



# Government Contracting 2<sup>nd</sup> Half 2022 Review

KPMG Corporate Finance LLC

January 2023



# M&A Summary (1/3)

01

## M&A Summary

**QinetiQ** acquires **Avantus Federal** from **NewSpring Holdings** for \$590 million. Avantus was formed in 2018 through the combination of E3 Federal and Sentinel followed by numerous bolt-on acquisitions (Data Works, Operational Intelligence, Lucid Perspectives, MissionTech Solutions, Occam's Razor Technologies (ORT). Avantus had 1,150 employees, 92% of whom were cleared. Avantus had \$298 million in revenue and \$35.5 million in EBITDA and is noted as 14.6x multiple, net of a \$70m tax asset. **By Light Professional IT Services (Sagewind Capital)** acquires **Veraxx Engineering** (Chantilly, VA), a provider of software defined radio and turnkey radio frequency ("RF") solutions for governments and enterprises.

**Collabralink Technologies (Washington Harbour Partners)** acquires **Groundswell Consulting Group** (McLean, VA), a provider of Appian development and integration services to US federal agencies. This acquisition follows the initial acquisitions of Telesto Group (Dec21) and Collabralink (Jan22). The combined company has over \$100 million in revenue. **SilverEdge (Godspeed Capital)** acquires **Qvine** (Herndon, VA), a provider of agile software development, cloud services, and SaaS solutions to the IC. Qvine has over 100 employees, all of whom hold security clearances. SilverEdge also acquires **Counter Threat Solutions** (Reston, VA), a provider of all source and counterintelligence analysis, identity intelligence, and enterprise IT and data management solutions, including ServiceNow capabilities.

**DMI (OceanSound Partners)** acquires **Ambit Group** (Reston, VA), a provider of data management & analytics and cybersecurity services to the federal government including SEC, FEMA and CFPB. **Antarctica Capital** acquires **Descartes Labs** (Santa Fe, NM). Descartes Labs was spun off from the U.S. Energy Department's Los Alamos National Laboratory in 2014. **ECS Federal (ASGN Incorporated)** acquires **Iron Vine Security** (Washington, DC), a provider of cybersecurity solutions to federal clients including NIH, CMMS, SEC, and the Census Bureau. **Deltek** (NYSE: Roper Technologies) acquires **TIP Technologies** (Waukesha, WI) a provider of Provides quality management software (QMS) to customers in the aviation, space, defense, medical device, and complex manufacturing industries.

**Boecore (Enlightenment Capital)** acquires **Ascension Engineering Group** (Colorado Springs, CO), a provider of software and systems engineering, the DevSecOps software development practice, modeling and simulation, and systems integration and testing. **Leidos** acquires **Cobham Aviation Services Australia's Special Mission business**, which provides airborne border surveillance and search and rescue services to the Australian federal government, for \$212 million.

**Enlightenment Capital** acquires **Agile Defense** (Reston, VA), a provider of IT management, cloud migration services, security and risk management services to the DoD and other federal agencies. **i2 Group (N. Harris Computer/Constellation Software)** acquires **Rosaka Software** (Reston, VA), a provider of mission-critical software that supports homeland security, state and local law enforcement, and financial crime investigations. **Systems Planning and Analysis (SPA) (Arlington Capital Partners)** acquires **Metron's Operations Research & Cyber Analysis division**, which provides operations research, digital engineering and model-based systems engineering support for the U.S. Navy and other national security customers.

**Enlightenment Capital** acquires **iNovex** (Columbia, MD) a provider of software development platforms focused on signals intelligence, cybersecurity, robotic process automation and data analysis for federal government, intelligence community and commercial clients. **LMI (Declaration Partners, Capitol Meridian, 22C Capital)** acquires **Synaptech** (Colorado Springs, CO), a provider of digital engineering, modeling and simulation software for the national security and space industries. **Janus Research (CM Equity)** acquires **Cape Henry Associates** (Virginia Beach, VA), a provider of manpower and personnel analyses and training solutions for the Department of Defense and other Federal customers.

**IBM** acquires **Octo** (Reston, VA), from Arlington Capital. Octo provides artificial intelligence, cloud and infrastructure, DevSecOps, data management and analytics, and cybersecurity solutions to the US federal government, including its defense, health, and civilian agencies. Arlington acquired Octo in 2019. **Cydecor** acquires **InnovaSystems International** (San Diego, CA), a provider of agile software development, data management, data analytics, onsite training, technical and engineering expertise for federal, state and local government agencies. **OceanSound Partners** acquires **Gannett Fleming** (Camp Hill, PA), a provider of engineering and infrastructure consulting firm that works with government agencies and customers in certain commercial verticals.

**DLH Holdings** acquires **Grove Resource Solutions (GRSi)** (Bethesda, MD), for \$184 million. GRSi provides IT infrastructure modernization and architecture design, software engineering, technology assessment and insertion, and multi-tier IT service management to government clients including NIH, Navy and Marine Corps. Deal adds 700 employees, \$140 million in revenue and \$550 million in backlog and expands enterprise modernization and cybersecurity offerings. **The Sanborn Map Company** acquires **AppGeo** (Boston, MA) a provider of geographic information software system technologies and services designed to create location intelligence as well as GIS consulting services.

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

# M&A Summary (2/3)

01

## M&A Summary

**Kratos Defense & Security** acquires the **Engineering Division of Southern Research** for \$80 million. The division provides development, modeling and deployment of advanced materials for extreme environments, including hypersonic, space, missile defense, strategic deterrence, propulsion systems, and energy applications. Approximately 1/4 of purchase price was for SRE's 54-acre campus with a 102k sq. ft lab. **Madison Dearborn** acquires a majority stake in **Unison Global** from **Carlyle Group**. Unison provides software used by federal agencies and government contractors to keep track of projects, procurements and supply chain functions. Carlyle acquired Unison originally in 2005, sold it to Abry in 2010 and then re-acquired it in 2020.

**Declaration Partners, Capitol Meridian and 22C Capital** acquire LMI's for-profit subsidiary. The remaining entity will rebrand as NobleReach Foundation. The acquired entity provides digital services, advanced analytics, logistics and management advisory services across the federal government. **CNSI (The Carlyle Group)** acquires **Kepro** (Nashville, TN) from Apex Partners. Kepro develops care management and clinical assessment technology. **VTG (The Jordan Company)** acquires **Next Rev Technologies** (Upper Marlboro, MD), a provider of cloud computing, data science and advanced analytics solutions to federal customers.

**Enlightenment Capital** acquires **PrintScan** (Hicksville, NY), which provides fingerprinting and background screening, professional live scan and ink fingerprinting services, face scan, signature pads, and other services to public and private sector clients. Enlightenment Capital also makes a strategic investment in **Laxton Group** (San Antonio, TX) a provider of Provides fingerprinting and background screening, professional live scan and ink fingerprinting services, face scan, signature pads, and other services to public and private sector clients. **Deep Water Point (Renovus Capital)** acquires **Wolf Den Associates** (McLean, VA), which provides capture and proposal, strategy, management consulting and transaction advisory support services in the federal market.

**SkyePoint Decisions** acquires **SNR Government IT Services** (McLean, VA) a provider of Provides applications, software, hardware, infrastructure, and systems solutions for the DLA and Army; this included the DLA JETS, Army RS3, and Army ITES-3S contracts. **Veritas Capital** acquires **Epiq Solutions** (Sioux Falls, SD), a provider of software defined radio and turnkey radio frequency ("RF") solutions for governments and enterprises. **Edgesource** acquires **Auspex Analytics** (Ashburn, VA), a provider of advanced data analytics, cybersecurity, management consulting, strategy consulting, data operations and operations research for the DoD and IC.

