

MarketView

Aerospace / Defense &
Government Technology
Services

Summer 2024

Kipps DeSanto
INVESTMENT BANKING



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McLean, VA 22102
KippsDeSanto.com

Getting Deals Done

■ *KippsDeSanto has closed 85+ transactions⁽¹⁾ since January 2021, leveraging depth of experience and unique approaches to achieve optimal results*

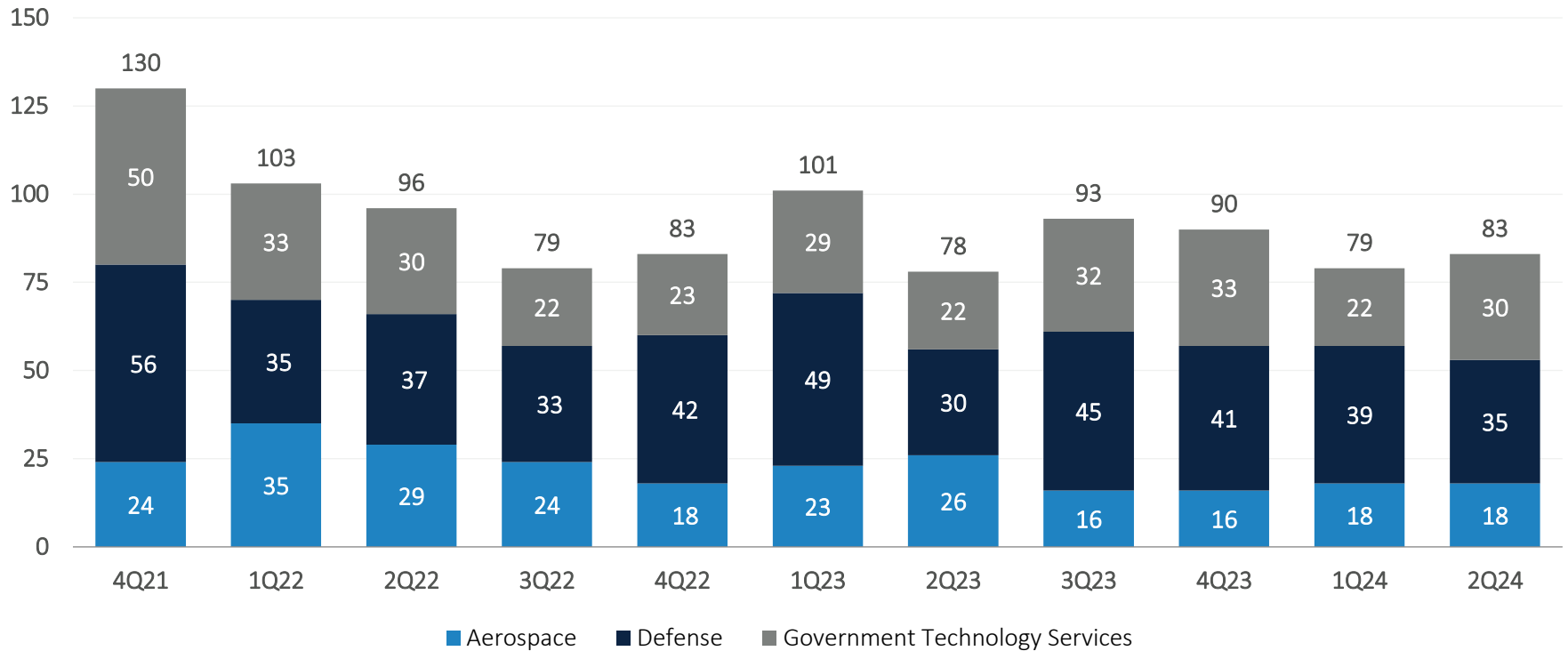
Select Transaction Success

<p>June 2024</p>  <p>has received an investment from</p> 	<p>May 2024</p>  <p>has acquired</p> 	<p>May 2024</p> <p>The Hypersonic Test Solutions Business of Calspan</p> <p>a subsidiary of</p>  <p>has been acquired by</p> 	<p>May 2024</p>  <p>has been acquired by</p> 	<p>May 2024</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>April 2024</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<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>February 2024</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>December 2023</p>  <p>has been acquired by</p>  <p>a subsidiary of</p>  <p>a portfolio company of</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>a portfolio company of</p>  <p>has sold certain assets to</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 & BAZORS 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> 

(1) Includes transactions which have not been publicly announced

M&A Trends & Activity

- Deal volume in 2Q24 saw an increase despite elevated financing rates and uncertainty around Federal Reserve (“the Fed”) rate cuts
- The overall deal volume increase has been driven by both private equity and strategic activity as companies pursue M&A to accelerate growth and differentiate in a competitive environment



- Aerospace deal volume remained consistent with last quarter as strong commercial aerospace demand has been met with lingering supply chain and production challenges
- Defense deal volume through the first half of 2024 was lower compared to the same period in 2023, but slightly outpaced the first half of 2022 as the sector continues to get a lift from ongoing geopolitical conflicts, dwindling stockpiles, and investments in critical defense programs
- Government Technology Services (“GTS”) deal volume increased from 1Q24 to 2Q24, driven by artificial intelligence (“AI”) excitement and the continued investment in the requisite cloud and technology services to keep pace with the innovation, spurring M&A activity

Highlighted 2Q24 Industry Transactions

Announced June 2024



has agreed to acquire



EV: \$8.3B

EV / Revenue: 1.3x

EV / EBITDA: ND

- Boeing (NYSE: BA) has agreed to acquire Spirit AeroSystems (NYSE: SPR)
- Enabling greater integration of both companies' manufacturing and engineering capabilities, including safety and quality systems

Announced June 2024

MADISON DEARBORN
PARTNERS

has made an investment in



EV: ND

EV / Revenue: ND

EV / EBITDA: ND

- Madison Dearborn Partners ("MDP") has made a strategic investment in Omni Federal, LLC ("Omni")
- Supports Omni's continued growth as it seeks to modernize the mission and enterprise software technologies utilized by the U.S. Department of Defense and Intelligence Community

Announced May 2024

Honeywell

has agreed to acquire



EV: \$1.9B

EV / Revenue: ND

EV / EBITDA: 14.0x

- Honeywell International, Inc. (Nasdaq: HON) ("Honeywell") has agreed to acquire Cobham Advanced Electronic Solutions Inc. ("CAES"), a portfolio company of Advent International ("Advent")
- Enhances Honeywell's defense technology solutions including new electromagnetic defense solutions for radio frequency signal management

Announced June 2024



cognizant

has agreed to acquire



EV: \$1.3B

EV / Revenue: 1.6x

EV / EBITDA: ND

- Cognizant Technology Solutions Corp. (NASDAQ: CTSH) ("Cognizant") has agreed to acquire Belcan, LLC ("Belcan"), a portfolio company of AE Industrial Partners
- Strengthens Cognizant's engineering capabilities and establishes a leadership position in the Aerospace & Defense market

Announced May 2024

FINCANTIERI

has agreed to acquire



EV(1): \$447.0M

EV / Revenue: 2.6x

EV / EBITDA: 12.1x

- Fincantieri S.p.A. (BIT: FCT) ("Fincantieri") has agreed to acquire the Underwater Armament Systems Business of Leonardo S.p.A. (Milan: LDO.MI)
- Accelerates Fincantieri's positioning as a leader in the underwater and naval defense sector, in line with previously established initiatives including the acquisition of Remazel Engineering

