



Aerospace, Defense & Government Technology Solutions
2nd Half 2025 Market Update

Aerospace, Defense & Government Services Newsletter

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2025 ADG Market Review | Summary



Key Factors That Shaped The Market

Market Trends

Pentagon Priorities

- Border Security and Homeland Defense
- Deterring China and Strategic Competitors (across Maritime, Missile Defense, Space)
- Supercharging the Defense Industrial Base (Shipbuilding, Munitions, Accelerate Acquisition Timelines/Cut Procurement Cycles)
- Technology Modernization & Innovation – 6 Key Technologies (AI, Quantum Computing, Biomanufacturing, Contested Logistics, Directed Energy, Hypersonics)
- Shift from Global Interventionism to Regional Balance of Power; burden sharing with Allies

Defense Spending Multi-Year Supercycle

- Surge due to ongoing geopolitical issues (Ukraine-Russia, MENA, INDOPACOM)
- U.S. Senate passes \$900 billion National Defense Authorization Act (NDAA) for FY26 (key themes: Space Force, Supply Chain, Munitions, Modernization, R&D, Automation)
- NATO members targeting 5% by 2035 (3.5% Core Defense + 1.5% Security-Related)

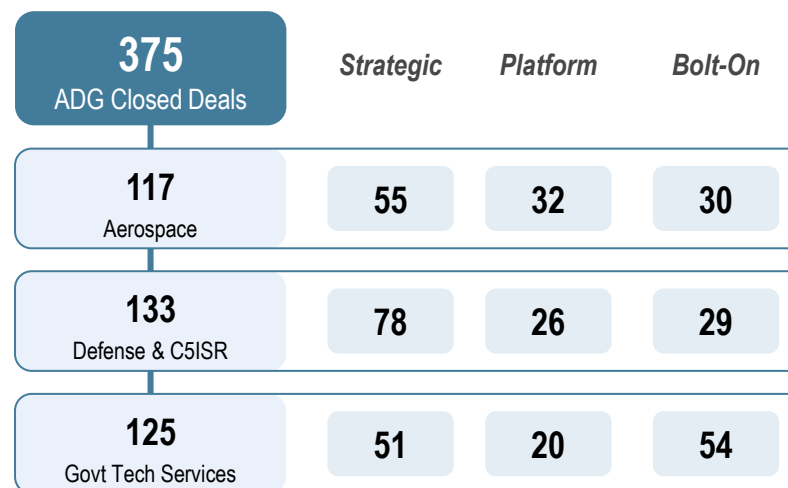
Accelerating Adoption of Advanced Technology

- Record R&D Budget of \$179 billion
- Focus: AI, Autonomy, Hypersonics, Quantum, Space
- Shift to Software-Defined Weaponry, EW and Space-based ISR
- Integration of AI into mission-critical applications

Procurement Change / Pace of Defense Technology Advancements

- The ADG sector is undergoing significant acquisition reforms, driven by the need to accelerate innovation, improve flexibility, reduce bureaucracy, and better leverage commercial technology.
- Shift from custom-built, highly (overly) engineered, costly solutions to nimble, agile, commercially-supported, quick-to-market solutions
- Potential shift to portfolio-based acquisition model with focus on integrated (v. siloed) mission area integration, leverage commercial tech and align with the urgency and speed of technology change.

2025 by the Numbers



Overall

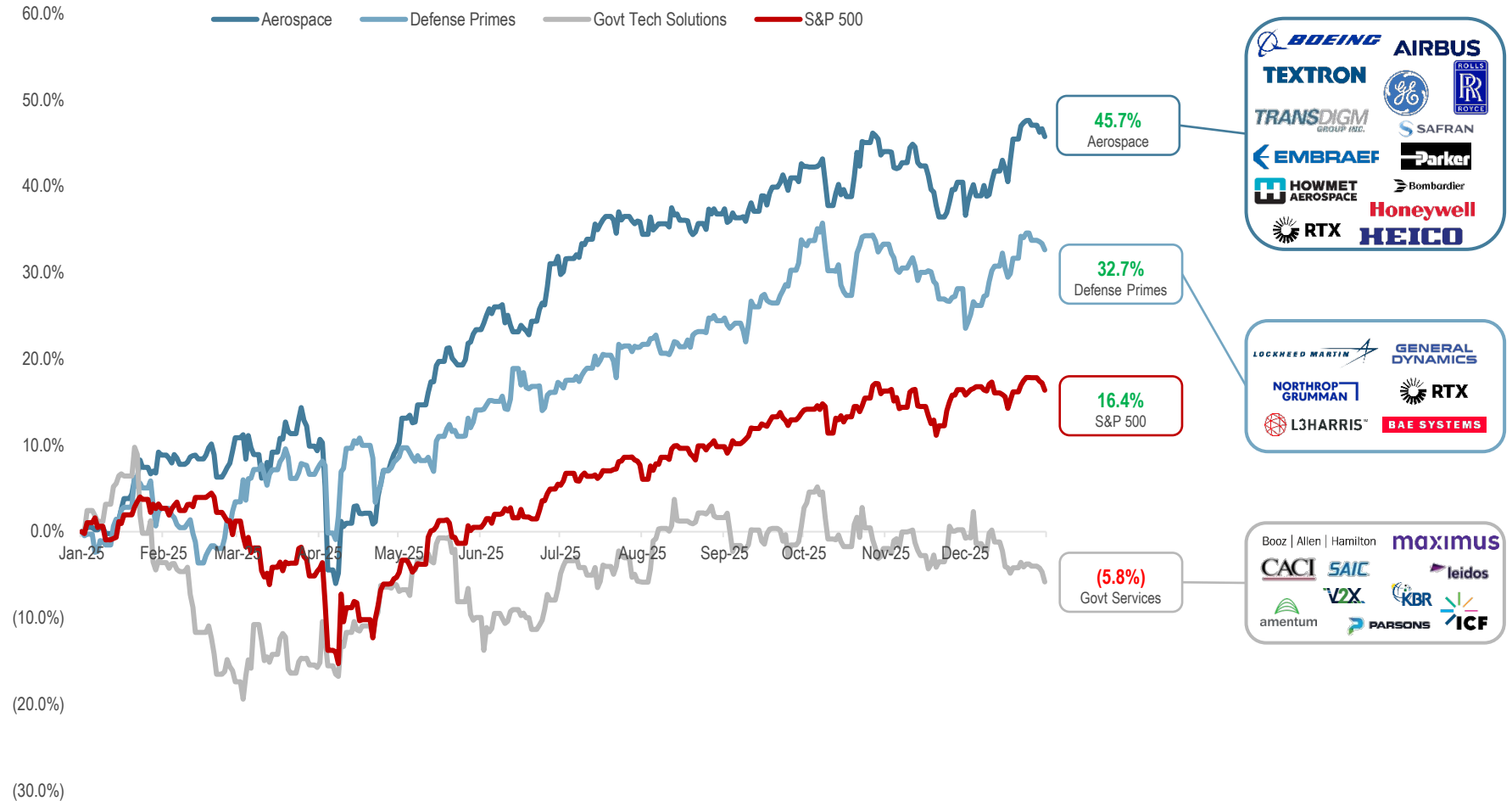
- **Steady M&A Activity:** Budget and geopolitical factors kept ADG demand resilient. Sustained conflicts in Ukraine, continued unease in the Middle East, along with new developments in Venezuela provided a challenging and changing environment where the pace and sophistication of threat vectors continues to expand, which requires continued development and enhancement of the defense force structure and solutions.
- **VC-Based Disruptors:** across multiple defense subsegments (autonomy, space, AI, electronic warfare) continue to move at an accelerated pace, providing intense competitive pressure for existing incumbent systems integrators.
- **Evolving Marketplace:** A myriad of factors impacted the ADG market in 2025, including DOGE, agency closures, contract consolidation, shifts in procurement strategies and a government shutdown, all of which made 2025 a challenging year.
- **Buyers are back,** but standards are high. Deal diligence is as focused as it's every been (backlogs, funding, alignment with govt spending priority areas). There was no shortage of buyers in 2025, but they were extremely picky and there were limited type A assets.

Public Company Performance | Equity Markets

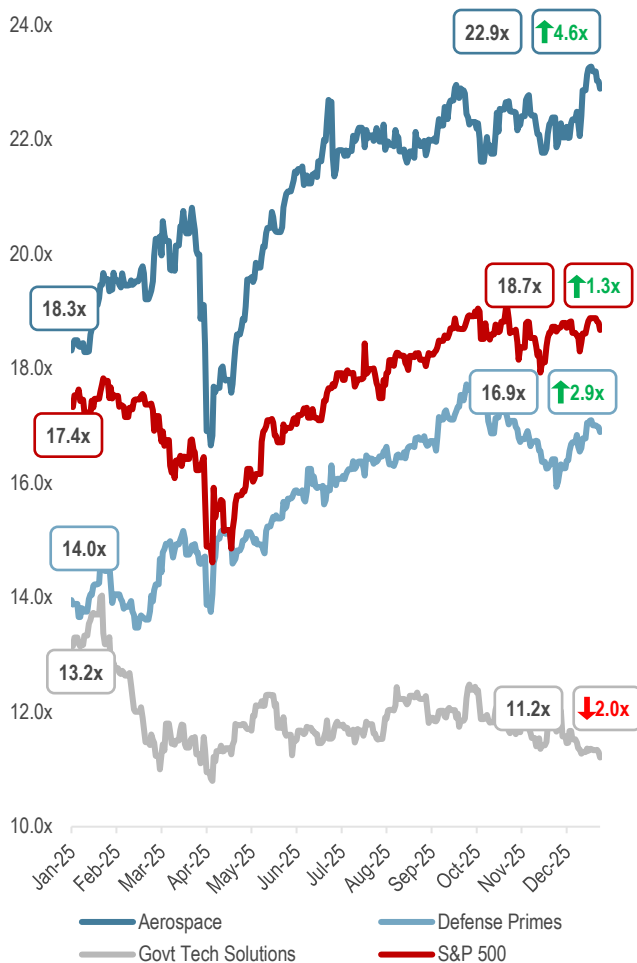


Govt Services performance and valuations were impacted the most by DOGE, Agency Shutdowns and other issues in 2025

