and defense customers	ND	ND	ND	ND	ND	ND	ND
02/14/24	Motorola Solutions (NYSE: MSI)	Silent Sentinel Ltd.	Provides security cameras specializing in long-range cooled and uncooled thermal cameras, SWIR cameras, ultra low-lowlight cameras and illumination technologies for aviation, maritime, coastal surveillance, defense, and military markets	ND	ND	ND	ND	ND	ND	ND



# 1Q24 Defense Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin	Rev.	Rev.	EBITDA
02/13/24	Teledyne Technologies, Inc. (NYSE: TDY)	Adimec Advanced Image Systems B.V.	Provides high-performance industrial and scientific cameras that deliver true accurate images and are manufactured in batches ranging from 50-500 per year serving private sector and international government machine vision, healthcare, and global security markets	ND	ND	ND	ND	ND	ND	ND
02/08/24	Albers Aerospace	Onepath Systems, LLC	Provides turnkey onsite installation, maintenance, technical integration, and operational services for the defense, government, and commercial sectors	ND	ND	ND	ND	ND	ND	ND
02/05/24	Birdon America Inc. (subsidiary of Birdon Pty Ltd.)	Metal Shark Boats Shipyard (subsidiary of Gravois Aluminum Boats LLC)	Provides fully developed shipyard capabilities including shipbuilding and repair services throughout the U.S. that supports the delivery of the Waterways Commerce Cutter Program, a vital component of Birdon's \$1.187 billion contract to design and build 27 new vessels for the U.S.	ND	ND	ND	ND	ND	ND	ND
02/02/24	BAE Systems Plc (LSE: BA)	Malloy Aeronautics	Provides all-electric uncrewed aerial systems designed for military and commercial applications with the ability to lift payloads from 68kg to 300kg over short to medium range missions	\$76.5	ND	ND	ND	ND	ND	ND
01/31/24	Rheinmetall AG (XTRA: RHM)	72.5% stake in Automecanica Medias S.R.L.	Provides special vehicles, truck build-ons, and trailers for international government automotive, defense, and civilian markets	ND	ND	ND	ND	ND	ND	ND
01/30/24	Amphenol (NYSE: APH)	Carlisle Interconnect Technologies (subsidiary of Carlisle Companies (NYSE: CSL))	Provides comprehensive, high-performance interconnect solutions, including unique cable configurations, custom high-frequency connectors, cable assemblies, and other specialized, complex products for aerospace, military, space, and related industries	\$2,025.0	\$900.0	\$180.0	20%	2.3x <sup>(1)</sup>	11.3x <sup>(1)</sup>	
01/29/24	Airbus U.S. Space & Defense, Inc. (subsidiary of Airbus SE)	50% stake in Airbus OneWeb Satellites Joint Venture from Eutelsat OneWeb	Provides OneWeb satellites at a lower cost compared to traditional satellites, holding partnerships with 40 major suppliers, having executed 19 successful launches in support of the OneWeb constellation	ND	ND	ND	ND	ND	ND	ND
01/26/24	Arlington Capital Partners	Merrill Technologies Group	Provides manufacturing of large metal parts and structures, with capabilities in design, engineering, machining, fabrication, and integration solutions for the aerospace, defense, and industrial markets	ND	ND	ND	ND	ND	ND	ND
01/26/24	Arlington Capital Partners	Metal Trades, LLC	Provides large-scale structural metal fabrication and ship repair services with various capabilities in heavy steel fabrication, manufacturing, machining, vessel construction, and vessel maintenance and repair serving aerospace, defense, and commercial markets	ND	ND	ND	ND	ND	ND	ND
01/19/24	Arcline Investment Management, LP	Kaman Corporation (NYSE: KAMN)	Provides aircraft components and aerostructures for helicopters, fixed-wing and unmanned aircraft	\$1,874.5	\$775.9	\$105.4	14%	2.4x	17.8x	
01/17/24	Leonid Capital Partners	Infinite Composites	Provides advanced materials specializing in composite pressure vessel design in support of both government and commercial space missions and energy transitions globally	ND	ND	ND	ND	ND	ND	ND
01/16/24	RTC Aerospace, LLC (portco. of Stellex Capital Management)	Vanderhorst Brothers, Inc.	Provides complex machined components and high-precision parts for Tier 1 and OEM customers in the aerospace, defense, and space industries	ND	ND	ND	ND	ND	ND	ND
01/15/24	Airbus Helicopters SAS (subsidiary of Airbus SE (ENXTPA: AIR))	Aerovel Corp.	Provides Flexorator, a small, tactical unmanned aerial system designed for intelligence, surveillance, target acquisition and reconnaissance missions with a flight endurance of more than 30 hours and 120km communications range	ND	ND	ND	ND	ND	ND	ND
01/15/24	John Cockerill Group	Arquus SAS (subsidiary of AB Volvo (OM: VOLV B))	Provides a complete range of medium armoured vehicles and drivelines for heavier combat vehicles in private sector and international government defense markets	ND	ND	ND	ND	ND	ND	ND
01/11/24	Framatome and Naval Group	Jeumont Electronic (subsidiary of Altawest SAS)	Provides manufacture, maintenance, and replacement services for electrical equipment for the nuclear energy and naval defense sectors	ND	ND	ND	ND	ND	ND	ND
01/11/24	Allient Inc. (NASDAQ: ALNT)	SNC Manufacturing	Provides electrical transformers, utility products, and information and communication products for blue-chip customers in defense, industrial automation, and related industries	\$20.0	\$40.0	ND	ND	0.5x	ND	