Announced May 2024



has acquired



EV: ND

EV / Revenue: ND

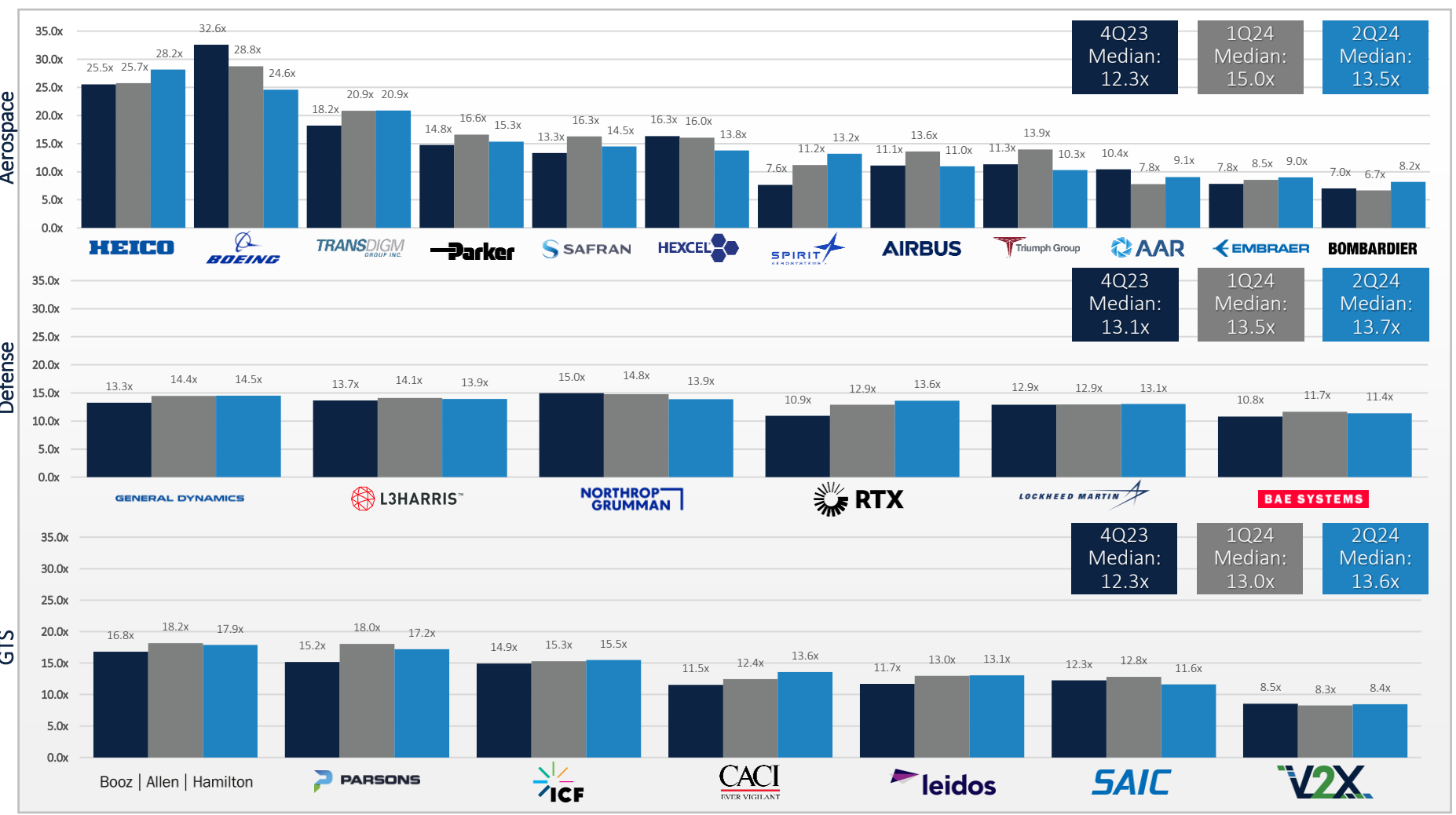
EV / EBITDA: ND

- Macquarie Capital ("Macquarie") has acquired Earth Resources Technology, Inc. ("ERT")
- Enables ERT to leverage Macquarie's resources to accelerate growth opportunities across both existing and new federal agencies

(1) Includes a \$124.0M earnout
Note: ND = Not Disclosed

EV / NTM EBITDA Public Market Valuation Trends

- Median public valuations increased across the Defense and GTS sectors in 2Q24, while Aerospace multiples contracted as the sector battled production and delivery challenges

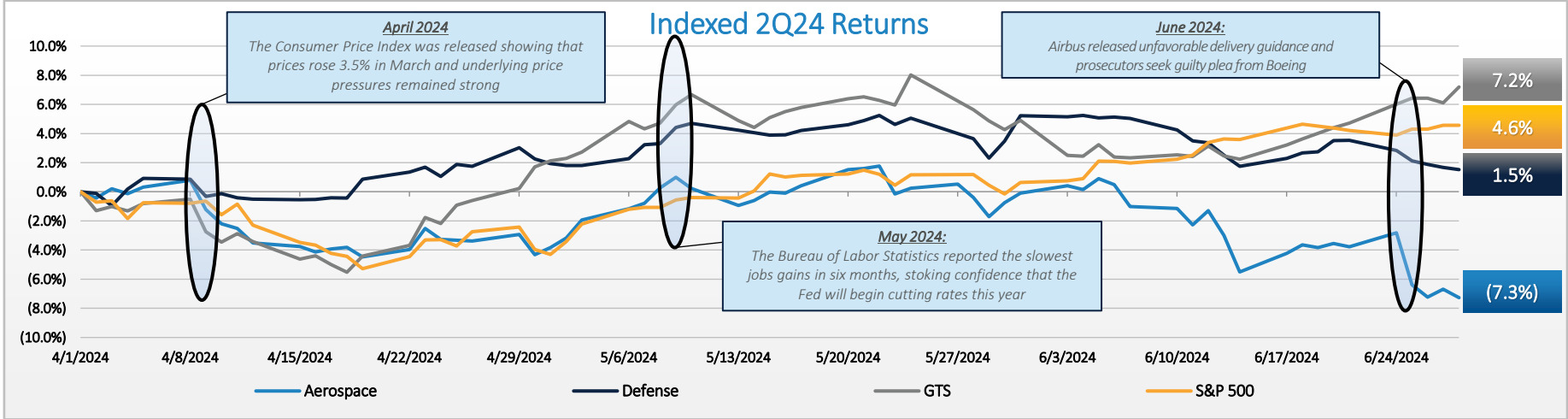


Source(s): S&P Capital IQ

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

Equity Capital Markets Performance

- The performance of the broader market was mixed through 2Q24, with GTS rising substantially, largely attributed to the continued excitement surrounding artificial intelligence and related technology services
- The Defense index increased during the quarter but lagged behind the S&P 500, while the Aerospace sector experienced a sharp decline through the last month of the period



(7.3%) 2Q24 Performance **29.0%** LTM Performance

Aerospace

Aerospace shares **decreased** in 2Q24 as industry leaders grappled with persistent supply chain disruptions and significant legal challenges, negatively impacting overall performance

Shares of **Airbus (ENXTPA: AIR)** decreased **22.8%** in 2Q24 after extensive supply chain issues, lower delivery targets for its commercial airline division, and an impairment related to its space activities

1.5% 2Q24 Performance **9.4%** LTM Performance

Defense

Defense shares **increased** in 2Q24 as the House and Senate Armed Services Committees approved the 2025 National Defense Authorization Act, allocating ~\$880 billion to fund the Department of Defense

Shares of **RTX Corp (NYSE: RTX)** increased by **2.7%** in 2Q24 following strong sales growth in 1Q24 and a recent \$678 million contract modification from the Pentagon to continue producing AN/SPY-6(V) radars for the U.S. Navy

7.2% 2Q24 Performance **30.5%** LTM Performance

Government Technology Services

GTS shares **outperformed** the broader market in 2Q24 driven by optimism around AI and an emphasis on increased efficiency via technology solutions across the U.S. federal government

Shares of **CACI International (NYSE: CACI)** increased **14.7%** in 2Q24 due to strong earnings, higher fiscal 2024 guidance, and securing an eight-year, \$2 billion modernization contract to centralize NASA's IT services

Aerospace Update

Airbus Slashes Production Targets Amid Supply Chain Struggles

Airbus has *delayed its target for producing 75* A320neo family aircraft per month from 2026 to 2027 due to ongoing supply chain constraints. Delivery guidance for 2024 has also been reduced to 770 commercial aircraft, *down by 30* from previous expectations.

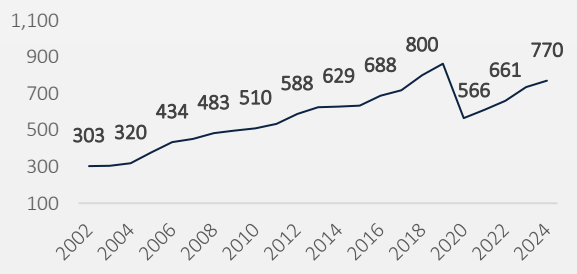
Airbus Revised Delivery Forecast



The production cutbacks have significant financial consequences, with *Airbus lowering its adjusted operating profit forecast for 2024 to \$8.0B*, down from an earlier estimate of \$9.5B – \$10.0B. Additionally, Airbus is recording *\$965M in charges related to challenges in its space programs*.

The delays mean more *delivery postponements* for airlines and lessors and *may lead to increased MRO activity and potential M&A opportunities* as companies seek to *address supply chain disruptions* and maintain operational efficiency.