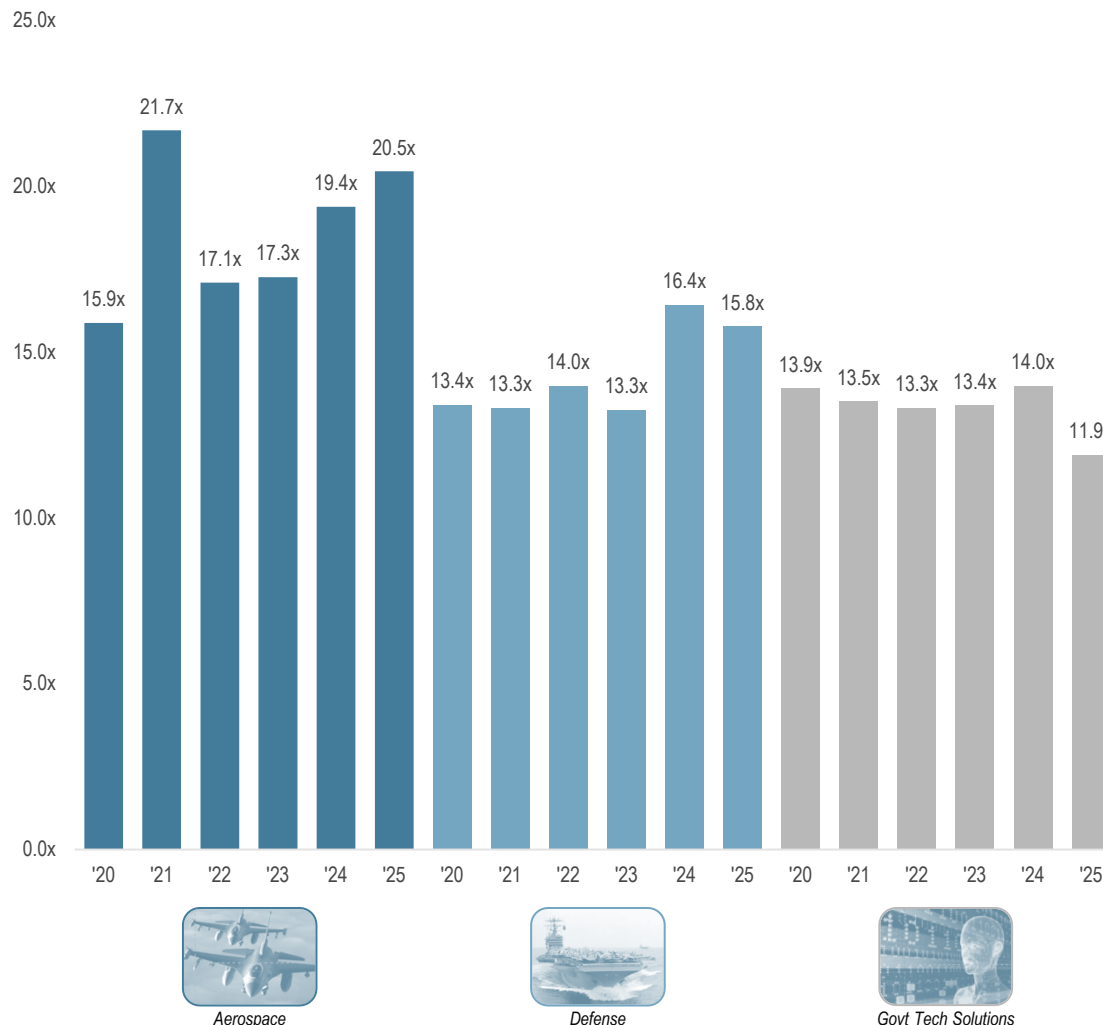
Stock Performance



2025 EV/LTM EBITDA Performance



Historical Average EV/LTM EBITDA Multiple Trends



Source: Capital IQ – data as of 12/31/2025

2025 ADG Market Review | Government Outlays



Aerospace



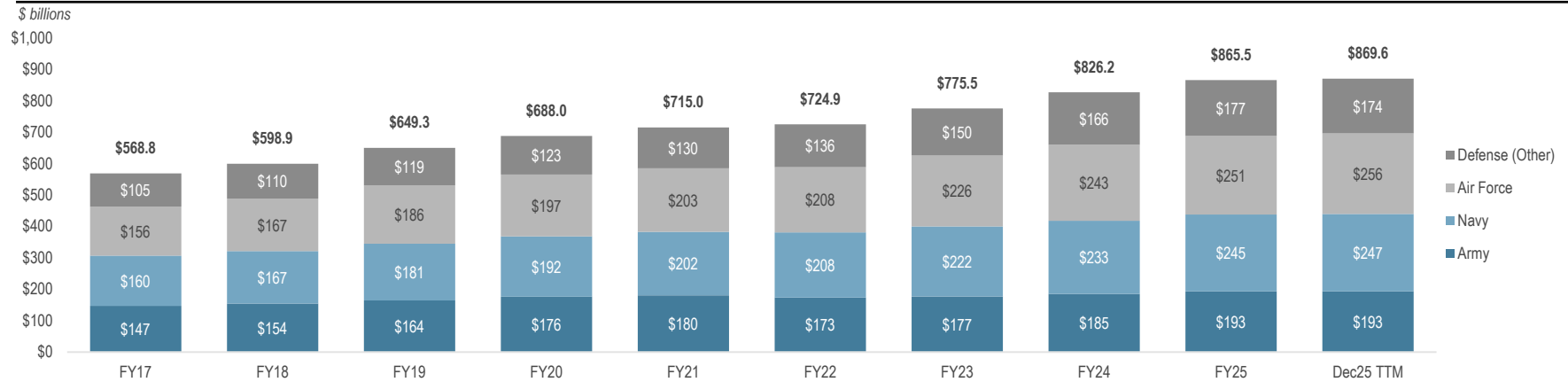
Defense & C5ISR



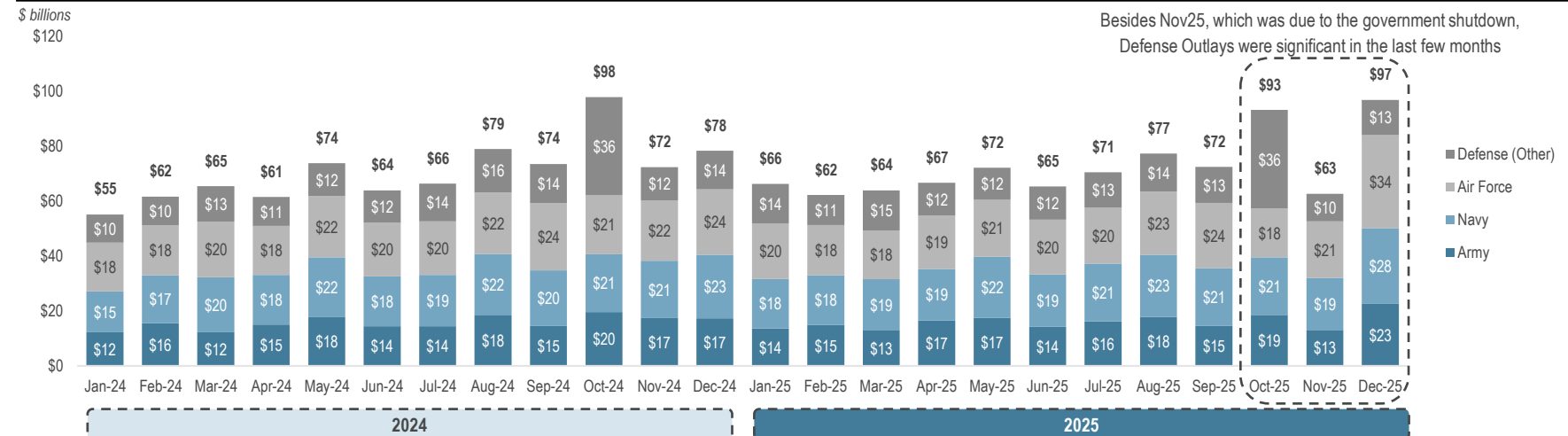
Govt Tech Solutions

Actual Spending continued during 2025 despite a drop in November due to the government shutdown

Defense Outlays (Annual)



Defense Outlays (Last 24 months)



Sources: Treasury.gov



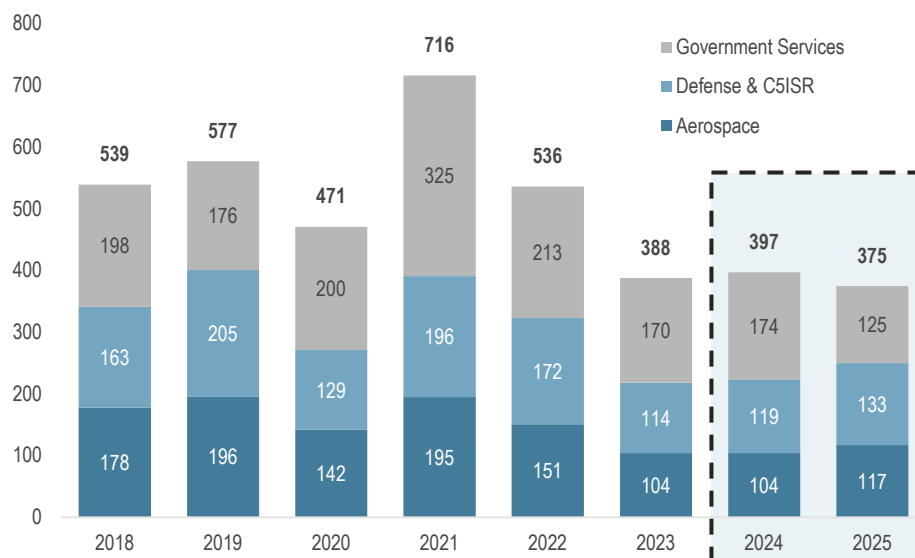
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2025 ADG Market Review | M&A Volume



While 2025 Global ADG M&A Volume was only slightly down, it was concentrated on Government Services and during Q2 but recovered in the 4th quarter

Aerospace, Defense & Government Services M&A Volume



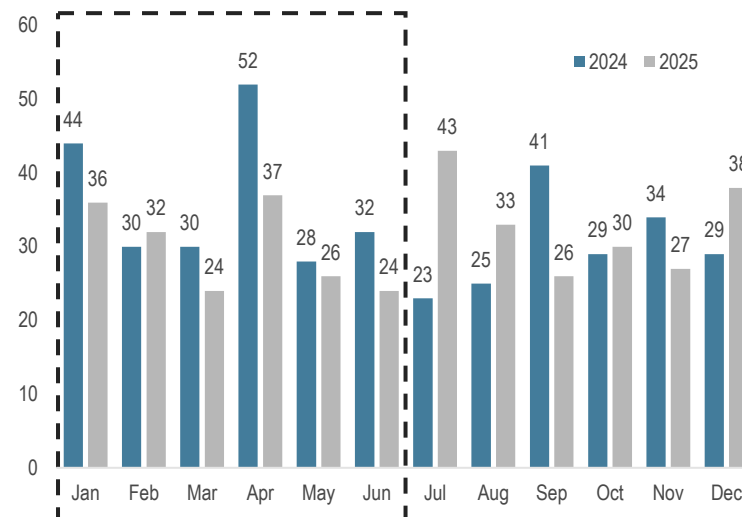
Aerospace: remains strong driven by aging fleets, strong travel demand and OEMs (Boeing, Airbus) working through record backlogs. M&A activity driven by aftermarket services, supply chain consolidation, and precision manufacturing

Defense: also remains strong with global rearmament, U.S. stockpile replenishment (Ukraine, Israel) as well as Indo-Pacific tensions (China-Taiwan). **Munitions, ISR platforms, and defense electronics** driving volume. European defense spending is accelerating due to reduced U.S. NATO commitment with global players looking for ways to take advantage.

