



Aerospace | Defense & Government |  
Intelligence Community

April 2025 Market Snapshot

```
void _decode_(char obuff **buffer)
{
    if (deep == ASN_LOC_PASS) {
        *obuff = obuff->load();
        *obuff = getaddr(&obuff, &obuff, &obuff, &obuff);
        if (*obuff == NULL) {
            *obuff = obuff->load();
            *obuff = getaddr(&obuff, &obuff, &obuff, &obuff);
        }
        if (*obuff == SIG_CHANNEL) {
            return _decode_(*obuff);
        }
        return NULL;
    }
}
```

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## How Business Development Drives Valuation

In today's Government / DoD contracting market, valuation is no longer just a function of size, margin, or contract mix. Increasingly, it begins with a simple question: **How do you win business—and who's responsible for it?** Business development remains the tip of the spear, but sophisticated buyers look beyond pipelines to understand whether the company's success is structural or situational. That means putting the *entire management team* under the microscope.

Private equity firms have increasingly evolved in how they diligence lower middle market government contractors. There are more PE-backed platforms than ever, and with that comes playbook discipline, functional benchmarking, and a sharper eye for operational depth. They are not just underwriting EBITDA—they're underwriting *management*.

Firms that can demonstrate a repeatable, team-based BD process—one that's not dependent on a founder or a few rainmakers—typically command stronger multiples. But buyers aren't stopping there. They're looking for evidence of institutional capability across the C-suite: tight FP&A, program leadership with P&L accountability, cleared talent strategy, and a finance function that understands cost structure and audit expectations.

Set-aside exposure, seen as growth enabler for the founder, is seen as a red flag for the buyer. Buyers want to know: can this team graduate out of 8(a) or SDVOSB status without losing traction? The answer depends less on eligibility and more on relationships, positioning, and BD architecture. Without a credible plan for transition—or a team that's executed one before—valuation tends to reflect risk rather than potential.

Today's premium valuations are being earned by companies that combine technical differentiation with disciplined business development execution. Proprietary IP, dual-use technology, and commercially viable tools that address defense mission sets have become major points of interest—not just to investors, but to the DoD itself. As the government increasingly turns to non-traditional vendors, firms that bring something truly differentiated to the table are getting noticed. But IP alone isn't enough. What separates companies at the top of the market is their ability to operationalize that edge—to translate innovation into booked revenue. When proprietary capabilities are paired with a team that knows how to shape demand, target opportunities, and win, buyers see not just value—they see growth. That combination leads to above average valuation multiples.

In this environment, success isn't just about revenue. It's about the **repeatability of access**, the **maturity of management**, and the **ability to scale beyond what's already been won**.

### Management Team Value Drivers

- **Business Development**
  - Team-based capture – Institutional vs founder led
  - Process Discipline: Gate reviews, win rates, pipeline validation
  - Customer Relationships: Incumbency, influence and diversification
- **Financial Leadership**
  - Visibility: rolling forecasts, backlog conversion
  - Audit readiness: Systems, controls, indirect rate structure
  - Gov't Contracting Fluency: DCAA, CAS, pricing strategy
- **Program & Delivery Leadership**
  - P&L Accountability: Can delivery leaders run programs like a business?
  - Retention Strategy: Cleared labor, talent stability, bench planning
  - Customer Confidence: Trusted, responsive, well-regarded
- **Set-Aside Transition**
  - Graduation Readiness: Team experience beyond 8(a)/SDVOSB status
  - Pipeline Mix: Full and open visibility / Prime vs sub mix
- **Strategic Agility**
  - IP/Tech Awareness: What differentiates the firm?
  - Adjacency Planning: Can the team scale across mission sets or agencies?
  - Cultural Fit: Can they integrate-or lead-post transaction?



Please see additional insights on the satellite & space industry in the [April 2025 Market Monitor](#) from our partners at Quilty Space.

## Strategy & Policy



### ✓ [If You Think Greenland is Strategic...](#)

"Make Adak Great Again."

### ✓ [Defense Finance Lessons from the Napoleonic Wars](#)

"Britain's credibility as a debtor was fundamental to its ability to finance the fight against Revolutionary, and later Napoleonic France."