Worldwide Number of Airbus Deliveries



Boeing Agrees to Buy Spirit AeroSystems and GKN Aerospace's St. Louis Operations

Boeing Co. (NYSE: BA) has agreed to acquire *Spirit AeroSystems, Inc. (NYSE: SPR)* and *GKN Aerospace's St. Louis manufacturing operations*, aimed at *improving safety* and *addressing production issues*. These acquisitions reintegrate key suppliers of aircraft structures and components into Boeing's operations, which is expected to *enhance alignment in safety and quality management systems*. *Both transactions come after several safety concerns*, including a mid-air door plug blowout on a Boeing 737 MAX 9 in January, highlighting *quality control issues at Spirit*.



The Spirit transaction's *\$8.3B enterprise value* was *restructured to an all-stock deal* at the last minute, and aims to *resolve production problems* and *boost reliability*. The acquisition will also involve *divesting some of Spirit's Airbus-related operations* to the European plane manufacturer, including its operations in Malaysia, Scotland, and Ireland.

Representative Spirit & GKN Products



Continued Struggles in Boeing Commercial Aerospace ("BCA") Production

Boeing continues to *grapple with production and delivery challenges at its BCA division*. Although Boeing communicated to suppliers that the 737 production rate would reach 42 per month by September, this *target has been delayed*.

According to the Air Current, *the production rate increase is not expected until the end of the year*. Additionally, a former Airbus executive expects that achieving a production rate of 38 – 42 units per month might not occur until the second half of 2025. As seen in the table below, *total BCA deliveries are down 34% from 1H2024 compared to 1H2023*.

BCA Deliveries by Program

Commercial Airplanes Programs	2Q 2023	2Q 2024	1H 2023	1H 2024
737	103	70	216	137
747	-	-	1	-
767	8	6	9	9
777	5	7	9	7
787	20	9	31	22
Total	136	92	266	175

Boeing's *supply chain issues and workforce shortages* have exacerbated these production delays. The Company is *streamlining operations* and *addressing bottlenecks* to meet future production goals by making strategic decisions, including the *acquisition of Spirit AeroSystems*.

Defense Update

Honeywell to Acquire CAES to Enhance Defense Technologies

Honeywell has announced the acquisition of CAES for approximately \$1.9B to enhance its defense technology solutions, particularly in radiofrequency ("RF") signal management. This acquisition will bolster Honeywell's aerospace expertise, expand its capabilities across critical military platforms, and provide significant opportunities for international growth. The transaction is expected to close in the second half of 2024, subject to regulatory approvals.

Announced June 2024

Honeywell
has agreed to acquire
CAES
(Advent International)

Honeywell's recent acquisition, including CAES and Italy's Civitanavi Systems, are part of its strategy to enhance its Aerospace Technologies unit, which saw 18% YoY organic revenue growth in Q1 2024. CEO Vimal Kapur has been aggressively pursuing acquisitions, committing at least \$25B for M&A to strengthen Honeywell's market position amid rising geopolitical threats.



The CAES Acquisition Marks Vimal Kapur's Third in 2024 to Bolster its Aerospace Technologies Unit

Advent International's Profitable Dismantling of Cobham

Advent has made the strategic decision to dismantle Cobham since they bought the Company in 2020, resulting in over \$9B in reported transaction value. Key transactions have included the recent sale of CAES to Honeywell for \$1.9B and Mission Systems to Eaton for \$2.8B. The multiples on these transactions, reported to range from 12.0x to 15.0x, underscoring the profitability and strategic value extracted from Cobham's assets.

Advent's Cobham Divestiture Timeline

Buyer	Target	Announced	EV
Honeywell	CAES	June 2024	\$1.9B
THALES	COBHAM AEROSPACE COMMUNICATIONS	April 2024	\$1.1B
VERITAS CAPITAL	CAES Space Systems Business	October 2022	\$2.0B
leidos	COBHAM Aviation Special Mission Services	October 2022	\$215.0M
naxicap PARTNERS	COBHAM Slip Rings & Rotating Systems Business	November 2021	\$200.0M
EATON	COBHAM Mission Systems	June 2021	\$2.8B
TRANSDIGM GROUP INC.	COBHAM Aerospace Connectivity	January 2021	\$965.0M
DRAKEN	COBHAM UK Aviation Services	September 2020	\$200.0M

Latest Budget Developments

The House passed a \$833B defense spending bill for GFY25, with significant contention over F-35 fighter jet and Virginia-class submarine purchases. The bill funds 76 new F-35s, exceeding the Defense Department's request, and limits submarine procurement to one vessel due to production delays. Although the House Appropriations Committee voted to allocate funds for one Virginia-class sub, the House Armed Services Committee voted for two Virginia-class subs in May, and the Senate Armed Services Committee will begin its markup to determine the budget allocation.

GFY25 Defense Spending Bill Purchases



76
F-35s



1
Virginia-Class Sub

Companies are keen to be involved in submarine programs, particularly as the Virginia- and Columbia-class remain top priority programs. Lawmakers have dedicated significant funding to support and expand the submarine industrial base, leading defense contractors to adjust their M&A strategies to align with this landscape.

Recent Submarine-related M&A Transactions

May 2024	July 2024	June 2023
FINCANTIERI has acquired LEONARDO Underwater Armaments Systems Business	ESCO TECHNOLOGUE has acquired ULTRA MARITIME Signature Management & PowerBusiness	ACP has acquired KEEL

Government Technology Services Update

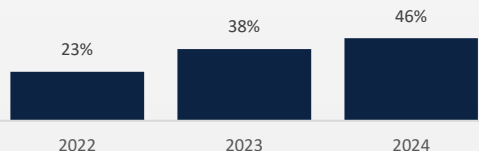
Cloud Adoption Catalyzes Artificial Intelligence (“AI”) Growth in the GTS Sector

Recognizing the importance of AI, *U.S. federal agencies are upgrading their systems, processes, and cultures of innovation* to adapt to this critical technology.

President Biden’s *October 2023 executive order on AI safety* prompted several significant developments within the government so far in 2024. The Department of Homeland Security (“DHS”) *established the AI Safety and Security Board to guide the safe deployment of AI*, and the General Services Administration (“GSA”) *released a Generative AI (“GenAI”) and Specialized Computing Infrastructure Acquisition Resource Guide*, aiding federal agencies in effectively acquiring and integrating AI.

The U.S. federal government’s adoption of AI and related IT infrastructure has *created significant opportunities for government contractors* specializing in cloud and emerging technologies such as GenAI. The government’s *growing demand for cloud and AI services has boosted GTS transactions*, such as the 2024 acquisition of TekMasters and Seaford Consulting by Crimson Phoenix, Godspeed Capital Management’s intelligence, AI / ML, and data analytics platform.

AI / ML / Cloud M&A Deals as a % of Total Deal Count

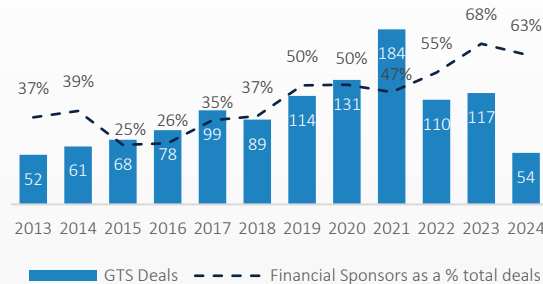


As AI and cloud capabilities continue to evolve in the U.S. federal government, we expect *sustained and increased M&A activity to continue*, particularly in the areas tangential to cloud and AI-related government technology services.

Financial Sponsors Lead GTS M&A Activity Through Mid-2024

Private Equity Groups (“PEGs” or “Financial Sponsors”) remain among the most active investors and sellers in GTS M&A. Financial Sponsor GTS M&A activity reached a decade-high involvement rate of 68% in 2023. Through June 2024, this figure remains strong at 63%.