Government Technology Solutions: strong interest, and valuations, remains for higher-end assets supporting key mission sets and capabilities aligned with shifting government priorities (Cyber, Autonomy, AI)

Space: strong investor interest in space-based platforms, AI-enabled defense systems, and multi-domain autonomy

2024 v. 2025 M&A Volume



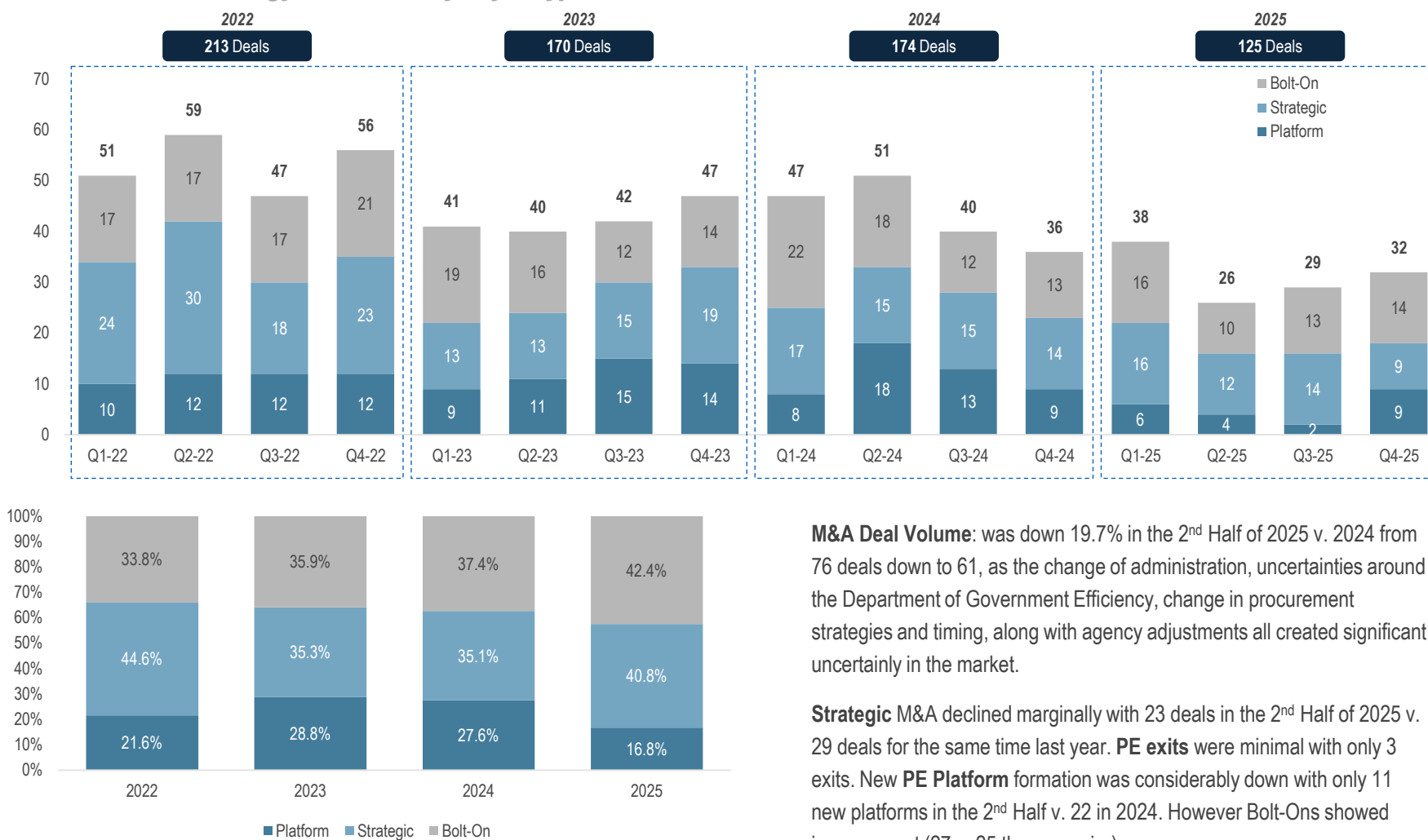
2025 YTD M&A volume is down due primarily to the April and May time period which was the height of DOGE, agency dissolution and acquisition and procurement uncertainty.

Segment	2024 v. 2025			
	2024	2025	Chg.	% Chg.
Aerospace	104	117	13	12.5%
Defense & C5ISR	119	133	14	11.8%
Government Services	174	125	(49)	(28.2%)
Total	397	375	(22)	(3.9%)

Government Technology Solutions | M&A Activity



Government Technology Solutions – By Buyer Type



M&A Deal Volume: was down 19.7% in the 2nd Half of 2025 v. 2024 from 76 deals down to 61, as the change of administration, uncertainties around the Department of Government Efficiency, change in procurement strategies and timing, along with agency adjustments all created significant uncertainty in the market.

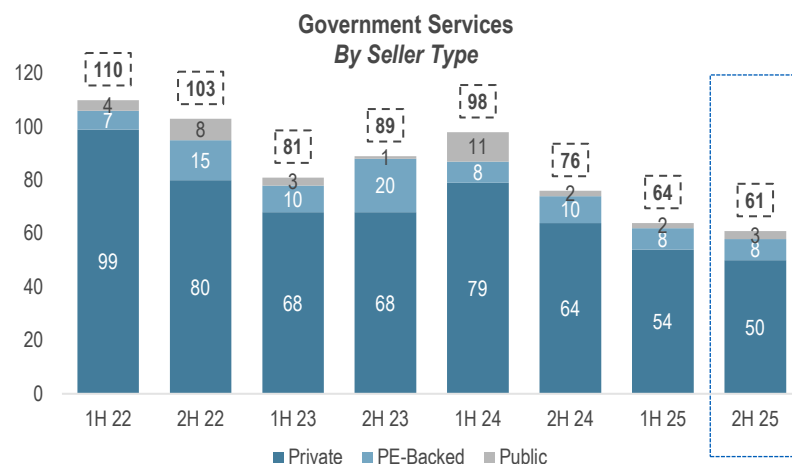
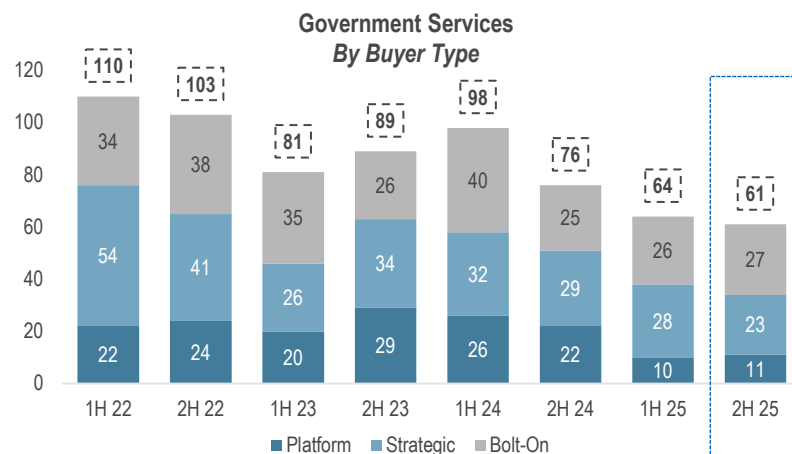
Strategic M&A declined marginally with 23 deals in the 2nd Half of 2025 v. 29 deals for the same time last year. **PE exits** were minimal with only 3 exits. New **PE Platform** formation was considerably down with only 11 new platforms in the 2nd Half v. 22 in 2024. However Bolt-Ons showed improvement (27 v. 25 the year prior).

Sources: CapitalIQ, Pitchbook, Press Releases, and KPMG database.

Government Technology Solutions | Private Equity Activity



Government Technology Solutions M&A activity ended strong in the 2nd half of 2025 with 61 after a challenging year



Notable PE Bolt-Ons

Buyer	Fund	Bolt-On
Case Consulting	AE Industrial Partners	Ragnarok Technologies
VTG	Alvarez & Marsal Capital	Miklos Systems
Systems Planning and Analysis (SPA)	Arlington Capital Partners	Group W,
Applied Information Sciences	Blue Delta Capital Partners	Dorrea
Precise Systems	Bluestone Investment Partners	Mission Focused Systems
ManTech	Carlyle Group	Elder Research
Valkyrie Enterprises	DC Capital Partners	Optical Sciences Corp. (OSC)
Bart & Associates (B&A)	DFW Capital Partners	Hexagon AB's HS3 Intel & Def.
Cryptic Vector	Enlightenment Capital	Caesar Creek Software
Synergy ECP	Falfurrias Capital Partners	NetServices
Woven Solutions	Falfurrias Capital Partners	Cystemic Security
Culmen International	Hale Capital Partners	Madison Springfield
Quiet Professionals	McNally Capital	Spathe Systems
Xcelerate Solutions	McNally Capital	GDIT Background Investigation Assets
Xcelerate Solutions	McNally Capital	clearAvenue
Aretum	Renovus Capital Partners	Veterans Engineering
Sigma Defense Systems	Sagewind Capital	Aries Defense
Markon Inc.	Sterling Investment Partners	PLEX Solutions
Arcfield	Veritas Capital	Rite-Solutions
GovernmentCIO	Welsh, Carson, Anderson & Stowe (WCAS)	Soldierpoint Digital Health
Summit 7 Systems	Westview Capital Partners	Tekfused
The One 23 Group	Willow Creek Partners	Integrated Computer Solutions

Notable Strategic Buyers

Public Buyers
Parsons Corp.
NV5 Global, Inc.
V2X, Inc.
SAIC
BigBear.ai
CACI International

Private Buyers	
American Systems Corporation	MSI Consulting, LLC
Saalex	Epsilon, Inc.
Knexus Research	SJ Technologies, Inc.
CSP Associates	HigherEchelon, Inc.
Cherokee Federal	VerifyID.ai
TekSynap Corp.	JBA, Inc.
Peerless Technologies	QED Systems, LLC
Geosyntec Consultants	

Notable PE Exits

Company	Sponsor	Buyer	Acquired	Sold	Hold (Yrs)
Metrostar Systems	Blue Delta	Veritas Capital	May-24	Dec-25	1.7
SilverEdge	Godspeed Capital Management	SAIC	Dec-21	Oct-25	3.8
CTI (Chesapeake Tech.)	Bluestone	Parsons	May-21	Jul-25	4.1
System High Corp.	Enlightenment Capital	Ridgeline Int. (EnCap)	Jan-19	Mar-25	6.2
cBEYONData	Bluestone Partners	SMX (OceanSound)	Sep-21	Feb-25	3.4
IntelliBridge	Enlightenment Capital	Agile Defense (EnCap)	Apr-19	Jan-25	5.7

Sources: CapitalIQ, Pitchbook, Press Releases, and KPMG database.



