



# Government Services Review 1<sup>st</sup> Half 2023

KPMG Corporate Finance LLC

Summer 2023



# M&A Summary (1/2)

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## M&A Summary

**Arlington Capital** forms new platform, **Eclipse Technologies** through acquisition of **Resolute Technologies** (Columbia, MD), **Collabospace** (Annapolis Junction, MD) and **NetVision** (Stevensville, MD). Combined company will have 600+ employees and over \$200 million in revenue and provide full-spectrum cyber and SIGINT engineering, digital operations and identity management, and R&D to DoD and IC customers. **iNovex (Enlightenment Capital)** acquires **INNOPLEX** (Columbia, MD), a provider of Provides technology platforms for cybersecurity, signals intelligence, cloud infrastructure and information technology operations for the DoD and IC. The combined company will have \$2 billion in combined recent prime contract awards and nearly 1,000 employees and teammates. iNovex also acquires **Secure Innovations** (Columbia, MD), a provider of systems security engineering, security automation, and cybersecurity solutions to government clients.

**SilverEdge (Godspeed Capital)** acquires **Gardetto Engineering** (Hanover, MD), a provider of digital design, hardware design, and systems engineering including digital signal processing and RF circuit design. **Boecore (Enlightenment Capital)** acquires **La Jolla Logic** (San Diego, CA), a provider of cybersecurity, software development and AI tools to the Department of Defense. Combined company will have 400+ employees. Deal enhances Boecore's cyber and software development capabilities. Boecore also acquires **Orbit Logic** (Greenbelt, MD), a provider of software for the aerospace and intelligence industries.

**Enlightenment Capital** acquires **Red Alpha** (Annapolis Junction, MD), a provider of cybersecurity, cloud computing, enterprise web applications, large-scale systems engineering, and large-scale distributed/virtual systems administration to defense clients. Enlightenment made the investment out of its SBIC fund. **Mission 1st Group** acquires **Ardent Management Consulting** (Tulsa, OK), a provider of digital transformation, location intelligence, and data science & analytics to federal customers. **Andromeda Systems Incorporated (ASI)** acquires **Tools for Decision (TFD)** (UK), a provider of supportability software, services, and training solutions to the US, UK, Japan, the Middle East and Africa markets.

**The Cadmus Group (CI Capital Partners)** acquires **Nathan Associates** (Arlington, VA), a provider of economic and analytics consulting services to government and commercial clients. Nathan will become a new International Development Division of Cadmus. **Core One (Blue Delta)** acquires **Global Research Analytics** (McLean, VA), a provider of human intelligence support to the IC.

**Agile Defense (Enlightenment Capital)** acquires **XOR Security** (Annandale, VA), a provider of managed detection and response, cyber operations, advanced analytics, and platform engineering to federal, defense, and commercial clients. **Meadowgate Technologies** acquires **Engineering Solutions (ESI)** (Hanover, MD), a provider of software and system engineering, information technology management, enterprise resiliency, and signals intelligence operations and analysis for the IC. **Bluestone Investment Partners** makes strategic investment in **Precise Systems** (Lexington Park, MD), which has over 800 employees and provides mission readiness and software development services to the Navy, Marine Corp. and USAF.

**LinQuest (Madison Dearborn)** acquires **Hellebore Consulting Group** (Dayton, OH), a provider DevSecOps and software engineering services in support of the Air Force and other Department of Defense customers. LinQuest also acquires **Capability Analysis & Measurement Organization (CAMO)** (Beavercreek, OH), a provider of rapid, effective solutions across a range of research, development, test and evaluation programs for clients including USSOCOM and other DOD customers.

**cBEYONData (Bluestone Investment Partners)** acquires **Summit2Sea Consulting** (Arlington, VA) a provides of data analytics, robotic process automation and enterprise application modernization solutions. **The Swift Group** acquires **OPS Consulting** (Hanover, MD), a provider of SETA, software and systems development, and information assurance to IC clients. **Boathouse Capital** acquires **Compendium Federal Technology (CFT)** (Lexington Park, MD), a provider of technical publications and integrated logistics, C5ISR tactical communications integration, engineering, and program and financial management to government clients.

**AE Industrial Partners** makes capital investment in **REDLattice** (Chantilly, VA), which provides vulnerability research (VR), reverse engineering (RE), tool development, malware analysis and advanced operational capabilities to US national security, defense and commercial customers. **BlueAlly Technology Solutions (Source Capital)** acquires **N2grate** (Gaithersburg, MD), a provider of technology, training and other professional services to federal agencies with vendor relationships including Cisco, Commvault, IBM, Dell EMC, HP Inc., Microsoft, NetApp and VMware. Deal expands BlueAlly's footprint in the federal sector.

Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research

# M&A Summary (2/2)

01

## M&A Summary

**McNally Capital** and **Nio Advisors** acquire **Xcelerate Solutions** (McLean, VA), a provider of enterprise security, digital transformation and consulting services to defense and national security agencies. **Accenture** acquires **Anser** (Santa Anna, VA), a provider of consulting and program management solutions for state and local public sector infrastructure projects. Markon, Anser's federal consulting business, will be spun off. **Lentech** acquires **Eclipse Engineering** (Odenton, MD), a provider of software and IT solutions to the IC and DoD.

**FR Capital** acquires **Fregata Systems** (St. Louis, MO), a provider of networking, data management, and communications technologies in support of the C5ISR segment of the A&D industry. **Cherokee Federal** acquires **Criterion Systems** (Vienna, VA), a 450-person provider of cybersecurity, cloud management, IT infrastructure and systems engineering to government customers. **Altamira Technologies (ClearSky/McNally/Nio)** acquires **Virginia Systems & Technology (VaST)** (Warrenton, VA), a provider of Provides software design, information operations, analysis and reporting, data collection and parsing and tailored data collection solutions to government customers. Deal adds end-to-end SIGINT tasking, collection, processing, exploitation and dissemination and emerging threat detection capabilities.

**IMB Partners** acquires **eTelligent Group (eTel)** (Leesburg, VA), a provider of digital transformation services primarily to the IRS including agile software development, DevSecOps, IT PMO, cybersecurity, web services, and big data. **ASRC Federal** acquires **SAIC's Logistics and Supply Chain Management** business for \$350 million. This unit provides technology-enabled supply chain management and logistics solutions for the Defense Logistics Agency (DLA). ASRC also acquires **Broadleaf** (Manassas, VA), a provider of cybersecurity, network engineering, cloud migration, training and program management to government clients.

**Millennium Corp.** acquires **MAXISIQ's INGRESSIVE Vulnerability Assessment Business Division**, which provides cybersecurity support to federal customers through security vulnerability assessments, penetration testing and red teaming exercises. **Chesapeake Technology International (Bluestone Investment)** acquires **Rapid Imaging Technologies** (Middleton, WI), a provider of geospatial imaging technology solutions for defense and intelligence agencies. **Chugach Government Solutions** acquires **Vector Planning & Services, Inc. (VPSI)** (San Diego, CA), a provider of technical solutions in cybersecurity and information assurance, systems engineering and acquisition management, to federal government customers.

**Optiv (KKR)** acquires **ClearShark** (Hanover, MD), a VAR distributor of cybersecurity and modernization technology to the federal government. **Core4cea** acquires **PatchAdvisor** (Alexandria, VA), a provider of IT security and vulnerability assessments to defense and intelligence clients. **BlueHalo (Arlington Capital)** acquires **Verus Technology Group** (Leesburg, VA), a provider of counter unmanned aircraft systems (CUAS) development and manufacturing for the DoD, IC and Federal Law Enforcement organizations. **Castellum** acquires **Global Technologies Management Resources (GTMR)** (Hollywood, MD), a provider of engineering services including design engineering, prototype manufacturing, and testing of tactical systems for use in military and commercial platforms.

**Voyager Space** acquires **ZIN Technologies** (Cleveland, OH), a provider of engineering, design and integration solutions, providing human-rated spaceflight systems and monitoring solutions, propulsion, and more to NASA, national security agencies, and leading aerospace and defense companies. **Darkstar Intelligence** acquires **Academy Solutions Group (ASG)** (Columbia, MD), a provider of cyber, intelligence, systems engineering, software, SIGINT, and security solutions for DoD, IC and federal customers.