(1) Based on NTM financials per press release  
Note: ND = Not Disclosed



# 1Q24 Defense Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin	Rev.	Rev.	EBITDA
01/09/24	IDEX Corporation (NYSE: IEX)	STC Material Solutions (portco. of Artemis Capital Partners)	Provides advanced ceramic and hermetic material solutions for the most extreme, mission-critical applications to a range of aerospace, defense, semiconductor, and related industries	\$206.0	\$50.0	ND	ND	4.1x	ND	
01/08/24	Cadence Design Systems, Inc. (NASDAQ: CDNS)	Invecas, Inc.	Provides turnkey application-specific integrated circuits custom silicon production, design engineering, embedded software and system-level solutions to private sector and U.S. federal government defense, semiconductor, and related markets	ND	ND	ND	ND	ND	ND	
01/04/24	Cadence Aerospace (portco. of Arlington Capital Partners)	Numet Machining Techniques, LLC (portco. of Liberty Hall Capital Partners), AeroCision, LLC (portco. of Liberty Hall Capital Partners), Walbar Vian Enterprises, Inc.	Provides specialized machining capabilities including milling, broaching, turning, grinding, balance, electrical discharge machining, heat treatment, non-destructive testing, engineering software solutions, and inspection capabilities	ND	ND	ND	ND	ND	ND	
01/04/24	Crane Company (NYSE: CR)		Provides multi-stage lubrication pumps and lubrication system components technology for critical aerospace and defense applications	\$103.0	\$33.0	\$8.0	24%	3.1x	12.9x	
01/03/24	Cadre Holdings (NYSE: CDRE)	ICOR Technology	Provides explosive ordnance disposal robots and specialized protective security equipment for EOD and military organizations worldwide	\$45.1	ND	ND	ND	ND	ND	
01/03/24	Fairbanks Morse Defense (portco. of Arcline Investment Management)	Samtan Engineering Corp.	Provides single-source metal stamping and deep drawing with capabilities including shearing, punching, forming, metal spinning, machining, wire electric discharge manufacturing, and assembly for private sector and U.S. federal government defense markets	ND	ND	ND	ND	ND	ND	
01/03/24	Global Warming Solutions Inc.	AQST USA LLC	Provides space, science, and technology solutions, including the development and manufacturing of satellites, space components, planetary rovers, space robotics, and advanced zero-carbon emission technologies	ND	ND	ND	ND	ND	ND	