GTS M&A and Financial Sponsor Involvement



Private equity M&A activity in 2024 includes six new platforms, six exits, and 29 tuck-ins across GTS as firms evaluate their portfolios. Notable 2Q24 transactions include *Madison Dearborn Partners’* investment in Omni Federal, *Macquarie Capital’s* acquisition of Earth Resources Technology, and *Enlightenment Capital’s* acquisition of Summit Technology Consulting Group, *all representing the creation of new platforms.*

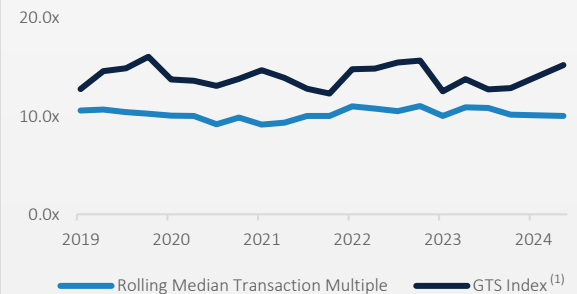
Despite higher interest rates increasing capital costs, *PEGs have maintained their investment momentum in 2024.* This sustained financial sponsor activity, alongside continued demand for government IT services, is expected to *support M&A activity throughout the remainder of the year.*

Public Strategics Drive Inorganic Growth Through M&A in 2024

In the first half of 2024, *publicly traded companies such as Cognizant* (NASDAQ: CTSH), *Accenture Federal Services*, a subsidiary of Accenture plc (NYSE: ACN), and *Booz Allen Hamilton* (NYSE: BAH) have emerged as buyers, *driving inorganic growth through M&A* across the government technology services sector.

Each transaction, including Cognizant’s acquisition of Belcan, Booz Allen Hamilton’s purchase of PAR Government Systems Corp. and Accenture Federal Services’ acquisition of Cognosante, *underscores a trend of large strategic buyers leveraging strong public valuations* to acquire private government contractors to drive inorganic growth and advance M&A initiatives. This strategy broadens exposure and capitalizes on multiple arbitrage opportunities, *enhancing capabilities in growing government sectors* such as aerospace, defense, supply chain management, *and federal technology solutions.*

GTS Index vs. Median Transaction Multiples



As valuations remain high for GTS public companies, *the trend of increased public buyer M&A activity in the GTS market is poised to continue* through 2024.

Source(s): The White House, Department of Homeland Security, U.S. General Services Administration
(1) GTS Index includes select publicly traded companies within the government technology services sector



2Q24 Aerospace Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin	Rev.	Rev.	EBITDA
06/28/24	Boeing Co. (NYSE: BA)	Orangeburg, S.C.-based manufacturing operations of GKN Aerospace (subsidiary of Melrose Industries PLC (LSE: MRO))	Provides manufacturing of aerospace-related components including standard and custom hinges, access doors, and panels for commercial and military aircraft markets	ND	ND	ND	ND	ND	ND	ND
06/25/24	AeroMed Group, LLC	Aerospace Products International, Inc.	Provides aviation parts and equipment, specializing in chemicals and maintenance, repair, and overhaul consumables for aerospace and defense markets	ND	ND	ND	ND	ND	ND	ND
06/25/24	Wisk Aero, LLC (subsidiary of Boeing Co. (NYSE: BA))	Verocel, Inc.	Provides software and complex electronic hardware development for verification and validation across aerospace, industrial, and medical markets	ND	ND	ND	ND	ND	ND	ND
06/17/24	Gilat Satellite Networks Ltd. (NasdaqGS: GILT)	Stellar Blu Solutions, LLC	Provides software and satellite network solutions incorporating electronically steered array technology to connect Ku-band satellites in low Earth orbit for commercial and military markets	\$245.0	ND	ND	ND	ND	ND	ND
06/05/24	Pexco, LLC (portco. of Odyssey Investment Partners, LLC)	Connecticut Manufacturing Operations of Clayens NP (portco. of One Equity Partners, LLC)	Provides high-performance plastic CNC machining, milling, multi-axis turning, swiss machining, annealing, vapor polishing, and assembly solutions for aerospace, defense, and infrastructure markets	ND	ND	ND	ND	ND	ND	ND
06/05/24	Greenbriar Equity Group, L.P.	Sunvair Aerospace Group, Inc. (portco. of Blue Sea Capital, LLC)	Provides maintenance, repair, and overhaul services for flight-critical avionics, hydraulics, cargo rollers and thermal spray processing across commercial and military aircraft markets	ND	ND	ND	ND	ND	ND	ND
06/04/24	Wynnchurch Capital, L.P.	Hydraulic Technologies (subsidiary of SPX Flow, Inc. (portco. of Lone Star Funds))	Provides high-pressure hydraulic pumps, tools, shop equipment, workholding automation, and railway track systems for aerospace and other applicable industrial applications	ND	ND	ND	ND	ND	ND	ND
06/04/24	Joby Aviation, Inc. (NYSE: JOBY)	Xwing, Inc. (portco. of Unless Management)	Provides autonomous flight software solutions for commercial flight of vertical takeoff and landing and fixed-wing aircraft across U.S. government, aerospace, and defense markets	ND	ND	ND	ND	ND	ND	ND
05/28/24	TransDigm Group, Inc. (NYSE: TDG)	Raptor Scientific, LLC (portco. of L Squared Capital Partners, LLC)	Provides engineering, testing, and measurement services including the manufacturing of mass properties and radar cross section measurement instruments for commercial aviation, military aviation, and space markets	\$655.0	ND	ND	ND	ND	ND	ND
05/28/24	Cerberus Capital Management, L.P.	M1 Support Services, L.P.	Provides professional, technical, and facilities aviation services for private sector, aerospace, defense, and homeland security markets	ND	ND	ND	ND	ND	ND	ND
05/15/24	Textron eAviation Inc. (subsidiary of Textron Inc. (NYSE: TXT))	Amazilia Aerospace GmbH	Provides digital flight control, flight guidance and vehicle management systems for civil manned and unmanned aircraft	ND	ND	ND	ND	ND	ND	ND
05/01/24	Altair Engineering, Inc. (NasdaqGS: ALTR)	Research In Flight, LLC	Provides computational fluid dynamics software and other analysis tools designed for aerospace engineering applications	ND	ND	ND	ND	ND	ND	ND
04/26/24	The Boeing Company (NYSE: BA)	St Louis Manufacturing Operations of GKN Aerospace (subsidiary of Melrose Industries PLC (LSE: MRO.L))	Provides the production of aviation grade aluminum, titanium and carbon fiber parts used in aircraft fuselage, wings, and flight control surface assemblies across commercial and government markets	ND	ND	ND	ND	ND	ND	ND
04/25/24	Interconnect Solutions Company, LLC (portco. of Tide Rock Holdings)	Cablenet Aerospace, Inc.	Provides the manufacturing of cable assemblies, mechanical and electro-mechanical assemblies, and Electrical Ground Support Equipment for aerospace, aircraft, and defense markets	ND	ND	ND	ND	ND	ND	ND
04/23/24	The Stephens Group, LLC	VisionSafe Corp.	Provides Emergency Vision Assurance Systems that create enhanced visibility during cockpit smoke emergencies for government and commercial markets	ND	ND	ND	ND	ND	ND	ND
04/22/24	The Descartes Systems Group Inc. (NasdaqGS:DSGX)	Aerospace Software Developments Ltd.	Provides regulatory compliance solutions for logistics services providers and shippers, as well as radio frequency identification systems for the aviation industry	\$60.8	ND	ND	ND	ND	ND	ND

2Q24 Aerospace Transactions, cont.

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin	Rev.	EBITDA	EBITDA
04/17/24	Godspeed Capital Management LP	Special Aerospace Services, LLC	Provides propulsion, avionics, systems, safety, launch site integration, and procurement of mission-critical hardware systems for aerospace, aviation, defense, and energy markets worldwide	ND	ND	ND	ND	ND	ND	ND
04/09/24	H.I.G. Capital, LLC	Segers Aerospace Corporation	Provides maintenance, repair, and overhaul services with a complete suite of engine, accessory, and propeller services for aerospace, defense, and private sector markets	ND	ND	ND	ND	ND	ND	ND