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Government Technology Solutions | Private Equity Exits



PE Exits were light in 2025 due to a challenging federal IT marketplace

Platform	Sponsor	Acquisitions	Hold (yrs.)	Buyer	Deal Details
 MetroStar Systems®					
 SILVEREDGE		 2021  2022  2022  2022  2022  2023	3.8 yrs.	 Public NYSE: SAIC	Deal Value: \$205 million
		 2023  2024	4.1 yrs.	 Public NYSE: PSN	- Deal Value: \$89 million 10.0x EV/2026 Adj. EBITDA - Rev FY2026E: \$89 million 225+ employees
		 2021  2022	6.2 yrs.	 ENLIGHTENMENT CAPITAL	
		 2022  2023	3.4 yrs.		
		 2020  2021  2021  2023	5.7 yrs.	 ENLIGHTENMENT CAPITAL	

Sources: KPMG Research.



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Government Technology Solutions | Private Equity Bolt-Ons



However, PE Platforms continued to deploy capital for bolt-ons to enhance customers and capabilities

Date	Platform	Fund	Acquisition	Date	Platform	Fund	Acquisition
Jul-25		DFW CAPITAL PARTNERS		Oct-25		McNally CAPITAL	
Jul-25				Oct-25		ACIP	
Jul-25				Oct-25		SAGEWIND CAPITAL	
Aug-25		ENLIGHTENMENT CAPITAL		Nov-25		McNally CAPITAL	
Aug-25				Nov-25		ALVAREZ & MARSA CAPITAL	
Aug-25				Nov-25		STERLING INVESTMENT PARTNERS	
Aug-25				Dec-25		FALFURRIAS CAPITAL	
Sep-25		WCAS		Dec-25		FALFURRIAS CAPITAL	
Sep-25				Dec-25		THE CARLYLE GROUP	
Sep-25		BLUESTONE INVESTMENT PARTNERS		Dec-25		RENOVUS CAPITAL	
Oct-25		McNally CAPITAL		Dec-25			

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



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Government Technology Solutions | Private Equity Platform Summary

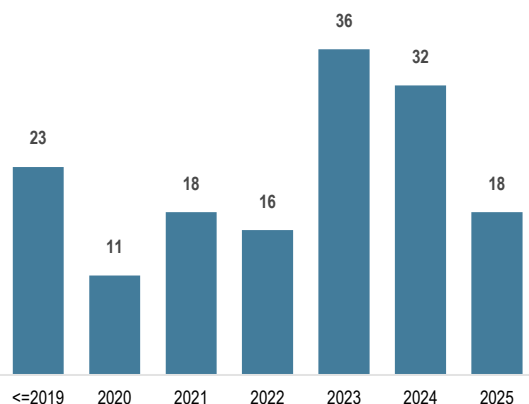


Govt Tech Solutions

- There were **8** notable Govt Services platforms formed in the **second half of 2025**
- 2026** saw **18** total Govt Services platforms formed v. **32** in **2024**
- There are currently **154** PE-Backed Government Services platforms
- The average tenure of PE exits in **2025** was **4.6 years** after an average of **5.1 years** in **2024**. 2024 and 2025 have seen some notable exits, including:
 - Metrostar Systems** (Blue Delta) acquired by **Veritas**
 - SilverEdge** (Godspeed) acquired by **SAIC** – Hold = 3.8 yrs.
 - CTI** (Bluestone) acquired by **Parsons** – Hold = 4.1 yrs.
 - cBEYONData** acquired by **SMX** (OceanSound) – Hold = 3.4 yrs.
 - IntelliBridge** acquired by **Agile Defense** (Enlightenment) – Hold = 5.7 yrs.
 - AeroVironment** acquired **Blue Halo** (Arlington Capital) – Hold = 5.1 yrs.

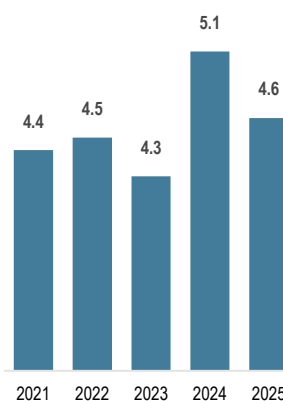
Current PE Platforms

Govt Tech Services
PE Platforms - by Vintage Year



PE Exits

Govt Tech Services
Avg. Tenure by Exit Year

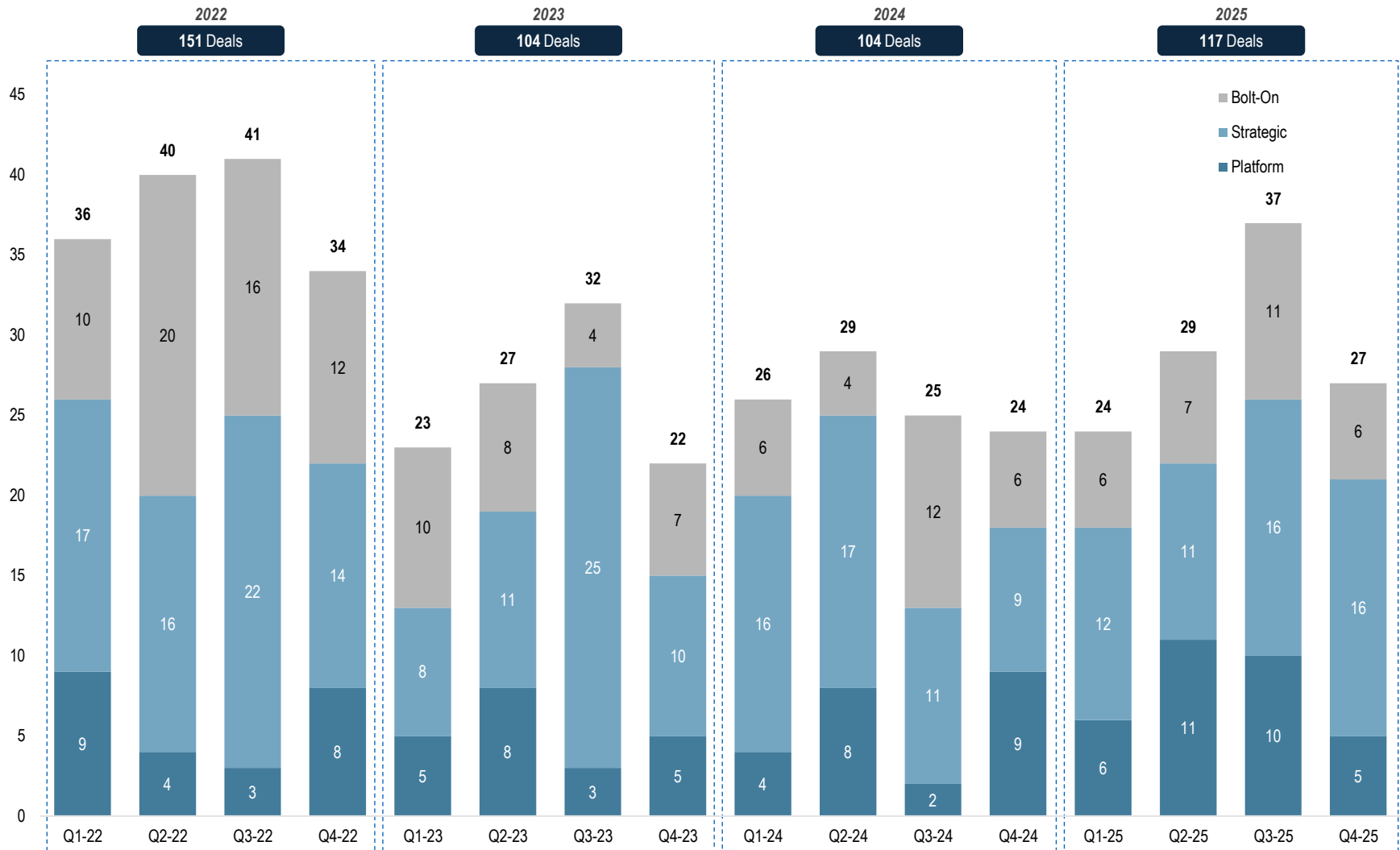


Sources: KPMG Database, CapitalIQ, Pitchbook, Press Releases, and Market Research

2025 – Notable New Private Equity Platform Activity

Date	Sponsor	Platform
Dec-25		 MetroStar Systems*
Dec-25		 nextpoint group
Dec-25		 TRUSTED SPACE
Nov-25		 SHOREPOINT
Nov-25		 INTEGER TECHNOLOGIES
Oct-25		 BTS SOFTWARE SOLUTIONS
Oct-25		 future TECHNOLOGIES
Sep-25		 EXPEDITION TECHNOLOGY
Jun-25		 CONVERGE TECHNOLOGY SOLUTIONS
Jun-25		 SS8
May-25		 GP UNIT PROFESSIONALS
Mar-25		 GRVTY
Feb-25		 GOVPLACE
Jan-25		 Oddball
Jan-25		 NAVIENT