### ✓ [Undersea Cable Control: The Information Dimension](#)

"These cables transmit more than 98 per cent of international data traffic, control of which is both a significant Western vulnerability, but also a huge asset."

## Trends in Technology



### ✓ [Our First Look at the YFQ-44A Collaborative Combat Aircraft](#)

"The production aircraft will be semi-autonomous (near autonomous), where no human flies the aircraft remotely in a traditional sense."

### ✓ [F-47 is Faster than Mach 2](#)

"Maintaining stealth at high-speeds becomes more challenging due to the temperatures and heat signatures generated, so it would appear possible that new discoveries are enabling fighter jets to reach Mach 2 or faster speeds without greatly enhancing radar signature."

### ✓ [US Unveils World's Most Advanced Warship](#)

"...claims it to be the first autonomous naval vessel anywhere in the world to be able to carry a 44-ton payload with a top speed of more than 50 knots..."

## Contracting, Procurement & Budget



### ✓ [Reforming Pentagon Software Practices Key to Countering Threats](#)

"America has a sustainable competitive advantage for software in the commercial space, so DoD needs to leverage that for our military advantage..."

### ✓ [How to Rebuild the Defense Industrial Base](#)

"This creates weak or conflicting demand signals for industry, deterring investments in new manufacturing capacity."

### ✓ [Don't Build a Ghost Fleet](#)

"No discussion of Navy shipbuilding delays or cost-overruns could survive a smell test without upfront acknowledgement of the Navy's complicity...The Navy's track record is not impressive"

## Capital Markets



### ✓ [Defense Tech, Digital Modernization Drove GovCon M&A Last Year](#)

"Private equity firms are the dominant buyers in the market as they participated in 89 of the 158 acquisitions..."

### ✓ [Another Last Supper and a New Era of Defense Giants](#)

"The irony is that today's defense technology companies, while positioning themselves as disruptors, are following the same consolidation playbook that created the primes they claim to challenge."

### ✓ [Venture Investing Is Part of the M&A Conversation Too](#)

"Lockheed Martin, Booz Allen Hamilton, RTX, SAIC, Maximus, Noblis and LMI are among those with dedicated venture funds and/or teams that search for and invest in growth-stage businesses."

## Aviators & Warfighters



### ✓ [How "The Fastest Man on Earth" Tested Supersonic Ejection Seats on Himself](#)

"The tests tore out dental fillings, cracked ribs and broke bones. He reportedly reset bones on his way back to his office after test runs."

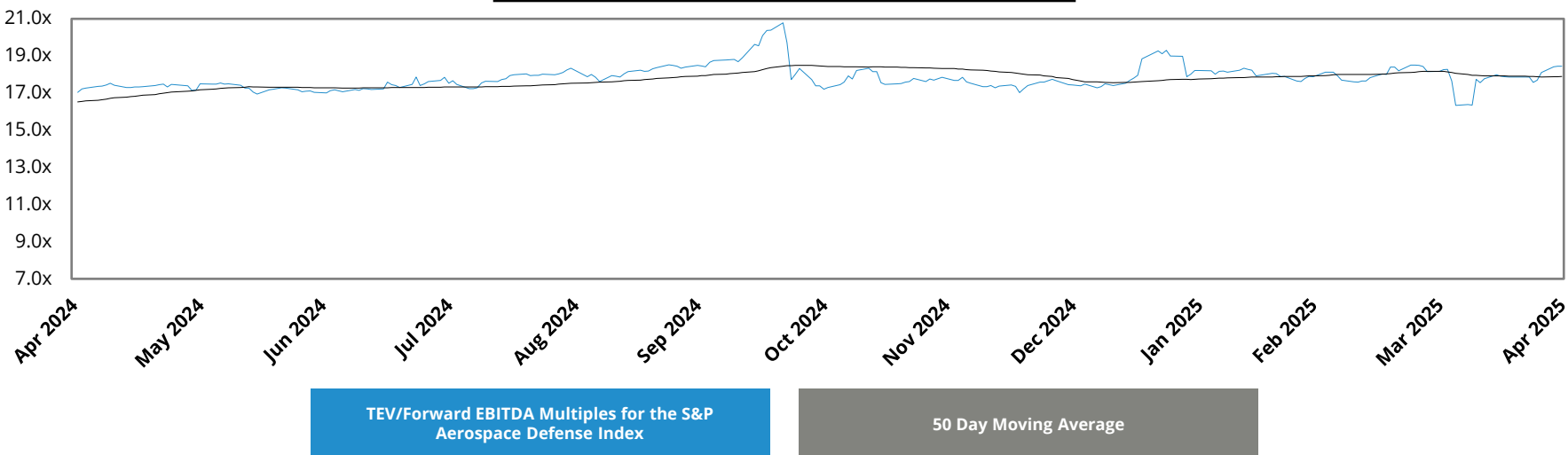
### ✓ [The Legend of Dick Bong - Medal of Honor Winner - and Crocodile Killer?](#)