2Q24 Defense Transactions

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin	Rev.	Rev.	EBITDA
06/27/24	Levine Leichtman Capital Partners	NSL Analytical Services, Inc. (portco. of May River Capital, LLC)	Provides materials testing offering product standard from design to product launch for aerospace, defense, and electronics markets	ND	ND	ND	ND	ND	ND	ND
06/27/24	DZYNE Technologies, Inc. (portco of Highlander Partners L.P.)	High Point Aeratechnologies, LLC (portco. of Highlander Partners L.P.)	Provides autonomous defense and robotic systems for mission-critical capabilities across aerospace, defense, and private sector markets	ND	ND	ND	ND	ND	ND	ND
06/24/24	Safran S.A. (ENXTPA:SAF)	Preligens, SAS	Provides AI analytics solutions specializing in high-end imagery, full motion video, and acoustic signals for international aerospace and defense markets	\$236.0	ND	ND	ND	ND	ND	ND
06/21/24	Hanwha Systems Co., Ltd. and Hanwha Ocean Co., Ltd. (subsidiaries of Hanwha Corp. (KOSE: A000880))	Philly Shipyard, Inc. (OB: PHLY) (portco. of Aker ASA (OSL: AKER))	Provides a U.S. shipyard constructing vessels compliant with the U.S. Jones Act and capabilities ranging from shipbuilding to repair and maintenance for both the private sector and federal government agencies	\$100.0	\$446.4	(\$50.9)	(11%)	0.2x	(2.0x)	
06/20/24	Honeywell International, Inc. (NasdaqGS: HON)	Cobham Advanced Electronic Solutions Inc. (subsidiary of Cobham Ltd. (portco. of Advent International Corp.))	Provides mission-critical advanced electronics specializing in antennas, missile flight instrumentation, precision positioning systems, and radio frequency assemblies and subsystems for aerospace and defense markets	\$1,900.0	ND	\$135.7	ND	ND	ND	14.0x
06/13/24	Patria Oyj (subsidiary of Kongsberg Gruppen (OB: KOG))	Nordic Drones Oy	Provides development and manufacturing of unmanned aerial systems for data collection and drone integration across private sector and international government markets	ND	ND	ND	ND	ND	ND	ND
06/13/24	Merlin Labs, Inc.	Episys Science, Inc.	Provides autonomous flight technologies focused on multi-unmanned aerial vehicle control for defense, aerospace, and commercial markets	ND	ND	ND	ND	ND	ND	ND
06/11/24	Red Cat Holdings, Inc. (NasdaqCM: RCAT)	Flightwave Aerospace Systems Corp.	Provides vertical takeoff and landing drone, sensor, and software solutions designed to boost the range and endurance of aerospace vehicles across aerospace and defense markets	ND	ND	ND	ND	ND	ND	ND
06/10/24	NP Aerospace Ltd.	Jankel Armouring Ltd.	Provides armoured and tactical vehicles and survivability systems to improve effectiveness and protection across private sector, U.S. federal, and international government defense markets	ND	ND	ND	ND	ND	ND	ND
06/06/24	Vishay Intertechnology (NYSE: VSH)	Ametherm, Inc.	Provides precision thermistors for inrush current limiters and temperature sensing that come in various sizes, forms and packages for aerospace, defense, medical, and other industrial markets	\$31.5	ND	ND	ND	ND	ND	ND
06/03/24	Curtiss-Wright Corp. (NYSE: CW)	Ultra Electronics Energy (subsidiary of Ultra Electronics Holdings Ltd. (portco. of Advent International Corp.))	Provides reactor protection systems, neutron monitoring systems, radiation monitoring systems, and temperature and pressure sensors that support U.K. defense, aerospace, and other industrial applications	\$200.0	\$65.0	ND	ND	3.1x	ND	ND
06/03/24	Ingersoll-Rand Inc. (NYSE:IR)	Del PD Pumps & Gear Pvt Ltd, CAPS Australia Pty Ltd, and Fruvac Ltd	Provides industrial equipment, machines, and services specializing in gear pumps, power generation, and other peripheral parts and systems across a variety of industrial markets	ND	ND	ND	ND	ND	ND	ND
05/30/24	Cerberus Capital Management	The Hypersonic and Test Systems Business Units of Calspan (subsidiary of TransDigm Group, Inc. (NYSE: TDG))	Provides end-to-end solutions and capabilities for designing, analyzing, manufacturing, and testing complex and mission-critical aerospace, defense, and hypersonic systems	ND	ND	ND	ND	ND	ND	ND
05/29/24	Dominus Capital, L.P.	Safe Haven Defense, LLC	Provides security window film solutions intended to offer protection against glass breakage across a variety of aerospace and defense markets	ND	ND	ND	ND	ND	ND	ND
05/28/24	CORE Industrial Partners, LLC	National Manufacturing Co, Inc.	Provides precision deep and shallow drawn enclosures and metal components, high-speed CNC milling and turning, and wire EDM and sinker capabilities for aerospace, defense, and other industrial markets	ND	ND	ND	ND	ND	ND	ND
05/22/24	TransDigm Group, Inc. (NYSE: TDG)	SEI Industries Ltd.	Provides structurally engineered fabric products and related systems for aerial firefighting and other liquid transportation solutions serving private sector, U.S. Federal government, and international defense markets	\$170.0	\$30.0	ND	ND	5.7x	ND	ND



2Q24 Defense Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin	Rev.	Rev.	EBITDA
05/15/24	Valkyrie Enterprises, LLC (portco. of DC Capital Partners)	Ship 2 Shore, Inc.	Provides industrial corrosion-inhibiting products and remediation support services for U.S. federal government, international government, and private sector markets	ND	ND	ND	ND	ND	ND	ND
05/15/24	Quantic Electronics LLC (portco. of Arcline Investment Management)	M Wave Design Corp.	Provides ferrite-based RF and Microwave components for aerospace, defense, and quantum computing markets	ND	ND	ND	ND	ND	ND	ND
05/10/24	Calian Group Ltd. (TSX:CGY)	Mabway Ltd.	Provides large-scale simulation, manpower, and training environments for defense, maritime, and railway sectors	\$30.0	ND	ND	ND	ND	ND	ND
05/09/24	Fincantieri S.p.A. (BIT: FCT)	The Underwater Armament Systems Business of Leonardo S.p.A. (Milan: LDO.MI)	Provides underwater defense systems with specialization in torpedoes, countermeasures, sonars, and other integrated systems for military and civilian customers	\$447.0 ⁽¹⁾	\$172.0	\$37.0	22%	2.6x	12.1x	
05/06/24	Axon Enterprise, Inc. (NasdaqGS: AXON)	Dedrone Holdings, Inc.	Provides counter-drone technologies designed to secure airspace against malicious drones and protect federal government and military infrastructure, data centers, airports, and correctional facilities	ND	ND	ND	ND	ND	ND	ND
05/02/24	EnerSys, Inc. (NYSE: ENS)	Bren-Tronics, Inc.	Provides portable military batteries, chargers, accessories, and power systems for aerospace and defense markets	\$208.0	\$100.0	\$23.9	24%	2.1x	8.7x	
05/01/24	EDGE Group PJSC	51% majority equity stake in Condor S.A. Industria Quimica	Provides various non-lethal weapons for private sector and international defense and law enforcement markets	ND	ND	ND	ND	ND	ND	ND
04/30/24	SES S.A. (BDL:SESGL)	Intelsat S.A.	Provides communications services through integrated satellite networks that deliver diversified voice, data, and video solutions for aviation, defense, space, and commercial markets	\$5,033.0	ND	ND	ND	ND	ND	ND
04/26/24	Maticmind S.p.A. (portco. of CVC Capital Partners)	General Dynamics Mission Systems–Italy (subsidiary of General Dynamics Corp. (NYSE: GD))	Provides the design, architecture, integration, and implementation of highly complex information technology, communications, security, and surveillance systems in the defence, energy, and critical infrastructure end markets	ND	ND	ND	ND	ND	ND	ND
04/23/24	Robinson Helicopter Co.	Ascent AeroSystems, LLC	Provides vertical takeoff and landing Unmanned Aerial Vehicles specializing in unique cylindrical configurations for defense, public safety, and industrial markets	ND	ND	ND	ND	ND	ND	ND
04/22/24	Comrod Communication AS (subsidiary of Habu Holding AS)	Triad RF Systems, Inc.	Provides high-power radio frequency amplifiers and integrated radio systems used for long-range RF communications across aerospace and defense markets	ND	ND	ND	ND	ND	ND	ND
04/22/24	Sigma Defense Systems, LLC (portco. of Sagewind Capital, LLC)	Electronic Warfare Associates, Inc.	Provides electronic warfare systems and solutions, including analysis, simulation and training, radio frequency threat simulators and custom instrumentation, signal analysis software, and embedded training hardware and software for several U.S. National Security customers	ND	ND	ND	ND	ND	ND	ND
04/18/24	Day & Zimmermann Group, Inc.	Certain Assets of Combined Systems Inc. (portco. of Point Lookout Capital Partners, L.P.)	Provides engineering, manufacturing, and marketing of pyrotechnic-initiated devices, precision military components, non-lethal and tactical munitions for the global defense and law enforcement communities	ND	ND	ND	ND	ND	ND	ND
04/09/24	Luxium Solutions, LLC (portco. of SK Capital Partners and Edgewater Capital Partners)	Inrad Optics, Inc. (OTCPK: INRD)	Provides the development and vertically-integrated manufacturing of custom crystal photonic components and devices for private sector, aerospace, defense, and scientific markets	\$19.0	\$12.9	\$2.1	16%	1.5x	8.9x	
04/05/24	Kanders & Company, Inc.	Antenna and Test Equipment Businesses of L3Harris Technologies, Inc. (NYSE: LHX)	Provides airborne and ground-based antennas, and electromagnetic systems and simulators for applications across the U.S. Department of Defense and commercial markets	\$200.0	ND	ND	ND	ND	ND	ND
04/05/24	Epiq Design Solutions, Inc. (portco. of Veritas Capital Fund Management, LLC)	CyberRadio Solutions (subsidiary of G3 Technologies, Inc.)	Provides high-performance radio frequency products including tuners, downconverters, and switch matrix signal generators for defense and intelligence markets	ND	ND	ND	ND	ND	ND	ND

(1) Includes a \$124.0M earnout
Note: ND = Not Disclosed

2Q24 Defense Transactions, cont.