**Trive Capital** acquires **Forward Slope** (San Diego, CA), a provider of Provides software and technology solutions, security and surveillance solutions and mission support and management services to federal clients. **Fire Team Solutions (AE Industrial Partners)** merges with **Case Consulting** (Leesburg, VA), a provider of software development solutions to the IC. **Cadmus Group (CI Capital)** acquires **Wheelhouse** (Fairfax, VA), a provider Provides IT modernization, citizen services and workforce transformation programs at federal agencies. Deal helps Cadmus add customers in Treasury, Labor, Interior and Education departments. **System High Corporation (Enlightenment Capital)** acquires **ManageYOURiD** (Charlotte, NC), a provider of identity management software for data privacy and security.

**Antarctica Capital** acquires **Descartes Labs** (Santa Fe, NM), a provider of geospatial intelligence solutions provider of leading commercial and government clients. **ePlus** acquires **Future Com** (Grapevine, TX) a provider of cyber security, hardware, software, support, and consulting services to top enterprises, mid-market businesses, and healthcare, government and educational entities. **Tetra Tech** acquires **The Integration Group of Americas (TIGA)** (Spring, TX), a provider of software engineering, digital automation and data analytics consulting. **Tetra Tech (NASDAQ: TTEK)** acquires **Amyx** (Reston, VA), a provider of systems engineering, information technology, software design, development, and program and acquisition management services to the defense industry and civilians.

**Blue Delta Capital Partners** makes a minority investment in **Edgewater Federal Solutions** (Frederick, MD), a provider of enterprise IT, information assurance and cybersecurity, program management, systems engineering and other services to the federal government. **Mirion Technologies** (NYSE: MIR) acquires **Collins Aerospace's Critical Infrastructure business**, which provides command-and-control software platforms that are designed to help customers manage systems cybersecurity in nuclear power plants and government facilities. **FalconTek** acquires **Core Mission Solutions** (Ashburn, VA), a provider of language analysis, cultural advisory, intelligence analysis and training services to the defense, IC and federal law enforcement communities.

**Sigma7 (Growth Catalyst)** acquires **Intelligence Fusion** (UK), which provides intelligence software-as-a-service (SaaS) platform as well as intelligence support and consultancy services, such as intelligence reports, intelligence summaries, threat and risk assessments, and sentiment analysis.

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

# M&A Summary (3/3)

01

## M&A Summary

**ICF International** acquires **Blanton & Associates** (Reston, VA), a provider of environmental consulting, planning and project management solutions to the transportation, energy and water sectors. **Digital Intelligence Systems (DISYS)** acquires **LinTech Global** (Farmington Hills, MI) a provider of IT and engineering services to the federal government including the Army, Navy, DCAA, DHA, VA and others.

**Blue Delta Capital** makes an investment in **Core One** (Sterling, VA), a provider of Provides technology and professional services to DoD and IC customers. **Command Holdings (ANC)** acquires **WWC Global** (Tampa, FL), a provider of program management, strategic planning, financial management and IT solutions to the federal government. **CIS Secure** (Riverside, HKW) acquires **Intrepid Solutions and Services** (Herndon, VA), a provider of geospatial intelligence solutions provider of leading commercial and government clients.

**Yulista Holding** (ANC) acquires **Troy7** (Huntsville, AL), a provider of missile and aerospace engineering solutions to MDA, SMDC, NASA and other DoD entities. **MartinFederal** acquires **Xcel Engineering** (Oak Ridge, TN), a provider of regulatory compliance, environmental assessments, management systems and programs, engineering design and analysis, construction management, and civil engineering to government agencies.

**Enercon Services (AE Industrial)** acquires **Ardent Environmental Group** (Corona, CA), a provider of environmental due diligence for commercial real estate acquisition, site characterization, remedial action planning, remediation, water quality evaluations, and other services through the western US.

**The Acacia Group** acquires **Isos Technology** (Tempe, AZ) and combines it with the Atlassian practice of MajorKey Technologies, creating a 120 person firm focused on the Atlassian ecosystem service public and commercial clients.

# General / Other M&A

02

## General / Other M&A

**Lavrock Ventures** leads a new \$7.5 million first round of funding for Veritonic (New York), a developer of an audio analytics and research platform. Joined by Progress Ventures, Greycroft, Lerer Hippeau and Newark Venture Partners.

**Huntress** (Ellicott City, MD), acquires **Curricula** (Atlanta, GA), a story-based security awareness training platform for \$22 million.

**Lockheed Martin** doubled its venture capital fund from \$200 million to \$400 million. The money will be used to fund new companies and increase investments in companies already funded through the venture fund.

**Booz Allen Hamilton** forms \$100 million venture capital fund to invest in early-stage companies and technologies with a focus on defense, artificial intelligence/machine learning, cybersecurity, and deep technology.

**Boeing** announces commitment of \$50 million in **AEI HorizonX**, a partnership with **AE Industrial Partners** to invest in transformative aerospace technologies.

**Cycurion**, a provider of managed security, consulting support, and managed information technology, goes public via SPAC with Western Acquisition Ventures.

**Security On-Demand** acquires **Booz Allen Hamilton's commercial managed threat services (MTS) business**.

**Astraea** (Charlottesville, VA), a satellite intelligence company, raises \$6.5 million in Series A, led by Aligned Climate Capital and Carbon Drawdown Collective, joined by CAV Angels, Tydall Investment Partners and University of Virginia Seed Fund.

**Sierra Space** forms advisory board including James Guerts, General (ret) William Fraser III, Susan Gordon, Dave Hamilton, Paul Selva, William Thornberry, and Stephen Wilson.

**Razor's Edge Ventures** completes \$340 million round for its 3rd fund.

**Lavrock Ventures, In-Q-Tel and Pallas Ventures** increase their investments in Morpheus Space (Los Angeles, a developer of in-space mobility systems).

**RapidFlight**, a designer and manufacturer of unmanned aircraft, announces plans to establish its headquarters in Manassas.

**RTX Ventures**, the venture capital arm of Raytheon Technologies, makes a minority investment in H55, a Swiss electric propulsion system company.

**Seasats** receives strategic investment from **L3Harris Technologies**. Seasats is involved in the design and production of low-cost, solar-powered maritime autonomous surface vehicles (ASV) for military and commercial use.

**Slingshot Aerospace** (El Segundo, CA), a space simulation and analytics products producer for space sustainability, raises \$40.85 million in Series A2, led by Sway Ventures, joins by C16 Ventures, ATX Venture Partners, Lockheed Martin Ventures, Valor Equity Partners, and Draper Associates.

**DFW Capital** raises \$800 million.

**CAES Space Systems**, which was acquired by Veritas, rebrands as **Frontgrade Technologies**.

# Personnel Changes (1/2)

03

## Personnel Changes

**Fog Hahn** joins **Client Solutions Architects** as Chief Growth Officer. Hahn was previously EVP at Amentum.

**Tim Spadafore** joins **Client Solutions Architects** as COO. Spadafore was previously with CGI Federal.

**Rich Sawchuk** joins board of directors at **Gunnison Consulting Group**. Sawchuk is currently at Hypori and was previously with Novetta.

**Tom Watson** named new CEO of **Serco**, replacing Dave Dacquino. Watson has been an executive at Serco's North America Defense business and was previously with SAIC and RCI.

**Vincent Stewart** named to board of directors at **Lockheed Martin**. Stewart is a retired Marine Corps lieutenant general and former director of the Defense Intelligence Agency.

