



Government Services 2nd Half 2024 Review

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M&A Summary (1/3)

01

M&A Summary

KBR acquires **LinQuest** for \$737 million from **Madison Dearborn**, noted as a 11.0x EBITDA multiple. LinQuest provides engineering, data analytics and digital integration solutions for national security missions, developing and integrating advanced technology solutions to across space, air dominance and connected battlespace missions, including advanced AI and machine learning capabilities. LinQuest completed 5 acquisitions: Perduco Group, TMC Design, Hellebore Consulting Group, CAMO, Hellebore Consulting. The deal expands KBR's strategy into delivering high-end technology, expertise and mission capabilities. In addition, over 74% of LinQuest employees hold security clearances.

AeroVironment acquires **BlueHalo** (portco of **Arlington Capital**) for \$4.1 billion. BlueHalo has over \$900 million in revenue, \$600 million in funded backlog, \$2.5 billion in total backlog and pipeline of over \$30 billion along with 2,400 employees. AeroVironment shareholders will own 60.5% post-close with BlueHalo shareholders owning 39.5%. The deal expands AeroVironment's TAM through the addition of the space, counter-UAS, electronic warfare, directed energy, and cyber markets. The combined Revenue and EBITDA is noted as \$1.7 billion and \$300 million, respectively.

Markon (Sterling Investment Partners) acquires **JY Systems** (Windsor Mill, MD), a provider of cyber/network analysis, targeted digital network analysis, software engineering, system administration and digital network exploitation analysis in support of national security missions for both the IC and DoD. **Markon Solutions** also acquires **Advanced Systems Engineering Corporation (ASEC)** (Reston, VA), a provider of systems engineering, technical, and programming support services to U.S. Government customers.

NewSpring acquires **Xpect Solutions** (Reston, VA), a provider of engineering and network infrastructure, cybersecurity, cloud services, and data center management solutions to various federal customers including FBI, DOJ, and NIH. **Astrion** acquires **Axient** from **Sagewind**. Sagewind formed Axient through its initial acquisition of QuantiTech, following by acquisitions of Dynamic Concepts, Systems Engineering Group and Millennium Engineering. Axient is a systems integrator advancing defense and civil missions from aerospace to cyberspace with multi-domain test and analysis, mission engineering and operations, and advanced technologies.

CGI acquires **Aeyon** for \$317.8 million. Aeyon was a platform company of Enlightenment Capital. The Company provides digital transformation and Artificial Intelligence (AI) technologies, including data management, analytics and intelligent automation for the U.S. Federal Government. The company had 725 employees.

Bluestone Investment Partners acquires **Qualis Corporation** (Huntsville, AL), a provider of missile defense and space systems technology solutions to federal customers including US Army Space and Missile Defense Command, US Air Force Test Center, Space Force, the Space Development Agency, MDA and NASA. The investment was done from Bluestone's SBIC vehicle.

Madison Dearborn acquires **Harmonia Holdings** (Blacksburg, VA), a provider of provider of Agile and DevSecOps services to federal customers. **CACI** acquires **Applied Insight** from **The Acacia Group** for \$320 million. Applied Insight provides cloud migration, adoption, and transformation capabilities to DoD and IC customers. The deal enhances CACI's enterprise-wide cloud, cyber, and user productivity for secure networks in the IC.

CM Equity acquires **Sabre Systems** (Warminster, PA). Sabre provides digital transformation, software and systems engineering, cybersecurity, C5ISR, communications, and enterprise data management to Navy, Air Force, Army and other DoD and FedCiv customers. **Tria Federal (Sagewind Capital)** acquires **Softrams** (Leesburg, VA), a provider of digital services to the federal government, specifically CMMS and other federal health and public safety agencies.

Sagewind Capital acquires **Sabel Systems Solutions** (Dayton, OH), a provider of digital R&D, acquisition and sustainment solutions to the DoD and other government agencies.

CACI acquired **Azure Summit Technology** (Fairfax, VA) for \$1.275 billion. Azure is generating \$440 million in revenue and \$110 million in EBITDA (11.6x EV/EBITDA multiple). Azure provides radio frequency hardware and software-centric technologies for use in platforms such as uncrewed and crewed aircraft, along with maritime systems. Azure is a tier one prime for programs of record including being a prime on the Navy's Ship's Signal Exploitation Equipment Transition Production program.

Parsons acquires **BlackSignal Technologies (Razor's Edge)** for \$200 million. BlackSignal provides digital signal processing, electronic warfare and cybersecurity offerings. The deal enhances Parsons' cyber and intelligence and electronic warfare capabilities.

Core4ce acquires **Azimuth** (Beavercreek, OH), a provider military electronics, optics, and biotech services to federal customers. The company has 140 employees and customers include the USAF, AFRL, NSA and Office of the Secretary of Defense.

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

M&A Summary (2/3)

01

M&A Summary

DFW Capital Partners acquires **B&A (Bart & Associates)** from **Battle Investment Group**. B&A provides information technology systems integration solutions to private sector and U.S. federal government defense and homeland security markets.

Blue Delta Capital Partners makes a minority investment in **ITC Federal** (Fairfax, VA), a provider of information technology engineering services to the private sector and the US defense and homeland security markets. **T2S (Madison Dearborn)** acquires **Flexitech Aerospace** (Orlando, FL), a developer and provider of radio-frequency (RF) engineering analysis, design and manufacturing of spaceflight RF communications systems and components for private sector and U.S. federal government satellite markets.

Bluestone Investment Partners acquires **Valiant Solutions** (Henderson, NC), a provider of advanced threat detection data analytics, zero trust architecture implementation, compliance and risk assessment solutions, and cloud and container security solutions to federal customers. **Core One (Blue Delta Capital)** acquires **Calhoun International** (Tampa, FL), a provider of intelligence planning and analysis, counterintelligence/human intelligence and program management support services for DOD and intelligence customers.

SIXGEN (Washington Harbour) makes 3 acquisitions in the past few months: Secure Enterprise Engineering (Secure-EE), Boldend, and Kyrus Tech. Secure-EE provides cyber security and engineering solutions across multiple software infrastructure layers and cyber environments, including data management, provisioning, cyber tooling and command & control. Boldend provides cyber and electronic warfare solutions. Kyrus specializes in software development firm for mission-critical cyber solutions to the Intelligence and Defense Communities, including data science, reverse engineering, and other advanced capabilities.

DC Capital acquires **C5Mi Insight** (Jacksonville Beach, FL), a provider of global supply chain systems implementation and digital modernization solutions to private sector, state and US federal government defense markets. **Cydecor** acquires **Artel** (Herndon, VA), a provider of complex satellite and terrestrial communications solutions, the company offers professional IT services and a full portfolio of Cyber Security/Risk Management services.

Cook Inlet Region, Inc. (CIRI) acquires **OSC Edge** (Atlanta, GA), a provider of IT engineering, integration, and testing and data management services to government and commercial organizations. **Hale Capital** makes an investment in **ExistX** (Arlington, VA), a provider of agile, adaptable digital solutions tailored to the Department of Defense (DoD) and Intelligence Community (IC).

Integral Federal acquires **Pragmatics** (Reston, VA), a provider of IT and cybersecurity services to federal government customers, including agile development and DevSecOps software solutions in cloud environments. **Trace3 (American Securities)** acquires **Zivaro** (Denver, CO), a provider of enterprise consulting, application monitoring, network infrastructure management, and managed storage to government, public sector and critical infrastructure clients. The transaction creates a new business vertical called Trace3 Government.

Pleasant Land combines **Livanta** and **DOMA Technologies**. Pleasant Land, led by Gavin Long, acquired Livanta in 2023 and has now combined it with DOMA, creating a larger healthcare data and analytics company. The release indicates the combined company will have over \$150 million in revenue in 2025 and 750 employees.

Renovus acquires **QualX Corporation** (Springfield, VA), a provider of records and information management, digital transformation, and business process improvement services to agencies across the Federal government including Depts. Of Defense, State, Treasury, Health & Human Services, Labor, and Homeland Security.

Cherokee Federal launches **Sovereign Capital**, a growth capital firm focused on funding funder-led companies in the government contracting market. Sovereign acquires a majority stake in Advanced Technology Applications (ATA) (Great Falls, VA), a provider of full lifecycle data-intensive solutions across the aviation, space, defense, emergency management and enterprise modernization domains for DHS, DoD and IC customers.

Strategic Innovation Group (SIG) acquires **Excelicon** (Washington, DC), a provider of enterprise architecture (EA) support, cyber policy and guidance, agile DevSecOps & transformation, data analytics, and IT modernization to various federal agencies including DHS, FEMA, OCIO and CISA.

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

M&A Summary (3/3)

01

M&A Summary

Gladstone Investment, along with **Proteus Enterprises**, acquires **Ricardo Defense Systems** and **Ricardo Defense** (Troy, MI), a provider of engineering services and systems integration solutions to federal customers.

Corestack acquires **Karthik Consulting** (Falls Church, VA), a provider of cloud and cyber security, DevSecOps, and IT systems integration solutions for private sector and U.S. federal government civil, defense, and emergency management markets. The deal provides access to the federal market. Corestack previously only had customers in the financial services and healthcare markets.

NexTech Solutions (Clairvest Group) acquires **Nomad Solutions** (Gainesville, VA), a provider of government data and communication services. **West 4th Strategy** acquires **Integrated Systems, Inc. (ISI)** (Vienna, VA), a provider of software development and systems engineering, IT government, rapid modernization and management and business consulting support to the Internal Revenue Service, Securities and Exchange Commission and other federal agencies.