Aerospace – By Buyer Type





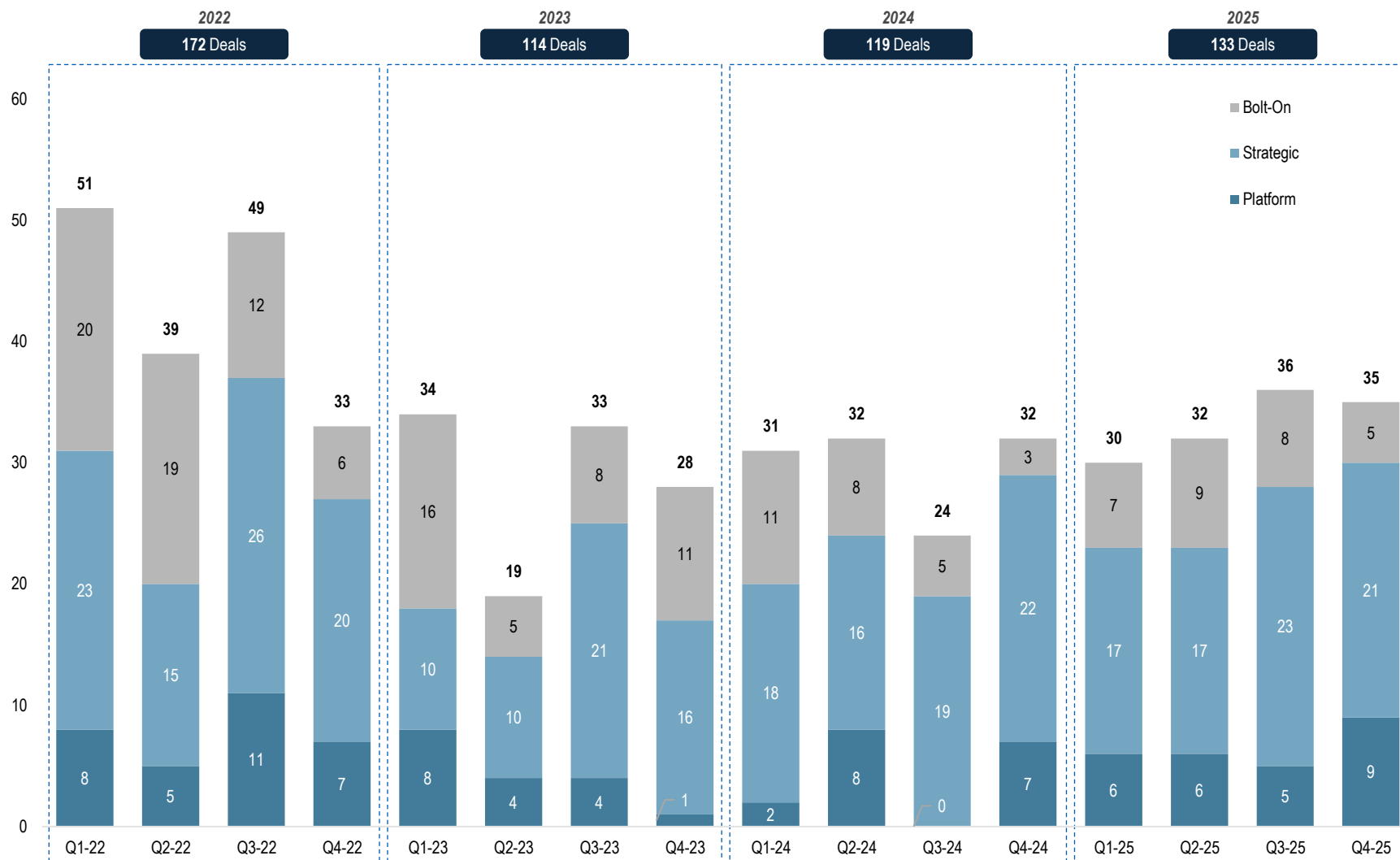
Notable Aerospace Deals

Date	Acquirer	Target	Divestor	Target Description / Deal Notes
December 2025				- Designs and manufactures customized, high-performance fans and motors; 100% of revenue derived from proprietary designs €367 million (~\$427m USD) deal; LMB is projected to generated \$60m in revenue and \$30 million in Adjusted EBITDA in 2026 (14x forward EBITDA); 75 employees worldwide
December 2025	 A portfolio company of 			- AASC and PCX, both Greenbrier portfolio companies combine to form global, unified supplier of precision hardware and systems for aircraft, rotorcraft, satellites, launch vehicles and missile defense - Combined company will have 1,300 employees
November 2025				- HAECO Americas is the second largest heavy maintenance provider in North America behind AAR; heavy aircraft MRO , repair, and overhaul (MRO) and modification services \$78 million deal; expands AAR's maintenance footprint and accelerates the Company's strategic objective to grow its Repair & Engineering segment
September 2025				Designs and manufactures high-performance cable assemblies, harnesses, custom overmolded solutions, and molded strain reliefs for various end markets incl. aerospace and space, unmanned aerial vehicles, power infrastructure, and medical/life sciences
August 2025	 A portfolio company of 			- Provider of surface treatment for highly engineered products in the North American aerospace and defense market. - Delivers complex, high-quality metal finishing services, including plating on wire mesh for EMI and RFI shielding, plating on magnesium, large equipment blasting and refurbishment.
July 2025		 Flight Control and Actuation Activities		- Provides mission critical systems for commercial and military aircraft, and helicopters including 180 platforms - Revenue of \$1.5 billion in 2024 and \$130 million in EBITDA; 4,000 employees.
July 2025	 A portfolio company of 	 Subsidiary of Precision Products Machining Group		- Manufactures fusible plugs and specialty aftermarket components for safety-critical aerospace applications; Serves global aerospace customers with proprietary products and specialized components - Enhances Novaria's strategy on enhancing the aerospace supply chain
July 2025	 A portfolio company of 			- Aviation MRO business based in the UK; specializes in the repair and overhaul of a wide range of avionics, components, and fuel systems - PAG's first facility in the EMEA region and is part of the company's broader global growth strategy; enhances ability to serve customers in the region.

Defense & C5ISR Technology | M&A Summary



Defense & C5ISR – By Buyer Type



Notable Defense Technology & C5ISR Deals

Date	Acquiror	Target	Divestor	Target Description / Deal Notes
December 2025				- Develops microwave tubes, traveling wave tubes (TWTs), power supplies, microwave power modules (MPMs), klystrons, and switch tubes for private sector and U.S. federal government aerospace and defense markets \$960 million deal; Stellant has \$300 million in Revenue and 950 employees
December 2025				Provides high-performance signal-processing technologies; deal will leverage ISA's engineering and signal-processing expertise in strengthening HawkEye 360's rapidly evolving RF platform pushing the combined company towards becoming the industry's central hub for all-domain signals intelligence
December 2025		 Joe Gibbs Mfg. Solutions		Manufacturer of precision machined components as well as advanced specialty composites and assemblies for solid rocket motor (SRM) propulsion systems for private sector and U.S. federal government aerospace, automotive, and defense markets.
November 2025	 A portfolio company of 			- Designs and manufacturers advanced composites and acoustic materials for the maritime defense industry - Acquisition expands Canopy A&D's capabilities in sonar domes and acoustic windows, integrating Tods' expertise with Canopy's broader materials solutions for naval platforms
October 2025				Designs and manufactures high-performance cooled infrared cameras and components; acquisition further integrate AIRS's advanced hardware into Anduril's portfolio of sensing systems, expanding range and capability of technologies
September 2025				Provides shortwave infrared (SWIR) and midwave infrared (MWIR) imaging systems and laser sensing technologies and sensors for private sector and U.S. federal government aerospace and defense markets
July 2025				- Designs and manufactures advanced RF and microwave components and subsystems for the defense and commercial end markets - Highly engineered solutions which facilitate the conditioning, management and transfer of RF and microwave energy in demanding operating environments across a variety of electronic warfare, signals intelligence, radar, communications and test and measurement applications
July 2025	 A portfolio company of 	 Naval Propulsors and Handling Businesses		- Acquires Rolls-Royce Naval Marine business, gaining key naval manufacturing assets like facilities in Pascagoula, Mississippi, and Walpole, Massachusetts - Deal enhances U.S. Navy support with propellers, waterjets, and handling systems



Government Investments and Commercial Innovation Fuel U.S. Space Technology Expansion

U.S. Space Technology Overview

- The U.S. space technology market is valued at \$254 billion in 2025 and is projected to reach \$483 billion by 2034, reflecting a CAGR of 7.38%
- U.S. dominates the global space market with the largest market share of 49.60% in 2024
- The U.S. space technology market is witnessing significant growth due to:
 - Increased government spending on exploration and defense
 - Advancements in AI, space exploration capabilities, and reusable launch vehicles
 - Emergence of new commercial opportunities in communications and earth observation satellites
 - Increasing demand for satellite services for connectivity & global internet

U.S. Space Technology Market Size



U.S. Space Technology Market Trends



Government Investments Driving Market Growth

- Public-sector spending on space programs is at record highs, signaling strategic importance for digital economies and defense
- U.S. Space Force budget holds at \$29.4B for FY2025, sustaining launch and missile-warning programs



Miniaturization Enables Affordable Constellations

- Advances in microelectronics and additive manufacturing have cut small-satellite costs below \$200K, shifting from single spacecraft to scalable fleets
- Starlink's 7,556 satellites generating \$12.3B from 7.6M users affirming the constellation model

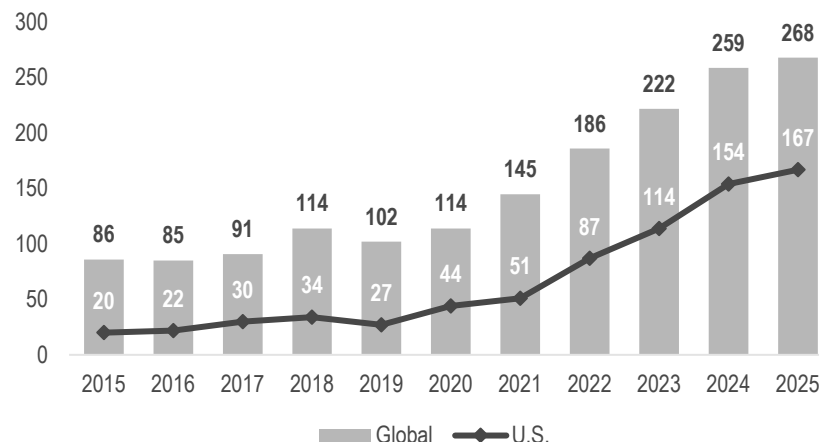


Surging Demand for High-Throughput Low Earth Orbit (LEO) Broadband

- LEO networks are filling connectivity gaps for remote communities, maritime, and defense
- Governments are adopting commercial LEO links for emergency response, signaling a shift from building proprietary constellations to treating bandwidth as a utility

Sources: Mordor Intelligence, Space Stats, and KPMG Research.