"Bong noticed a crocodile trailing close behind his comrades. He engaged the reptile, striking the animal with a 20 mm round and blowing it to smithereens..."

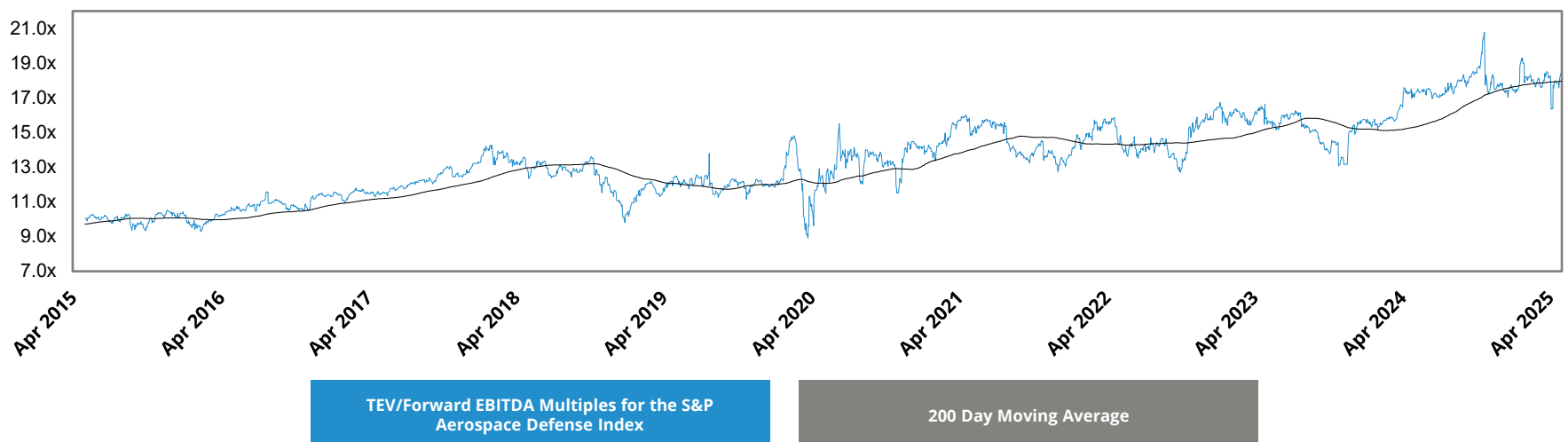
### ✓ [The Forgotten SEAL Who Led the Only US Rescue Mission Inside Hanoi](#)

"This extraordinary rescue has been recounted in numerous books and a feature film, BAT-21..."