Enlightenment Capital acquires **Cryptic Vector** (West Chester, OH), a provider of full spectrum offensive cyber, electronic warfare, and secure radio frequency communications solutions for the Intelligence Community and Department of Defense. **Precise Systems (Bluestone Investment Partners)** acquires **Tucson Embedded Systems (TES)** (Tucson, AZ), a provider of systems/software engineering support in the development, integration, and maintenance and testing of safety critical systems.

Tyto Athene (Arlington Capital Partners) acquires **Key Solutions, Inc. (KSI)** (Vienna, VA), a provider of bid and proposal development consulting. **SSATI** acquires **Data Sync Technologies (DataSync)** (Reston, VA), a provider of IT consulting services including cybersecurity, software engineering, business intelligence, system engineering and integration, and project management services.

General Dynamics Information Technology (NYSE:GD) acquires **Iron EagleX** (Tampa, FL), a provider of artificial intelligence/machine learning, cyber, software development and cloud services for the Special Operations Forces and the Intelligence Community.

Janus Research (CM Equity) acquires Atmospheric and Environmental Research (Lexington, MA), a provider of environmental consulting and research services dedicated to advancing the scientific understanding of the atmosphere, ocean and space environment for government agencies.

UIC/Bowhead acquires **Delta Solutions & Strategies** (Colorado Springs, CO), a provider of systems engineering, strategic planning & wargaming, and consulting solutions to the federal government and private sector.

Ernst & Young has acquired **Dignari** (Alexandria, VA), a provider of biometric, identity management, and security solutions. **Bridge Defense** acquires **Federated IT** (Washington, DC), a provider of mission-critical IT and cybersecurity services to U.S. federal government and private sector clients.

Sagewind Capital acquires **Aechelon Technologies** (San Francisco, CA), a provider of image generation software and complex databases enabling live-virtual-constructive training, mission rehearsal, sensor exploitation and command and control for full-flight aircraft simulators that train pilots across the U.S. Department of Defense (“DoD”).

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

General / Other M&A

02

General / Other M&A

- **Andesite** (Washington, DC) an AI-powered cybersecurity platform, raises \$15.3 million from Red Cell and General Catalyst.
- **AE Industrial Partners** raises \$1.28 billion for its third fund focused on the aerospace and defense supply chains.
- **Booz Allen Ventures** makes a strategic investment in Quindar, an early-stage commercial space technology company focused on automating and democratizing satellite operations.
- **Blue Delta Capital Partners** launches its 4th fund at \$250 million.
- **DEFCON AI** (McLean, VA), a provider of intelligence software for military operations, raises \$44 million in seed funding, led by Bessemer Venture Partners, joined by Fifth Growth Fund, Red Cell Partners, and others.
- **Parry Labs** raises \$80 million from Capitol Meridian.
- **Renovus Capital Partners** closes fourth fund at approximately \$875 million in capital commitments. Investors contributed \$825 million with the remainder from the Small Business Administration via Renovus' participation in that agency's SBIC program.
- **Godspeed Capital** raises third fund with \$675 million in capital commitments.

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

Personnel Changes (1/4)

03

Personnel Changes

- **Damon Griggs** named CEO Harmonia Holdings. Griggs is the former CEO of Dovel Technologies.
- **Caitlin Marsh** named VP of Product at SpiderOak. Marsh was previously with Ball Aerospace and In-Q-Tel before that.
- **Jeremy Wensing** named President and CEO of V2X.
- **James Norris** promoted to president at Sabre Systems.
- Former SPA CEO **Dr. William “Bill” Vantine** named to chair the board of directors at Sabre Systems.
- **Sarah Lord** named President of System High. Sarah has been the COO since 2019. Rob Howe remains CEO.
- Former ECS executives **George Wilson** and **Tom Weston** join Valiant Solutions, which was recently acquired by Bluestone Investment Partners.
- Former HHS CIO **Jose Arrieta** joins the advisory board at Craxel.
- **Brett McMillen** named VP for the federal business at C3 AI.
- **Ted Glusko** named president of Altamira Technologies Corporation.
- **Mike Morehouse** promoted to CEO of Core4ce. Morehouse was previously CFO and managing partner.
- **Jeremy Gage** named senior vice president at RealmOne to oversee delivery and new business expansion in the Northern Virginia intelligence community. Gage was most recently executive for Raytheon’s cyber, intelligence and solutions business unit.
- **Lt. Gen. Scott Howell** named to the advisory board of Peraton. Howell is the former commander of the Joint Special Operations Command.
- **Jack Wilmer** named CEO of SIXGEN.
- **Dave Luber** named Director of Cybersecurity at the National Security Agency.
- **Srinivas “Srin” Attili** named executive vice president of the Civilian Business Group at Science Applications International Corp. Attili was previously with McKinsey & Co.
- **Ed Lee** joins Noblis as vice president and deputy chief information officer.
- **Barbara Haines-Parme** promoted to executive vice president and general manager of ManTech’s intelligence sector.
- **Peter Carlson** named CFO at DMI. Carlson has been at DMI for several years as VP of financial planning and analysis. He was previously at DXC before that.
- **Jon Rosenwasser** named Intelligence Community Chief Financial Officer (IC CFO).
- **Martin Cooper** named CFO at QinetiQ Group, succeeding Carol Borg. Cooper was previously with BAE Systems.
- **Daniel Bono** named senior vice president of intelligence solutions at Two Six; primary responsibility will be leading Two Six’s Trusted Concepts business unit.
- **Shalei Holway** named head of portfolio development at RTX Ventures. Holway previously served as a Biden Administration Senior Advisor for the Small Business Administration’s Small Business Investment Company program.
- **Denise Zheng** named chief artificial intelligence officer at Accenture Federal Services.
- **Larry Bradshaw** named chief financial officer at Tria Federal. Bradshaw was previously with BlueHalo and Serco before that.
- **Rick Simpson** named CFO at Exostar. Simpson was most recently the CFO at CB Insights.
- **David Kapusta** named executive vice president of integration at Xcelerate Solutions.
- **Scott Wood** joins T-Rex as vice president of defense programs. Mr. Wood was previously at Leonardo DRS.
- **Kelli Usé-Hull** named senior vice president of growth at Clarity Innovations.
- **Rodger Jones** named president at Edgewater Federal Solutions.
- **Roy Kitchener** and **David Gaedecke** named as senior executive advisors within the global defense business at Booz Allen Hamilton. Kitchener is a retired vice admiral in the U.S. Navy, and Gaedecke is a retired major general in the U.S. Air Force.
- **John Pisano** named chief information officer at ASRC Federal. Pisano was most recently at Booz Allen Hamilton.
- **Morgan Adamski** named new Executive Director at US Cyber Command.
- **Kristina Walter** named Cybersecurity Collaboration Center (CCC) chief, replacing Morgan Adamski.
- **John Jansen** joins Advanced Technology International as chief executive, succeeding Chris Van Metre.

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

Personnel Changes (2/4)

03

Personnel Changes

- **Gary DePreta** named senior vice president of U.S. public sector sales at Cisco.
- **Connie Flohr** named senior vice president focused on partnerships and growth at Navarro Research & Engineering.
- **Amber Walker** named senior vice president at Parry Labs. Walker was most recently a senior technical director at Anduril.
- **Vivek Malhotra** named president at Xcelerate.
- **Tom Vecchiolla** named to board of directors at QinetiQ US. Vecchiolla spend 15 years at Raytheon and time at ST Engineering North America.
- **Jacob Hsu** named as Executive Chair at Fearless.
- **Joe Paiva** named chief operating officer at Fearless.
- **Kristen Summers** named vice president and artificial intelligence technical fellow at ManTech.
- **Andrew Boyd** and **Lt. Gen. Charles Moore** named to the board of directors at SIXGEN. Boyd most recently served as director of the CIA's Center for Cyber Intelligence, and Moore retired as the deputy commander of USCYBERCOM.
- **Betty Sapp** named to board of directors at BAE Systems.
- **Glen Ives** promoted to CEO of Castellum.
- **Dana Deasy** named chief information digital officer and senior vice president of IT and data analytics at Boeing. Deasy is the former chief information officer at the Dept. of Defense.
- **Kaveri Camire** named senior vice president and chief marketing officer of DXC Technology.
- **Frank Varga** named CEO of Apogee.
- **Scott Berrier** joins Booz Allen Hamilton as senior vice president in Booz's national security business. Berrier was formerly the direct of DIA.
- Blue Delta Capital Partners names **Tish Long, Lisa Disbrow** and **Anne Altman** to their advisory board. Long is the former director of NGA. Disbrow was formerly the undersecretary of the Air Force. Altman was at IBM for 34 years.
- **Paul McQuillan** named chief growth and strategy officer at Omni Federal.
- **John Coleman** named COO and **Michael Polmar** named CGO at Tyto Athene. Coleman was most recently Sector President for Citizen Security and Public Services at Peraton. Polmar spent time at Vencore and ManTech.
- **William Vass** named chief technology officer at Booz Allen Hamilton. Vass was previously at Amazon Web Services.
- **Jen Rodriguez** named vice president of the intel sector division at ManTech.
- **Damian DiPippa** named CEO of Auria. DiPippa was previously CEO of ARETUM.
- **Patricia Obermaier** named to board of directors at ASGN.
- **Exavier Watson** named president at Competitive Range Solutions.
- **Bill Webner** named CEO of Summit Technology Group's Public Sector Business. Webner was most recently board chair, CEO and president at Capgemini Government Solutions.
- **Dan Ford** named CEO at Capgemini Government Solutions, replacing Bill Webner.
- **Chris Christianson** named CISO at Edgewater Federal Solutions.
- **Tim Smith** named DHS BD lead at Rite-Solutions.
- **Mark Peters** named president, CEO of MITRE. Peters is currently the executive vice president of laboratory management and operations at Battelle Memorial Institute.
- **Bob Marion** named senior vice president and corporate strategic adviser at CACI. Marion is a retired U.S. Army lieutenant general.
- **Roger Mason** named senior vice president at Parsons.
- **Dirk van der Vaart** named president of Chugach Government Solutions.
- **Whitney Barrera** promoted to chief people officer at Intelligent Waves.
- **Ron Ash** promoted to CEO at Accenture Federal Services.
- **Sumeet Shrivastava** named president and CEO of Unissant. Shrivastava is the former CEO of Array Information Technologies.
- **Steve Septoff** and **Tom Johns** named as principals of enterprise solutions at CALIBRE Systems Technology, Tools & Solutions team.
- **Gus Hunt** named public sector advisor at Veritone.
- **Retired Gen. Paul Nakasone** named strategic advisor at Ballistic Ventures. Nakasone is the former leader of the National Security Agency and Cyber Command.