**Leslie Hubbard-Darr** joins **T-Rex** as national security growth VP.

**Parsons** promotes **Matt Ofilos** to CFO, replacing George Ball. Ofilos was previously with AWS and Raytheon.

**Bill Rowan** joins **Splunk** as vice president for its public sector division. Rowan was previously with VMware.

**Seth Nylund** joins **Presidio's** U.S. federal subsidiary as senior vice president of sales and business development.

**Keith Couch** named CEO of **Special Support Technologies (SST)** (Arlington, VA). Couch is a retired colonel in the U.S. Marine Corps.

**Aydin Mohtashamian** joins **Parry Labs** as COO. Mohtashamian was previously president of the QinetiQ US CSISR division.

**Jeremy Ross** joins **SilverEdge** as CGO.

**Retired Maj. Gen. Garrett S. Yee** named vice president and general manager **GDIT's Army sector**. Yee was assistant to the director of DISA and military deputy and chief information security officer for the Army CIO/G-6 at the Pentagon before that.

**Sharon Smoot** named president of the Nuclear Operations Group at **BWX Technologies**. Smoot spent 30 years in the Navy.

**Jarrett Booz** joins **Accenture Federal Services** as senior manager and program and project management lead.

**Tom Ferrando** joins **PM Consulting Group (PMCG)** as executive chair of its board of directors. Ferrando most recently served as the CEO of Salient CRGT.

**Marie Russell** joins **Maximus** as its vice president of federal alliances. Russell was previously with Juniper Networks.

**Nigel Sutton** joins **Artel** as senior vice president of business development. Sutton was most recently the vice president of international business for the Defense Systems Group at Orbital ATK.

**Al White** joins **Black Sage** as CEO. White was formerly a VP at CACI.

**Richard Mortellaro** appointed president and CEO of **Eutelsat America Corp. (EAC)**, succeeding David Bair.

**Joe Niehaus** promoted to senior vice president of the logistics service line at **LMI**.

**Zaki Saleh** promoted to senior vice president of the health and civilian market at **LMI**.

**Ken Walker** named CEO of **Owl Cyber Defense**.

**Hector Collazo** named CTO at **Sev1Tech**.

**Matt Mullenix** named executive vice president, chief information officer and chief information security officer at **Bowman Consulting Group**. Mullenix was previously the vice president, CIO and CISO at VSE.

**Tim Cahill** named new executive vice president of Lockheed Martin's Missiles and Fire Control business area. Cahill is currently SVP of Lockheed's global business development and strategy.

**Milan Kmezcic** named chief technology officer at **Audley Consulting Group**.

**Shelley Sanders** named senior vice president of client operations at **Intelligent Waves**. Sanders was previously a vice president at CACI International.

**Ron Ash** named COO of **Accenture Federal Services (AFS)**, replacing retiring Kenny Mitchell.

**Trip Ferguson** named COO of **BlueHalo**. Ferguson was previously the COO of Dynetics.

**Bob Pragada** takes over CEO role at **Jacobs**, taking over for Steve Demetriou. Pragada was previously the president and COO.

**Manuel Mendez** and **Jason Siminski** join Integral Financial as chief financial officer and chief growth officer, respectively.

**Matt Calderone** named CFO of **Booz Allen Hamilton**, succeeding Lloyd Howell.

**Karen Dahut** joins **Google's Public Sector business** as CEO. Dahut spent over 20 years with Booz Allen.

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

# Personnel Changes (2/2)

03

## Personnel Changes

**Jon Rambeau** named president of **L3Harris Technologies'** integrated mission systems segment Rambeau was previously with Lockheed Martin.

**Todd Borkey** promoted to executive vice president and chief technology officer at **Huntington Ingalls**.

**Jay Moorman** named CEO of **Chesapeake Technology International (CTI)**.

**General David Petraeus** named strategic advisor at **Semperis**.

**John Ustica** named President and CEO of **Siemens Government Technologies**.

**Kevin M. Phillips** will retire as president and CEO of ManTech and will transition to the role of chairman of the board of directors. Matt Tait, the current Chief Operating Officer, will succeed Phillips as CEO and president.

**Ray Coleman** named CIO at **Koniag Government Services (KGS)**.

**Bruce Phillips** named vice president of emerging markets growth at **Systems Planning and Analysis (SPA)**.

**Chris Emerson**, an aerospace veteran and former CEO of Airbus' U.S. defense subsidiary, joins AE Industrial Partners as an operating partner executive.

**Amanda Long** joins **BigBear.ai** as chief executive officer.

**Meghan Gifford** promoted to vice president of corporate development and strategy at **Octo**.

**Whitney Barrera** named vice president of talent at **Intelligent Waves**.

**Daniel Smith** named new president of federal at **LookingGlass Cyber Solutions**. Smith was previously vice president of strategic initiatives at ManTech.

**Matt Salter** named chief growth officer at **Noblis**.

**Gustave Perna** named COO at **DEFCON AI**. Perna is a retired four-star general in the U.S. Army and was most recently COO of Operation Warp Speed.

**Robert Cherry** named vice president of mergers and acquisitions at **Cadmus**.

**Rich Sawchak** joins **SPA** as new CEO, replacing **Bill Vantine**, who is retiring.

**Jay Icard** joins **SES Government Solutions** as senior vice president with a focus on strategic development.

**Kyle Fox** joins **SOSi** as CTO.

**Tim Reardon** joins **Sayres Defense** as chief executive and chairman of the board of directors. Reardon was previously CEO of Constellis.

**Mark Johnson** named vice president of federal technology sales at **IBM**. Johnson was most recently with Oracle.

**Jon Rucker** joins **Ultra Intelligence & Communications** as chief executive. Rucker was most recently with SAIC.

**Madison Dearborn** forms partnership with former Dovel Technologies executives Damon Griggs and Jon Brooks.

**Stephen Fogarty**, a retired lieutenant general, joins **Booz Allen Hamilton** as senior executive advisor. Fogarty recently served as commanding general of the U.S. Army Cyber Command.

**Phil Fuster** named chief revenue officer at **Hitachi Vantara Federal**. Fuster was formerly vice president of federal markets at Proofpoint.

**Darby LaJoye** joins **Leidos** as vice president and strategic account executive for the Department of Homeland Security.

**Kathleen Creighton** joins board of **ManTech**. Creighton spend 33 years with the Navy, including 6 years as Rear Admiral with expertise in Naval warfare technology, systems and operations.

**Joe Jeter** named senior vice president for federal technology at **Maximus**.

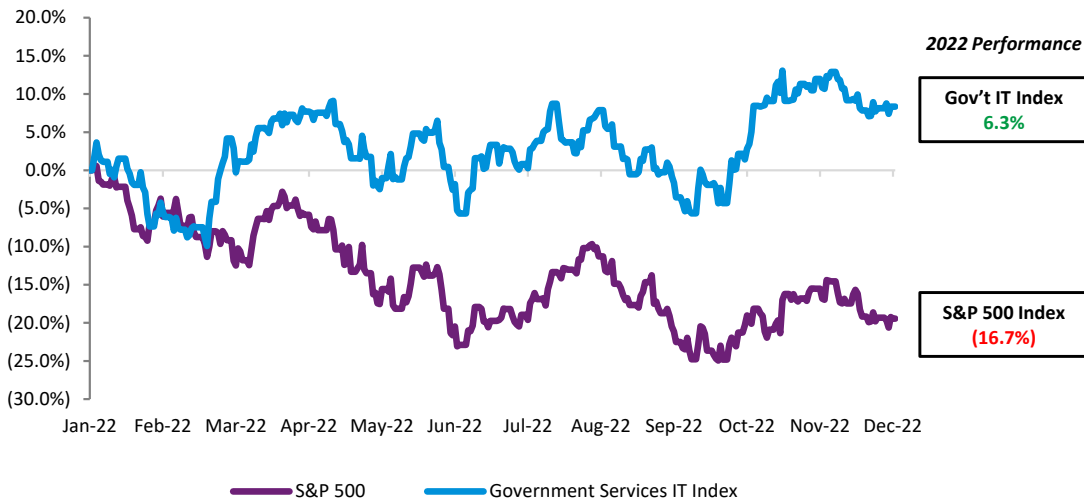
**General McChrystal** named to advisory board at **Accrete**.