(\$ in millions)

Announced		Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
Date	Buyer / Investor						Margin	Rev.	EBITDA	EBITDA
04/04/24	Shield AI, Inc.	Sentinent Pty Ltd, Inc.	Provides computer vision and autonomous detection solutions specializing in imagery analysis to enhance situational awareness and support strategic decisions for defense and civilian markets	ND	ND	ND	ND	ND	ND	ND
04/04/24	TCOM, L.P.	Equinox Innovative Systems, Inc.	Provides turnkey, modular, and tethered unmanned aerial systems with mountable antennae, cameras, and transmitters for defense, maritime, telecommunications, and energy markets	ND	ND	ND	ND	ND	ND	ND
04/01/24	Chesapeake Technology International Corp. ("CTI") (portco. of Bluestone Investment Partners, LLC)	Asymmetric Technologies, LLC	Provides development of platform-agnostic, open-architected, cybersecure unmanned aerial system flight controller systems for aerospace and defense markets	ND	ND	ND	ND	ND	ND	ND



2Q24 Government Technology Services Transactions

(\$ in millions)

Announced				EBITDA		EV / LTM			
Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	Margin	Rev.	EBITDA
06/27/24	Madison Dearborn Partners, LLC	Omni Federal, LLC	Provides innovative, intuitive digital solutions for the DoD and IC, driving faster, better decisions in the future of high-tech warfare	ND	ND	ND	ND	ND	ND
06/18/24	Synergy ECP, LLC (portco. of Falfurrias Capital Partners)	Spyros Information & Technology Consulting, LLC	Provides core capabilities in computer network operations, critical infrastructure resiliency, next generation 5G technology, signals intelligence, and special programs support to the private sector and U.S. federal government markets	ND	ND	ND	ND	ND	ND
06/10/24	Booz Allen Hamilton, Inc. (NYSE: BAH)	PAR Government Systems Corp.	Provides system development and software-based solutions such as networking, systems administration, information assurance, application programming, help desk operations, and information technology/technical training	\$95.0	ND	ND	ND	ND	ND
06/10/24	Clarity Innovations, LLC (portco. of Capitol Meridian Partners)	Chameleon Consulting Group, LLC	Provides cyberspace consultancy services such as software engineering, data analysis microservices application design and development, security and vulnerability research for U.S. federal government aerospace and defense markets	ND	ND	ND	ND	ND	ND
06/10/24	Cognizant Technology Solutions Corp. (NASDAQ: CTSH)	Belcan, LLC (portco. of AE Industrial Partners)	Provides services that support aerospace components, jet engines, electronics, heavy equipment and pharmaceuticals	\$1,300.0	\$800.0	ND	ND	1.6x	ND
06/10/24	VTG (portco. of Alvarez & Marsal Capital)	Clear Cloud, LLC	Provides software, cloud, and data engineering solutions and services to private sector and U.S. federal government intelligence markets	ND	ND	ND	ND	ND	ND
06/06/24	Michael Baker International, LLC (portco. of DC Capital Partners)	MLU Services, Inc.	Provides national disaster response and logistics, specializing in rapid temporary housing solutions for private sector and U.S. federal government emergency response markets	ND	ND	ND	ND	ND	ND
06/04/24	Tyto Athene, LLC (portco. of Arlington Capital Partners)	Mindpoint Group, LLC	Provides end-to-end managed cybersecurity services such as cyber defense; governance, risk, and compliance; architecture and engineering; and proactive security services for private sector and U.S. federal government civil, financial, and judicial markets	ND	ND	ND	ND	ND	ND
06/03/24	HP, Inc. (NYSE: HPQ)	CyberCore Technologies, LLC	Provides IT services such as cybersecurity, systems integration, secure supply chain management, and IT managed services	ND	ND	ND	ND	ND	ND
05/28/24	Bernhard Capital Partners Management, LP	Apogee Engineering, LLC	Provides engineering and technology solutions such as adaptive acquisition, digital transformation, mission operations, and science & technology to the private sector and U.S. federal government defense and environmental markets	ND	ND	ND	ND	ND	ND
05/28/24	BCS, LLC	Allegiant Defense, Inc.	Provides technically-oriented services such as unmanned air systems, directed energy, C4ISR, IT, science and technology, and technical program management & corporate communications support to the private sectors and the U.S. federal government	\$12.5	\$17.8	ND	ND	0.7x	ND
05/21/24	Macquarie Capital	Earth Resources Technology, Inc.	Provides scientific, engineering, environmental and technology services and solutions for U.S. federal government agencies	ND	ND	ND	ND	ND	ND
05/17/24	Abt Global, Inc.	Technology Solutions Provider, Inc.	Provides digital solutions using low-code/no-code, cloud-based platforms, modern data science, and AI/ML methods for U.S. civilian markets	ND	ND	ND	ND	ND	ND
05/14/24	CACI International, Inc. (NYSE: CACI)	Quadrant	Provides enterprise modernization solutions in the Intelligence Community ,with expertise in: Human Capital Management, Commercial Off the Shelf systems integration and managing complex cloud-based enterprise application portfolios across multiple security domains	ND	ND	ND	ND	ND	ND
05/07/24	Special Aerospace Services, LLC (portco. of Godspeed Capital Management LP)	Quintron Systems, Inc.	Provides communications technology solutions for aerospace, defense, and critical infrastructure	ND	ND	ND	ND	ND	ND
05/02/24	Bridge Core, LLC (portco. of NewSpring Holdings)	2 Twelve Solutions, LLC	Provides rapid prototyping and digital transformation solutions for private sector and U.S. federal government defense markets	ND	ND	ND	ND	ND	ND

Note: ND = Not Disclosed



2Q24 Government Technology Services Transactions, cont.

(\$ in millions)

Announced Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA		EV / LTM	
						Margin	Rev.	EBITDA	EBITDA
04/30/24	Deloitte, LLP	Gryphon Scientific, LLC	Provides biosafety, biosecurity, and all-hazards preparedness and response solutions for private sector and U.S. federal government civil, defense, and healthcare markets	ND	ND	ND	ND	ND	ND
04/30/24	Special Aerospace Services, LLC (portco. of Godspeed Capital Management LP)	Willbrook Solutions, Inc.	Provides end-to-end systems engineering solutions to private sector and U.S. federal government aerospace, defense, and intelligence markets	ND	ND	ND	ND	ND	ND
04/29/24	Case Consulting, LLC (portco. of AE Industrial Partners)	Cyberkinetics, LLC	Provides cloud-based services and solutions for federal agencies and commercial clients with compliance mandates	ND	ND	ND	ND	ND	ND
04/25/24	VTG (portco. of Alvarez & Marsal Capital)	Vana Solutions, LLC	Provides digital solutions that deliver secure cloud environments, data fabric solutions, and advanced analytics to solve complex national security and defense markets	ND	ND	ND	ND	ND	ND
04/16/24	Evergreen Services Group (portco. of Alpine Investors)	Omnyon, LLC	Provides highly cleared base of talented professionals and experts to deliver leading capabilities addressing sensitive, national security IT priorities to include cybersecurity, high-performance computing, AI / ML, zero trust, reverse engineering, and data analytics	ND	ND	ND	ND	ND	ND
04/15/24	Accenture plc (NYSE: ACN)	Cognosante Holdings, LLC	Provides technology solutions, business process outsourcing, and consulting services to private sector and U.S. federal government defense and healthcare markets	ND	ND	ND	ND	ND	ND
04/15/24	SE&C Holdings, LP (portco. of Bernhard Capital Partners Management, LP)	Strategic Management Solutions, LLC	Provides program management, procurement and supply chain expertise, special nuclear material and high hazard operations, decontamination and demolition, and project delivery and integration services to the DOE	ND	ND	ND	ND	ND	ND
04/15/24	Barbaricum, LLC	Oscar Deuce, LLC	Provides personnel, logistics, training/exercise and test/evaluation support services for commercial and U.S. federal government defense markets	ND	ND	ND	ND	ND	ND
04/09/24	RealmOne (portco. of Enlightenment Capital)	Torin Consulting, Inc.	Provides operations support and software development solutions for private sector and U.S. federal government intelligence markets	ND	ND	ND	ND	ND	ND
04/09/24	Aegis Aerospace, Inc.	Key assets of ProXops, LLC	Provides IT and systems engineering solutions for private sector and U.S. federal government aerospace markets	ND	ND	ND	ND	ND	ND
04/08/24	Tyto Athene, LLC (portco. of Arlington Capital Partners)	Microtel, LLC	Provides systems engineering for mission critical flight software used to operate rovers, robotic spacecraft and other onboard flight applications used support space missions of NASA and international space programs	ND	ND	ND	ND	ND	ND
04/04/24	Enlightenment Capital	Summit Technology Consulting Group, LLC	Provides software platforms for complex government, regulatory, and financial workflows supporting U.S. federal government agencies, commercial financial institutions, and enterprise customers	ND	ND	ND	ND	ND	ND
04/03/24	Edgesource Corporation	Newbrook Solutions, Inc.	Provides mission system software development and management consulting services to private sector and U.S. federal government defense and intelligence markets	ND	ND	ND	ND	ND	ND
04/01/24	J.F. Taylor, Inc.	Clear Creek Applied Technologies, Inc.	Provides mission-critical simulation, training solutions development, and test and evaluation services for private sector and U.S. federal government aerospace and defense markets	ND	ND	ND	ND	ND	ND