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

Personnel Changes (3/4)

03

Personnel Changes

- **Brian Morrison** named corporate executive vice president and president of BlueHalo's intelligence portfolio.
- **Dave Gore** named Growth VP for the Intelligence & Homeland Security Division at GDIT.
- **Michael Smith** named CEO of Hanwha Defense USA. Smith is a former vice president at Lockheed Martin.
- **James Matney** named senior vice president of solutions and chief technology officer for the Government Technology Services (GTS) business unit at Red River.
- **J.C. Chidiac** named chief executive at Synergy Business Innovations & Solutions.
- **Vivek Upadhyaya** named as CFO at DEFCON AI. Upadhyaya most recently served as the vice president and CFO at Mercury Systems, and previously was the CFO of Leonardo Electronics US.
- **Ted Davis** named president and general manager of government solutions at Auterion Government Solutions.
- **Steve Schorer** named president, CEO and chairman of Peraton. Schorer is formerly the CEO of Alion Science and Technology, and president of DynCorp International before that.
- **Mark Forman** named chief strategy officer at Amida Technology Solutions. Forman was previously with IBM, KPMG, SAIC and Unisys.
- **Adam Cohn** named CFO at VSE. Cohn was most recently with Valence Surface Technologies.
- **Christopher Jones** named chief technology officer and chief data officer at Nightwing. Jones was previously the associate deputy director for science and technology for the CIA.
- **Dan CuvIELLO** named chief growth officer at ASRC Federal. CuvIELLO was previously senior vice president of corporate business development at CACI.
- **Grant Schneider** named chief executive at FGS.
- **Mike Raker** named CTO at Maximus. Raker was previously with Leidos.
- **Elaine Duke** named to board of directors at Empower AI. Duke is the former Deputy Secretary of DHS.
- **Jennifer Ewbank** named to the board of advisors at RealmOne. Ewbank previously served as the deputy director of the Central Intelligence Agency for Digital Innovation.
- **Darla Moon** named CFO at Harmonia Holdings. Moon was most recently CFO at Aretum.
- **Mark Olson** named CFO at REI Systems. Olson was previously at Peraton.
- **Tricia Fitzmaurice** named chief growth officer at Nightwing. Fitzmaurice most recently served as vice president of sales and strategy for federal clients at Rancher Government Solutions.
- **Rick Johnson** named CFO at Tyto Athene. Johnson was previously CFO at IntelliBridge.
- **Vice Admiral (Ret.) TJ White** named to the board at Synergy ECP.
- **Dr. Rod Fontecilla** joins Harmonia Holdings as Chief Innovation and AI Officer.
- **Amy Howland** joins Guidehouse as chief information security officer.
- **Josh Montgomery** named chief financial officer at ITC Federal.
- **Jack Wise** named vice president for business development at Koniag Government Services.
- **John Hyten** named to board of directors at C3 AI. Hyten is a retired Air Force lieutenant general and former vice chairman for the Joint Chiefs of Staff.
- **Dr. Ray Johnson** named to the board of directors at TurbineOne. Johnson is the former Lockheed Martin chief technology officer.
- **Chris Reichert** promoted to chief executive at Hexagon US.
- **Vishal Tulsian** named president and COO at RELI Group. Tulsian most recently served as the senior vice president and general manager of state and local, health and civilian agencies at SAIC.
- **James Walker** named chief administrative officer at DXC Technology.
- **Jay Sipper** named chief information officer at Constellis.
- **Rachel Bepko** named CEO at TechSilo.
- **Brett Markham** named deputy director at NSA.

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

Personnel Changes (4/4)

03

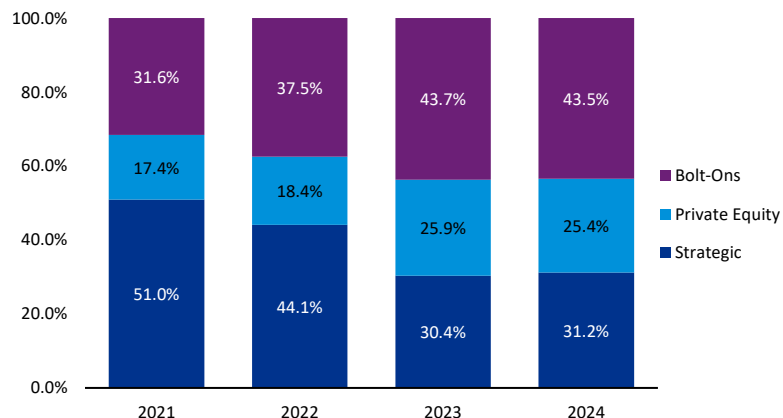
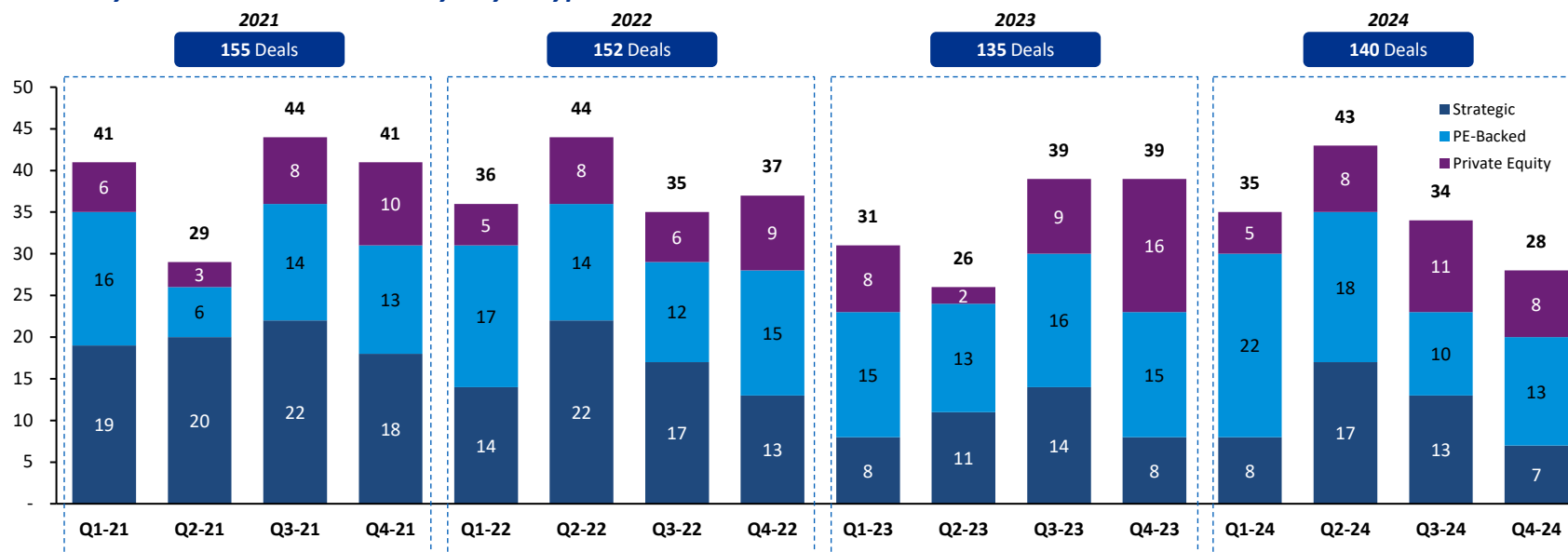
Personnel Changes

- **Andy MacMillan** named CEO of Atheryx.
- **Michael Widener** named advisor at Synergy ECP.
- **Sean DuGuay** named chief growth officer at Aretum.
- **Ted Glusko** named president at Altamira.
- **Tom Ferrando** named Chief Executive Officer at Edgewater Federal Solutions.
- **Jay Bonci** named senior vice president at Clarity Innovations.
- **Tiffany Gates** named to board of directors at Clarity Innovations.
- **Tony Thomas** named to board of directors at Ridgeline International.

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

Government Services – M&A Activity

Quarterly Government Services – By Buyer Type



Private Equity Activity

Private Equity firms remain very active and critical capital providers in the Government Services M&A market are driving 69% of all 2024 transactions (Platforms: 25.4%, Bolt-Ons: 43.5%). 2024 saw 32 new PE-backed Govt Services platforms backed by both established and new financial players.