**Kelly Douglas** joins **SilverEdge** as Vice President of Talent Acquisition.

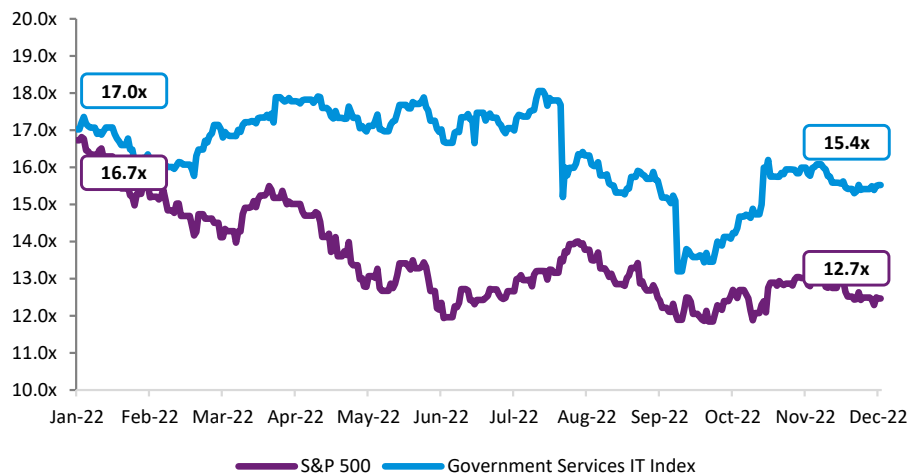
Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research

# Government Services Capital Markets

**Government Services IT Index v. S&P 500**  
2022 Performance



**Government Services IT Index v. S&P 500**  
EV/EBITDA



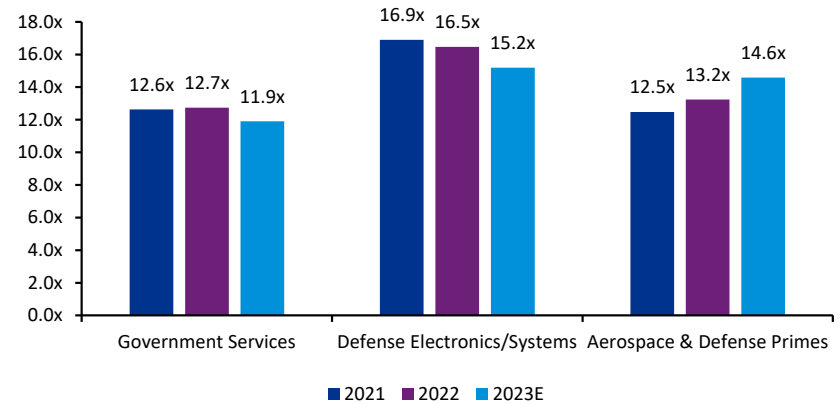
**Notable Deals**

**Avantus**  
*has been acquired by*  
**QINETIQ**  
August 2022

- Provides mission-focused cyber, data analytics and software development solutions to the DoD (38%), IC (40%) and DHS (22%)
- \$590m purchase price, including \$70m tax asset
- Jun22 TTM Revenue and EBITDA of \$298m \$35.5m, respectively, representing 14.6x EV/EBTIDA multiple
- 1,150 employees, 92% with security clearances
- 3.9 year hold for NewSpring Holdings. Formed in 2018 through the combination of E3 Federal and Sentinel followed by numerous bolt-ons (Data Works, Operational Intelligence, Lucid Perspectives, MissionTech Solutions, Occam's Razor Technologies (ORT))

**OCTO**  
*has been acquired by*  
**IBM**  
December 2022

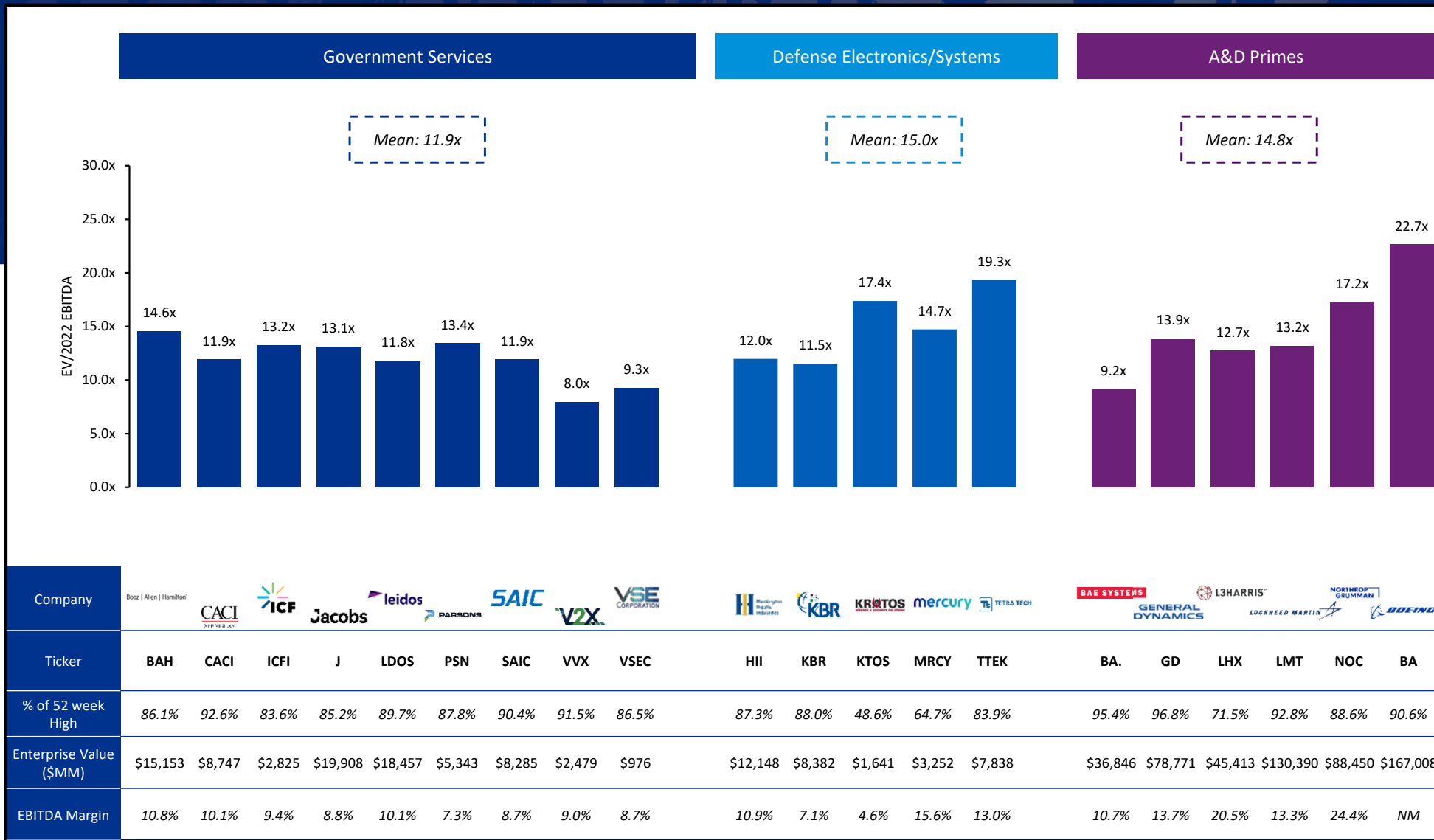
- Provides IT modernization and digital transformation services to the U.S. federal government, including defense, health, and civilian agencies
- Octo's 1,500 employees will join IBM Consulting's U.S. public and federal market organization resulting in a 4,200+ team
- 3.7 year hold for Arlington Capital who purchased Octo in April 2019 with subsequent bolt-ons including Connexa, Sevatec, Volant Associates, and B3 Group