1-Yr Historical EBITDA Multiples\*



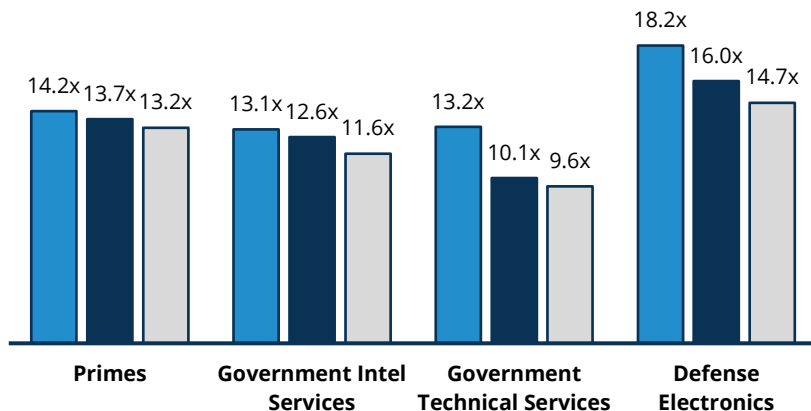
10-Yr Historical EBITDA Multiples\*



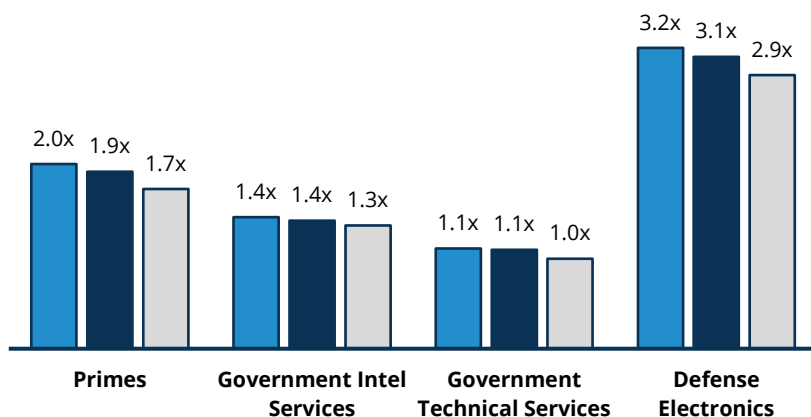
## Defense & Government | Intelligence Community\*

■ LTM ■ 2025CY ■ 2026CY

Median EV/EBITDA (x)

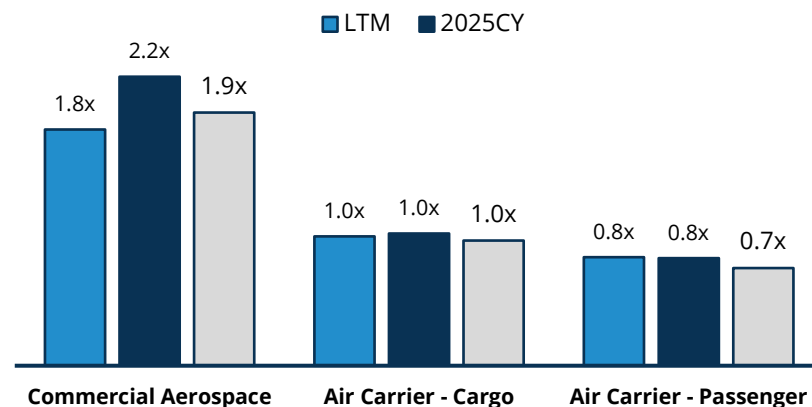
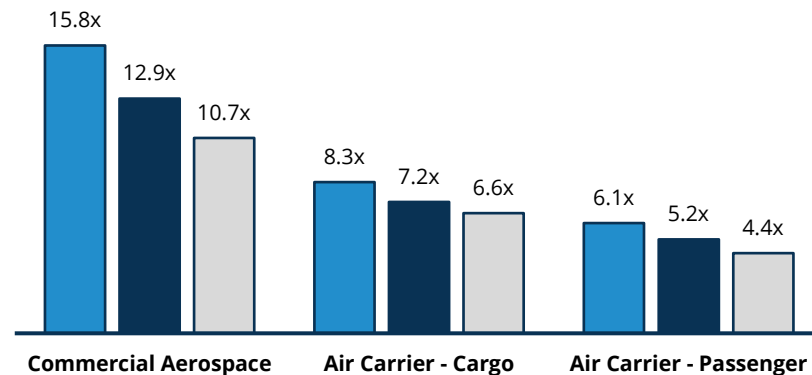


Median EV/Revenue (x)