# 1Q24 Government Technology Services Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin	Rev.	Rev.	EBITDA
03/27/24	Park Place Technologies, Inc.	SDV Solutions, Inc.	Provides warranty service and client-centric data center infrastructure solutions exclusively to U.S. federal government agencies	ND	ND	ND	ND	ND	ND	ND
03/26/24	Synergy ECP, LLC	Softtech Solutions, Inc.	Provides software and systems engineering, big data and cloud computing, and informational retrieval systems for private sector and U.S. federal government defense markets	ND	ND	ND	ND	ND	ND	ND
03/22/24	Sayres and Associates Corp.	Global Systems Technologies, Inc.	Provides test and evaluation services, model-based systems engineering, logistics, research and development to private sector and U.S. federal government defense and homeland security markets	ND	ND	ND	ND	ND	ND	ND
03/20/24	Black Sea Technologies, LLC	Blue Tide Marine LLC	Provides highly specialized maritime logistics services for private sector and U.S. federal government markets	ND	ND	ND	ND	ND	ND	ND
03/20/24	Logistics Management Institute, Inc.	JJR Solutions LLC	Provides low-code, cloud-based applications with human-centered design and agile principles for private sector and U.S. federal government defense and healthcare markets	ND	ND	ND	ND	ND	ND	ND
03/18/24	Precise Systems, Inc.	Jardon & Howard Technologies, Inc.	Provides training & simulation, technical documentation, environmental and marine sciences, and professional services to private sector and U.S. federal government aerospace, defense, and environmental markets	ND	ND	ND	ND	ND	ND	ND
03/07/24	Systems Planning and Analysis, Inc. (portco. of Arlington Capital Partners)	ManTech's technical advisory services business	Provides support to national security customers by delivering highly specialized research and development-driven solutions to solve critical mission requirements	ND	ND	ND	ND	ND	ND	ND
03/01/24	Avion Solutions, Inc.	Synectic Research and Analysis, Inc.	Provides test planning and analysis, software development, and modeling and simulation solutions for Space and Missile Defense programs	ND	ND	ND	ND	ND	ND	ND
02/29/24	Undisclosed	VSE's (NASDAQ: VSEC) Federal and Defense segment	Provides foreign military sales services, refurbishment services for vehicles and equipment, ship and aircraft support, aircraft sustainment and maintenance, and other technical, management, and engineering services	\$44.0	ND	ND	ND	ND	ND	ND
02/22/24	Tetra Tech, Inc. (NASDAQ: TTEK)	LS Technologies, LLC	Provides enterprise technology and management consulting solutions such as IT modernization & service integration for private sector and U.S. federal government aviation markets	ND	ND	ND	ND	ND	ND	ND
02/13/24	BlueHalo, LLC (portco. of Arlington Capital Partners)	Eclipse Technologies (portco. of Arlington Capital Partners)	Provides identity intelligence, research and development, and cyber engineering solutions for private sector and U.S. federal government defense, intelligence, and national security markets	ND	ND	ND	ND	ND	ND	ND
02/13/24	Sigma Defense Systems, LLC (portco. of Sagewind Capital)	Juno Technologies, Inc.	Provides IT engineering, cloud and systems integration, software development and technical support to the Naval Information Warfare Systems Command, U.S. Coast Guard, Military Sealift Command, and U.S. Navy ships and submarines worldwide	ND	ND	ND	ND	ND	ND	ND
02/12/24	Crimson Phoenix	Seaford Consulting, LLC	Provides full-systems lifecycle, integrated business, mission & IT solutions for private sector and U.S. federal government markets	ND	ND	ND	ND	ND	ND	ND
02/06/24	Xcelerate Solutions	VMD Corp.	Provides cybersecurity, digital infrastructure, agile engineering, and homeland defense based services to private sector and the U.S. federal government civilian and homeland security markets	ND	ND	ND	ND	ND	ND	ND
02/05/24	CBRE Group, Inc. (NYSE: CBRE)	J & J Worldwide Services (portco. of Arlington Capital Partners)	Provides healthcare services, engineering, and medical maintenance services to U.S. federal government civilian, defense, and homeland security markets	\$800.0 <sup>(1)</sup>	\$525.0 <sup>(2)</sup>	\$65.0 <sup>(2)</sup>	12% <sup>(2)</sup>	1.5x <sup>(2)</sup>	12.3x <sup>(2)</sup>	
02/01/24	Gemini Investors LLC and Artinia Group	Canvas Inc.	Provides engineering, technical and lifecycle management services to U.S. defense agencies, including the Air Force and Army	ND	ND	ND	ND	ND	ND	ND