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



# Public Company Key Statistics (1/3)



Source: S&P CapitalIQ; Market data as of 1/12/23

## Public Company Key Statistics (2/3)

Company	HQ Country	Market Data				LTM Financials			Enterprise Value To:		
		Market Cap <sup>(1)</sup>	Enterprise Value(\$mm)	Share Price	% 52-Wk High	Revenue (\$mm)	Gross Margin %	EBITDA Margin %	LTM EBITDA	CY 2022 EBITDA	NTM EBITDA
<b>Government Services</b>											
Booz Allen Hamilton Holding Corporation	US	\$12,809	\$15,153	\$96.87	86.1%	\$8,817	23.3%	10.8%	16.0x	14.6x	14.8x
CACI International Inc	US	\$6,950	\$8,747	\$295.78	92.6%	\$6,318	34.6%	10.1%	13.7x	11.9x	12.2x
ICF International, Inc.	US	\$1,911	\$2,825	\$101.40	83.6%	\$1,692	36.1%	9.4%	17.8x	13.2x	13.4x
Jacobs Engineering Group Inc.	US	\$16,206	\$19,908	\$128.00	85.2%	\$14,923	22.3%	8.8%	15.2x	13.1x	13.6x
Leidos Holdings, Inc.	US	\$13,618	\$18,457	\$99.63	89.7%	\$14,190	14.6%	10.1%	12.9x	11.8x	12.0x
Parsons Corporation	US	\$4,559	\$5,343	\$44.05	87.8%	\$4,043	23.0%	7.3%	18.1x	13.4x	13.6x
Science Applications International Corporation	US	\$5,826	\$8,285	\$106.65	90.4%	\$7,518	11.5%	8.7%	12.7x	11.9x	11.9x
V2X, Inc.	US	\$1,269	\$2,479	\$41.65	91.5%	\$1,362	10.6%	9.0%	20.1x	8.0x	8.2x
VSE Corporation	US	\$655	\$976	\$51.20	86.5%	\$926	8.3%	8.7%	12.2x	9.3x	9.8x
<i>Mean</i>					<b>88.1%</b>		<b>20.5%</b>	<b>9.2%</b>	<b>15.4x</b>	<b>11.9x</b>	<b>12.2x</b>
<i>Median</i>					<b>87.8%</b>		<b>22.3%</b>	<b>9.0%</b>	<b>15.2x</b>	<b>11.9x</b>	<b>12.2x</b>
<b>Defense Electronics/Systems</b>											
Huntington Ingalls Industries, Inc.	US	\$9,059	\$12,148	\$227.03	87.3%	\$10,541	14.0%	10.9%	10.6x	12.0x	12.2x
KBR, Inc.	US	\$6,875	\$8,382	\$50.11	88.0%	\$7,455	11.5%	7.1%	15.9x	11.5x	12.1x
Kratos Defense & Security Solutions, Inc.	US	\$1,363	\$1,641	\$10.82	48.6%	\$861	26.3%	4.6%	NM	17.4x	18.7x
Mercury Systems, Inc.	US	\$2,711	\$3,252	\$46.76	64.7%	\$991	38.8%	15.6%	21.1x	14.7x	15.0x
Tetra Tech, Inc.	US	\$7,551	\$7,838	\$142.52	83.9%	\$2,836	20.3%	13.0%	21.3x	19.3x	19.8x
<i>Mean</i>					<b>74.5%</b>		<b>22.2%</b>	<b>10.2%</b>	<b>17.2x</b>	<b>15.0x</b>	<b>15.6x</b>
<i>Median</i>					<b>83.9%</b>		<b>20.3%</b>	<b>10.9%</b>	<b>18.5x</b>	<b>14.7x</b>	<b>15.0x</b>

Sources: CapitalIQ and company filings. Note: All figures in USD, where applicable, converted at rates as of January 12, 2023

(1) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents as of closing price January 12, 2023

(2) Closing share prices as of January 12, 2023

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

## Public Company Key Statistics (3/3)

Company	HQ Country	Market Data				LTM Financials			Enterprise Value To:		
		Market Cap <sup>(1)</sup>	Enterprise Value(\$mm)	Share Price	% 52-Wk High	Revenue (\$mm)	Gross Margin %	EBITDA Margin %	LTM EBITDA	CY 2022 EBITDA	NTM EBITDA
A&D Primes											
BAE Systems plc	GB	\$30,665	\$36,846	\$10.10	95.4%	\$24,207	62.9%	10.7%	14.2x	9.2x	9.5x
General Dynamics Corporation	US	\$68,145	\$78,771	\$248.69	96.8%	\$38,848	16.9%	13.7%	14.8x	13.9x	14.3x
L3Harris Technologies, Inc.	US	\$38,063	\$45,413	\$199.91	71.5%	\$16,834	29.5%	20.5%	13.1x	12.7x	12.5x
Lockheed Martin Corporation	US	\$121,340	\$130,390	\$463.00	92.8%	\$64,722	13.0%	13.3%	15.1x	13.2x	12.7x
Northrop Grumman Corporation	US	\$75,868	\$88,450	\$492.93	88.6%	\$35,208	20.5%	24.4%	10.3x	17.2x	17.2x
The Boeing Company	US	\$123,982	\$167,008	\$208.03	90.6%	\$61,421	1.5%	NM	NM	22.7x	25.2x
<i>Mean</i>					<b>89.3%</b>		<b>24.0%</b>	<b>16.5%</b>	<b>13.5x</b>	<b>14.8x</b>	<b>15.2x</b>
<i>Median</i>					<b>91.7%</b>		<b>18.7%</b>	<b>13.7%</b>	<b>14.2x</b>	<b>13.5x</b>	<b>13.5x</b>

Sources: CapitalIQ and company filings. Note: All figures in USD, where applicable, converted at rates as of January 12, 2023

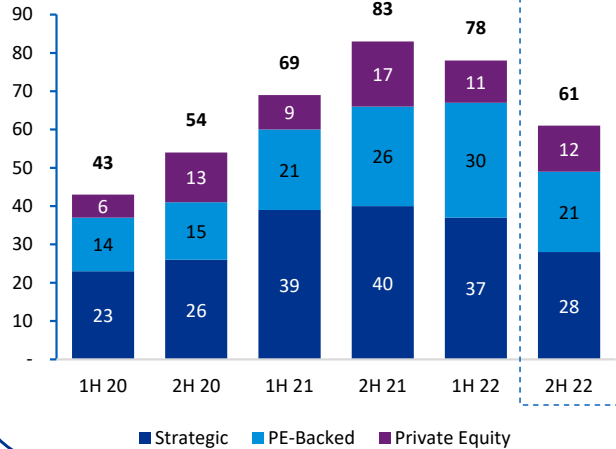
(1) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents as of closing price January 12, 2023