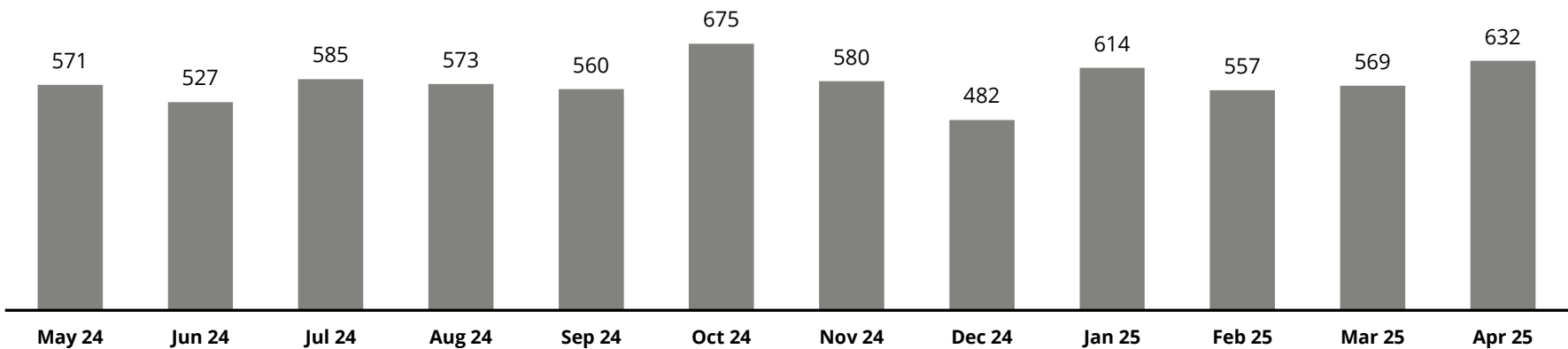


## Commercial Aerospace\*

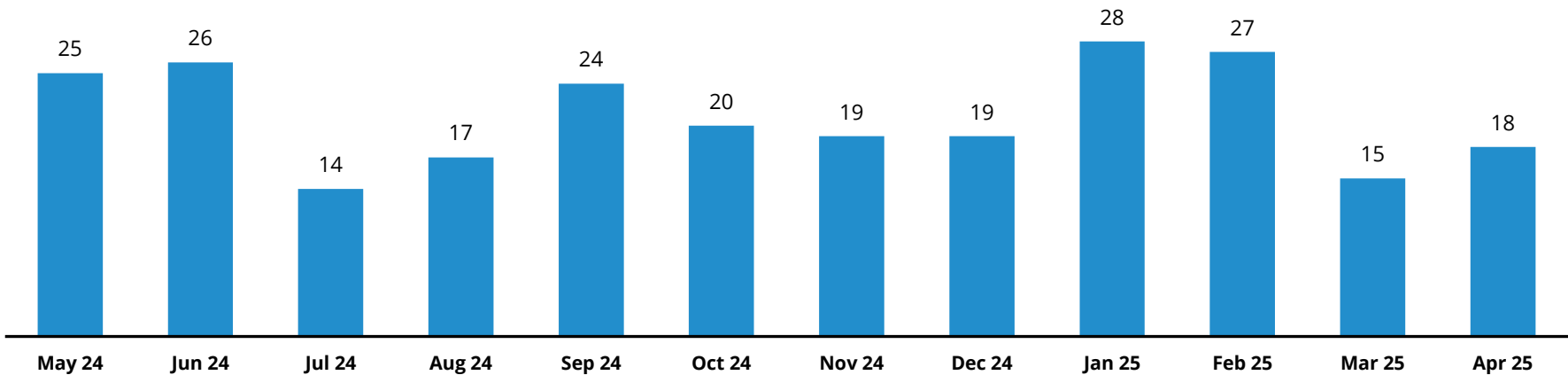
■ LTM ■ 2025CY ■ 2026CY



LTM US M&A Activity—Consolidated\*



LTM US M&A Activity—Southwind Industry Universe\*



## MONTHLY TRANSACTION ACTIVITY\*

Date	Status	Target	Acquirer/Investor	Transaction Value (US\$ Mil)	Valuation (EV/LTM EBITDA)
04/07/2025	Announced	Mesa Air Group, Inc.	Republic Airways Holdings Inc.	n.d.	n.d.
04/14/2025	Announced	Altera Corporation	Silver Lake Technology Management, L.L.C.; Slp Vii Gryphon Aggregator, L.P.	\$250.00	n.d.
04/22/2025	Announced	Digital Aviation Solutions of The Boeing Company	Thoma Bravo, L.P.	\$10,550.00	n.d.
04/23/2025	Announced	Rapid Solutions Product Business of Amentum Holdings, Inc.	Lockheed Martin Corporation	\$360.00	n.d.
04/28/2025	Announced	Ownership of certain assets and sites of Spirit	Airbus SE	n.d.	n.d.
04/28/2025	Announced	Protect AI, Inc.	Palo Alto Networks, Inc.	n.d.	n.d.
04/01/2025	Closed	Metron Aviation, Inc.	Stratify Aerospace, LLC	n.d.	n.d.
04/01/2025	Closed	Superlative Technologies, Inc.	Poarch Creek Indians Federal Services	n.d.	n.d.
04/04/2025	Closed	Airline Graphics, Inc.	Insperial	n.d.	n.d.
04/04/2025	Closed	Metal Technology, Inc.	Karman Holdings Inc.	\$90.00	n.d.
04/07/2025	Closed	Reaction Simulation LLC	Visionary Training Resources, Inc.	n.d.	n.d.



## MONTHLY TRANSACTION ACTIVITY\*

Date	Status	Target	Acquirer/Investor	Transaction Value (US\$ Mil)	Valuation (EV/LTM EBITDA)
04/07/2025	Closed	Bugeye Technologies, Inc.	J.F. Taylor, Inc.	n.d.	n.d.