Satellite Launches in the last 10 Years



Space Technology | Strategics and Private Equity and IPO provide readily available exit options



Strategics and PE Firms are accelerating Space Tech M&A, with deals focused on Satellites, Launch Systems, and Infrastructure

Strategic Investors	Space-Related Acquisitions	Financial Investors	Space-Related Acquisitions/Platforms
LOCKHEED MARTIN	TERRAN ORBITAL Small-satellite manufacturer (Aug-24) (Ann.) ASTROTECH SPACE OPERATIONS Satellite launch preparation services (Aug-14) amentum Rapid Solutions Group Space & airborne capabilities (Jun-25)	ae Industrial Partners	YORK SPACE SYSTEMS Small-satellite manufacturer (Nov-22) DEEP SPACE SYSTEMS Payloads and components for space industry (now Redwire) (Jun-20) DSS MADE IN SPACE Multiple acquisitions in space technology through Redwire platform (2020-21)
BAE SYSTEMS	Ball Space and Missions Systems (Feb-24) INSPACE Satellite system manufacturer (Sep-21)	Advent	MAXAR TECHNOLOGIES Earth imagery & satellites (May-23)
NORTHROP GRUMMAN	Orbital ATK Aerospace and defense technologies (Jun-18)	VERTAS CAPITAL	XIPHOS Processors for space station (Epiq Solutions Platform) (Jan-23) ANGUARD emcore Space power products and assemblies through SolAero platform (2014-16) SolAero Space solar cells & panels (Dec-14)
BOEING	MILLENNIUM SPACE SYSTEMS Small-satellite platforms (Aug-18)	TRIVE CAPITAL	CANOPY AEROSPACE & DEFENSE Advanced materials for space/defense (Created Platform) (Sep-25) KARMAN SPACE & DEFENSE Complex systems for space and missiles (Partnered with AMRO and Aerospace Engineering Corp.) (Jan-22)
AIRBUS	EUTELSAT ONEWEB Small-satellite manufacturing (Jan-24)	GREENBRIAR	APPLIED AEROSPACE & DEFENSE Space/defense hardware platform (Dec-25) NUSPACE Satellite propellant tanks and assemblies (PCX Aerosystems) (Sep-22)
SAFRAN	Syrlinks APP Radiocommunications and radionavigation for space (Nov-22) Develops igniters for space engines (May-14)	ARCLINE INVESTMENT MANAGEMENT	KAMAN Aerospace components & subsystems (Apr-24) Quantic Electronic components for Space (acquired multiples divisions via Evans Capacitor Company Platform) (2020-25)
THALES	SEA A COHORT PLC COMPANY Electronics & space mission subsystems (Space Division) (Jun-14)	VANCE STREET CAPITAL	galleon embedded computing Rugged embedded computing (Spectra platform) (Aug-21) SPECTRA AEROSPACE & DEFENSE Mission data electronics (Feb-21)
ROCKET LAB	SolAero TECHNOLOGIES Space solar cells & panels (Jan-22) PLANETARY SYSTEMS CORPORATION Separation systems & dispensers (Nov-21) ASI Space software & GNC (Oct-21)	ANGELES EQUITY PARTNERS	primusaerospace Precision machining & assemblies (Jun-21)

Government Technology Solutions | Deal Activity (1/3)



Govt Tech Solutions

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Jul-25	Parsons (NYSE: PSN)	Chesapeake Technology International (CTI) (Bluestone Investment Partners)	Centreville, VA / California, MD	Provides advanced, warfighter-focused solutions for military and security applications; domain expertise in the electromagnetic spectrum, cyberspace, autonomous systems, and special communications. Strengthens Parsons' DoD presence and Special Operations in INDOPACOM.	89.0	89.0	8.9		10.0x
Jul-25	Bart & Associates (B&A) (DFW Capital Partners)	Hexagon AB's Federal Strategic Services and Solutions (HS3) Intelligence and Defense Business	McLean, VA / Chantilly, VA	Provides geospatial services, mission-focused IT, and integrated solutions to Defense, Intelligence and national security customers; expands B&A's capabilities in delivering mission-critical enterprise information management, integrated product solutions, cybersecurity, and geospatial services.					
Jul-25	Saaalex Corp.	Greenfield Engineering	Washington, DC / Leonardtown, MD	Provides software and systems engineering solutions as well as embedded real-time software development, configuration management, and program management support for naval aviation platforms at NAVAIR.				61	
Jul-25	Sphinx	Enigma International	Fredericksburg, VA / Reston, VA	Provides language and systems development capabilities to defense and commercial security clients.					
Jul-25	Sentar (ESOP)	Sentar	Huntsville, AL / Huntsville, AL	Provides cybersecurity, intelligence & analytics, and systems & software engineering defense customers.					
Jul-25	MTI (ESOP)	Monterey Technologies, Inc. (MTI)	Park City, UT / Park City, UT	Provides user-centered engineering solutions, human factors engineering, user experience, systems engineering, and software solutions for mission-critical systems for DoD, aerospace, and other critical industries.					
Jul-25	Case Consulting (AE Industrial Partners)	Ragnarok Technologies	Reston, VA / Bristow, VA	Provides engineering and enterprise IT solutions across high demand areas including blockchain analysis, digital forensics, cloud infrastructure, and software development for federal and commercial customers.					
Jul-25	Applied Information Sciences (Blue Delta Capital)	Dorreon	Reston, VA / Vienna, VA	Provides analytics and mission support solutions to the DOJ, FBI, and DHS.					
Jul-25	RSI Entech	Sigma Science	Oak Ridge, TN / Albuquerque, NM	Provides nuclear safety, security, and operations support to federal and commercial clients.					
Jul-25	Knexus Research	S4	Vienna, VA / Bedford, MA	Provides enterprise IT, cybersecurity, intelligence analysis, and national security solutions to the Federal Government.					
Jul-25	CSP Associates	Tamarack Defense	Cambridge, MA / Boston, MA	Provides AI-driven market analytics services for military equipment forecasting across all international markets for investors, consultancies, and multinational corporations.					
Aug-25	Arlington Capital Partners	GovOS (Audax Private Equity)	Bethesda, MD / Austin, TX	Provides transaction and compliance software for state and local governments to streamline property, licensing, and tax interactions with businesses and citizens.					
Aug-25	Cryptic Vector (Enlightenment Capital)	Caesar Creek Software	Liberty Township, OH / Miamisburg, OH	Provides offensive cyber research and development services in the fields of vulnerability analysis, exploit development, reverse engineering, and network security for the Intelligence Community ("IC") and Department of Defense ("DoD").					
Aug-25	The One 23 Group (Willow Creek Partners)	Integrated Computer Solutions (ICS)	Herndon, VA / Montgomery, AL	Provides mission IT, enterprise IT, and cybersecurity services to federal customers.					
Aug-25	Culmen International (Hale Capital Partners)	Madison Springfield	Alexandria, VA / Alexandria, VA	Provides AI/ML-driven predictive analytics (MOSAICS) for autonomous global data collection and risk analysis with real-time alerts.					
Aug-25	Valkyrie Enterprises (DC Capital Partners)	Optical Sciences Corp. (OSC)	Virginia Beach, VA / Huntsville, AL	Provides precision EO/IR scene projector and test systems for private sector and Federal Govt missile defense, space sensor development, and advanced aviation applications.					
Sep-25	GovernmentCIO (WCAS)	Soldierpoint Digital Health (Private Equity)	Fairfax, VA / Herndon, VA	Delivers secure, scalable digital health and telehealth solutions for the Department of Veterans Affairs.					
Sep-25	Cherokee Federal	MSI Consulting	Tulsa, OK / Reston, VA	Focuses on agency transformation and digitization, specializing in strategy, process optimization, human capital, business transformation, and digital transformation including RPA/IA for federal clients.					

Government Technology Solutions | Deal Activity (2/3)



Govt Tech Solutions

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Sep-25	Summit 7 Systems (Westview Capital)	Tekfused	Huntsville, AL / Midland, VA	Operates as a training platform, providing practical CMMC and federal compliance education for the Defense Industrial Base.					
Sep-25	AMERICAN SYSTEMS	Epsilon, Inc.	Chantilly, VA / Weaverville, NC	Provides managed IT and cybersecurity solutions with a multi-tenant service delivery model and broad federal & commercial footprint.					
Sep-25	Precise Systems (Bluestone Investment Partners)	Mission Focused Systems	Lexington Park, MD / Royersford, PA	Provides systems engineering, cybersecurity, research/experimentation and prototyping; specializes in model-based systems engineering, modeling & simulation, rapid solutioneering for DoD, Intelligence Community, and federal customers.					
Sep-25	Enlightenment Capital	Expedition Technology	Chevy Chase, MD / Herndon, VA	Develops AI/ML-powered C5ISR solutions that fuse SIGINT and GEOINT for Intelligence Community and DoD missions, accelerating growth across signals and geospatial intelligence domains.					
Sep-25	Xcelerate Solutions (McNally Capital)	GDIT's Background Investigation Assets	McLean, VA / Falls Church, VA	Provides background investigation and personnel vetting services for agencies such as the Department of Homeland Security, the Department of Defense, and the Intelligence Community.					
Sep-25	V2X (NYSE: VVX)	QinetiQ's U.S. Intelligence Business	McLean, VA	Provides data engineering, intelligence mission support, and cyber solutions for the Intelligence Community.	31.0				
Oct-25	Hathiant	SJ Technologies	Great Falls, VA / Sugar Hill, GA	Provides cybersecurity, software and application development, IT modernization, DevSecOps, enterprise architecture and design solutions for private sector and U.S. federal government defense and financial markets.					
Oct-25	Xcelerate Solutions (McNally Capital)	clearAvenue	McLean, VA / Columbia, MD	Provides software development & maintenance, business intelligence/analytics, AI/ML, big data and cloud services across federal agencies.					
Oct-25	Systems Planning and Analysis (SPA) (Arlington Capital)	Group W	Alexandria, VA / Vienna, VA	Provides modeling & simulation and wargaming to DoD; combination unites leading providers/users of DoD M&S tools across system, mission, and campaign levels to serve defense, intelligence, and homeland security clients.					
Oct-25	Sigma Defense Systems (Sagewind Capital)	Aries Defense	Perry, GA / Suffolk, VA	Specializes in tactical video and sensor integration, with a focus on capturing and distributing UAV and unattended sensor data for real-time situational awareness to support military, government, and security organizations.					
Oct-25	Battle Investment Group	Future Technologies Venture	Atlanta, GA / Suwanee, GA	Operates as a systems integrator for end-to-end private network solutions; supports expansion across Energy, Transportation, Manufacturing, Utility, Enterprise & Critical Infrastructure markets to deliver secure, scalable advanced connectivity.					
Oct-25	Parris Javaid	Designlinx Hardware Solutions	Hollywood, MD / Nashua, NH	Provides high-performance FPGA, SoC, and embedded software design and development services for private sector and U.S. federal government markets.					
Oct-25	Blue Delta Capital Partners	BTS Software Solutions	McLean, VA / Columbia, MD	Provides intelligence operations, counter-UAS, cybersecurity and data science solutions for national security agencies.					
Nov-25	Cherokee Federal	HigherEchelon	Tulsa, OK / Huntsville, AL	Provides public sector solutions across human capital management, applicant tracking, case management, higher education systems, and more, serving a range of federal, state, and local government customers.					
Nov-25	Razor's Edge Management	Integer Technologies	Reston, VA / Columbia, SC	Provides AI-driven cyber, sensing/perception, and autonomy software for national security—focused on maritime domain; supports transition of autonomy and cyber R&D into deployable solutions for DoD/IC missions.					
Nov-25	CM Equity Partners	ShorePoint	New York, NY / Herndon, VA	Provides cybersecurity and technical solutions to private sector and U.S. federal government education, energy, and financial markets.					
Nov-25	TekSynap Corp.	JBA	Reston, VA / Springfield, VA	Provides cyber operations, engineering and IT services with 20+ years of specialized support to the FBI.					
Nov-25	Quiet Professionals (McNally Capital)	Spathe Systems	Tampa, FL / Tampa, FL	Provides cybersecurity, advanced analytics, cloud services, training and operations support for defense and national security customers.					