(1) Metric excludes potential earnout of \$250.0 million payable in 2027

(2) Based on NTM financials per press release

Note: ND = Not Disclosed



# 1Q24 Government Technology Services Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin	Rev.	Rev.	EBITDA
01/24/24	Saalex Corp.	Spalding Consulting, Inc.	Provides software development, IT, and engineering services for private sector and U.S. federal government defense markets	\$75.0	ND	ND	ND	ND	ND	ND
01/16/24	TPG, Inc. (NASDAQ: TPG)	Sayari Labs, Inc.	Provides counterparty and supply chain risk intelligence solutions to government agencies, multinational corporations, and financial institutions	\$228.0	ND	ND	ND	ND	ND	ND
01/09/24	Lynx Software Technologies, Inc.	Thompson Software Solutions, Inc.	Provides software development, engineering, and integration solutions to private sector and U.S. federal government mission-critical aerospace and defense markets	ND	ND	ND	ND	ND	ND	ND
01/09/24	Applied Insight, LLC	Zavda Technologies LLC	Provides IT management solutions to the private sector and U.S. federal government with an expertise in cloud computing, cyber analysis, network management, and systems engineering	ND	ND	ND	ND	ND	ND	ND
01/03/24	Management Science and Innovation, LLC	Ascolta, LLC (subsidiary of VION)	Provides cyber and advanced analytics for enterprise-level customers in private sector and U.S. federal government markets	ND	ND	ND	ND	ND	ND	ND





# Public Company Trading Analysis

(\$ in millions, except per share amounts)

Aircraft and Engine OEMs	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
General Electric Company	\$175.53	97.3%	\$191,901	\$195,467	\$67,954	\$8,114	11.9%	\$42,685	\$7,676	18.0%	2.88x	24.1x	4.58x	25.5x
Airbus SE	184.18	98.8%	145,030	139,571	72,340	7,066	9.8%	77,896	10,347	13.3%	1.93x	19.8x	1.79x	13.5x
The Boeing Company	192.99	72.1%	117,750	155,933	77,794	3,154	4.1%	86,940	4,960	5.7%	2.00x	NM	1.79x	NM
Safran SA	226.62	98.5%	93,712	94,191	26,142	4,985	19.1%	29,624	5,830	19.7%	3.60x	18.9x	3.18x	16.2x
MTU Aero Engines AG	253.75	96.0%	13,658	13,479	5,928	39	0.7%	8,059	1,306	16.2%	2.27x	NM	1.67x	10.3x
<b>Median</b>		<b>97.3%</b>	<b>\$117,750</b>	<b>\$139,571</b>	<b>\$67,954</b>	<b>\$4,985</b>	<b>9.8%</b>	<b>\$42,685</b>	<b>\$5,830</b>	<b>16.2%</b>	<b>2.27x</b>	<b>19.8x</b>	<b>1.79x</b>	<b>14.8x</b>

Aerostructures	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Hexcel Corporation	\$72.85	92.1%	\$6,054	\$6,555	\$1,789	\$348	19.5%	\$1,992	\$408	20.5%	3.66x	18.8x	3.29x	16.1x
Spirit AeroSystems Holdings, Inc.	36.07	99.3%	4,192	7,549	6,048	84	1.4%	7,402	647	8.7%	1.25x	NM	1.02x	11.7x
Triumph Group, Inc.	15.04	87.1%	1,156	2,624	1,407	179	12.7%	1,268	188	14.8%	1.86x	14.7x	2.07x	13.9x
Senior plc	2.23	96.1%	912	1,171	1,227	101	8.3%	1,314	140	NM	0.95x	11.6x	0.89x	8.3x
<b>Median</b>		<b>94.1%</b>	<b>\$2,674</b>	<b>\$4,590</b>	<b>\$1,598</b>	<b>\$140</b>	<b>10.5%</b>	<b>\$1,653</b>	<b>\$298</b>	<b>14.8%</b>	<b>1.56x</b>	<b>14.7x</b>	<b>1.54x</b>	<b>12.8x</b>