04/08/2025	Closed	Space Vector Corporation	Fisica, Inc.	n.d.	n.d.
04/09/2025	Closed	Cima Aviation, LLC	Jet Parts Engineering, LLC	n.d.	n.d.
04/10/2025	Closed	Aero-Plastics, Inc.	Trelleborg Sealing Solutions US, Inc.	n.d.	n.d.
04/16/2025	Closed	SolarWinds Corporation	Turn/River Management, L.P.	\$4,678.82	15.3x
04/18/2025	Closed	Ammo Inc.	Olin Corporation	\$75.00	n.d.
04/21/2025	Closed	Rosen Aviation, LLC	Mid Continent Controls, Inc.	n.d.	n.d.
04/23/2025	Closed	Expeditionary Engineering LLC	Ultra Intelligence & Communications	n.d.	n.d.
04/24/2025	Closed	Atomos Nuclear & Space Corp	Katalyst Space Technologies LLC	n.d.	n.d.
04/24/2025	Closed	Smart ERP Solutions Inc.	Mythics, LLC	n.d.	n.d.
04/24/2025	Closed	JetZero, Inc.	United Airlines, Inc.	n.d.	n.d.
04/25/2025	Closed	Zepher Flight Laboratories, Inc.	HevenDrones Inc	n.d.	n.d.
04/30/2025	Closed	Triaplex, Inc.	VTG LLC	n.d.	n.d.




Date	Status	Company	Deal Type	New Investor(s)	Industry Sector*	Investment Size (US\$ Mil)
04/01/2025	Completed	Larx	Early Stage VC	Evolution VC Partners, Fulcrum Venture Group	A&D	n.d.
04/08/2025	Completed	BRINC	Later Stage VC	Motorola Solutions Venture Capital	A&D	\$75.00
04/09/2025	Completed	Psionic	Later Stage VC	BlackForest Ventures	A&D	\$16.52
04/10/2025	Completed	OpsLab	Seed Round	n.a.	A&D	\$4.02
04/12/2025	Announced/In Progress	Stellar Jet	Seed Round	n.a.	Air Mobility	n.d.
04/14/2025	Completed	Silent Arrow	Later Stage VC	n.a.	A&D	\$3.20
04/14/2025	Completed	NOVI (Aerospace and Defense)	Later Stage VC	AIN Ventures	A&D	\$3.50
04/15/2025	Completed	Hop Flyt	Later Stage VC	n.a.	Air Mobility	\$0.50