Government Technology Solutions | Deal Activity (3/3)



Govt Tech Solutions

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Nov-25	LevelBlue (WillJam Ventures)	Cybereason Government	Plano, TX / Boston, MA	Provides attack protection with cutting-edge XDR and industry recognized consulting services to support organizations throughout any stage of the incident lifecycle.					
Nov-25	VTG (Alvarez & Marsal Capital)	Miklos Systems	Chantilly, VA / Fairfax, VA	Provides full software lifecycle development, cloud services, cybersecurity, data science, and systems engineering to mission-critical programs across the Intelligence Community (IC).					
Nov-25	Markon (Sterling Investment Partners)	PLEX Solutions	Falls Church, VA / Columbia, MD	Provides secure software engineering, zero-trust architecture, ICS cybersecurity, and agentic AI development to Department of Defense, Intelligence Community, and select commercial markets.					
Dec-25	Peerless Technologies	QED Systems	Fairbairn, OH / Aberdeen Proving Ground, MD	Supports the Army's C5ISR mission with engineering, PM, logistics, and finance, specializing in intel PED, PNT, force protection, and RDT&E analytics.					
Dec-25	Synergy ECP (Falfurrias Capital Partners)	NetServices	Columbia, MD / Chantilly, VA	Provides IT modernization, software engineering, cybersecurity, and enterprise operations solutions for defense and intelligence agencies.					
Dec-25	Washington Equity Partners	Trusted Space	Arlington, VA / Leesburg, VA	Provides modeling, simulation & analysis solutions and deploying custom software and algorithms for data science, machine learning, and autonomy across the modern space architecture for BMC2 at the Department of War and Intelligence Community.					
Dec-25	Woven Solutions (Falfurrias Capital Partners)	Cystemic Security	Reston, VA / Arlington, VA	Provides cyber security, cloud computing, operational guidance, and other related services to the intelligence community.					
Dec-25	ManTech (Carlyle Group)	Elder Research	Herndon, VA / Charlottesville, VA	Provides AI and data science solutions, applications and training for Fortune 500 and U.S. government clients.					
Dec-25	Aretum (Renovus Capital Partners)	Veterans Engineering	Bethesda, MD / Rockville, MD	Provides advanced solutions in IT modernization, process engineering, organizational change, healthcare technology, cybersecurity, cloud architecture, and digital transformation to U.S. Department of Veterans Affairs and other federal clients.					
Dec-25	Godspeed Capital	Nextpoint Group	Washington, DC / Chantilly, VA	Provides AI-powered software development, cloud modernization, and mission-critical network capabilities to the Intelligence Community ("IC") and Department of War ("DoW").					
Dec-25	Arcfield (Veritas Capital)	Rite-Solutions	Chantilly, VA / Middletown, RI	Specializes in system engineering, software development, information technology (IT), and cyber security for the U.S. government.					
Dec-25	Geosyntec Consultants	Longenecker & Associates	Columbia, MD / Las Vegas, NV	Provides project delivery, mission and regulatory assurance, and operations support to DOE's national security, environmental remediation, nuclear power and scientific discovery missions.					
Dec-25	CACI (NYSE: CACI)	ARKA Group (The Blackstone Group)	Reston, VA / Danbury, CT	Provides space-based sensor portfolio and ground-based software processing to support national security missions.	2,600.0				
Dec-25	SAIC (NASDAQ: SAIC)	SilverEdge (Godspeed Capital)	Reston, VA / Columbia, MD	Provides innovative and proprietary cybersecurity, software, and intelligence solutions for the Defense and Intelligence Communities.	205.0				
Dec-25	BigBear.ai (NYSE: BBAI)	Ask Sage	Columbia, MD / Bentonville, VA	Provides Generative AI solutions, specifically designed to meet the needs of the public sector, defense industrial base, and commercial enterprises.	250.0				
Dec-25	Veritas Capital	MetroStar Systems (Blue Delta Capital Partners)	New York, NY / Reston, VA	Provides AI-enabled digital transformation services and software provider serving the U.S. Defense and National Security communities.					

Public Analysis

Market Data | Public Companies

Company	Market Data					CY Revenue Growth		CY EBITDA Margin		EV/EBITDA		Price to Earnings		Net Debt/EBITDA	
	Share Price ⁽²⁾	1-Yr Price Change	Market Value	Net Debt	Enterprise Value ⁽¹⁾	'24-'25	'25-'26	CY25	CY26	CY25	CY26	CY25	CY26	CY25	CY26
Aerospace															
Airbus SE	\$232.95	45.4%	\$183,883	\$1,761	\$185,751	21.5%	12.6%	13.3%	13.7%	16.0x	13.9x	36.2x	29.6x	0.2x	0.1x
The Boeing Company	\$217.12	22.7%	\$165,032	\$33,428	\$198,463	32.4%	9.4%	(2.3%)	6.5%	NM	31.6x	NM	92.8x	NM	5.3x
Bombardier Inc.	\$170.30	150.7%	\$16,871	\$4,741	\$22,039	8.0%	4.4%	16.6%	17.2%	14.2x	13.1x	27.3x	22.5x	3.1x	2.8x
Embraer S.A.	\$16.09	77.1%	\$11,384	\$628	\$12,348	22.7%	12.9%	11.6%	12.4%	14.3x	11.8x	26.0x	18.0x	0.7x	0.6x
Textron Inc.	\$87.17	14.0%	\$15,361	\$2,700	\$18,061	7.4%	5.0%	12.2%	12.3%	10.1x	9.5x	14.3x	12.7x	1.5x	1.4x
General Electric Company	\$308.03	84.7%	\$324,914	\$8,812	\$333,935	18.8%	11.7%	24.2%	24.6%	33.1x	29.1x	49.3x	42.5x	0.9x	0.8x
HEICO Corporation	\$323.59	36.1%	\$39,102	\$2,091	\$41,734	15.9%	10.5%	27.2%	27.2%	33.2x	30.0x	65.0x	57.0x	1.7x	1.5x
Honeywell International Inc.	\$195.09	(13.6%)	\$123,860	\$24,856	\$149,688	(3.1%)	6.7%	27.2%	25.9%	14.7x	14.5x	18.6x	18.5x	2.4x	2.4x
Howmet Aerospace Inc.	\$205.02	87.5%	\$82,431	\$2,689	\$85,175	10.4%	11.1%	29.1%	30.3%	35.7x	30.9x	55.5x	46.1x	1.1x	1.0x
Parker-Hannifin Corporation	\$878.96	38.2%	\$110,913	\$9,860	\$120,782	2.3%	6.8%	27.0%	27.3%	22.0x	20.3x	30.3x	28.1x	1.8x	1.7x
Rolls-Royce Holdings plc	\$15.48	117.4%	\$129,502	(\$1,497)	\$128,066	18.3%	9.8%	21.0%	21.1%	23.1x	21.0x	55.1x	48.0x	NM	NM
RTX Corporation	\$183.40	58.5%	\$245,898	\$34,743	\$282,520	7.7%	6.2%	16.7%	17.0%	19.4x	17.9x	29.6x	27.1x	2.4x	2.2x
Safran SA	\$349.18	59.0%	\$145,740	(\$2,201)	\$144,192	30.3%	13.0%	21.2%	21.5%	18.4x	16.1x	42.0x	33.0x	NM	NM
TransDigm Group Incorporated	\$1,329.85	4.9%	\$74,895	\$27,273	\$102,175	11.4%	11.6%	53.7%	52.7%	21.0x	19.1x	35.4x	32.9x	5.6x	5.1x
Mean						14.6%	9.4%	21.3%	22.1%	21.2x	19.9x	37.3x	36.3x	1.9x	2.1x
Median						13.6%	10.1%	21.1%	21.3%	19.4x	18.5x	35.4x	31.2x	1.7x	1.6x
Defense Primes															
General Dynamics Corporation	\$336.66	27.8%	\$90,803	\$7,356	\$98,159	8.9%	4.5%	12.1%	12.6%	15.7x	14.4x	21.8x	19.5x	1.2x	1.1x
Lockheed Martin Corporation	\$483.67	(0.5%)	\$111,920	\$18,719	\$130,639	5.0%	4.3%	12.4%	14.1%	14.1x	11.9x	21.8x	16.6x	2.0x	1.7x
Northrop Grumman Corporation	\$570.21	21.5%	\$81,380	\$15,018	\$96,398	2.0%	5.7%	14.1%	14.5%	16.3x	15.0x	21.9x	19.8x	2.5x	2.3x
RTX Corporation	\$183.40	58.5%	\$245,898	\$34,743	\$282,520	7.7%	6.2%	16.7%	17.0%	19.4x	17.9x	29.6x	27.1x	2.4x	2.2x
L3Harris Technologies, Inc.	\$293.57	39.6%	\$54,913	\$11,503	\$66,416	3.1%	6.0%	18.1%	18.8%	16.7x	15.2x	27.5x	23.6x	2.9x	2.6x
BAE Systems plc	\$23.07	60.4%	\$68,678	\$9,967	\$78,703	16.1%	7.3%	13.9%	13.9%	13.8x	12.8x	30.9x	27.5x	1.7x	1.6x
Mean						7.1%	5.7%	14.5%	15.2%	16.0x	14.5x	25.6x	22.4x	2.1x	1.9x
Median						6.3%	5.9%	14.0%	14.3%	16.0x	14.7x	24.7x	21.7x	2.2x	2.0x
Govt Tech Solutions															
Booz Allen Hamilton Holding Corporation	\$84.36	(34.5%)	\$10,233	\$3,345	\$13,578	(2.1%)	(0.1%)	10.7%	10.7%	11.0x	11.0x	14.4x	14.6x	2.7x	2.7x
Science Applications International Corporation	\$100.66	(9.9%)	\$4,543	\$2,562	\$7,105	(2.4%)	1.8%	9.5%	9.8%	10.2x	9.8x	10.1x	10.5x	3.7x	3.5x
Leidos Holdings, Inc.	\$180.40	25.2%	\$23,065	\$4,255	\$27,365	3.5%	3.9%	13.9%	13.6%	11.4x	11.3x	15.3x	14.7x	1.8x	1.8x
CACI International Inc	\$532.81	31.9%	\$11,764	\$3,070	\$14,834	11.1%	6.4%	11.5%	11.7%	14.3x	13.2x	19.1x	18.0x	2.9x	2.7x
ICF International, Inc.	\$85.30	(28.4%)	\$1,573	\$623	\$2,196	(7.4%)	2.5%	11.2%	11.3%	10.5x	10.1x	12.6x	12.0x	3.0x	2.9x
Parsons Corporation	\$61.80	(33.0%)	\$6,581	\$971	\$7,659	(4.6%)	3.8%	9.6%	9.8%	12.4x	11.7x	19.2x	18.1x	1.6x	1.5x
V2X, Inc.	\$54.55	14.0%	\$1,720	\$960	\$2,680	3.5%	5.1%	7.1%	7.2%	8.4x	7.9x	10.9x	9.6x	3.0x	2.8x
Maximus, Inc.	\$86.32	15.6%	\$4,701	\$1,224	\$5,925	0.4%	3.3%	13.3%	13.5%	8.3x	7.9x	11.3x	10.1x	1.7x	1.6x
Amentum Holdings, Inc.	\$29.00	37.9%	\$7,068	\$3,727	\$10,910	44.6%	0.1%	7.7%	8.0%	9.9x	9.6x	13.0x	11.7x	3.4x	3.3x
KBR, Inc.	\$40.20	(30.6%)	\$5,105	\$2,300	\$7,410	0.9%	4.6%	12.4%	12.2%	7.6x	7.4x	10.5x	9.8x	2.4x	2.3x
Mean						4.8%	3.1%	10.7%	10.8%	10.4x	10.0x	13.6x	12.9x	2.6x	2.5x
Median						0.7%	3.6%	10.9%	11.0%	10.4x	10.0x	12.8x	11.9x	2.8x	2.7x