M&A Investing Environment

Multiple stimulants are expected to enhance dealmaking in 2025:

- PE pressure from LPs to return capital
- Record number of PE platforms (135+) might result in consolidation
- Expected lower regulatory pressures and FTC scrutiny
- Lower Interest Rates

Multiple Exit Pathways

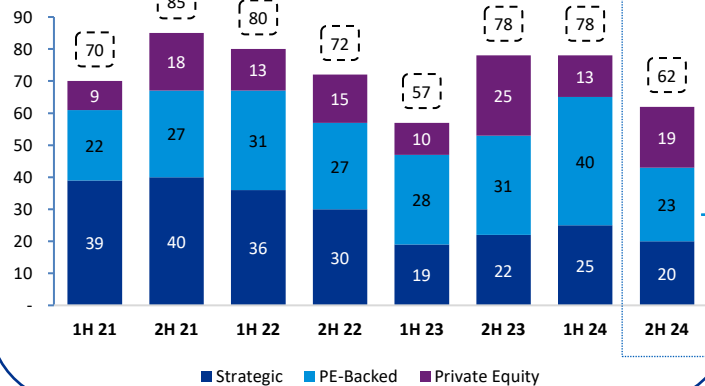
2024 provided a multitude of exit scenarios for sellers

- IPO: Amentum
- Fund-to-Fund: Axient (Sagewind) to Astrion (Brightstar)
- Strategic: CACI, Parsons, CGI, KBR
- PE-Backed: JYKey, Softgrams
- Platform Formations: Xpect, Harmonia, Sabel

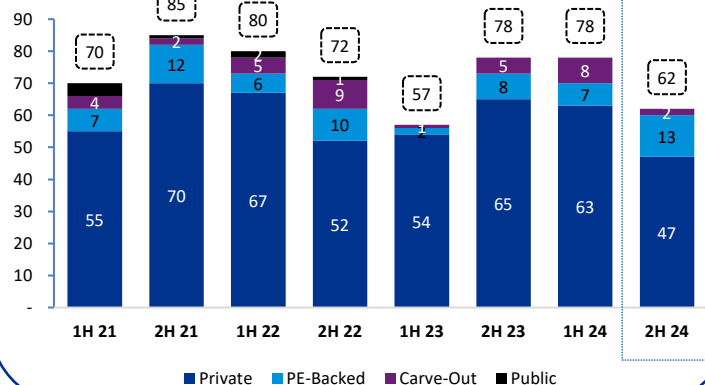
Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research.

Government Services – M&A Activity

**Government Services
By Buyer Type**



**Government Services
By Seller Type**



Notable PE Bolt-Ons

Buyer	Fund	Bolt-On
SIXGEN	SIXGEN	Kyrus Tech
Tyto Athene	Arlington Capital Partners	Key Solutions, Inc. (KSI)
Livanta	Pleasant Land Holdings	DOMA Technologies
Tria	Sagewind Capital	Softrams
Mythics	One Equity Partners	Three Wire Systems Resale Division
NexTech Solutions	Clairvest Group	Nomad Solutions
T2S	Madison Dearborn Partners	Flexitech
Markon Solutions	Sterling Investment Partners	JY Systems
Precise Systems	Bluestone Investment Partners	Tucson Embedded Systems (TES)
SIXGEN	Washington Harbour	Boldend
Astrion	Brightstar Capital Partners	Axient
Markon Solutions	Sterling Investment Partners	Advanced Systems Engineering Corp.
SIXGEN	Washington Harbour	Secure Enterprise Engineering

Notable Strategic Buyers

Public Buyers
CACI
AeroVironment
Parsons
KBR
Safran Electronics

Private Buyers

Private Buyers
Cook Inlet Region, Inc. (CIRI)
Integral Federal
Core4c3
Cydecor
Strategic Innovation Group
SSATI
22 nd Century Technologies
West 4 th Strategy

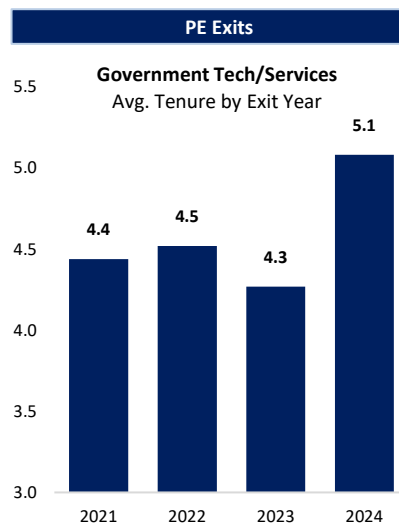
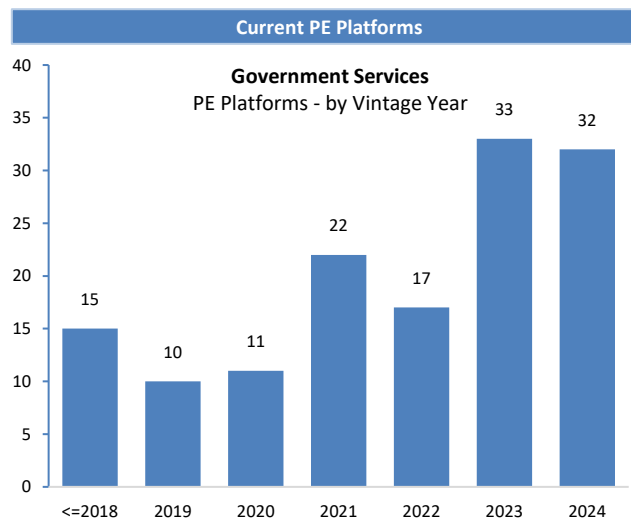
Notable PE Exits

Company	Sponsor	Buyer	Acquired	Sold	Hold (Yrs)
Blue Halo	Arlington Capital Partners	AeroVironment	Oct-19	Nov-24	5.1
Applied Insight	The Acacia Group	CACI International	Mar-18	Oct-24	6.6
Amentum	Lindsay Goldberg/Amer. Sec.	Public	Feb-20	Sep-24	4.7
Aeyon	Enlightenment Capital	CGI	Sep-21	Sep-24	3.0
PAR Excellence	Northlane Capital Partners	OceanSound	Jan-17	Sep-24	7.6
Preligens	360 Capital Partners SAS	Safran Electronics	Oct-17	Sep-24	6.9
Bart & Associates	Battle Investment Group	DFW Capital	Apr-22	Aug-24	2.4
Belcan	AE Industrial	Cognizant	Jul-15	Aug-24	9.1
Axient	Sagewind Capital	Astrion Group	Jul-20	Jul-24	4.0
Linquest	Madison Dearborn Partners	KBR	May-18	Jul-24	6.1
J&J	Arlington Capital Partners	CBRE	Jul-20	Feb-24	3.6

Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research; data does not include the announced acquisition of the RTX's Cybersecurity, Intel & Services Unit by an unnamed private equity firm

Government Services – Private Equity Platforms

- After 12 PE-backed Govt Services platforms formed in the 1st half of 2024, there were **17 formed in the 2nd half**, by both established and new players.
- 2024** saw **29** total Govt Services platforms formed v. 33 in 2023.
- There are currently **137** PE-Backed Government Services platforms.
- The average tenure of PE exits in 2024 was **5.1 years**, higher than the **2022-2023 average of 4.4 years**. 2024 did include some notable exits, including:
 - AeroVironment** acquired **Blue Halo** (Arlington Capital) – *Hold* = 5.1 yrs.
 - Amentum** goes public (Lindsay Goldberg/American Securities) – *Hold* = 4.7 yrs.
 - CACI** acquires **Applied Insight** (The Acacia Group) – *Hold* = 6.6 yrs.
 - CGI** acquires **Aeyon** (Enlightenment Capital) – *Hold* = 3.0 yrs.
 - DFW Capital** acquires **Bart & Associates** (Battle) – *Hold* = 2.4 yrs.
 - Astrion** acquires **Axient** (Sagewind Capital) – *Hold* = 4.0 yrs.
























































2nd Half 2024 – Notable New Private Equity Platform Activity

Date	Sponsor	Platform
Dec-24	BLUESTONE INVESTMENT PARTNERS	VALIANT SOLUTIONS
Dec-24	HALE CAPITAL PARTNERS	ExistX
Nov-24	SAGEWIND CAPITAL	SABEL SYSTEMS
Dec-24	NEWSPRING HOLDINGS	XPECT SOLUTIONS
Nov-24	CM EQUITY PARTNERS	Sabre SABRE SYSTEMS
Nov-24	GODSPEED CAPITAL	BNP
Nov-24	DC CAPITAL PARTNERS	CSMI
Nov-24	RENOVUS CAPITAL	QualX
Nov-24	MDP	HARMONIA
Nov-24	BLUE DELTA CAPITAL PARTNERS	ITC FEDERAL
Oct-24	DFW CAPITAL PARTNERS	BA
Oct-24	BLUESTONE INVESTMENT PARTNERS	Qualis
Oct-24	ENLIGHTENMENT CAPITAL	CRYPTIC VECTOR
Oct-24	Frontenac	idealintegrations
Sep-24	BRIGHTSTAR	STRATUS

Sources: KPMG Database, CapitalIQ, Pitchbook, Press Releases, and Market Research.