Note: NM = Not Meaningful

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



# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Aerospace Suppliers	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Howmet Aerospace Inc.	\$68.43	98.4%	\$28,077	\$31,357	\$6,640	\$1,457	21.9%	\$7,151	\$1,661	23.2%	4.72x	21.5x	4.39x	18.9x
Curtiss-Wright Corporation	255.94	99.4%	9,797	10,598	2,845	630	22.1%	2,994	639	21.3%	3.72x	16.8x	3.54x	16.6x
Woodward, Inc.	154.12	98.8%	9,293	9,905	3,083	532	17.2%	3,274	573	17.5%	3.21x	18.6x	3.03x	17.3x
Moog Inc.	159.65	99.6%	5,093	6,038	3,416	422	12.4%	3,553	501	14.1%	1.77x	14.3x	1.70x	12.1x
Ducommun Incorporated	51.30	93.2%	751	1,005	757	78	10.3%	800	113	14.1%	1.33x	12.9x	1.26x	8.9x
Astronics Corporation	19.04	84.8%	659	852	689	17	2.4%	769	96	12.4%	1.24x	NM	1.11x	8.9x
Héroux-Devtek Inc.	13.43	97.7%	452	616	456	53	11.6%	478	73	15.2%	1.35x	11.7x	1.29x	8.5x
<b>Median</b>		<b>98.4%</b>	<b>\$5,093</b>	<b>\$6,038</b>	<b>\$2,845</b>	<b>\$422</b>	<b>12.4%</b>	<b>\$2,994</b>	<b>\$501</b>	<b>15.2%</b>	<b>1.77x</b>	<b>15.6x</b>	<b>1.70x</b>	<b>12.1x</b>

Aftermarket / MRO	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
TransDigm Group Incorporated	\$1,231.60	99.4%	\$68,485	\$86,223	\$6,977	\$3,416	49.0%	\$7,940	\$4,135	52.1%	12.36x	25.2x	10.86x	20.9x
HEICO Corporation	191.00	95.2%	23,330	26,050	3,244	839	25.9%	3,958	1,012	25.6%	8.03x	NM	6.58x	25.7x
Singapore Technologies Engineering Ltd	2.98	99.3%	9,303	13,889	7,653	990	12.9%	7,954	1,123	14.1%	1.81x	14.0x	1.75x	12.4x
AAR Corp.	59.87	81.0%	2,087	2,365	2,216	192	8.7%	2,566	281	11.0%	1.07x	12.3x	0.92x	8.4x
SIA Engineering Company Limited	1.68	89.7%	1,881	1,526	781	82	10.5%	886	76	8.6%	1.95x	18.5x	1.72x	20.1x
<b>Median</b>		<b>95.2%</b>	<b>\$9,303</b>	<b>\$13,889</b>	<b>\$3,244</b>	<b>\$839</b>	<b>12.9%</b>	<b>\$3,958</b>	<b>\$1,012</b>	<b>14.1%</b>	<b>1.95x</b>	<b>16.3x</b>	<b>1.75x</b>	<b>20.1x</b>