Source: Capital IQ

All figures in USD, where applicable, converted at rates as of December 31, 2025

(1) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents as of closing price December 31, 2025

(2) Closing share prices as of December 31, 2025

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



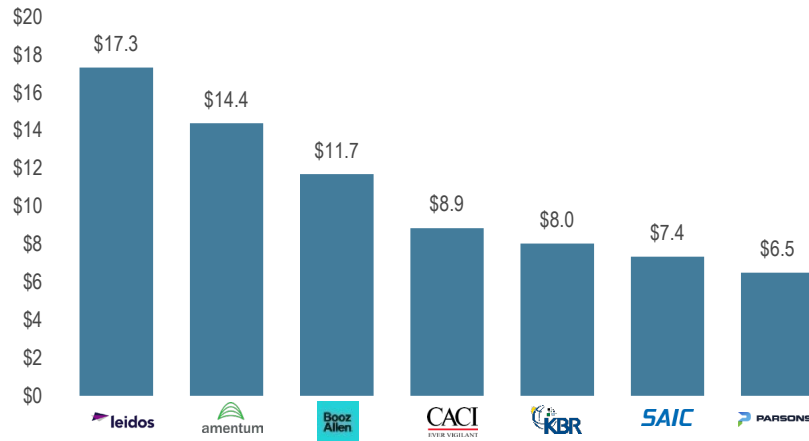
Peer Benchmarking | Government Technology Solutions



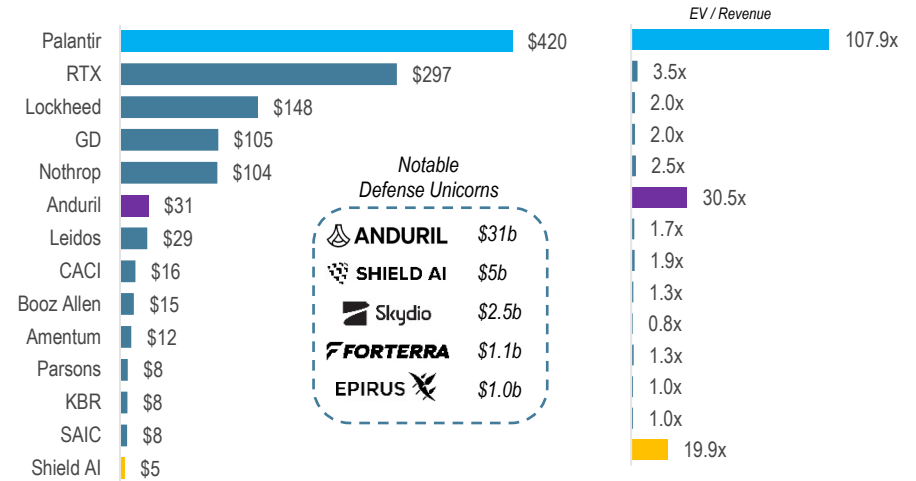
Source: CapitalIQ. Market data as of 1/14/26.

Peer Benchmarking | Government Technology Solutions

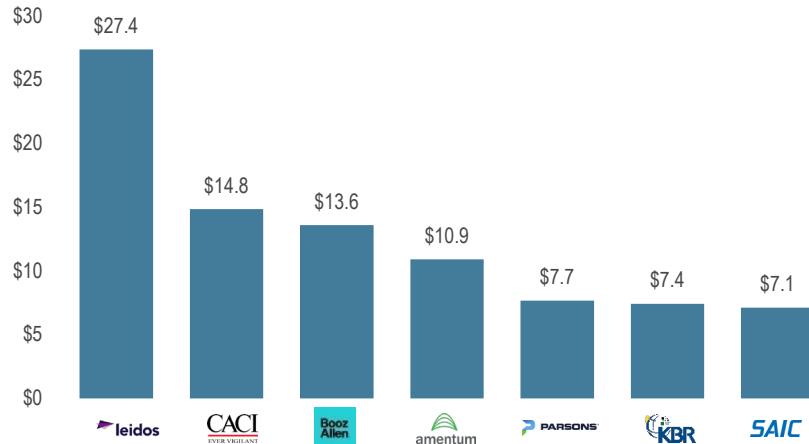
LTM Revenue (\$ billions)



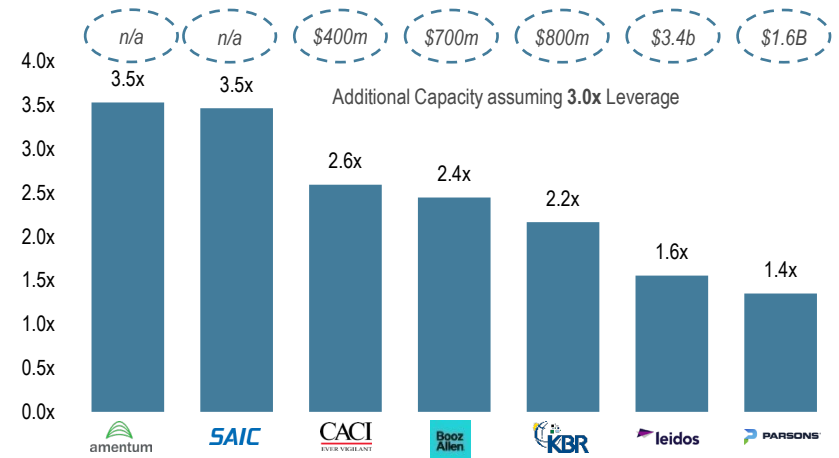
Enterprise Value (\$ billions) – Defense & Govt Tech Solutions v. Select Defense Unicorns



Enterprise Value (\$ billions)



Net Leverage to LTM EBITDA

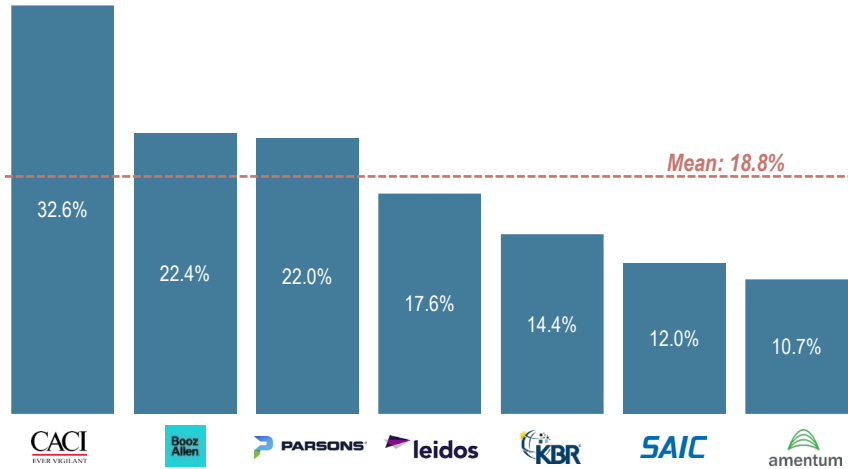


Source: Capital IQ – Data as of 1/14/2026

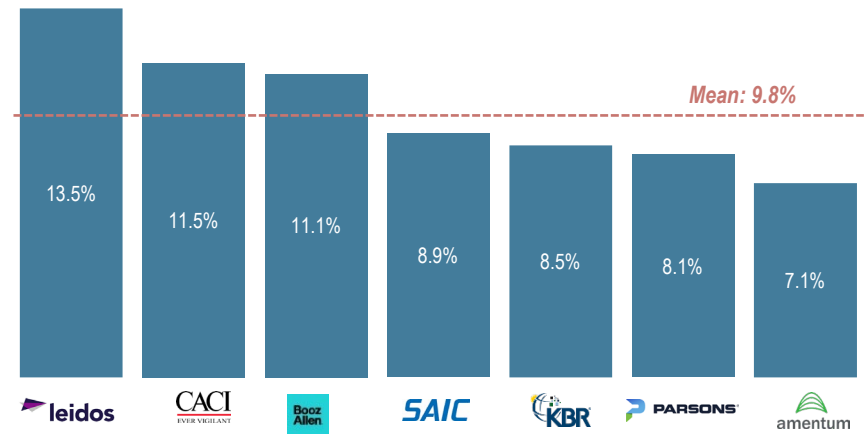
As of each company's most recently reported SEC financials

Peer Benchmarking | Government Technology Solutions

LTM Gross Margin (%)



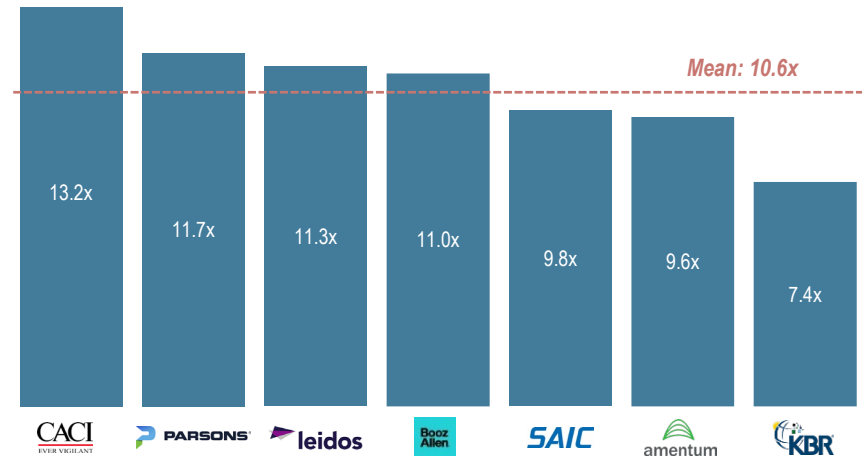
LTM EBITDA Margin (%)



EV / LTM EBITDA



EV / 2026E EBITDA



Source: Capital IQ – data as of 12/31/2025

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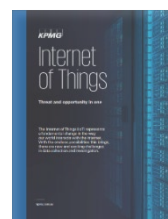
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