(2) Closing share prices as of January 12, 2023

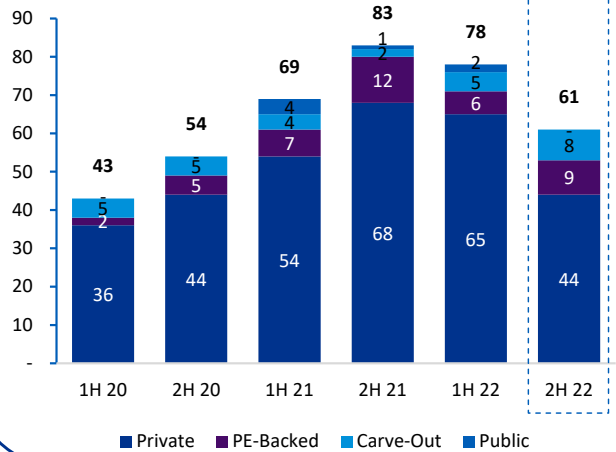
(3) EBITDA equals Earnings before Interest Expense, Income Taxes, D&A

# Government Services M&A Activity

**Government Services  
By Buyer Type**



**Government Services  
By Seller Type**



**Notable New Platforms**

Buyer	Platform
Enlightenment Capital	iNovex
Enlightenment Capital	Agile Defense
Declaration Partners, Capitol Meridian, 22C Capital	LMI (For-Profit Subsidiary)
Antarctica Capital	Descartes Labs
Enlightenment Capital	Boecore

**Notable PE Bolt-Ons**

Buyer	Fund	Bolt-On
LMI	Declaration Partners, Capitol Meridian, 22C Capital	Synaptech
VT Group	The Jordan Company	Next Rev Technologies
Deep Water Point	Renovus Capital	Wolf Den Associates
CNSI	The Carlyle Group	Kepro
Cadmus Group	CI Capital Partners	Wheelhouse
DMI	Oceansound Partners	Ambit Group
Fire Team Solutions	AE Industrial Partners	Case Consulting
SilverEdge	Godspeed Capital	Counter Threat Solutions
Boecore	Enlightenment Capital	Ascension Engineering
SilverEdge	Godspeed Capital	Qvine
Janus Research	CM Equity Partners	Cape Henry Associates
Systems Planning and Analysis (SPA)	Arlington Capital	ORCA division of Metron
System High Corporation	Enlightenment Capital	ManageYOURID
Flashpoint Intelligence	Audax	Echosec Systems Ltd.
CIS Secure Computing	Riverside Company, HKW, Loan Ridge	Intrepid Solutions and Services
By Light Professional IT Services	Sagewind Capital	Veraxx Engineering
Unison Software (Madison Dearborn)	Madison Dearborn Partners	FARclause.com (KM-Logix)
CollabraLink Technologies	Washington Harbour	Groundswell Consulting Group

**Notable Strategic Buyers**

Public Buyers
ASGN / ECS Federal
Deltek (Roper Technologies)
DLH Holdings
ePlus
IBM
ICF International
Kratos Defense & Security
Leidos Holdings
NV5
QinetiQ Group
Sparton DeLeon Springs (Elbit America)
Tetra Tech

Private Buyers
Celerium
Chickasaw Nation Industries (CNI)
Command Holdings (ANC)
Cydecor
Digital Intelligence Systems (DISYS)
Edgesource
EM Key Solutions
Ernst & Young (EY)
FalconTek
MartinFederal
Orbis Technologies
SkyePoint Decisions
The Poarch Band of Creek Indians (ANC)
The Sanborn Map Company

**Notable PE Exits**

Company	Sponsor	Buyer	Acquired	Sold	Hold (Yrs)
Octo Consulting Group	Arlington Capital	IBM	Apr-19	Dec-22	3.7
Avantus Federal	NewSpring	QinetiQ	Sep-18	Aug-22	3.9

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

# Select M&A Transactions (1/4)

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Jan-23	OceanSound Partners	Gannett Fleming	New York, NY / Camp Hill, PA	Provides engineering and infrastructure consulting firm that works with government agencies and customers in certain commercial verticals.					
Dec-22	NV5 (NASDAQ: NVEE)	L3Harris' Geospatial Data Software Business	Hollywood, CA / Melbourne, CA	Provides mission-critical, commercial geospatial solutions through proprietary software applications.					
Dec-22	Pearson	Personnel Decisions Research Institutes (from SHL)	UK / Alpharetta, GA	Provides designs, develops, and provides talent workforce assessment solutions and services.					
Dec-22	EM Key Solutions	Brandon Green Management Group (BGMG)	St. Petersburg, FL / Silver Spring, MD	Provides program and project management, strategic communications management, and other services to the federal government.					
Dec-22	The Acacia Group	Isos Technology	Ashburn, VA / Tempe, AZ	Provides Atlassian solutions to public and commercial clients.					
Dec-22	Sparton DeLeon Springs (sub of Elbit America)	Logos Technologies	De Leon Springs, FL / Fairfax, VA	Provides advanced sensors, wide-area motion imagery, advanced analytics and multisource dataset solutions for defense, intel and homeland security customers.					
Dec-22	ASGN (NYSE: ASGN) / ECS Federal	Iron Vine Security	Glen Allen, VA / Washington, DC	Provides cybersecurity solutions to federal clients including NIH, CMMS, SEC, and the Census Bureau.					
Dec-22	DLH Holdings (NASDAQ: DLHC)	Grove Resource Solutions (GRSi)	Atlanta, GA / Bethesda, MD	Provides IT infrastructure modernization and architecture design, software engineering, technology assessment and insertion, and multi-tier IT service management to government clients including NIH, Navy and Marine Corps.	178.0			700	
Dec-22	IBM (NYSE: IBM)	Octo Consulting (Arlington Capital)	Armonk, NY / Reston, VA	Provides artificial intelligence, cloud and infrastructure, DevSecOps, data management and analytics, and cybersecurity solutions to the US federal government, including its defense, health, and civilian agencies.				1,500	
Dec-22	Cydecor	InnovaSystems International	Arlington, VA / San Diego, CA	Provides agile software development, data management, data analytics, onsite training, technical and engineering expertise for federal, state, and local government agencies.					
Dec-22	LMI (Declaration Partners, Capitol Meridian, 22C Capital)	Synapttech	Colorado Spring, CO	Provides digital engineering, modeling and simulation software for the national security and space industries.					
Dec-22	Trive Capital	Forward Slope	Dallas, TX / San Diego, CA	Provides software and technology solutions, security and surveillance solutions and mission support and management services to federal clients.					
Nov-22	Enlightenment Capital	iNovex	Chevy Chase, MD / Columbia, MD	Provides software development platforms focused on signals intelligence, cybersecurity, robotic process automation and data analysis for federal government, intelligence community and commercial clients.					
Nov-22	VTG (The Jordan Company)	Next Rev Technologies	Alexandria, VA / Upper Marlboro, MD	Provides cloud computing, data science and advanced analytics solutions to federal customers.					
Nov-22	Deep Water Point (Renovus Capital)	Wolf Den Associates	Annapolis, MD / McLean, VA	Provides capture and proposal, strategy, management consulting and transaction advisory support services in the federal market.					
Nov-22	Enlightenment Capital	Agile Defense	Chevy Chase, MD / Reston, VA	Provides IT management, cloud migration services, security and risk management services to the DoD and other federal agencies.					
Nov-22	CNSI (The Carlyle Group)	Kepro (Apax Partners)	McLean, VA / Nashville, TN	Develops care management and clinical assessment technology.					
Nov-22	Edgesource	Auspex Analytics	Alexandria, VA / Ashburn, VA	Provides advanced data analytics, cybersecurity, management consulting, strategy consulting, data operations and operations research for the DoD and IC.					