Government Services – Private Equity Platform Exits

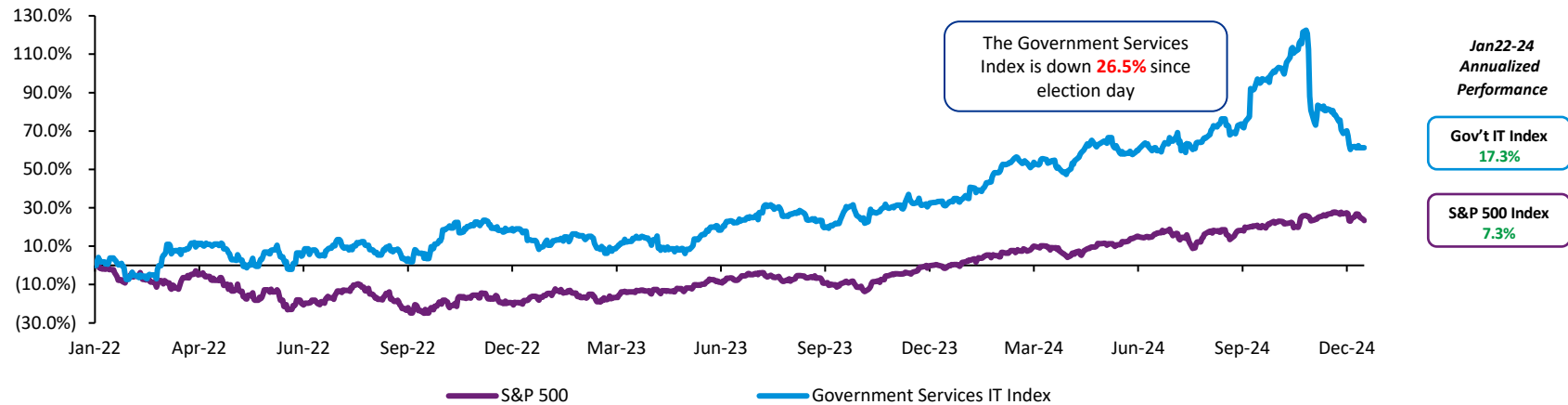
Platform	Sponsor	Acquisitions	Hold (yrs.)	Buyer	Deal Details
 2018		 2019  2021  2023  2023	6.1 yrs.	 Public NYSE: KBR	<ul style="list-style-type: none"> \$747 million 11.0x EV/EBITDA 1,500 employees
 2018		 2018  2019  2019  2020  2021  2024	6.6 yrs.	 Public NYSE: CACI	<ul style="list-style-type: none"> \$320 million
 2020		 2020  2020  2021  2021	4.0 yrs.	 BRIGHTSTAR CAPITAL PARTNERS	
 2021		 2021  2021  2022  2022	3.0 yrs.	 Public TSX: GIB.A	<ul style="list-style-type: none"> \$317.8 million 725 employees
 2020	LINDSAY GOLDBERG  AMERICAN SECURITIES	 2020  2022  2024	4.7 yrs.	 Public NYSE: AMTM	<ul style="list-style-type: none"> \$2.41 billion LBO in 2020 IPO in Sep24 \$14/1.1 billion Rev/Adj. EBITDA 53k employees
 2019		             	5.1 yrs.	 Public NASDAQ: AVAV	<ul style="list-style-type: none"> Rev: \$900 million \$2.6 billion backlog (\$500 million funded) 2,400 employees Ownership: Aero (60.5%), BlueHalo (39.5%)

Sources: KPMG Database, CapitalIQ, Pitchbook, Press Releases, and Market Research.

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Government Services – Capital Markets

Government Services Index v. S&P 500
(2022-2024 Performance)



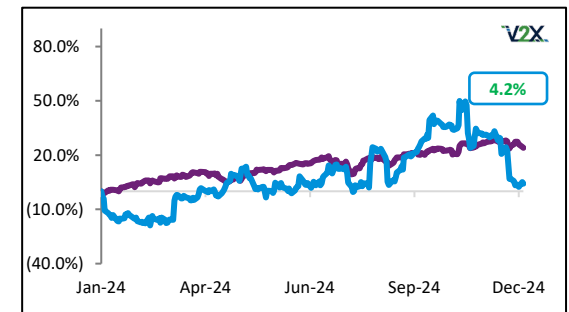
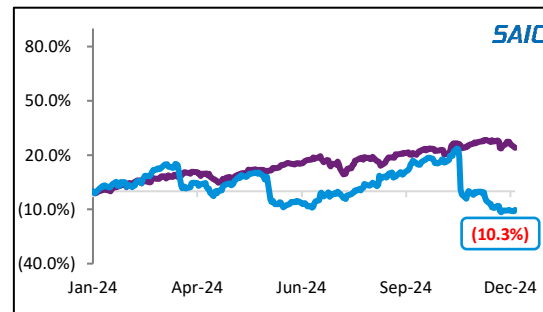
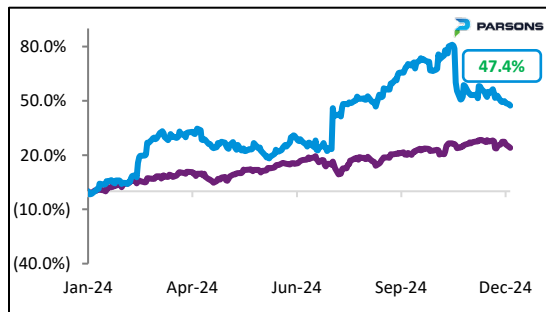
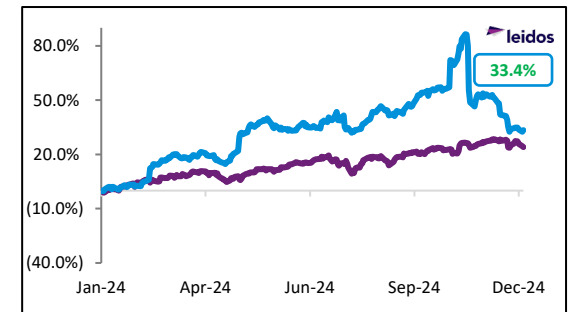
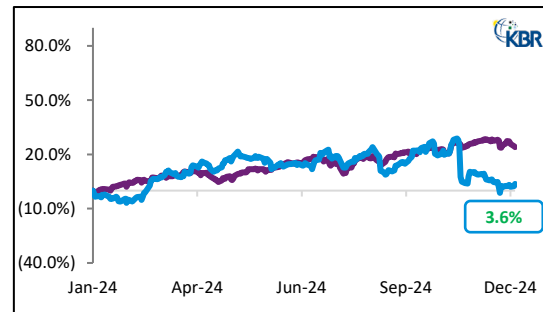
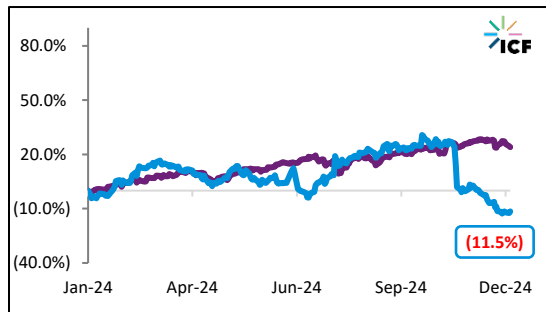
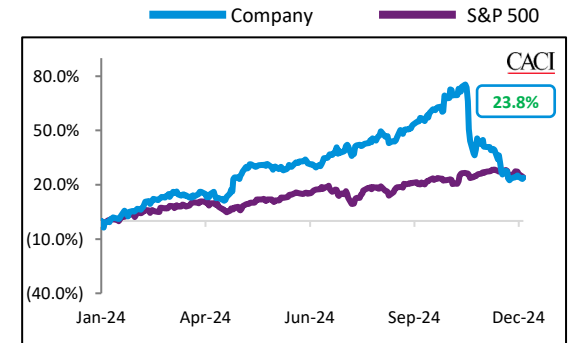
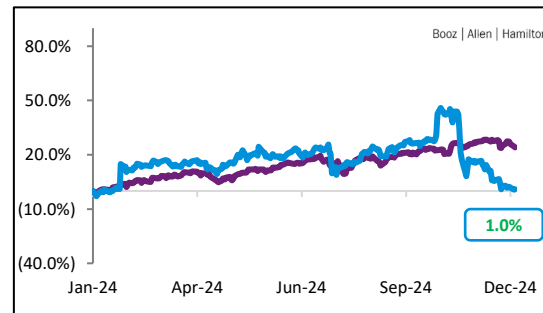
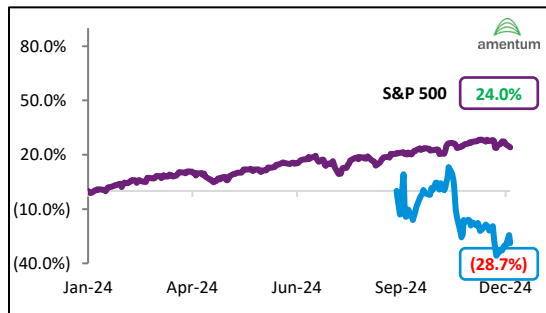
Government Services Index v. S&P 500
EV/EBITDA (2022-2024)