**Bart & Associates (B&A) (Battle Investment Group)** acquires **iDoxSolutions** (Bethesda, MD), a provider of enterprise content management (ECM) and enterprise records management (ERM) solutions and services. **Bernhard Capital Partners (BCP)** acquires **VSE's FDS (Federal & Defense segment)** for \$100 million (\$50 million in cash plus an earn-out of up to \$50 million). The FDS unit provides supply chain and logistics management services, technical support, modernization, maintenance, repair and overhaul to federal and defense clients. VSE is selling the unit to form a 100% pure-play aftermarket business.

**Aretum (Renovus Capital)** acquires **Miracle Systems** (Arlington, VA), a provider of PMO support, IT modernization, financial consulting, engineering services, training services and mission cyber mission support solutions to government clients. **Sayres Defense** acquires **Joint Research and Development (JRAD)** (Stafford, VA), a provider of technical services and testing support and R&D for government agencies. **Akima** acquires **Pinnacle Solutions** (Huntsville, AL), a provider of aviation operations and maintenance services, flight operations and training services, and training products and services for air, ground, unmanned, and maritime platforms.

Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research

# General / Other M&A

02

## General / Other M&A

- **Jacobs** announces plans to spin-off its Critical Mission Solutions (CMS) business, establishing a \$4.4 billion pure-play government services provider, providing technical consulting, applied science research, training, intelligent asset management and program management services to federal customers.
- **SAIC** invests \$5 million in **Morpheus Data** (Greenwood Village, CO), a provider of hybrid cloud management and application infrastructure automation solutions
- **Lockheed Martin** makes an investment in **Sintaiva**, a manufacturer of three-dimensional printing techniques to make advanced thermodynamic components including heat exchangers, thermodynamic chassis and monolithic cooling pumps for use in flight applications.
- **Vannevar Labs** (Palo Alto, CA), a technology provider for national security, raises \$75 million in Series B, led by Felicis, joined by DFJ Growth, Aloft VC, General Catalyst, Point72, Costanna Ventures and Shield Capital.
- **Hypori** (Reston, VA) raises \$10.5 million in Series B led by Hale Capital Partners, joined by GreatPoint Ventures, General David Patraeus and others.
- **Capella Space** (San Francisco, CA) forms a new subsidiary, Capella Federal, which will be focused on the U.S. government market. This new division will be led by Eric Traupe, a former assistant director of the CIA for the Near East.
- **Quantum Computing** launches **QI Solutions** subsidiary focused on quantum solutions to government and defense markets.
- **Sublime** (Washington, DC), an email security startup, raises \$9.8 million.
- **GovForce** (Washington, DC), a startup focused on developing performance and compliance software for government contractors, raises \$2.5 million in seed round.
- **BlackSky Technology** (Herndon, VA), a provider of real-time geospatial intelligence, raises \$29.5 million through private placement.
- **Sedgwick** launches a new business called Sedgwick Government Solutions, focused on the federal market. This comes two years after Sedgwick acquired Managed Care Advisors (MCA).
- **Bluestone Investment Partners** closes new \$196 million Fund III.
- **Juware** (Atlanta, GA), establishes the **Juware Federal & Defense (JFD)** business unit to accelerate the delivery of technology solutions optimized for the US government.
- **Huntress** (Ellicott City, MD), a cybersecurity startup, raises \$60 million in Series C funding, led by Sapphire Ventures, along with Forgepoint Capital and JMI Equity.
- **Albion Platform Holdings** raises \$400 million to pursue defense investments. The firm is led by former defense procurement executives Darren Farber, Mark Schneiderman and Christos Tsentas.
- **Rampart Communications** raises \$10 million.
- **IronGate Capital Advisors** closes \$25 million fund.
- **RTX Ventures** led a \$45 million Series A round for Impulse Space, a developer of in-space transportation services.
- **Squadra Ventures** secures \$105 million for its new fund, Squadra II.

Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research



# Personnel Changes (1/3)

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## Personnel Changes

- **Damian DiPippa** named new CEO of Aretum, a Renovus Capital-backed platform. DiPippa was previously the CEO of Arcfield and held senior leadership positions at ManTech, Engility, TASC and Northrop Grumman.
- **Martin M. Hale, Jr.** and **Rich Sawchak** join the Board of Directors at Hypori.
- **Don Claussen** named CEO at ST Engineering iDirect, succeeding Kevin Steen.
- **Frank Sturek** joins Compendium Federal Technology as CEO, following its acquisition by Boathouse Capital.
- **Tom Hammoor** named president and chief executive of Textron's defense technology segment. Hammoor was previously the CEO of Textron's defense aviation business.
- **David Streett** named CEO of Valkyrie Enterprises. Streett was formerly the president and COO.
- **Randy Cash** named CEO at Axient, succeeding Patrick Murphy.
- **John Fraser** named director of federal business at Trinity Cyber (Washington, DC). Fraser formerly oversaw Federal Civilian Sales at Securonix.
- **Sanjay Sardar** named president of ASRC Federal's Civilian & Health operating group. Sardar previously held several executive leadership positions at SAIC.
- **Srini Iyer** named chief technology officer of Leidos' Health Group. Iyer was SVP and corporate CTO at ManTech.
- **Jared Summers** named vice president and CTO of LMI's defense market.
- **Elias Peroulas** named vice president and CTO of LMI's space market.
- **Chris Hagner** named vice president and CTO of LMI's intelligence market.
- **Joseph Norton** promoted to senior vice president and CTO at LMI.
- **Greg Young** promoted to CEO at LinQuest, succeeding Tim Dills.
- **Dave Dzaran** named CEO of Sumaria Systems. Dzaran is the former CEO of Centauri.
- **Jay Barrows** named new executive vice president for enterprise sales and public sector at Lumen Technologies.
- **Mike Denny** appointed VP for business development at Noblis, succeeding Matt Salter, who was named Chief Growth Officer.
- **Richard Clarke**, a retired Army general, named to board of directors at General Dynamics. Clarke most recently served as commander of the Special Operations Command.
- Former Congressman **James Langevin** named to the strategic advisory group at Paladin Capital.
- **James Foggo III**, a retired admiral in the US Navy, named chairperson at RMC.
- **Kurt Gaudette** named vice president of global threat intelligence at Dragos (Hanover, MD).
- **Ken Russell** joins Innoplex as VP of intelligence.
- **Elisabeth Schmidt** named one of the new senior vice presidents for Technology and Consulting Services. Schmidt previous spent time at Accenture Federal Services, Eagle Hill Consulting and IBM Consulting.
- **Marshall Denney** joins Client Solutions Architects as vice president of the company's new Navy business unit.
- **David Baer** named president of SilverEdge's National Security Group business unit. Baer previously spent time with EverWatch, KeyW/Jacobs, and Poole & Associates.
- **Jessica Merriam** named president of the intelligence solutions business unit at SilverEdge.
- **Jeff Bohling** named CEO of Empower AI. Behling was previously president of the Defense Solutions Sector at Peraton.
- **Warren Miller** joins DRT Strategies as Director of Business Development.
- **Michael Ruppert** named CFO at ManTech, succeeding Judith Bjornaas who retired. Ruppert was previously the CFO, EVP and treasurer of Mercury Systems.
- **Ross Berkoff** named general manager of RiverTech. Berkoff was previously with Booz Allen Hamilton, BAE Systems, and Cyberspace Solutions.
- **Kevin Heald** named national security portfolio lead at Accenture Federal. Heald joined Accenture through its acquisition of Novetta. He was previously with Scitor and a co-founder of Ennovex Solutions.
- **Bill Webner** promoted CEO of Capgemini Government Solutions. Webner succeeds Doug Lane who retired.
- **Vernon Saunders** named CEO of Freedom Consulting Group (FCG). Saunders was previously with SAIC and Jacobs.
- **Thomas Bell** named CEO of Leidos, succeeding Roger Krone. Bell previously was the president of defense for Rolls-Royce and chairman of Rolls-Royce North America.
- **Josh Jackson** promoted to senior vice president of SAIC's Army business unit.

Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research

# Personnel Changes (2/3)

03

## Personnel Changes

- **David Bromberg** named CFO at Fire Team Solutions.
- **Bryan Walter** named chief growth officer at Fire Team Solutions.
- **Micah McCutchan** named president and COO of Krebs Stamos Group.
- **Jonathan Baba** named SVP of Defense Market for LMI. Baba joins LMI from Deloitte.
- **Raj Iyer** joins ServiceNow in newly created role was global head of global sector. Iyer is the former US Army Chief Information Officer.
- **Aaron Weis** joins Google to lead public sector strategy. Weis was the Navy CIO for the past 4 years.
- **Tom Lash** joins Meadowgate Technologies as CEO. Lash was formerly as executive at AWS, Leidos, and SAIC.
- **Barbara Graham** named senior vice president of SAIC's Navy business unit.
- **Kathleen Featheringham** named vice president of artificial intelligence and machine learning at Maximus.
- **Ralph Tursi** joins General Dynamics' IT services business unit as senior director of the law enforcement business.
- **Leslie Hildebrand** named senior vice president of government business development and strategy at Slingshot Aerospace.
- **Pieter Kreuk** named CFO of Slingshot Aerospace.
- **Paul Harrington** named chief growth officer at Empower AI. Harrington is a former partner at McKinsey & Co.
- **Mark Bortfeld** named senior vice president of the Navy segment at ManTech. Bortfeld was previously with Peraton.
- **Koren Odermann** named vice president of business development of Army and other agencies at Client Solution Architects.
- **Ken Campbell** named president of Edgybees.
- **Mary Shambora** named vice president of business development of Navy at Client Solution Architects. Shambora was previously with Cubic Mission Performance Solutions.
- **Gerry Dorros** joins Sagewind Capital as Managing Director. Dorros was previously with CoVant Management and Anteon.
- **Rocky Thurston** promoted to CEO of DMI, succeeding Sunny Bajaj, who will remain on the company's board of directors. Thurston was previously an executive at Peraton, Accenture, and Lockheed Martin.
- **Amy Williams** named vice president of CMMC at Coalfire Federal.
- **Nazzic Keene** is retiring and stepping down as CEO of SAIC and will be succeeded by Toni Townes-Whitley.
- **Chris Inglis** joins strategic advisory board of Securonix.
- **Chris Inglis** returns to Paladin Capital as strategic advisor.
- **Preston Dunlap** named strategic advisory at SOSi.
- **Luis German** named CIO at Amentum.
- **Rick Driggers** named the Cyber Practice Lead at Accenture Federal Services.
- **Amanda Satterwhite** named the Cyber Growth Lead at Accenture Federal Services.
- **Brad Mitchell** promoted to president and CEO of NeoSystems. Mitchell was previously the firm's senior vice president of professional services and product development.
- **Lt. General Jeffrey Kruse** named the 23rd Director of the Defense Intelligence Agency.
- **In-Q-Tel** names President **Steve Bowsher** as its next CEO. Current CEO Chris Darby will remain at the firm on the board.
- **Amy Davis** named CSO at Leidos.
- **Amanda Cody** named chief information security officer at Booz Allen Hamilton.
- **Curtis Puckett** named president of the government business at Red River. Puckett is a 25-year Air Force veteran and former executive at GDIT.
- **Bill Edmunds** promoted to senior vice president of the intelligence business unit at SAIC.
- **Tiffany Gates** joins Capitol Meridian Partners as an operating partner. Gates most recently led the integration of Novetta into Accenture Federal.
- **Richard Price** named lead of QinetiQ US's national security and intelligence business.
- **Kevin Phillips** joins Paladin Capital as strategic advisor.
- **Philip Davidson** named to board of directors at AeroVironment. Davidson is a retired admiral in the US Navy.
- **Brian Jones** joins Xenith Solutions as COO.

Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research

# Personnel Changes (3/3)

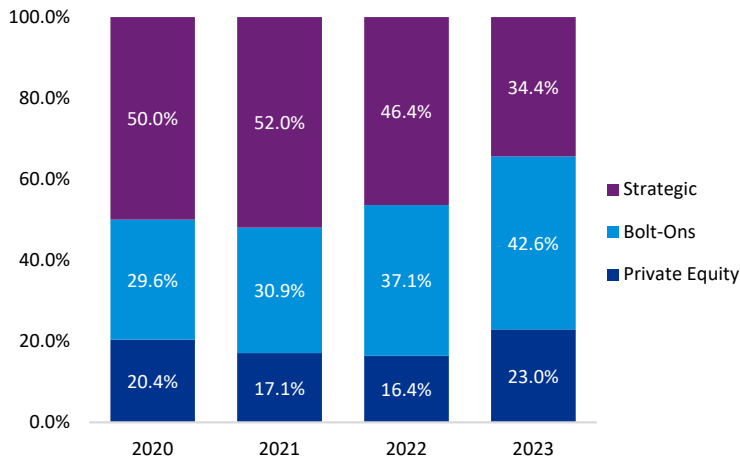
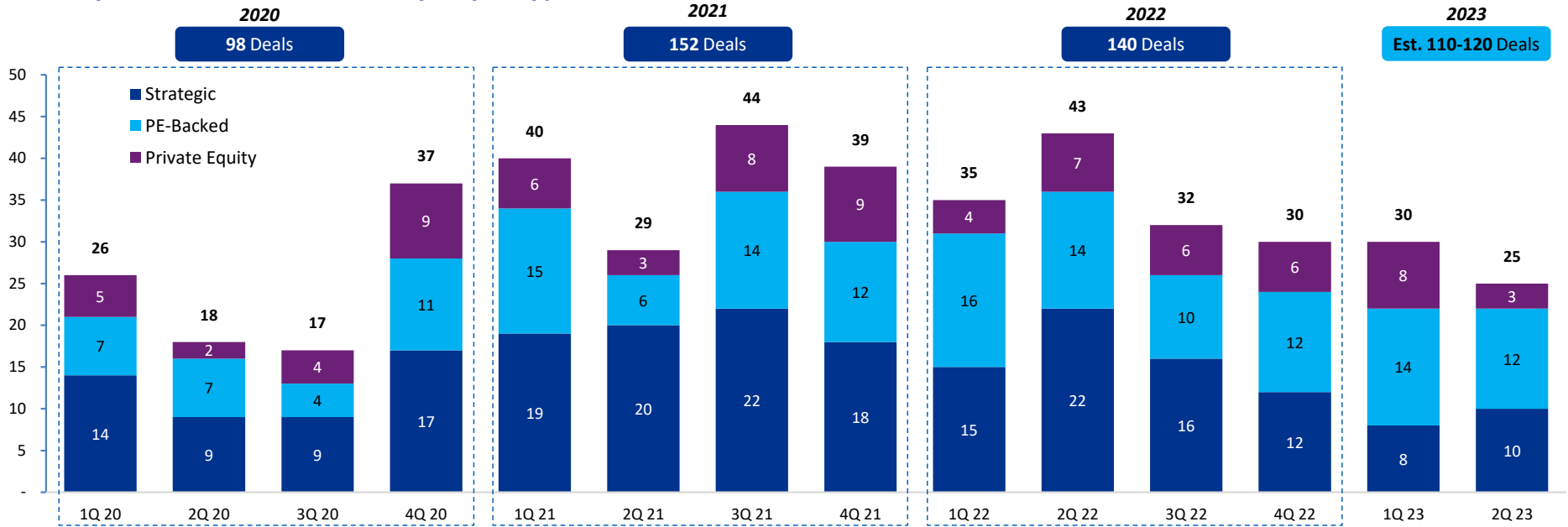
03

## Personnel Changes

- **Bill Ballhaus** named interim CEO of Mercury Systems.
- **David Farnsworth** named CFO at Mercury Systems.
- **Roger Krone** named to board of directors at Mercury Systems.
- **Jerry DeMuro** named to board of directors at Mercury Systems.
- **Paul Smith** named CEO of Rancher Government Solutions.
- **Leonel Garciga** named CIO and principal advisor to the Secretary of the Army.
- **Susan Chodakewitz** named chief growth strategy officer at Cadmus. She was previously the president and CEO of Nathan Associates.
- **Tom Whitmeyer** named executive advisor in support of Booz Allen Hamilton’s space business.
- **Greg Little** joins Palantir. Little was deputy of the Chief Digital and Artificial Intelligence Office.
- **Linda Zecher** named CEO and Cameron Pforr as president of IronNet. Founder Keith Alexander will continue as chairman of the board.
- **Bill Vantine** named to board of directors of A-TEK.
- **Brooke Smith** named CEO of Deep Water Point. Smith was previously VP of business development and strategy at Salesforce.
- **Helen Soln** named vice president of proposal operations at Eqlipse Technologies.
- **Aarish Gokaldas** named CEO of Highlight Technologies.
- **Mark Testoni** named executive chairman of the board of directors at cBEYONData.
- **Robert Miller** joins Future Technologies, Inc. (FTI) as CEO. Miller was previously the president of defense missions and support at EverWatch.
- **Mike Cosgrove** named COO of Tria Federal. Cosgrove was previously the COO of AceInfo.
- **John Arnold** named general manager of Akima Global Technology.
- **Pamela Rothka** named CFO of Empower AI. Rothka was previously CFO at ECS Federal.
- **Harry Coker Jr.** nominated as National Cyber Director.
- **General David Allen** nominated to serve as the next Air Force chief of staff.
- **Peter O’Donoghue** named CTO at Tyto Athene. O’Donoghue was formerly the CTO of Leidos’ Civil Group.
- **Alexis Bonnell** named AFRL’s first CIO.