Note: NM = Not Meaningful

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



# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Defense Primes	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
RTX Corporation	\$97.53	93.0%	\$129,456	\$170,103	\$68,920	\$9,611	13.9%	\$78,690	\$13,193	16.8%	2.47x	17.7x	2.16x	12.9x
Lockheed Martin Corporation	454.87	89.5%	109,394	126,588	67,571	10,265	15.2%	69,273	9,776	14.1%	1.87x	12.3x	1.83x	12.9x
General Dynamics Corporation	282.49	99.2%	77,382	86,552	42,272	4,570	10.8%	46,500	5,991	12.9%	2.05x	18.9x	1.86x	14.4x
Northrop Grumman Corporation	478.66	96.3%	71,816	84,755	39,290	3,983	10.1%	41,092	5,704	13.9%	2.16x	21.3x	2.06x	14.9x
BAE Systems plc	17.04	97.8%	51,444	54,951	29,396	3,859	13.1%	35,472	4,708	13.3%	1.87x	14.2x	1.55x	11.7x
L3Harris Technologies, Inc.	213.10	97.6%	40,508	53,962	19,419	3,478	17.9%	21,191	3,823	18.0%	2.78x	15.5x	2.55x	14.1x
<b>Median</b>		<b>97.0%</b>	<b>\$74,599</b>	<b>\$85,653</b>	<b>\$40,781</b>	<b>\$4,277</b>	<b>13.5%</b>	<b>\$43,796</b>	<b>\$5,847</b>	<b>14.0%</b>	<b>2.10x</b>	<b>16.6x</b>	<b>1.96x</b>	<b>13.5x</b>

Defense Systems	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Safran SA	\$226.62	98.3%	\$93,823	\$94,303	\$26,142	\$4,985	19.1%	\$29,422	\$5,791	19.7%	3.61x	18.9x	3.21x	16.3x
Kongsberg Gruppen ASA	69.20	99.3%	12,212	12,154	4,005	559	13.9%	4,261	650	15.3%	3.03x	21.8x	2.85x	18.7x
Huntington Ingalls Industries, Inc.	291.47	97.3%	11,539	13,833	11,454	1,119	9.8%	11,634	1,090	9.4%	1.21x	12.4x	1.19x	12.7x
AeroVironment, Inc.	153.28	83.0%	4,285	4,247	706	128	18.1%	779	129	16.6%	6.02x	NM	5.45x	NM
<b>Median</b>		<b>97.8%</b>	<b>\$11,876</b>	<b>\$12,994</b>	<b>\$7,730</b>	<b>\$839</b>	<b>16.0%</b>	<b>\$7,947</b>	<b>\$870</b>	<b>15.9%</b>	<b>3.32x</b>	<b>18.9x</b>	<b>3.03x</b>	<b>16.3x</b>

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)

<b>Defense Electronics / Comm.</b>	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Teledyne Technologies Incorporated	\$429.32	95.7%	\$20,342	\$23,096	\$5,636	\$1,363	24.2%	\$5,866	\$1,456	24.8%	4.10x	16.9x	3.94x	15.9x
Hensoldt AG	46.87	97.6%	5,419	5,497	2,042	239	11.7%	2,447	401	16.4%	2.69x	23.0x	2.25x	13.7x
Kratos Defense & Security Solutions, Inc.	18.38	85.1%	2,742	3,020	1,037	66	6.3%	1,139	105	9.2%	2.91x	NM	2.65x	NM
Viasat, Inc.	18.09	38.2%	2,267	8,403	3,800	856	22.5%	4,456	1,422	31.9%	2.21x	9.8x	1.89x	5.9x
Mercury Systems, Inc.	29.50	55.7%	1,751	2,291	895	9	1.0%	848	78	9.2%	2.56x	NM	2.70x	NM
Comtech Telecommunications Corp.	3.43	26.3%	98	434	571	47	8.3%	569	62	11.0%	0.76x	9.1x	0.76x	7.0x
<b>Median</b>		<b>70.4%</b>	<b>\$2,504</b>	<b>\$4,259</b>	<b>\$1,539</b>	<b>\$152</b>	<b>10.0%</b>	<b>\$1,793</b>	<b>\$253</b>	<b>13.7%</b>	<b>2.63x</b>	<b>13.4x</b>	<b>2.45x</b>	<b>10.3x</b>