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

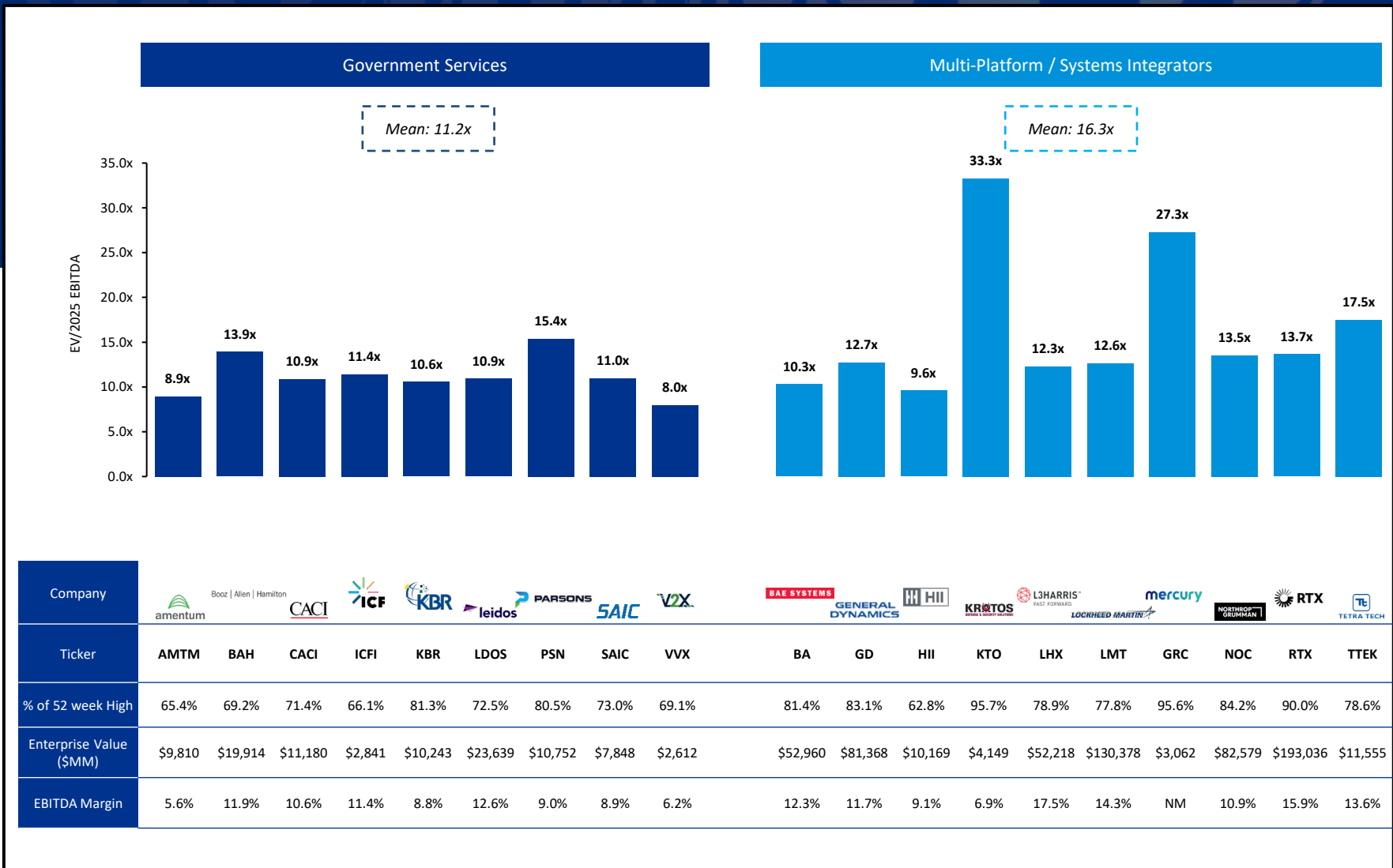
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Government Services – Stock Price Performance – Last 12 Months



Source: CapitalIQ.

Public Company Key Statistics (1/2)



Source: CapitalIQ. Market data as of 1/3/25.

Public Company Key Statistics (2/2)

Company		Market Data				LTM Financials			Enterprise Value To:		
	HQ Country	Market Cap ⁽¹⁾	Enterprise Value(\$mm) ⁽¹⁾	Share Price ⁽²⁾	% 52-Wk High	Revenue (\$mm)	Gross Margin %	EBITDA Margin %	LTM EBITDA ⁽³⁾	CY 2025 EBITDA ⁽³⁾	NTM EBITDA ⁽³⁾
Government Services											
Amentum Holdings, Inc.	US	\$5,491	\$9,810	\$22.57	65.4%	\$8,388	9.5%	5.6%	21.0x	8.9x	9.0x
Booz Allen Hamilton Holding Corporation	US	\$16,857	\$19,914	\$131.93	69.2%	\$11,429	23.6%	11.9%	14.6x	13.9x	14.2x
CACI International Inc	US	\$9,415	\$11,180	\$420.14	71.4%	\$7,867	32.8%	10.6%	13.4x	10.9x	11.2x
ICF International, Inc.	US	\$2,229	\$2,841	\$118.82	66.1%	\$2,002	36.6%	11.4%	12.4x	11.4x	11.8x
KBR, Inc.	US	\$7,863	\$10,243	\$59.01	81.3%	\$7,350	14.2%	8.8%	15.8x	10.6x	10.8x
Leidos Holdings, Inc.	US	\$19,635	\$23,639	\$147.15	72.5%	\$16,277	16.6%	12.6%	11.5x	10.9x	11.1x
Parsons Corporation	US	\$9,801	\$10,752	\$92.30	80.5%	\$6,510	21.6%	9.0%	18.4x	15.4x	16.1x
Science Applications International Corporation	US	\$5,581	\$7,848	\$114.18	73.0%	\$7,378	11.5%	8.9%	11.9x	11.0x	11.2x
V2X, Inc.	US	\$1,521	\$2,612	\$48.20	69.1%	\$4,205	7.9%	6.2%	10.1x	8.0x	8.1x
Mean					72.1%		19.4%	9.5%	14.3x	11.2x	11.5x
Median					71.4%		16.6%	9.0%	13.4x	10.9x	11.2x
Multi-Platform / Systems Integrators											
BAE Systems plc	GB	\$42,797	\$52,960	\$14.31	81.4%	\$31,036	61.6%	12.3%	13.9x	10.3x	10.8x
General Dynamics Corporation	US	\$72,302	\$81,368	\$263.37	83.1%	\$46,046	15.6%	11.7%	15.1x	12.7x	12.8x
Huntington Ingalls Industries, Inc.	US	\$7,359	\$10,169	\$188.08	62.8%	\$11,708	13.8%	9.1%	9.5x	9.6x	9.7x
Kratos Defense & Security Solutions, Inc.	US	\$4,152	\$4,149	\$27.48	95.7%	\$1,127	25.7%	6.9%	NM	33.3x	NM
L3Harris Technologies, Inc.	US	\$39,783	\$52,218	\$209.75	78.9%	\$21,142	26.4%	17.5%	14.1x	12.3x	12.7x
Lockheed Martin Corporation	US	\$114,208	\$130,378	\$481.82	77.8%	\$71,295	12.2%	14.3%	12.7x	12.6x	13.0x
Mercury Systems, Inc.	US	\$2,544	\$3,062	\$42.66	95.6%	\$859	23.0%	NM	NM	27.3x	NM
Northrop Grumman Corporation	US	\$68,159	\$82,579	\$467.82	84.2%	\$40,985	16.9%	10.9%	18.5x	13.5x	14.2x
RTX Corporation	US	\$154,225	\$193,036	\$115.87	90.0%	\$79,042	19.3%	15.9%	15.4x	13.7x	14.3x
Tetra Tech, Inc.	US	\$10,771	\$11,555	\$40.23	78.6%	\$4,322	20.0%	13.6%	19.7x	17.5x	18.0x
Mean					82.8%		23.5%	12.5%	14.9x	16.3x	13.2x
Median					82.2%		19.7%	12.3%	14.6x	13.1x	12.9x

Sources: CapitalIQ and company filings. Note: All figures in USD, where applicable, converted at rates as of January 3, 2025.

(1) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents as of closing price January 3, 2025.

(2) Closing share prices as of January 3, 2024.

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

Government Services M&A Transactions (1/3)