# Government Services M&A Activity

## Quarterly Government Services – By Buyer Type



**Heightened Geopolitical Landscape**

Autocratic leaders continue to drive global security policy; NATO countries are reinvigorated on defense cooperation as they, along with others, the US included, look to secure symmetric and asymmetric defenses.

**Continued Private Equity Interest**

Private Equity continues to play an integral part of Gov't Services M&A with platform and bolt-on deals accounting for 66% of deals (Platform: 23%, Bolt-On: 43%) in the 1st half of 2023 v. 53% in 2022.

**Strong Funding Dynamics**

The Biden administration submits \$842 billion FY24 Defense Budget, representing a 3.2% increase (\$26 billion) over FY23 and a \$100 billion increase from 2 years ago.

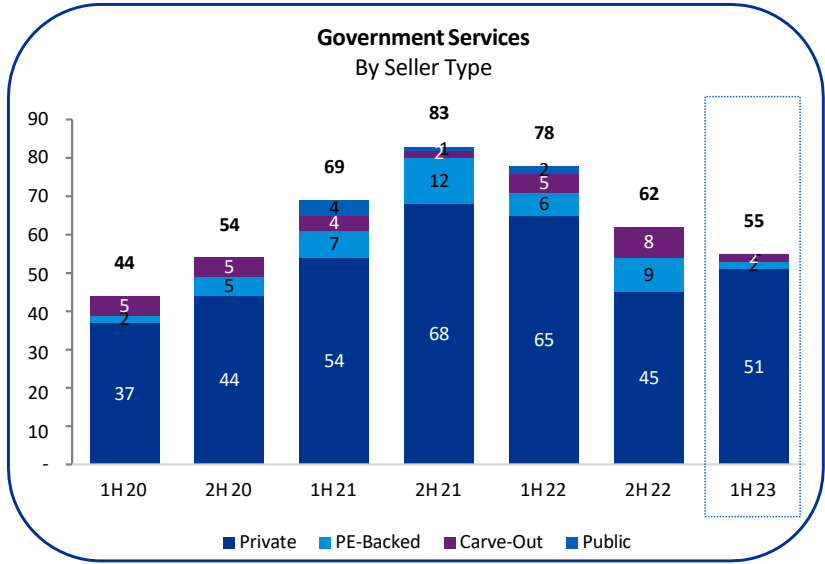
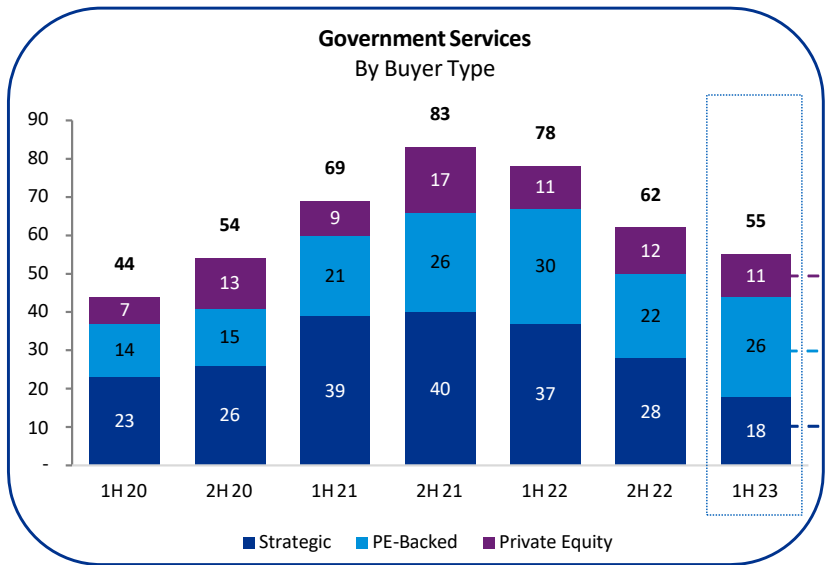
**Continuously Shifting IT Landscape**

Mission problems continue to be bigger, more complex and more real-time; Gov't will continue to lead on industry to help accelerate IT solutions at scale; Need to control & dominate the digital battlespace.

Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research



# Government Services M&A Activity



#### Notable New Platforms

Buyer	Platform
Bluestone Investment Partners	Precise Systems
Bernhard Capital Partners (BCP)	VSE's FDS (Federal & Defense) Unit
Arlington Capital Partners	Eclipse (Resolute Technologies / NetVision / Collabospace)
AE Industrial Partners	REDLattice
McNally Capital / Nio Advisors	Xcelerate Solutions
Boathouse Capital	Compendium Federal Technology (CFT)
One Equity Partners	Mythics / Emergent (MEG)

#### Notable PE Bolt-Ons

Buyer	Fund	Bolt-On
Agile Defense	Enlightenment Capital	XOR Security
Altamira Technologies	ClearSky/McNally/Nio	Virginia Systems & Technology (VaST)
Aretum	Renovus Capital	Miracle Systems, LLC
Bart & Associates (B&A)	Battle Investment Group	iDoxSolutions
BlueAlly Technology Solutions	Source Capital	N2grate Govt Technology Solutions
BlueHalo	Arlington Capital	Verus Technology Group
Boecore	Enlightenment Capital	La Jolla Logic
Boecore	Enlightenment Capital	Orbit Logic
Cadmus Group	CI Capital Partners	Nathan Associates
cBEYONData	Bluestone Investment Partners	Summit2Sea Consulting
CEIS	White Wolf Capital	Clover Leaf
Chesapeake Technology International (CTI)	Bluestone Investment Partners	Rapid Imaging Technologies
Culmen International	Hale Capital Management	Vysnova Partners
DMI	Oceansound Partners	Simplex Mobility
iNovex	Enlightenment Capital	INNOPLEX
iNovex	Enlightenment Capital	Secure Innovations
LinQuest Corporation	Madison Dearborn Partners	CAMO
LinQuest Corporation	Madison Dearborn Partners	Hellebore Consulting Group
Sayres Defense	Broadtree Partners	Joint Research and Development (JRAD)
SilverEdge	Godspeed Capital	Gardetto Engineering
Voyager Space	Multiple	ZIN Technologies, Inc. (ZIN)