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

# Select M&A Transactions (2/4)

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Nov-22	Cadmus Group (CI Capital)	Wheelhouse	Waltham, MA / Fairfax, VA	Provides IT modernization, citizen services and workforce transformation programs at federal agencies.					
Nov-22	Orbis Technologies	Writing Assistance Inc (WAI)	Annapolis, MD / Plymouth, MN	Provides technical and medical writing, Medicare and Medicaid proposal writing, copywriting and courseware development.					
Oct-22	DMI (Oceansound Partners)	Ambit Group	Bethesda, MD / Reston, VA	Provides data management & analytics and cybersecurity services to the federal government including SEC, FEMA and CFPB.					
Oct-22	Fire Team Solutions (AE Industrial Partners)	Case Consulting	Reston, VA / Leesburg, VA	Provides software development solutions to the IC.					
Oct-22	SilverEdge (Godspeed Capital)	Counter Threat Solutions	Columbia, MD / Reston, VA	Provides all source and counterintelligence analysis, identity intelligence, and enterprise IT and data management solutions, including ServiceNow capabilities.				100	
Oct-22	FalconTek (Citadel Federal Solutions)	Core Mission Solutions	Herndon, VA / Ashburn, VA	Provides language analysis, cultural advisory, intelligence analysis and training services to the defense, IC and federal law enforcement communities.					
Oct-22	SilverEdge (Godspeed Capital)	Qvine	Columbia, MD / Herndon, VA	Provides agile software development, cloud services, and SaaS solutions to the IC.				100	
Oct-22	Boecore (Enlightenment Capital)	Ascension Engineering	Colorado Spring, CO / Colorado Springs, CO	Provides software and systems engineering, the DevSecOps software development practice, modeling and simulation, and systems integration and testing.					
Oct-22	Janus Research (CM Equity)	Cape Henry Associates	Evans, GA / Virginia Beach, VA	Provides manpower and personnel analyses and training solutions for the Department of Defense and other Federal customers.					
Oct-22	Kratos Defense & Security (NASDAQ: KTOS)	Engineering Division of Southern Research	San Diego, CA / Birmingham, AL	Provides development, modeling and deployment of advanced materials for extreme environments, including hypersonic, space, missile, missile defense, strategic deterrence, propulsion systems, and energy applications. 1/4 of purchase price includes SRE's 102k sq. ft lab.	80.0			140	
Oct-22	Enlightenment Capital (growth capital)	Laxton Group	Chevy Chase, MD / San Antonio, TX	Manufactures biometric systems designed to support the election, citizen identity, border security and law enforcement fields.					
Oct-22	Enlightenment Capital	PrintScan	Chevy Chase, MD / Hicksville, NY	Provides fingerprinting and background screening, professional live scan and ink fingerprinting services, face scan, signature pads, and other services to public and private sector clients.					
Sep-22	Caymus Equity Partners	Seneca Resources	Atlanta, GA / Reston, VA	Provides high-end IT consultants to Government, Healthcare, and Financial Services customers.					
Sep-22	The Sanborn Map Company	AppGeo	Colorado Springs, CO / Boston, MA	Provider geographic information software system technologies and services designed to create location intelligence as well as GIS consulting services.					
Sep-22	SkyePoint Decisions	SNR Government IT Services	Dulles, VA / McLean, VA	Provides applications, software, hardware, infrastructure, and systems solutions for the DLA and Army; this included the DLA JETS, Army RS3, and Army ITES-3S contracts.					
Sep-22	Celerium	Dark Cubed (Dark3)	El Segundo, CA / Alexandria, VA	Provides an automated cybersecurity software as a service (SaaS) platform.					
Sep-22	Systems Planning and Analysis (SPA) (Arlington Capital Partners)	ORCA division of Metron	Alexandria, VA / Reston, VA	Provides operations research, digital engineering and model-based systems engineering support for the U.S. Navy and other national security customers.					
Sep-22	Blue Delta Capital (minority investment)	Edgewater Federal Solutions	McLean, VA / Frederick, MD	Provides enterprise IT, information assurance and cybersecurity, program management, systems engineering and other services to the federal government.					
Sep-22	ICF International (NASDAQ:ICFI)	Blanton & Associates	Fairfax, VA / Austin, TX	Provides environmental consulting, planning and project management solutions to the transportation, energy and water sectors.					

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

# Select M&A Transactions (3/4)

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Aug-22	Sigma7 (Growth Catalyst)	Intelligence Fusion	New York, NY / UK	Provides a intelligence software-as-a-service (SaaS) platform as well as intelligence support and consultancy services, such as intelligence reports, intelligence summaries, threat and risk assessments, and sentiment analysis.					
Aug-22	Ernst & Young	Cambria Solutions	London, UK / Sacramento, CA	Provides management consulting, information technology consulting and transformational consulting for state and local governments.					
Aug-22	System High Corporation (Enlightenment Capital)	ManageYOURID	Chantilly, VA / Charlotte, NC	Provides identity management software for data privacy and security.					
Aug-22	Mirion Technologies (NYSE: MIR)	Collins Aerospace's Critical Infrastructure business	Atlanta, GA / Annapolis, MD	Provides command-and-control software platforms that are designed to help customers manage systems cybersecurity in nuclear power plants and government facilities.					
Aug-22	QinetiQ North America	Avantus Federal (NewSpring)	Lorton, VA / McLean, VA	Provides mission focused cyber, data analytics, and software development solutions provider for DoD, IC and Homeland Security customers.	590.0	298.0	35.5		14.6x
Aug-22	Flashpoint Intelligence (Audax)	Echosc Systems Ltd.	New York, NY / Victoria, BC	Provides open-source intelligence (OSINT) and publicly available information (PAI) for national security, public safety, and enterprise customers.					
Aug-22	Antarctica Capital	Descartes Labs	New York, NY / Santa Fe, NM	Provides geospatial intelligence solutions provider of leading commercial and government clients.					
Aug-22	Command Holdings (ANC)	WWC Global	Mashantucket, CT / Tampa, FL	Provides program management, strategic planning, financial management and IT solutions to the federal government.		100.0		350	
Aug-22	CIS Secure Computing (HKW, Riverside)	Intrepid Solutions and Services	Ashburn, VA / Herndon, VA	Provides geospatial intelligence solutions provider of leading commercial and government clients.					
Aug-22	Leidos Holdings\ (NYSE: LDOS)	Cobham Aviation Services Australia's Special Mission business	Reston, VA / UK	Provides airborne border surveillance and search and rescue services to the Australian federal government.	212.0				
Aug-22	By Light Professional IT Services (Sagewind Capital)	Veraxx Engineering	McLean, VA / Chantilly, VA	Provides immersive, high-fidelity flight aircraft modeling & simulation training technology solutions to the DoD.					
Aug-22	MOREGroup (Godspeed Capital)	TSK Architects	Washington, DC / Las Vegas, NV	Provides architectural and interior design, master planning, construction administration, and consulting services for K-12 and higher education clients as well as Federal, State, and Local Government clients.					
Aug-22	Chickasaw Nation Industries (CNI) (ANC)	IPKeys Technologies	Norman, OK /	Provides cybersecurity, analytics, cloud, and software engineering solutions to federal clients.				200	
Jul-22	Veritas Capital	Epiq Solutions	New York, NY / Sioux Falls, SD	Provides software defined radio and turnkey radio frequency ("RF") solutions for governments and enterprises.					
Jul-22	Unison Software (Madison Dearborn)	FARclause.com (KM-Logix)	Dulles, VA / Ashburn, VA	Provides a federal acquisition regulation compliance check automated tool that allows users to extract FAR and DFARS clauses from RFPs and analyze them for risk and flow down applicability.					
Jul-22	i2 Group (N. Harris Computer/Constellation Software)	Rosoka Software	UK / Reston, VA	Provides mission-critical software that supports homeland security, state and local law enforcement, and financial crime investigations.					
Jul-22	ePlus (NASDAQ: PLUS)	Future Com	Herndon, VA / Grapevine, TX	Provides cyber security , hardware, software, support, and consulting services to top enterprises, mid-market businesses, and healthcare, government and educational entities.					
Jul-22	Deltek (Roper Technologies)	TIP Technologies	Herndon, VA / Waukesha, WI	Provides quality management software (QMS) to customers in the aviation, space, defense, medical device, and complex manufacturing industries.					