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Dec-24	Hale Capital Management	ExistX	New York, NY / Arlington, VA	Provides agile, adaptable digital solutions tailored to the Department of Defense (DoD) and Intelligence Community (IC).					
Dec-24	Cook Inlet Region (ANC)	OSC Edge	Anchorage, AK / Atlanta, GA	Provides enterprise IT solutions to government and commercial organizations.				300	
Dec-24	Trace3 (American Securities)	Zivaro	Irvine, CA / Denver, CO	Provides enterprise consulting, application monitoring, network infrastructure management, and managed storage to government, public sector and critical infrastructure clients.					
Dec-24	Gladstone Investment, Proteus Enterprises	Ricardo Defense	Apollo Beach, FL / Troy, MI	Provides engineering services and systems integration solutions to federal customers.	85.0				
Dec-24	Bluestone Investment Partners	Valiant Solutions	McLean, VA / Henderson, NC	Provides advanced threat detection data analytics, zero trust architecture implementation, compliance and risk assessment solutions, and cloud and container security solutions to federal customers.					
Dec-24	Core One (Blue Delta)	Calhoun International	Sterling, VA / Tampa, FL	Provides intelligence planning and analysis, counterintelligence/human intelligence and program management support services for DOD and intelligence customers.				50	
Dec-24	JANUS Research (CM Equity)	Atmospheric and Environmental Research (AER), a subsidiary of Verisk (NASDAQ: VRSK)	Evans, GA / Lexington, MA	Provides environmental consulting and research services dedicated to advancing the scientific understanding of the atmosphere, ocean and space environment for government agencies.					
Dec-24	SIXGEN (Washington Harbour)	Kyrus Tech	Annapolis, MD / Sterling, VA	Provides software development solutions for mission-critical cyber solutions to the Intelligence and Defense Communities, including data science, reverse engineering, and other advanced capabilities.					
Nov-24	UIC/Bowhead (ANC)	Delta Solutions & Strategies	Alaska / Colorado Springs, CO	Provides systems engineering, strategic planning & wargaming, and consulting solutions to the federal government and private sector.					
Nov-24	Sagewind Capital	Aechelon Technologies	New York, NY / San Francisco, CA	Provides image generation software and complex databases enabling live-virtual-constructive training, mission rehearsal, sensor exploitation and command and control for full-flight aircraft simulators that train pilots across the DoD.					
Nov-24	Bridge Defense	Federated IT	New York, NY / Washington, DC	Provides mission-critical IT and cybersecurity services to U.S. federal government and private sector clients.					
Nov-24	UnaNet (JMI Equity)	GovPro	Washington, DC	Provides AI-powered proposal writing solutions for government contractors in the IC.					
Nov-24	Corestack	Karthik Consulting	Bellevue, WA / Falls Church, VA	Provides cloud and cyber security, DevSecOps, and IT systems integration solutions for private sector and U.S. federal government civil, defense, and emergency management markets. Clients include GSA, FEMA, Coast Guard and Army.					
Nov-24	AeroVironment (NAS: AVAV)	Blue Halo (Arlington Capital)	Arlington, VA / Arlington, VA	Provides space technology, Counter-USA, Electronic Warfare & Cyber, and Advanced solutions for multiple federal customers.	4,100.0	900.0		2,400	
Nov-24	Clear Fracture	Federal Data Systems	Annapolis Junction, MD	Provides IT integration solutions, helping organizations enrich, explore, and exploit data streams for better decision-making and operational efficiency.					
Nov-24	Tyto Athene (Arlington Capital Partners)	Key Solutions, Inc. (KSI)	Herndon, VA / Vienna, VA	Provides bid and proposal development consulting.					
Nov-24	Livanta (Pleasant Land Holdings)	DOMA Technologies	San Juan, PR / Annapolis Junction, MD; Virginia Beach, VA	Provides artificial intelligence and technology-enabled healthcare quality oversight and clinical assessment services.					
Nov-24	Tria (Sagewind Capital)	Softrams	Arlington, VA / Leesburg, VA	Provides human-centered digital services to various industries, including healthcare, defense, aerospace, and agriculture.					
Nov-24	Integral Federal	Pragmatics	McLean, VA / Reston, VA	Provides IT and cybersecurity services to federal government customers, including agile development and DevSecOps software solutions in cloud environments.					

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

Government Services M&A Transactions (2/3)

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Nov-24	Sagewind Capital	Sabel Systems Technology Solutions	New York, NY / Beavercreek, OH	Provides digital R&D, acquisition and sustainment solutions to the U.S. Department of Defense and other government agencies.					
Oct-24	Ernst & Young	Dignari	New York, NY / Alexandria, VA	Provides biometric, identity management, and security solutions.					
Oct-24	Core4ce	Azimuth	Arlington, VA / Beavercreek, OH	Provides programming and policy expertise, security and threat analysis, and operational, program, and administrative management support to the national security community.				140	
Oct-24	NewSpring Holdings	Xpect Solutions	Radnor, PA / Reston, VA	Provides engineering and network infrastructure, cybersecurity, cloud services, and data center management solutions to various federal customers including FBI, DOJ, and NIH.					
Oct-24	CACI (NYSE: CACI)	Applied Insight (The Acacia Group)	Reston, VA / Reston, VA	Provides cloud infrastructure, advanced analytics, and cybersecurity services for the national security mission.	320.0				
Sep-24	CM Equity Partners	Sabre Systems	New York, NY / Warminster, PA	Provider of cutting edge capabilities and solutions in digital transformation, software and systems engineering, cybersecurity, CSISR, and enterprise data management to the Department of Defense and U.S. federal civilian agencies in support of national security.				525	
Sep-24	Godspeed Capital Management	BNP Associates	Santa Clara, CA / Denver, CO	Provides air transportation design, engineering, and consulting services to the air transportation industry.					
Sep-24	Mythics (One Equity Partners)	Three Wire Systems Technology Resale Division	Virginia Beach, VA / Tysons Corner, VA	Provides cyber services, DevSecOps, application modernization, and artificial intelligence services to private sector and U.S. federal government defense, emergency response, and homeland security markets.					
Sep-24	Snowflake (NYSE:SNOW)	Night Shift Development	Bozeman, MT, McLean, VA	Provides data infrastructure and analytics solutions to private sector and U.S. federal government markets.					
Sep-24	Cydecor	Artel (portco of TPG)	Arlington, VA / Herndon, VA	Provides telecommunication services including network integration, information management and software applications development services for the Department of Defense and other federal customers.				150	
Sep-24	CACI (NYSE: CACI)	Azure Summit Technology	Reston, VA / Fairfax, VA	Provides radio frequency hardware and software-centric technologies for use in platforms such as uncrewed and crewed aircraft, along with maritime systems.	1,275.0	440.0	110.0		11.6x
Sep-24	DC Capital Partners	C5MI Insight	Alexandria, VA / Jacksonville Beach, FL	Provides global supply chain systems implementation and digital modernization solutions to private sector, state and US federal government defense markets.					
Sep-24	Renovus Capital Partners	QualX Corp.	Wayne, PA / Springfield, VA	Provides records and information management, digital transformation and business process improvement services to private sector and U.S. federal government civil, defense, and homeland security markets.				200	
Sep-24	Strategic Innovation Group	Excelicon	Arlington, VA / Washington, DC	Provides enterprise architecture (EA) support, cyber policy and guidance, agile DevSecOps & transformation, data analytics, and IT modernization services.					
Sep-24	Madison Dearborn Partners	Harmonia Holdings	Chicago, IL / McLean, VA	Provides and develops information technology solutions for private sector and U.S. federal government civil and defense markets, along with solutions for artificial intelligence and machine learning, cybersecurity, cloud optimization, and data science and analytics.					
Sep-24	General Dynamics Information Technology (NYSE:GD)	Iron EagleX	Falls Church, VA / Tampa, FL	Provides artificial intelligence/machine learning, cyber, software development and cloud services for the Special Operations Forces and the Intelligence Community.					
Sep-24	Blue Delta Capital Partners	ITC Federal (minority stake)	McLean, VA / Fairfax, VA	Provides mission-focused IT solutions and enterprise services to U.S. federal agencies.					
Sep-24	NexTech Solutions (Clairvest Group)	Nomad Solutions	Tampa, FL / Gainesville, VA	Provides government data and communication services, specializing in effective collaboration solutions and custom engineering and integration to resolve unique and complex business challenges experienced by the Department of Defense.					
Sep-24	Sovereign Capital (Cherokee Nation)	Advanced Technology Applications (ATA)	Catoosa, OK / Great Falls, VA	Provides semantic integration, streaming analytics, data management automation, data processing modernization, geospatial adjudication, and data and analytics as a service.					

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

Government Services M&A Transactions (3/3)