#### Notable Strategic Buyers

Public Buyers
Accenture
Castellum
Parsons
NV5 Global
Tetra Tech

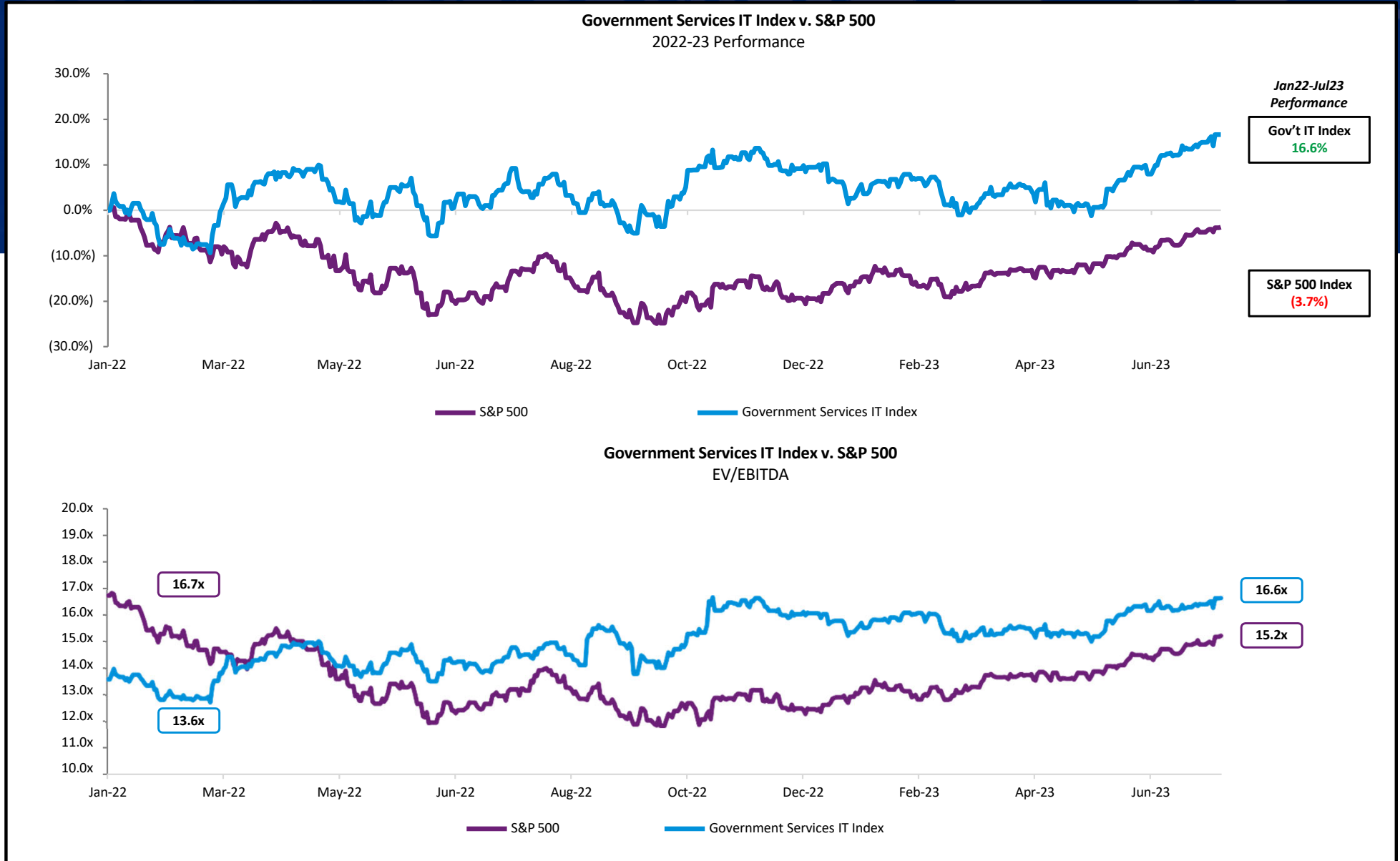
Private Buyers
Darkstar Intelligence
ASRC Federal
Millennium Corp
ASRC Federal
Meadowgate Technologies
Akima
Chugach Government Solutions
Cherokee Federal
Andromeda Systems Incorporated (ASI)
Digital Intelligence Systems (DISYS)

#### Notable PE Exits

Company	Sponsor	Buyer	Acquired	Sold	Hold (Yrs)
Anser Advisory	Sterling Investment Partners	Accenture	Mar-21	Jun-23	2.3
Axim Aerospace	Bluestone Investment	NV5 Global	Feb-19	Jun-23	4.4

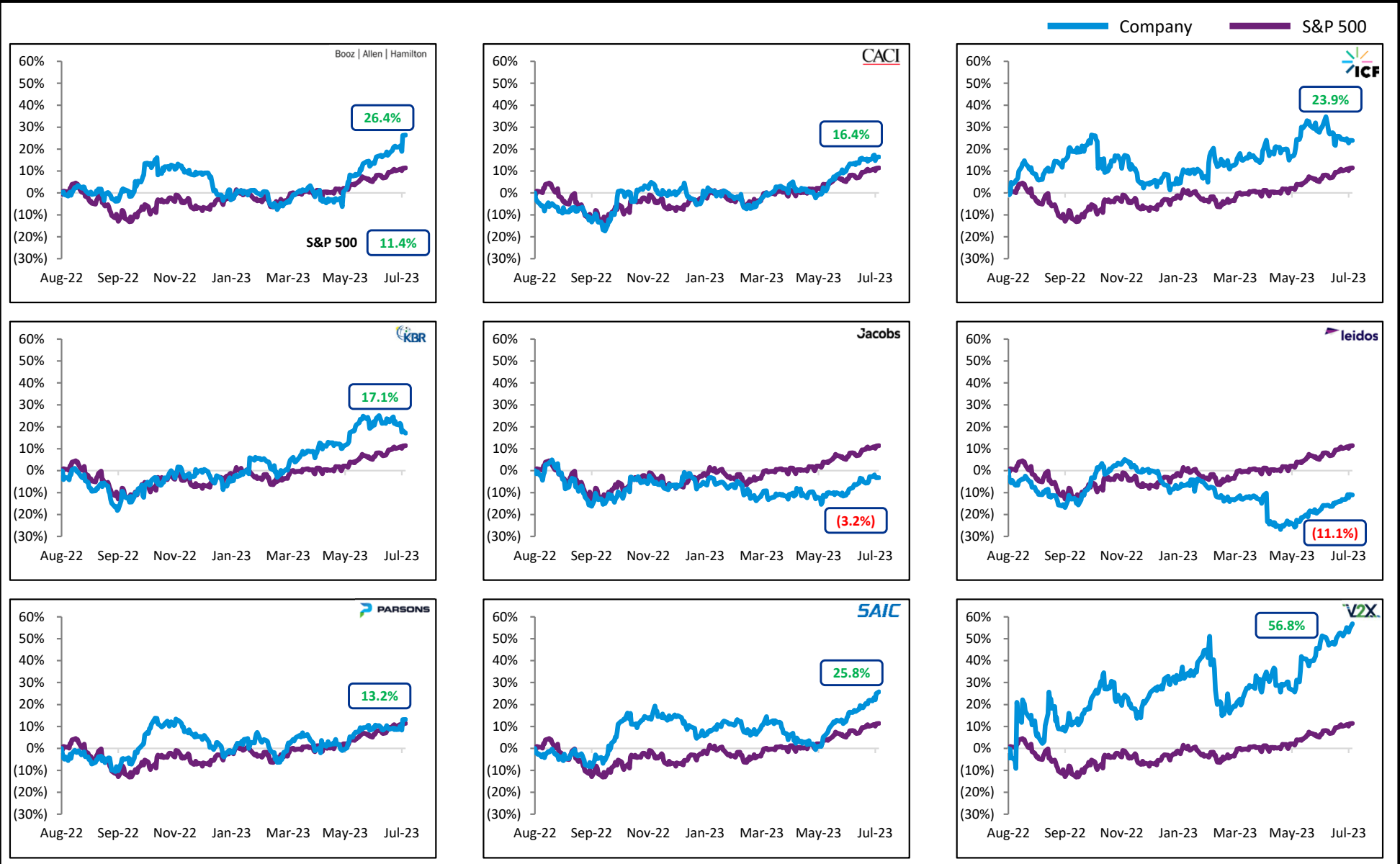
Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research