Public Company Trading Analysis

(\$ in millions, except per share amounts)

Aircraft and Engine OEMs	Stock Price 06/28/24	% 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	\$158.97	88.1%	\$174,010	\$177,407	\$69,521	\$8,848	12.7%	\$36,311	\$7,936	21.9%	2.55x	20.1x	4.89x	22.4x
The Boeing Company	182.01	68.0%	111,733	152,137	76,442	2,675	3.5%	79,380	4,042	5.1%	1.99x	NM	1.92x	NM
Airbus SE	137.43	74.2%	108,694	105,909	71,759	7,075	9.9%	77,716	10,034	12.9%	1.48x	15.0x	1.36x	10.6x
Safran SA	211.51	90.2%	87,464	87,944	26,142	4,985	19.1%	29,715	5,877	19.8%	3.36x	17.6x	2.96x	15.0x
MTU Aero Engines AG	255.87	98.4%	13,772	14,509	5,900	32	0.5%	8,029	1,306	16.3%	2.46x	NM	1.81x	11.1x
Median		88.1%	\$108,694	\$105,909	\$69,521	\$4,985	9.9%	\$36,311	\$5,877	16.3%	2.46x	17.6x	1.92x	13.0x

Aerostructures	Stock Price 06/28/24	% 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	\$62.45	79.0%	\$5,190	\$5,813	\$1,804	\$339	18.8%	\$1,972	\$406	20.6%	3.22x	17.2x	2.95x	14.3x
Spirit AeroSystems Holdings, Inc.	32.87	90.5%	3,831	7,648	6,319	(318)	NM	7,096	(43)	NM	1.21x	NM	1.08x	NM
Triumph Group, Inc.	15.41	89.2%	1,190	1,892	1,192	145	12.2%	1,223	179	14.7%	1.59x	13.1x	1.55x	10.5x
Senior plc	2.02	87.4%	826	1,085	1,227	101	8.3%	1,325	142	NM	0.88x	10.7x	0.82x	7.6x
Median		88.3%	\$2,510	\$3,853	\$1,515	\$123	12.2%	\$1,649	\$161	17.6%	1.40x	13.1x	1.31x	10.5x

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)

Aerospace Suppliers	Stock Price 06/28/24	% 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.	\$77.63	90.8%	\$31,687	\$35,048	\$6,861	\$1,534	22.4%	\$7,344	\$1,764	24.0%	5.11x	22.8x	4.77x	19.9x
Woodward, Inc.	174.38	92.6%	10,623	11,126	3,200	608	19.0%	3,344	617	18.5%	3.48x	18.3x	3.33x	18.0x
Curtiss-Wright Corporation	270.98	94.5%	10,378	11,202	2,928	649	22.2%	3,025	645	21.3%	3.83x	17.3x	3.70x	17.4x
Moog Inc.	167.30	92.0%	5,357	6,402	3,509	460	13.1%	3,601	492	13.7%	1.82x	13.9x	1.78x	13.0x
Ducommun Incorporated	58.06	96.8%	854	1,110	767	81	10.5%	794	111	14.0%	1.45x	13.8x	1.40x	10.0x
Astronics Corporation	20.03	89.3%	698	884	718	20	2.8%	775	95	12.3%	1.23x	NM	1.14x	9.3x
Héroux-Devtek Inc.	18.19	97.2%	613	766	465	62	13.2%	495	80	16.3%	1.65x	12.5x	1.55x	9.5x
Median		92.6%	\$5,357	\$6,402	\$2,928	\$460	13.2%	\$3,025	\$492	16.3%	1.82x	15.6x	1.78x	13.0x

Aftermarket / MRO	Stock Price 06/28/24	% 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	\$1,277.61	93.3%	\$71,493	\$89,605	\$7,304	\$3,604	49.3%	\$8,016	\$4,211	52.5%	12.27x	24.9x	11.18x	21.3x
HEICO Corporation	223.61	96.4%	27,113	29,720	3,511	892	25.4%	3,976	1,037	26.1%	8.46x	NM	7.47x	28.7x
Singapore Technologies Engineering Ltd	3.19	98.6%	9,961	14,548	7,653	990	12.9%	8,099	1,135	14.0%	1.90x	14.7x	1.80x	12.8x
AAR Corp.	72.70	98.3%	2,534	2,812	2,216	192	8.7%	2,567	284	11.0%	1.27x	14.7x	1.10x	9.9x
SIA Engineering Company Limited	1.71	92.8%	1,919	1,534	812	98	12.0%	902	67	7.5%	1.89x	15.7x	1.70x	22.7x
Median		96.4%	\$9,961	\$14,548	\$3,511	\$892	12.9%	\$3,976	\$1,037	14.0%	1.90x	15.2x	1.80x	21.3x

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 06/28/24	% 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	\$100.39	92.4%	\$133,252	\$173,551	\$71,011	\$9,346	13.2%	\$78,960	\$12,714	16.1%	2.44x	18.6x	2.20x	13.7x
Lockheed Martin Corporation	467.10	97.4%	112,075	128,703	69,640	10,194	14.6%	69,595	9,781	14.1%	1.85x	12.6x	1.85x	13.2x
General Dynamics Corporation	290.14	95.8%	79,476	89,503	43,122	4,790	11.1%	46,907	5,979	12.7%	2.08x	18.7x	1.91x	15.0x
Northrop Grumman Corporation	435.95	87.7%	64,516	79,609	40,122	4,144	10.3%	41,092	5,637	13.7%	1.98x	19.2x	1.94x	14.1x
BAE Systems plc	16.68	93.3%	50,155	53,662	29,396	3,859	13.1%	36,099	4,789	13.3%	1.83x	13.9x	1.49x	11.2x
L3Harris Technologies, Inc.	224.58	98.4%	42,598	55,893	20,159	3,640	18.1%	21,203	3,887	18.3%	2.77x	15.4x	2.64x	14.4x
Median		94.6%	\$71,996	\$84,556	\$41,622	\$4,467	13.1%	\$43,999	\$5,808	13.9%	2.03x	17.0x	1.92x	13.9x

Defense Systems	Stock Price 06/28/24	% 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	\$211.51	90.2%	\$87,464	\$87,944	\$26,142	\$4,985	19.1%	\$29,715	\$5,877	19.8%	3.36x	17.6x	2.96x	15.0x
Kongsberg Gruppen ASA	81.64	92.2%	14,328	14,249	4,218	625	14.8%	4,477	690	15.4%	3.38x	22.8x	3.18x	20.7x
Huntington Ingalls Industries, Inc.	246.33	82.2%	9,714	12,359	11,585	1,132	9.8%	11,698	1,070	9.1%	1.07x	10.9x	1.06x	11.5x
AeroVironment, Inc.	182.16	81.3%	5,088	5,075	717	108	15.0%	779	129	16.5%	7.08x	NM	6.51x	NM
Median		86.2%	\$12,021	\$13,304	\$7,902	\$879	14.9%	\$8,088	\$880	15.9%	3.37x	17.6x	3.07x	15.0x