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Sep-24	T2S (Madison Dearborn Partners)	Flexitech	Belcamp, MD / Orlando, FL	Provides radio-frequency (RF) engineering analysis, design, and manufacturing of spaceflight RF communications systems and components.					
Sep-24	Safran Electronics & Defense (ENXTPA:SAF)	Preligens (360 Capital Partners SAS)	France / France	Provides AI analytics solutions geared towards high-end imagery, full motion video, and acoustic signals in private sector and international government aerospace and defense markets.	243.4				
Aug-24	Markon Solutions (Sterling Investment Partners)	JY Systems	Falls Church, VA / Windsor Mill, MD	Provides Cyber/Network Analysis, Targeted Digital Network Analysis, Software Engineering, System Administration and Digital Network Exploitation Analysis in support of national security missions for both the IC and DoD.					
Aug-24	DFW Capital Partners	Bart & Associates (Battle Investment Group)	Teaneck, NJ / McLean, VA	Provides information technology systems integration solutions to private sector and U.S. federal government defense and homeland security markets.				200	
Aug-24	SSATI	Data Sync Technologies (DataSync)	Annapolis Junction, MD / Reston, VA	Provides IT consulting services including cybersecurity, software engineering, business intelligence, system engineering and integration, and project management services.					
Aug-24	Precise Systems (Bluestone Investment Partners)	Tucson Embedded Systems (TES)	Lexington Park, MD / Tucson, AZ	Provides systems/software engineering support in the development, integration, and maintenance and testing of safety critical systems.					
Aug-24	Bluestone Investment Partners	Qualis Corp.	McLean, VA / Huntsville, AL	Provides advanced modeling, simulation, and testing services for private sector and U.S. federal government aerospace and defense markets.				350	
Aug-24	West 4th Strategy	Integrated Systems	Springfield, VA / Vienna, VA	Provides software development and systems engineering, IT government, rapid modernization and management and business consulting support to the Internal Revenue Service, Securities and Exchange Commission and other federal agencies.					
Aug-24	22nd Century Technologies	TreasurySoft	McLean, VA / Oak Hill, VA	Provides software professional services that help companies to manage their internal and external treasury operations.					
Aug-24	Enlightenment Capital	Cryptic Vector	Chevy Chase, MD / West Chester, OH	Provides full spectrum offensive cyber, electronic warfare, and secure radio frequency communications solutions for the Intelligence Community and Department of Defense.				110	
Aug-24	Frontenac Company	Ideal Integrations	Chicago, IL / Pittsburgh, PA	Provides cloud computing, managed services, security services, fiber connectivity, virtual infrastructure, and network design services to the professional services, healthcare, and SLED verticals.					
Aug-24	SIXGEN (Washington Harbour)	Boldend	Annapolis, MD / Austin, TX	Provides software products that scale cyber capabilities to offset higher operational demands, ensure responsive delivery, and address organizational resource gaps for the U.S. national security community.					
Jul-24	Parsons (NYSE: PSN)	BlackSignal Technologies (Razor's Edge)	Chantilly, VA / Chantilly, VA	Provides next-generation digital signal processing, electronic warfare, and cybersecurity built to counter near-peer threats.	200.0				
Jul-24	CGI (TSX: GIB)	Aeyon (Enlightenment Capital)	Fairfax, VA / Vienna, VA	Provides digital transformation and Artificial Intelligence Artificial Intelligence technologies, including data management, analytics, and intelligent automation for the U.S. federal government.	317.8			725	
Jul-24	Astrion (Brightstar Capital Partners)	Axient (Sagewind Capital)	Burlington, MA / Huntsville, AL	Provides high-end engineering and management support services for mission critical programs within key federal defense agencies responsible for maintaining technological superiority.					
Jul-24	KBR (NYSE:KBR)	LinQuest (Madison Dearborn Partners)	Houston, TX / Los Angeles, CA	Provider of engineering, acquisition and operations services for U.S. government communications, command and control, and information systems.	737.0			1,500	11.0x
Jul-24	Markon Solutions (Sterling Investment Partners)	Advanced Systems Engineering Corporation (ASEC)	Falls Church, VA / Reston, VA	Provides systems engineering, technical, and programming support services to U.S. Government customers.					
Jul-24	SIXGEN (Washington Harbour)	Secure Enterprise Engineering	Annapolis, MD / Baltimore, MD	Provides cyber security and engineering services.					
Jul-24	Brightstar Capital Partners	Stratus Team (Godspeed Capital)	New York, NY / Coraopolis, PA	Provides engineering and architecture consulting solutions to public and private sector clients.					

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

Government Services – Recently Closed Deals



has been acquired by



a portfolio company
of



August 2024

KPMG Corporate Finance LLC is pleased to announce the sale of **JY Systems, LLC** (“JY” or the “Company”) to Markon Solutions (“Markon”) a portfolio company of Sterling Investment Partners (“Sterling”).

Founded in 2015 and headquartered in Windsor Mill, MD, JY specializes in engineering across a multitude of areas including Cyber Engineering, Systems Engineering, Software Development, Tier ½ Linux Admin support, and RF spectrums including 802.11 and Cellular that operate on Ground, Sea and Aerial platforms. JY was tactically positioned on multiple, interconnected contracts within the core of their IC customer, providing end-to-end support, SIGINT tool development and support for leading technologies for national security customers.

"Joining Markon is a transformative step for JY Systems. Through this partnership, we bring our expertise and firmly embedded relationships with key clients, new opportunities and resources," said Josh and Yanina Glantz, CEO and Vice President of JY Systems. "KPMG's institutional knowledge of the IC/DoD market as well as their ability to articulate JY's strategic position in the national security market to the buyer universe was key," added Josh..

This deal highlights a number of Government Services M&A trends:

- Strong activity and a desire for high-end technical lead positions, entrenched customer relationships, extensive contract footprint, and a well-funded backlog providing multi-year revenue and cash flow visibility
- Support of key national security agencies with funding and IT needs that are aligned with government spending priorities
- Enhancing high-end capabilities and gaining new key clientele that expands across primary intelligence agencies
- Private equity interest in the government services middle market remains strong with platforms looking for bolt-on acquisitions to gain access to new customers, capabilities and contracts



has been acquired by



October 2024

KPMG Corporate Finance LLC is pleased to announce the sale of **Xpect Solutions** (“Xpect” or the “Company”) to NewSpring Capital (“NewSpring”).

Headquartered in Reston, VA, Xpect is a leading provider of cutting-edge enterprise IT and security solutions to the Federal Bureau of Investigations (FBI), Department of Justice (DOJ) and the National Institutes of Health (NIH) agencies. Xpect offers a wide range of solutions, including engineering and network infrastructure, cybersecurity, cloud services, and data center management. The Company's emphasizes secure and reliable technology tailored to meet the complex requirements of federal entities, ensuring mission-critical operations that help federal agencies anticipate and combat evolving criminal threats.

"We are extremely excited about the next chapter for Xpect with NewSpring Holdings as our partner. KPMG's industry expertise and understanding of the government contracting market was critical in guiding us towards a successful outcome. KPMG's proactive approach was key to a smooth process," CEO, Ash Halim said of the acquisition.

This deal highlights a number of Government Services M&A trends:

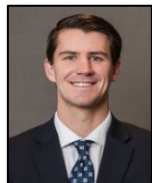
- Private equity interest in the government services middle market remains strong with a focus on acquiring strong, established privately held companies
- Support of key agencies with funding and IT needs that are aligned with government spending priorities
- Strong activity and a desire for prime contracts and in-demand capabilities including engineering and network infrastructure, cybersecurity, cloud services, and data center management
- Entrenched customer relationships with strong past performance and credentialed staff

KPMG Corporate Finance¹

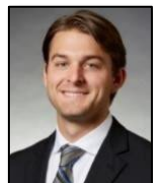
Dedicated Aerospace, Defense & Government Services Team with Unmatched Sector Expertise



Bill Graf
KPMG CF LLC
Managing Director
Government Services



Adam Smith
KPMG CF LLC
Director



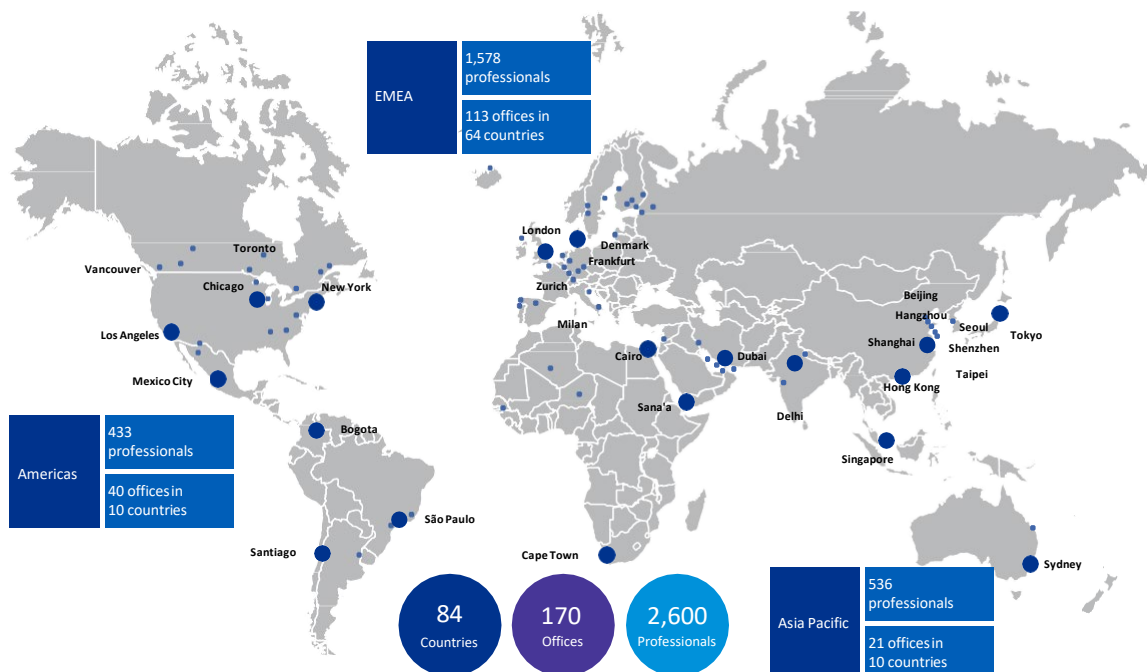
Paul Diven
KPMG CF LLC
Vice President



Ben Brown
KPMG CF LLC
Vice President



Drew Kersse
KPMG LLP
Partner, A&D



Worldwide Completed Advisor Ranking*

2005 - 2024		No. of deals
1	PricewaterhouseCoopers	9,429
2	KPMG¹	9,155
3	Houlihan Lokey	6,782
4	Deloitte	6,385
5	Ernst & Young LLP	5,608
6	Rothschild & Co	5,531
7	UBS	5,210
8	Lazard	3,767
9	Goldman Sachs & Co	3,720
10	JP Morgan	3,497

Active Advisor to Unique Aerospace, Defense & Government Services Assets

- KPMG's Aerospace, Defense & Government Services ("ADG") practice is the most active advisor to unique defense technology assets.
- Dedicated M&A advisory team with unmatched industry knowledge covering all sub-sectors within of aerospace, defense, gov't services, averaging more than 20 years of exclusive focus on ADG transactions.
- Long-standing relationships with every strategic and financial buyer across the ADG market – unmatched insight into buyer priorities and "must-have" attributes driving premium valuations.

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 USD\$500 million.

¹Represents the global Corporate Finance practice of KPMG International's network of independent member firms.

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