Date	Status	Company	Deal Type	New Investor(s)	Industry Sector*	Investment Size (US\$ Mil)
04/17/2025	Completed	Venus Aerospace	Grant	Texas Space Commission	A&D	\$3.90
04/18/2025	Completed	Mivium	Equity Crowdfunding	n.a.	A&D	\$5.00
04/21/2025	Completed	Electra.aero	Later Stage VC	Prysm Capital	Air Mobility	\$115.00
04/22/2025	Completed	Northwood	Early Stage VC	Aabid Razvi, Adrian Aoun, Alpine Space Ventures, Banter Capital (United States), Evan Loomis, StepStone Group	A&D	\$30.00
04/23/2025	Completed	Leap	Seed Round	One funds	A&D	n.d.
04/23/2025	Announced/In Progress	Albedo	Later Stage VC	General Innovation Capital	A&D	\$100.00
04/28/2025	Announced/In Progress	LocatorX	Later Stage VC	n.a.	A&D	\$15.00
04/30/2025	Completed	True Anomaly	Later Stage VC	Accel, Meritech Capital Partners	A&D	\$260.00

Primes	Government Intel Services	Government Technical Services	Defense Electronics
RTX Corporation	Leidos Holdings, Inc.	Jacobs Solutions Inc.	L3Harris Technologies, Inc.
The Boeing Company	Booz Allen Hamilton Holding Corporation	AECOM	BAE Systems plc
Lockheed Martin Corporation	CACI International Inc	KBR, Inc.	Thales S.A.
Northrop Grumman Corporation	Science Applications International Corporation	ICF International, Inc.	Teledyne Technologies Incorporated
General Dynamics Corporation	Parsons Corporation	V2X, Inc.	Textron Inc.
Huntington Ingalls Industries, Inc.			Mercury Systems, Inc.
			AeroVironment, Inc.
			Kratos Defense & Security Solutions, Inc.

Commercial Aerospace	Air Carrier - Cargo	Air Carrier - Passenger
Honeywell International Inc.	United Parcel Service, Inc.	Delta Air Lines, Inc.
Airbus SE	FedEx Corporation	United Airlines Holdings, Inc.
TransDigm Group Incorporated	Expeditors International of Washington, Inc.	Southwest Airlines Co.
HEICO Corporation	Atlas Air Worldwide Holdings, Inc.	Spirit Airlines, Inc.
Embraer S.A.	Air Transport Services Group, Inc.	Alaska Air Group, Inc.
Curtiss-Wright Corporation	Exchange Income Corporation	JetBlue Airways Corporation
Spirit AeroSystems Holdings, Inc.	Forward Air Corporation	Frontier Group Holdings, Inc.
Hexcel Corporation	Cargojet Inc.	SkyWest, Inc.
Moog Inc.	Hub Group, Inc.	Copa Holdings, S.A.
Triumph Group, Inc.	Chorus Aviation Inc.	Allegiant Travel Company
AAR Corp.	AAR Corp.	Hawaiian Holdings, Inc.
Ducommun Incorporated	Sun Country Airlines Holdings, Inc.	Mesa Air Group, Inc.
Astronics Corporation	Mesa Air Group, Inc.	
	Air T, Inc.	





**Southwind is a proven merchant bank with exceptional, sector-focused sell-side M&A experience. Our bankers leverage extensive relationships within both the operational and investor communities to provide advice and solutions to product and service providers in the aerospace, defense & government, and intelligence communities.**

### Multiple Perspectives, Exceptional Advice

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- Southwind's senior leadership has decades of industry-specific knowledge and experience as customer, contractor, legal counsel, private equity investor and board member, in addition to over 2 decades of M&A advisory track record.
- We understand the challenges of management and our advice is informed by our background—not only as advisors, but as executives and investors.
- We are also uniquely positioned to anticipate questions and concerns before they arise from prospective suitors, thereby enabling us to effectively (and preemptively) communicate company-specific attributes that will optimize potential outcomes.

### Client-Focused Solutions

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**Mergers & Acquisitions** | Underpinned by proprietary modeling and detailed marketing and diligence support, our focus on preparation fosters buyer interest and efficiency.

**Equity & Debt Financing** | Southwind maintains relationships with leading industry capital providers and assists in equity and debt financing services from cradle to grave.

**Valuation & Fairness Opinions** | Southwind offers professional evaluations of a company to determine whether a merger, acquisition, or other transaction is fair and viable.

**Merchant Banking** | Through deep relationships with board-level advisors and family office and high net worth investors, Southwind helps facilitate capital formation.