<b>Homeland Security</b>	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
MSA Safety Incorporated	\$193.59	99.0%	\$7,612	\$8,124	\$1,788	\$463	25.9%	\$1,876	\$485	25.8%	4.54x	17.5x	4.33x	16.8x
Smiths Group plc	20.73	92.3%	7,175	7,845	3,874	679	17.5%	4,126	832	20.2%	2.02x	11.6x	1.90x	9.4x
OSI Systems, Inc.	142.82	99.2%	2,435	2,796	1,367	196	14.4%	1,564	278	17.8%	2.05x	14.2x	1.79x	10.1x
Smith & Wesson Brands, Inc.	17.36	96.2%	790	846	521	80	15.4%	581	114	19.6%	1.62x	10.5x	1.46x	7.4x
<b>Median</b>		<b>97.6%</b>	<b>\$4,805</b>	<b>\$5,321</b>	<b>\$1,577</b>	<b>\$330</b>	<b>16.5%</b>	<b>\$1,720</b>	<b>\$381</b>	<b>19.9%</b>	<b>2.04x</b>	<b>12.9x</b>	<b>1.84x</b>	<b>9.8x</b>

Note: NM = Not Meaningful

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

# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Government Services	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Booz Allen Hamilton Holding Corporation	\$148.44	98.6%	\$19,259	\$22,283	\$10,324	\$739	7.2%	\$11,215	\$1,227	10.9%	2.16x	NM	1.99x	18.2x
Leidos Holdings, Inc.	131.09	99.7%	17,701	22,315	15,438	1,663	10.8%	16,023	1,718	10.7%	1.45x	13.4x	1.39x	13.0x
Parsons Corporation	82.95	98.5%	8,779	9,525	5,443	413	7.6%	5,946	528	8.9%	1.75x	NM	1.60x	18.0x
CACI International Inc	378.83	99.0%	8,442	10,411	7,131	716	10.0%	7,471	837	11.2%	1.46x	14.5x	1.39x	12.4x
SAIC	130.39	89.8%	6,788	8,940	7,444	639	8.6%	7,442	694	9.3%	1.20x	14.0x	1.20x	12.9x
ICF International, Inc.	150.63	95.3%	2,819	3,455	1,963	201	10.2%	2,061	226	11.0%	1.76x	17.2x	1.68x	15.3x
V2X, Inc.	46.71	82.3%	1,463	2,557	3,963	237	6.0%	4,152	309	7.4%	0.65x	10.8x	0.62x	8.3x
<b>Median</b>		<b>98.5%</b>	<b>\$8,442</b>	<b>\$9,525</b>	<b>\$7,131</b>	<b>\$639</b>	<b>8.6%</b>	<b>\$7,442</b>	<b>\$694</b>	<b>10.7%</b>	<b>1.46x</b>	<b>14.0x</b>	<b>1.39x</b>	<b>13.0x</b>

Government Technology Software	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Palantir Technologies Inc.	\$23.01	83.7%	\$50,915	\$47,556	\$2,225	\$153	6.9%	\$2,679	\$863	32.2%	NM	NM	17.75x	NM
Tyler Technologies, Inc.	425.01	93.5%	17,968	18,489	1,952	323	16.6%	2,117	564	26.6%	9.47x	NM	8.73x	NM
BigBear.ai Holdings, Inc.	2.05	42.8%	497	665	155	(28)	NM	203	(8)	NM	4.29x	NM	3.28x	NM
Telos Corporation	4.16	83.2%	293	205	145	(35)	NM	128	(13)	NM	1.41x	NM	1.60x	NM
<b>Median</b>		<b>83.4%</b>	<b>\$9,233</b>	<b>\$9,577</b>	<b>\$1,053</b>	<b>\$63</b>	<b>11.7%</b>	<b>\$1,160</b>	<b>\$278</b>	<b>29.4%</b>	<b>4.29x</b>	<b>NM</b>	<b>6.01x</b>	<b>NM</b>