Note: NM = Not Meaningful

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



Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Defense Electronics / Comm.	Stock Price 06/28/24	% 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	\$387.98	86.6%	\$18,399	\$20,738	\$5,602	\$1,350	24.1%	\$5,617	\$1,353	24.1%	3.70x	15.4x	3.69x	15.3x
Hensoldt AG	36.79	77.0%	4,250	4,472	1,983	227	11.4%	2,501	434	17.4%	2.26x	19.7x	1.79x	10.3x
Kratos Defense & Security Solutions, Inc.	20.01	87.9%	3,003	2,977	1,083	73	6.7%	1,154	108	9.4%	2.75x	NM	2.58x	27.5x
Mercury Systems, Inc.	26.99	65.9%	1,602	2,160	840	(35)	NM	840	43	5.1%	2.57x	NM	2.57x	NM
Viasat, Inc.	12.70	28.7%	1,598	7,383	4,284	364	8.5%	4,484	1,504	33.5%	1.72x	20.3x	1.65x	4.9x
Comtech Telecommunications Corp.	3.03	23.2%	86	430	563	51	9.0%	592	67	11.3%	0.76x	8.5x	0.73x	6.4x
Median		71.5%	\$2,303	\$3,724	\$1,533	\$150	9.0%	\$1,827	\$271	14.3%	2.41x	17.5x	2.18x	10.3x

Homeland Security	Stock Price 06/28/24	% of 52 Week High	Market Cap	Enterprise Value	LTM			CY2024E			EV / LTM		EV / CY2024E	
					Rev.	EBITDA	Margin	Rev.	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Smiths Group plc	\$21.55	96.0%	\$7,408	\$8,078	\$3,874	\$685	17.7%	\$4,157	\$839	20.2%	2.09x	11.8x	1.94x	9.6x
MSA Safety Incorporated	187.69	95.8%	7,392	7,888	1,803	475	26.4%	1,865	499	26.7%	4.38x	16.6x	4.23x	15.8x
OSI Systems, Inc.	137.52	94.7%	2,345	2,761	1,470	221	15.0%	1,571	280	17.9%	1.88x	12.5x	1.76x	9.8x
Smith & Wesson Brands, Inc.	14.34	79.4%	653	671	536	84	15.7%	581	114	19.6%	1.25x	8.0x	1.16x	5.9x
Median		95.2%	\$4,868	\$5,325	\$1,636	\$348	16.7%	\$1,718	\$389	19.9%	1.98x	12.1x	1.85x	9.7x

Note: NM = Not Meaningful

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



Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Government Services	Stock Price 06/28/24	% 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	\$153.90	93.6%	\$19,923	\$22,998	\$10,662	\$1,200	11.3%	\$11,493	\$1,266	11.0%	2.16x	19.2x	2.00x	18.2x
Leidos Holdings, Inc.	145.88	96.4%	19,725	24,321	15,714	1,801	11.5%	16,225	1,853	11.4%	1.55x	13.5x	1.50x	13.1x
CACI International Inc	430.13	97.9%	9,590	11,444	7,325	742	10.1%	7,656	844	11.0%	1.56x	15.4x	1.49x	13.6x
Parsons Corporation	81.81	95.8%	8,692	9,779	5,805	464	8.0%	6,334	563	8.9%	1.68x	21.1x	1.54x	17.4x
SAIC	117.55	81.0%	6,022	8,192	7,263	642	8.8%	7,443	691	9.3%	1.13x	12.8x	1.10x	11.9x
ICF International, Inc.	148.46	94.0%	2,782	3,456	1,974	209	10.6%	2,064	225	10.9%	1.75x	16.6x	1.67x	15.4x
V2X, Inc.	47.96	84.5%	1,509	2,673	4,030	238	5.9%	4,176	309	7.4%	0.66x	11.2x	0.64x	8.6x
Median		94.0%	\$8,692	\$9,779	\$7,263	\$642	10.1%	\$7,443	\$691	10.9%	1.56x	15.4x	1.50x	13.6x

Government Technology Software	Stock Price 06/28/24	% 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.	\$25.33	92.1%	\$56,407	\$52,842	\$2,334	\$230	9.9%	\$2,698	\$912	33.8%	22.64x	NM	19.59x	NM
Tyler Technologies, Inc.	502.78	99.3%	21,346	21,794	1,992	345	17.3%	2,127	561	26.4%	10.94x	NM	10.25x	NM
BigBear.ai Holdings, Inc.	1.51	31.5%	372	498	146	(27)	NM	199	(3)	NM	3.41x	NM	2.50x	NM
Telos Corporation	4.02	79.9%	288	206	140	(29)	NM	124	(14)	NM	1.47x	NM	1.67x	NM
Median		86.0%	\$10,859	\$11,146	\$1,069	\$102	13.6%	\$1,163	\$279	30.1%	7.17x	NM	6.37x	NM

Note: NM = Not Meaningful

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

Public Company Trading Analysis, cont.

(\$ in millions, except per share amounts)

Diversified Government	Stock Price 06/28/24	% 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	\$303.41	78.3%	\$190,051	\$189,986	\$64,476	\$11,280	17.5%	\$65,984	\$12,548	19.0%	2.95x	16.8x	2.88x	15.1x
International Business Machines Corporation	172.95	86.8%	158,872	202,700	62,069	14,380	23.2%	63,081	15,733	24.9%	3.27x	14.1x	3.21x	12.9x
CGI Inc.	99.77	85.1%	22,567	23,865	10,689	1,903	17.8%	10,812	2,214	20.5%	2.23x	12.5x	2.21x	10.8x
Maximus, Inc.	85.70	94.5%	5,210	6,504	5,124	504	9.8%	5,254	598	11.4%	1.27x	12.9x	1.24x	10.9x
ASGN Incorporated	88.17	82.9%	4,047	4,997	4,371	451	10.3%	4,236	465	11.0%	1.14x	11.1x	1.18x	10.7x
DLH Holdings Corp.	10.56	60.1%	150	332	403	45	11.1%	415	46	11.0%	0.83x	7.4x	0.80x	7.3x
Median		84.0%	\$13,888	\$15,185	\$7,907	\$1,204	14.3%	\$8,033	\$1,406	15.2%	1.75x	12.7x	1.72x	10.8x

Engineering & Construction	Stock Price 06/28/24	% 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.	\$139.71	90.4%	\$17,493	\$20,894	\$16,904	\$1,404	8.3%	\$17,174	\$1,605	9.3%	1.24x	14.9x	1.22x	13.0x
AECOM	88.14	89.3%	11,998	13,836	15,350	715	4.7%	16,154	1,115	6.9%	0.90x	19.4x	0.86x	12.4x
Tetra Tech, Inc.	204.48	92.4%	10,939	11,890	4,113	538	13.1%	4,541	590	13.0%	2.89x	22.1x	2.62x	20.2x
KBR, Inc.	64.14	93.4%	8,612	10,323	7,071	710	10.0%	7,573	837	11.0%	1.46x	14.5x	1.36x	12.3x
Babcock International Group PLC	6.60	90.8%	3,335	3,942	5,457	366	6.7%	5,680	588	10.4%	0.72x	10.8x	0.69x	6.7x
Median		90.8%	\$10,939	\$11,890	\$7,071	\$710	8.3%	\$7,573	\$837	10.4%	1.24x	14.9x	1.22x	12.4x

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)

Space	Stock Price 06/28/24	% 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.	\$4.80	59.6%	\$2,365	\$2,350	\$282	(\$145)	NM	\$434	(\$93)	NM	8.32x	NM	5.41x	NM
Redwire Corporation	7.17	97.4%	470	641	274	(6)	NM	304	21	6.9%	2.34x	NM	2.11x	NM
Virgin Galactic Holdings, Inc.	8.43	9.8%	173	(99)	8	(461)	NM	6	(341)	NM	NM	0.2x	NM	0.3x
Astra Space, Inc.	0.50	7.8%	12	39	4	(114)	NM	NA	NM	NM	9.36x	NM	NM	NM
Momentus Inc.	0.54	2.3%	9	15	3	(67)	NM	NA	NM	NM	4.92x	NM	NM	NM
Median		9.8%	\$173	\$39	\$8	(\$114)	NM	\$304	(\$93)	6.9%	6.62x	0.2x	3.76x	0.3x

Note: NM = Not Meaningful

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

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