# Government Services Capital Markets



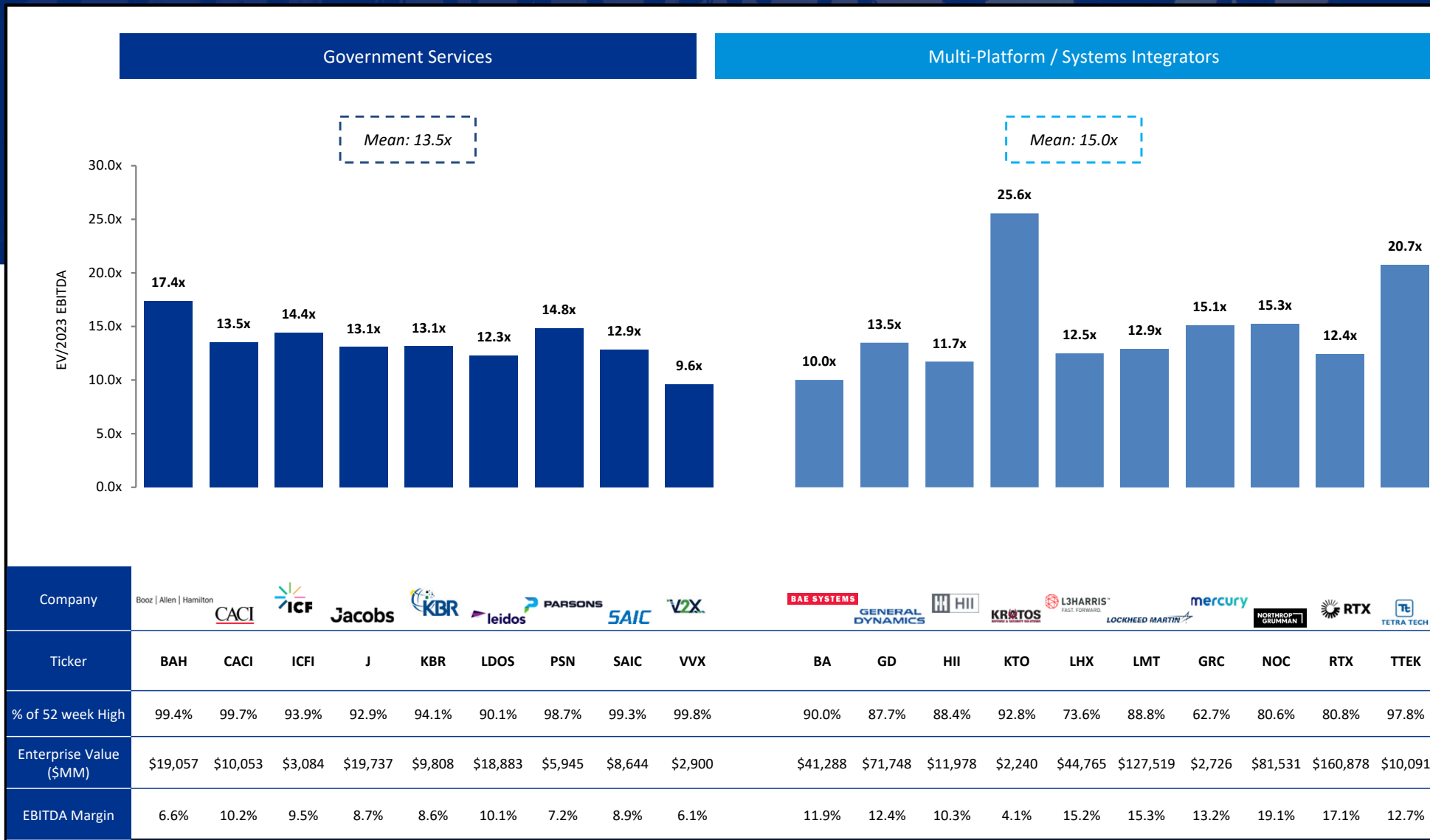
Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research Government Services IT Index: Index: BAH, CACI, ICFI, J, KBR, LDOS, PSN, SAIC, VVX

# Government Services Stock Price Performance – Last 12 Months



Sources: CapitalIQ

# Public Company Key Statistics (1/2)



Source: S&P CapitalIQ; Market data as of 8/1/23

## Public Company Key Statistics (2/2)

Company	HQ Country	Market Data				LTM Financials			Enterprise Value To:		
		Market Cap <sup>(1)</sup>	Enterprise Value(\$mm)	Share Price	% 52-Wk High	Revenue (\$mm)	Gross Margin %	EBITDA Margin %	LTM EBITDA	CY 2023 EBITDA	NTM EBITDA
<b>Government Services</b>											
Booz Allen Hamilton Holding Corporation	US	\$16,162	\$19,057	\$123.33	99.4%	\$9,664	12.1%	6.6%	29.9x	17.4x	17.1x
CACI International Inc	US	\$8,076	\$10,053	\$354.30	99.7%	\$6,642	8.4%	10.2%	14.8x	13.5x	13.5x
ICF International, Inc.	US	\$2,270	\$3,084	\$120.83	93.9%	\$1,850	16.5%	9.5%	17.5x	14.4x	14.3x
Jacobs Solutions Inc.	US	\$16,053	\$19,737	\$126.55	92.9%	\$15,585	8.4%	8.7%	14.6x	13.1x	12.9x
KBR, Inc.	US	\$8,363	\$9,808	\$61.99	94.1%	\$6,690	(12.8%)	8.6%	17.1x	13.1x	12.4x
Leidos Holdings, Inc.	US	\$13,714	\$18,883	\$99.98	90.1%	\$14,842	5.5%	10.1%	12.6x	12.3x	11.8x
Parsons Corporation	US	\$5,191	\$5,945	\$49.51	98.7%	\$4,420	18.3%	7.2%	18.6x	14.8x	14.4x
Science Applications International Corporation	US	\$6,570	\$8,644	\$122.38	99.3%	\$7,736	3.0%	8.9%	12.5x	12.9x	12.8x
V2X, Inc.	US	\$1,618	\$2,900	\$52.17	99.8%	\$3,378	87.0%	6.1%	14.0x	9.6x	9.2x
<b>Mean</b>					<b>96.4%</b>		<b>16.3%</b>	<b>8.4%</b>	<b>16.8x</b>	<b>13.5x</b>	<b>13.1x</b>
<b>Median</b>					<b>98.7%</b>		<b>8.4%</b>	<b>8.7%</b>	<b>14.8x</b>	<b>13.1x</b>	<b>12.9x</b>
<b>Multi-Platform / Systems Integrators</b>											
BAE Systems plc	GB	\$36,157	\$41,288	\$11.89	90.0%	\$25,614	8.9%	11.9%	13.6x	10.0x	10.0x
General Dynamics Corporation	US	\$61,417	\$71,748	\$225.34	87.7%	\$40,859	6.3%	12.4%	14.1x	13.5x	12.3x
Huntington Ingalls Industries, Inc.	US	\$9,174	\$11,978	\$229.97	88.4%	\$10,774	9.7%	10.3%	10.7x	11.7x	11.5x
Kratos Defense & Security Solutions, Inc.	US	\$1,922	\$2,240	\$15.06	92.8%	\$934	14.8%	4.1%	NM	25.6x	23.7x
L3Harris Technologies, Inc.	US	\$35,504	\$44,765	\$187.72	73.6%	\$17,988	7.0%	15.2%	16.4x	12.5x	11.9x
Lockheed Martin Corporation	US	\$113,647	\$127,519	\$451.28	88.8%	\$67,393	5.0%	15.3%	12.4x	12.9x	13.1x
Mercury Systems, Inc.	US	\$2,208	\$2,726	\$37.94	62.7%	\$1,010	6.4%	13.2%	20.4x	15.1x	14.4x
Northrop Grumman Corporation	US	\$67,805	\$81,531	\$448.15	80.6%	\$37,881	8.4%	19.1%	11.3x	15.3x	14.0x
RTX Corporation	US	\$127,739	\$160,878	\$87.97	80.8%	\$70,573	8.1%	17.1%	13.3x	12.4x	11.9x
Tetra Tech, Inc.	US	\$9,018	\$10,091	\$169.41	97.8%	\$3,163	16.0%	12.7%	25.1x	20.7x	20.0x
<b>Mean</b>					<b>84.3%</b>		<b>9.5%</b>	<b>13.2%</b>	<b>15.1x</b>	<b>15.0x</b>	<b>14.3x</b>
<b>Median</b>					<b>88.1%</b>		<b>8.2%</b>	<b>13.0%</b>	<b>13.3x</b>	<b>13.2x</b>	<b>12.7x</b>

Sources: CapitalIQ and company filings. Note: All figures in USD, where applicable, converted at rates as of August 1, 2023

(1) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents as of closing price August 1, 2023