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

# Select M&A Transactions (4/4)

Announced	Buyer / Investor	Target	Location (Buyer / Target)	Target Description	EV (\$MM)	Revenue (\$MM)	EBITDA (\$MM)	Employees	EBITDA Multiple
Jul-22	Enercon Services (AE Industrial)	Ardent Environmental Group	Kennesaw, GA / Corona, CA	Provides environmental due diligence for commercial real estate acquisition, site characterization, remedial action planning, remediation, water quality evaluations, and other services through the western US.					
Jul-22	CollabraLink Technologies (Washington Harbour)	Groundswell Consulting Group	McLean, VA / McLean, VA	Primarily provides Appian, a low-code software development platform, to support federal customers modernize their applications.					
Jul-22	Declaration Partners, Capitol Meridian, 22C Capital	LMI's For-Profit Subsidiary	Boca Raton, FL / Washington, DC / New York, NY / Huntsville, AL	Provides digital services, advanced analytics, logistics and management advisory services across the federal government.					
Jul-22	Madison Dearborn Partners	Unison Software (Carlyle Group)	Chicago, IL / Dulles, VA	Provides software used by federal agencies and government contractors to keep track of projects, procurements and supply chain functions.					
Jul-22	The Poarch Band of Creek Indians (ANC)	Fortis Industries	Atmore, AL / Huntsville, AL	Provides base operations support, facilities management, operations & maintenance, and training services to federal customers.					
Jul-22	TPT Global Tech	IST	San Diego, CA / Huntsville, AL	Provides design-build construction, demolition, abatement, earthwork, concrete, steel and metal work, masonry, underground utilities, and environmental protection solutions to the federal government.		2.8			
Jul-22	Tetra Tech (NASDAQ: TTEK)	The Integration Group of Americas (TIGA)	Pasadena, CA / Spring, TX	Provides software engineering, digital automation and data analytics consulting.					
Jun-22	Yulista Holding (ANC)	Troy7	Huntsville, AL / Huntsville, AL	Provides missile and aerospace engineering solutions to MDA, SMDC, NASA and other DoD entities.					
Jun-22	Apollo Information Systems	CyberDefenses	Los Gatos, CA / TX	Provides threat intelligence, incident response, election security and other cybersecurity services to U.S. federal, state and local government agencies and enterprises.					
Jun-22	Leonardo DRS (merger w/ RADA)	RADA Electronic Industries	Arlington, VA / Israel	US arm of Leonardo. Provides defense products and technologies that are used across land, air, sea, space and cyber domains.					
Jun-22	Microsoft (NASDAQ: MSFT)	Miburo	Redmond, WA	Provides support for public and private sector organizations that are responding to foreign information operations.					
Jun-22	SEMPRE.ai	NewSpace Networks	Washington, DC / San Jose, CA	Provides terrestrial, maritime, airborne and space-based wireless communications solutions.					
Jun-22	Ad Hoc	Cascades Technologies	Washington, DC / Herndon, VA	Provides data analytics and user experience solutions to government agencies. Primary customers include GSA and DOL.				77	

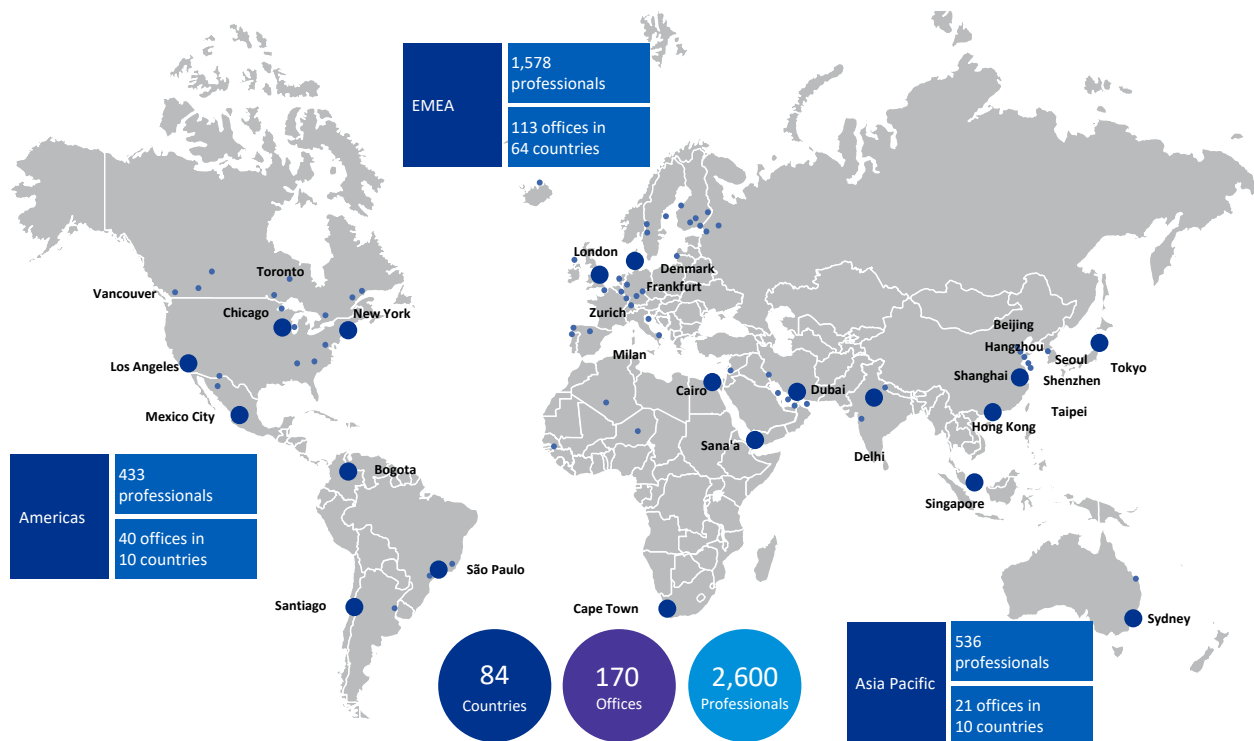
Sources: CapitalIQ, Pitchbook, Press Releases, and Market Research



# KPMG Corporate Finance\*

## Global M&A Platform

Worldwide Completed Advisor Ranking		2002 - 2021	No. of deals
1	<b>KPMG</b>		<b>8,803</b>
2	PwC		7,852
3	Houlihan Lokey		6,061
4	Deloitte		5,480
5	Ernst & Young LLP		5,035



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Source: \*Refinitiv; Each set of figures is taken from the league table press releases issued for that year. Middle market is defined as deals less than US\$500 million. Jan.1 2002 - Dec.31 2021