Note: NM = Not Meaningful

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

# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Diversified Government	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Accenture plc	\$346.61	89.4%	\$217,924	\$216,790	\$64,574	\$11,277	17.5%	\$66,254	\$12,536	18.9%	3.36x	19.2x	3.27x	17.3x
International Business Machines Corporation	190.96	95.9%	175,062	221,636	61,860	14,291	23.1%	63,798	15,852	24.8%	3.58x	15.5x	3.47x	14.0x
CGI Inc.	110.36	93.2%	25,403	26,814	10,941	1,920	17.5%	11,070	2,224	20.1%	2.45x	14.0x	2.42x	12.1x
Maximus, Inc.	83.90	93.5%	5,121	6,498	4,983	447	9.0%	5,208	582	11.2%	1.30x	14.5x	1.25x	11.2x
ASGN Incorporated	104.76	98.4%	4,871	5,806	4,451	464	10.4%	4,327	485	11.2%	1.30x	12.5x	1.34x	12.0x
DLH Holdings Corp.	13.27	75.5%	189	375	401	45	11.2%	413	47	11.5%	0.94x	8.3x	0.91x	7.9x
<b>Median</b>		<b>93.4%</b>	<b>\$15,262</b>	<b>\$16,656</b>	<b>\$7,962</b>	<b>\$1,192</b>	<b>14.4%</b>	<b>\$8,139</b>	<b>\$1,403</b>	<b>15.2%</b>	<b>1.88x</b>	<b>14.3x</b>	<b>1.88x</b>	<b>12.0x</b>

Engineering & Construction	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Jacobs Solutions Inc.	\$153.73	99.5%	\$19,316	\$22,451	\$16,713	\$1,482	8.9%	\$17,228	\$1,602	9.3%	1.34x	15.1x	1.30x	14.0x
AECOM	98.08	99.4%	13,341	15,186	14,896	680	4.6%	15,974	1,110	7.0%	1.02x	22.3x	0.95x	13.7x
Tetra Tech, Inc.	184.71	97.1%	9,876	10,830	4,030	508	12.6%	4,311	572	13.3%	2.69x	21.3x	2.51x	18.9x
KBR, Inc.	63.66	96.6%	8,599	10,383	6,956	694	10.0%	7,534	830	11.0%	1.49x	15.0x	1.38x	12.5x
Babcock International Group PLC	6.57	95.7%	3,320	3,927	5,457	366	6.7%	5,583	585	10.5%	0.72x	10.7x	0.70x	6.7x
<b>Median</b>		<b>97.1%</b>	<b>\$9,876</b>	<b>\$10,830</b>	<b>\$6,956</b>	<b>\$680</b>	<b>8.9%</b>	<b>\$7,534</b>	<b>\$830</b>	<b>10.5%</b>	<b>1.34x</b>	<b>15.1x</b>	<b>1.30x</b>	<b>13.7x</b>

Note: NM = Not Meaningful

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



# Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Space	Stock Price 03/31/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Rocket Lab USA, Inc.	\$4.11	51.1%	\$2,010	\$1,948	\$245	(\$149)	NM	\$430	(\$98)	NM	7.96x	NM	4.53x	NM
Virgin Galactic Holdings, Inc.	1.48	24.0%	592	210	7	(514)	NM	5	(338)	NM	NM	NM	NM	NM
Redwire Corporation	4.39	91.6%	288	460	244	(5)	NM	302	20	6.8%	1.89x	NM	1.52x	22.4x
Astra Space, Inc.	0.68	10.1%	15	14	1	(167)	NM	NA	NM	NM	14.04x	NM	NM	NM
Momentus Inc.	0.43	1.5%	6	8	2	(74)	NM	NA	NM	NM	3.73x	NM	NM	NM
<b>Median</b>		<b>24.0%</b>	<b>\$288</b>	<b>\$210</b>	<b>\$7</b>	<b>(\$149)</b>	<b>NM</b>	<b>\$302</b>	<b>(\$98)</b>	<b>6.8%</b>	<b>5.85x</b>	<b>NM</b>	<b>3.03x</b>	<b>22.4x</b>

Note: NM = Not Meaningful

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

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