(2) Closing share prices as of August 1, 2023

(3) EBITDA equals Earnings before Interest Expense, Income Taxes, D&A



# Government Services M&A Transactions (1/4)

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Jul-23	NewSpring Holdings	Bridge Core	Radnor, PA / McLean, VA	Provides visual intelligence, cybersecurity, and other technical solutions to the IC.					
Jul-23	NeuroFlow	Capital Solution Design	Philadelphia, PA / Arlington, VA	Provides measurement-based care (MBC) services for the VA.					
Jul-23	IMB Partners	eTelligent Group (eTel)	Bethesda, MD / Leesburg, VA	Provides digital transformation services primarily to the IRS including agile software development, DevSecOps, IT PMO, cybersecurity, web services, and big data.					
Jul-23	Enlightenment Capital	Red Alpha	Chevy Chase, MD / Annapolis Junction, MD	Provides cybersecurity, cloud computing, enterprise web applications, large-scale systems engineering, and large-scale distributed/virtual systems administration to defense clients.					
Jul-23	The Swift Group	OPS Consulting	Reston, VA / Hanover, MD	Provides SETA, software and systems development, and information assurance to IC clients.					
Jul-23	Mission1st Group	Ardent Management Consulting	Arlington, VA / Tulsa, OK	Provides digital transformation, location intelligence, and data science & analytics to federal customers.					
Jun-23	Sayres Defense	Joint Research and Development (JRAD)	Washington, DC / Stafford, VA	Provides technical services and testing support and R&D for government agencies.					
Jun-23	Accenture (NYSE: ACN)	Anser Advisory (Sterling Investment Partners) (excluding Markon)	Arlington, VA / Santa Ana, CA	Provides consulting and program management solutions for state and local public sector infrastructure projects.				920	
Jun-23	GovExec (Growth Catalyst Partners)	Advanced Technology Academic Research Center	Washington, DC / Ashburn, VA	Provides events and reports on technology issues with the government, industry and academic participants.					
Jun-23	iNovex (Enlightenment Capital)	Secure Innovations	Columbia, MD / Columbia, MD	Provides systems security engineering, security automation, and cybersecurity solutions to government clients.					
May-23	SilverEdge (Godspeed Capital)	Gardetto Engineering	Columbia, MD / Hanover, MD	Provides digital design, hardware design, and systems engineering including digital signal processing and RF circuit design.					
May-23	Agile Defense (Enlightenment Capital)	XOR Security	Reston, VA / Annandale, VA	Provides managed detection and response, cyber operations, advanced analytics, and platform engineering to federal, defense, and commercial clients.					
May-23	FR Capital	Fregata Systems	Washington, DC / St. Louis, MO	Provides networking, data management, and communications technologies in support of the C5ISR segment of the A&D industry.					
May-23	Bart & Associates (B&A) (Battle Investment Group)	iDoxSolutions	McLean, VA / Bethesda, MD	Provides enterprise content management (ECM) and enterprise records management (ERM) solutions and services.					
May-23	iNovex (Enlightenment Capital)	INNOPLEX	Columbia, MD / Columbia, MD	Provides technology platforms for cybersecurity, signals intelligence, cloud infrastructure and information technology operations for the DoD and IC.					
May-23	Bluestone Investment Partners	Precise Systems	McLean, VA / Lexington Park, MD	Provides mission readiness and software development services to the Navy, Marine Corp. and USAF.				800	
May-23	Boecore (Enlightenment Capital)	La Jolla Logic	Colorado Spring, CO / San Diego, CA	Provides cybersecurity, software development and AI tools to the Department of Defense.					
May-23	Darkstar Intelligence	Academy Solutions Group (ASG)	Alexandria, VA / Columbia, MD	Provides cyber, intelligence, systems engineering, software, SIGINT, and security solutions for DoD, IC and federal customers.					

Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research

# Government Services M&A Transactions (2/4)

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
May-23	Culmen International (Hale Capital)	Vysnova Partners	Alexandria, VA / Landover, MD	Provides public health, translational research-and-development in life sciences, geospatial research management and acquisition support to government customers including DHA, CDC, Naval Medical Research Enterprise, USAID and NGA.					
May-23	ASRC Federal	SAIC's Logistics and Supply Chain Management business	Bethesda, MD	Provides technology-enabled supply chain management and logistics solutions for the Defense Logistics Agency (DLA).	350.0			240	
May-23	Millennium Corp	MAXISIQ's INGRESSIVE Vulnerability Assessment Business Division	Arlington, VA	Provides cybersecurity support to federal customers through security vulnerability assessments, penetration testing and red teaming exercises.					
May-23	Bernhard Capital Partners (BCP)	VSE's FDS (Federal & Defense) Unit	Baton Rouge, LA / Alexandria, VA	Provides supply chain and logistics management services, technical support, modernization, maintenance, repair and overhaul to federal and defense clients.	100.0				
Apr-23	Lentech	Eclipse Engineering	Hanover, MD / Odenton, MD	Provides software and IT solutions to the IC and DoD.					
Apr-23	ASRC Federal	Broadleaf	Bethesda, MD / Manassas, VA	Provides cybersecurity, network engineering, cloud migration, training and program management to government clients.				600	
Apr-23	Meadowgate Technologies	Engineering Solutions (ESI)	Trenton, NJ / Hanover, MD	Provides software and system engineering, information technology management, enterprise resiliency, and signals intelligence operations and analysis for the IC.					
Apr-23	CTI (Chesapeake Technology International) (Bluestone Investment)	Rapid Imaging Technologies	California, MD / Middleton, WI	Provides geospatial imaging technology solutions for defense and intelligence agencies.					
Apr-23	Aretum (Renovus Capital)	Miracle Systems, LLC	Wayne, PA / Arlington, VA	Provides PMO support, IT modernization, financial consulting, engineering services, training services and mission cyber mission support solutions to government clients.					
Apr-23	Akima	Pinnacle Solutions	Herndon, VA / Huntsville, AL	Provides aviation operations and maintenance services, flight operations and training services, and training products and services for air, ground, unmanned, and maritime platforms.				500	
Apr-23	Chugach Government Solutions	Vector Planning & Services, Inc. (VPSI)	Anchorage, AK / San Diego, CA	Provides technical solutions in cybersecurity and information assurance, systems engineering and acquisition management, to federal government customers.					
Apr-23	BlueHalo (Arlington Capital)	Verus Technology Group	Arlington, VA / Leesburg, VA	Provides counter unmanned aircraft systems (CUAS) development and manufacturing for the DoD, IC and Federal Law Enforcement organizations.					
Apr-23	Core4ce	PatchAdvisor	Reston, VA / Alexandria, VA	Provides IT security and vulnerability assessments.					
Mar-23	Voyager Space (Multiple)	ZIN Technologies, Inc. (ZIN)	Denver, CO / Cleveland, OH	Provides engineering, design and integration solutions, providing human-rated spaceflight systems and monitoring solutions, propulsion, and more to NASA, national security agencies, and leading aerospace and defense companies.					
Mar-23	Castellum	Global Technologies Management Resources (GTMR)	Bethesda, MD / Hollywood, MD	Provides engineering services including design engineering, prototype manufacturing, and testing of tactical systems for use in military and commercial platforms.	6.55				
Mar-23	Eqlipse (Arlington Capital Partners)	Collabospace	Chevy Chase, MD / Annapolis Junction, MD	Provides software engineering, system engineering, data science, cloud engineering and networking engineering to the IC.					
Mar-23	Eqlipse (Arlington Capital Partners)	NetVision	Chevy Chase, MD / Stevensville, MD	Provides engineering, technology & intelligence analysis, and program management to government clients.					
Mar-23	Eqlipse (Arlington Capital Partners)	Resolute Technologies	Chevy Chase, MD / Columbia, MD	Provides computer network operations (CNO), enterprise software engineering, cloud computing, and infrastructure & architecture solutions to the IC.					

Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research

# Government Services M&A Transactions (3/4)

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Mar-23	Emmes (New Mountain Capital)	Essex Management	Rockville, MD / Rockville, MD	Provides computational biology and bioinformatics, system design and engineering and program and project management to federal clients, research institutions and research organizations.					
Mar-23	Parsons (NYSE: PSN)	IPKeys Power Partners (EnerTech)	Centreville, VA / Tinton Falls, NJ	Provides enterprise software platform solutions that actively delivering cyber and operational security to North American electric, water, and gas utilities.					
Mar-23	Optiv (KKR)	ClearShark	Denver, CO / Hanover, MD	Provides VAR cybersecurity and modernization technology to the federal government.					
Mar-23	Altamira Technologies (ClearSky/McNally/Nio)	Virginia Systems & Technology (VaST)	McLean, VA / Warrenton, VA	Provides software design, information operations, analysis and reporting, data collection and parsing and tailored data collection solutions to government customers.					
Mar-23	Cherokee Federal	Criterion Systems	Tulsa, OK / Vienna, VA	Provides cybersecurity, cloud management, IT infrastructure and systems engineering to government customers.				450	
Mar-23	Altamira Technologies Corporation (Multiple)	Virginia Systems & Technology, Inc. ("VaST")	McLean, VA / Warrenton, VA	Provides software development services to private sector and U.S. federal government aerospace and defense markets				450	
Feb-23	Andromeda Systems Incorporated (ASI)	Tools for Decision (TFD)	Lexington Park, VA / UK	Provides supportability software, services, and training solutions to the US, UK, Japan, the Middle East and Africa markets.					
Feb-23	CEIS (White Wolf Capital)	Clover Leaf	Albuquerque, NM	Provides consulting and staffing services for Department of Energy laboratories and commercial clients.					
Feb-23	NV5 Global (NASDAQ: NVEE)	Axim Geospatial	Hollywood, FL / Birmingham, AL	Provides photogrammetric mapping, big data, geomatics, infrastructure security, surveying and spatial data development services to defense, intelligence, federal and state government agencies.					
Feb-23	cBEYONData (Bluestone Investment)	Summit2Sea Consulting	Lorton, VA / Arlington, VA	Provides data analytics, robotic process automation and enterprise application modernization solutions.					
Feb-23	Cadmus Group (CI Capital)	Nathan Associates	Waltham, MA / Arlington, VA	Provides economic and analytics consulting services to government and commercial clients.					
Feb-23	LinQuest Corporation (Madison Dearborn)	Capability Analysis & Measurement Organization (CAMO)	Los Angeles, CA / Beavercreek, OH	Provides rapid, effective solutions across a range of research, development, test and evaluation programs for clients including USSOCOM and other DOD customers.					
Feb-23	Boecore (Enlightenment Capital)	Orbit Logic	Colorado Spring, CO / Greenbelt, MD	Provides software for the aerospace and intelligence industries.					
Feb-23	BlueAlly Technology Solutions (Source Capital)	N2grate Government Technology Solutions	Cary, NC / Gaithersburg, MD	Provides technology, training and other professional services to federal agencies.					
Jan-23	LinQuest Corporation (Madison Dearborn)	Hellebore Consulting Group	Los Angeles, CA / Beavercreek, OH	Provides DevSecOps and software engineering services in support of the Air Force and other Department of Defense customers.					
Jan-23	AE Industrial Partners	REDLattice	Boca Raton, FL / Chantilly, VA	Provides vulnerability research (VR), reverse engineering (RE), tool development, malware analysis and advanced operational capabilities to US national security, defense and commercial customers.					
Jan-23	DMI (Oceansound Partners)	Simplex Mobility	Bethesda, MD / Canada	Provides asset and expense management software including inventory management, help desk support and cost optimization.					

Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research

# Government Services M&A Transactions (4/4)

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Jan-23	McNally Capital / Nio Advisors	Xcelerate Solutions	Chicago, IL / McLean, VA	Provides enterprise security, digital transformation and consulting services to defense and national security agencies.					
Jan-23	Boathouse Capital	Compendium Federal Technology (CFT)	Philadelphia, PA / Lexington Park, MD	Provides technical publications and integrated logistics, CSISR tactical communications integration, engineering, and program and financial management to government clients.					
Jan-23	One Equity Partners	Mythics / Emergent (MEG)	New York, NY / Virginia Beach, VA	Provides IT services to governments and educational institutions.					
Jan-23	Core One (Blue Delta)	Global Research Analytics	Sterling, VA / McLean, VA	Provides human intelligence support to the IC.				50	
Jan-23	Blue Delta Capital	Core One (growth)	McLean, VA / Sterling, VA	Provides technology and professional services to DoD and IC customers.					
Jan-23	Digital Intelligence Systems (DISYS)	LinTech Global	McLean, VA / Farmington Hills, MI	Provides information technology (IT) and engineering services to the federal government (Army, Navy, DCAA, DHA, VA and others)					
Jan-23	OceanSound Partners	Gannett Fleming	New York, NY / Camp Hill, PA	Provides engineering and infrastructure consulting firm that works with government agencies and customers in certain commercial verticals.					
Jan-23	MartinFederal	Xcel Engineering	Huntsville, AL / Oak Ridge, TN	Provides regulatory compliance, environmental assessments, management systems and programs, engineering design and analysis, construction management, and civil engineering to government agencies.					
Jan-23	Tetra Tech (NASDAQ: TTEK)	Amyx	Pasadena, CA / Reston, VA	Provides systems engineering, information technology, software design, development, and program and acquisition management services to the defense industry and civilians.					

Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research

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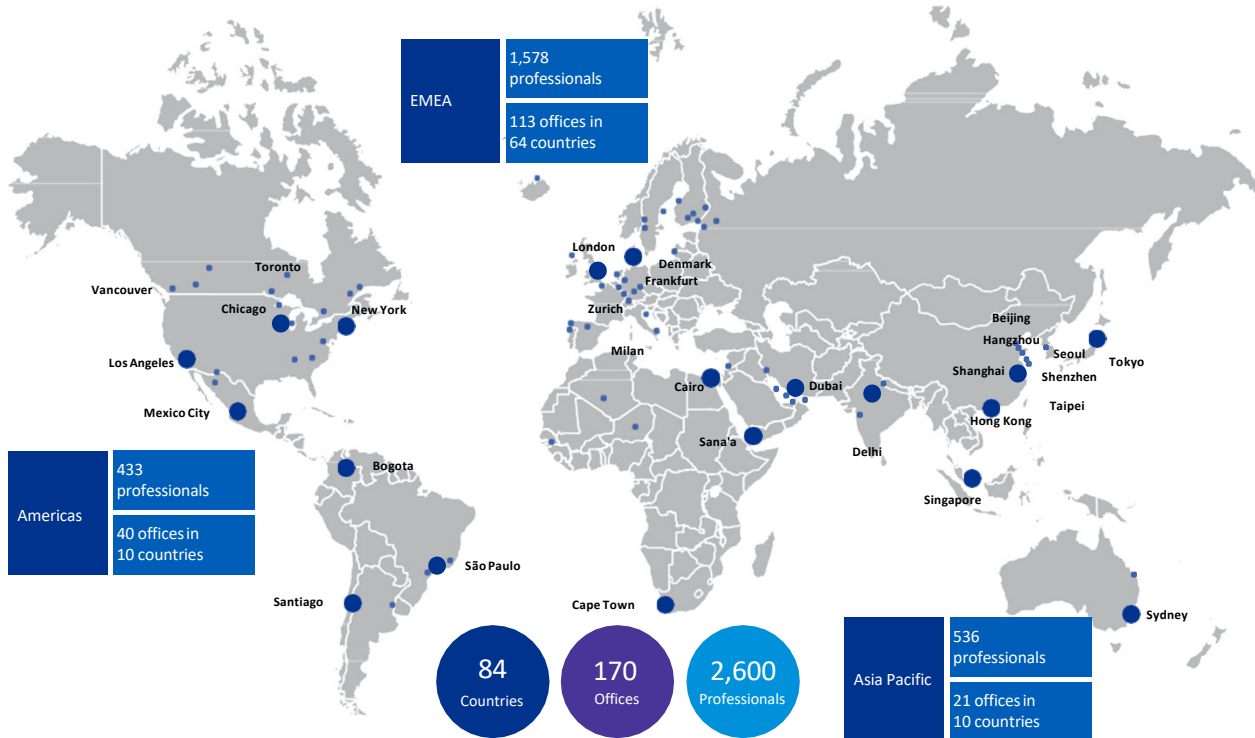
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Worldwide Completed Advisor Ranking*		
2003 - 2022		No. of deals
1	KPMG <sup>(1)</sup>	9,112
2	PwC	8,447
3	Houlihan Lokey	6,340
4	Deloitte	5,887
5	Ernst & Young LLP	5,359
6	Rothschild & Co	5,176
7	Goldman Sachs & Co	3,747
8	Lazard	3,717
9	JP Morgan	3,684
10	Morgan Stanley	3,446

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Note \*: Thomson Reuters SDC; Each set of figures is taken from the league table press releases issued for that year. Middle-market is defined as deals less than US\$500 million.

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