
March 2023 Market Report

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PLEASE SEE ADDITIONAL INSIGHTS ON THE SATELLITE & SPACE INDUSTRY IN THE [MARCH 2023 MARKET MONITOR](#) FROM OUR PARTNERS AT QUILTY ANALYTICS.

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What We're Reading:



STRATEGY & POLICY

- ✓ [Pentagon Publishes New 'Joint Concept for Competing', Warning that Adversaries Aim to 'Win Without Fighting'](#)
PLEASE tell me our leaders do not believe this is a new concept - SWC
- ✓ [Strategy by Other Means](#)
It's not just the Navy - SWC
- ✓ [The Grand Rebalance](#)
"The agreement is unlikely to last. But Beijing's diplomatic foray into the Middle East indicates its truly Eurasian ambitions."



TRENDS IN TECHNOLOGY

- ✓ [It Sure Seems Like Darkstar, Lockheed's Secret High-Speed Jet, Is Real](#)
Guess its not a secret - SWC
- ✓ [Pentagon Launches Hundreds of New Satellites to Stop Enemy Hypersonic Missiles](#)
"With individual satellites able to use updated, common software to perform a wide range of otherwise disparate functions, there is less of a need to reconfigure hardware..."
- ✓ [Advanced Materials & Manufacturing](#)
"Increased emphasis on domestic manufacturing and increased complexity in the mission requirements...will lead to demand for higher quality, reliability, and efficiency in manufacturing."



CONTRACTING, PROCUREMENT & BUDGET

- ✓ [When It Comes to Space, Failure Isn't Just an Option It's a Requirement](#)
"...rapid unscheduled disassembly..."
- ✓ [Breaking the Cycle of Incremental Acquisition Reform](#)
"The U.S. Military has wrestled with its dysfunctional acquisition system for decades."
- ✓ [Fixing America's Defense Budget](#)
"...the DoD budget contains nearly \$109 billion in spending that does not directly produce military capability."



CAPITAL MARKETS

- ✓ [AAR Buys Trax USA for Aviation Aftermarket Strategy](#)
"...aligns with its strategy to deliver digital platforms to aftermarket customers."
- ✓ [Nexus Buys, Integrates Aviation Ground Support Equipment Provider AGEK with HDT Global](#)
"...a veteran-owned business that manufactures ground-based and shipboard ground power units, portable universal load banks and other aviation ground support equipment..."
- ✓ [Quantum Computing and Seaglidars Mark the Week's Defense Venture Activity](#)
Venture Capital as a proxy for IR&D - SWC

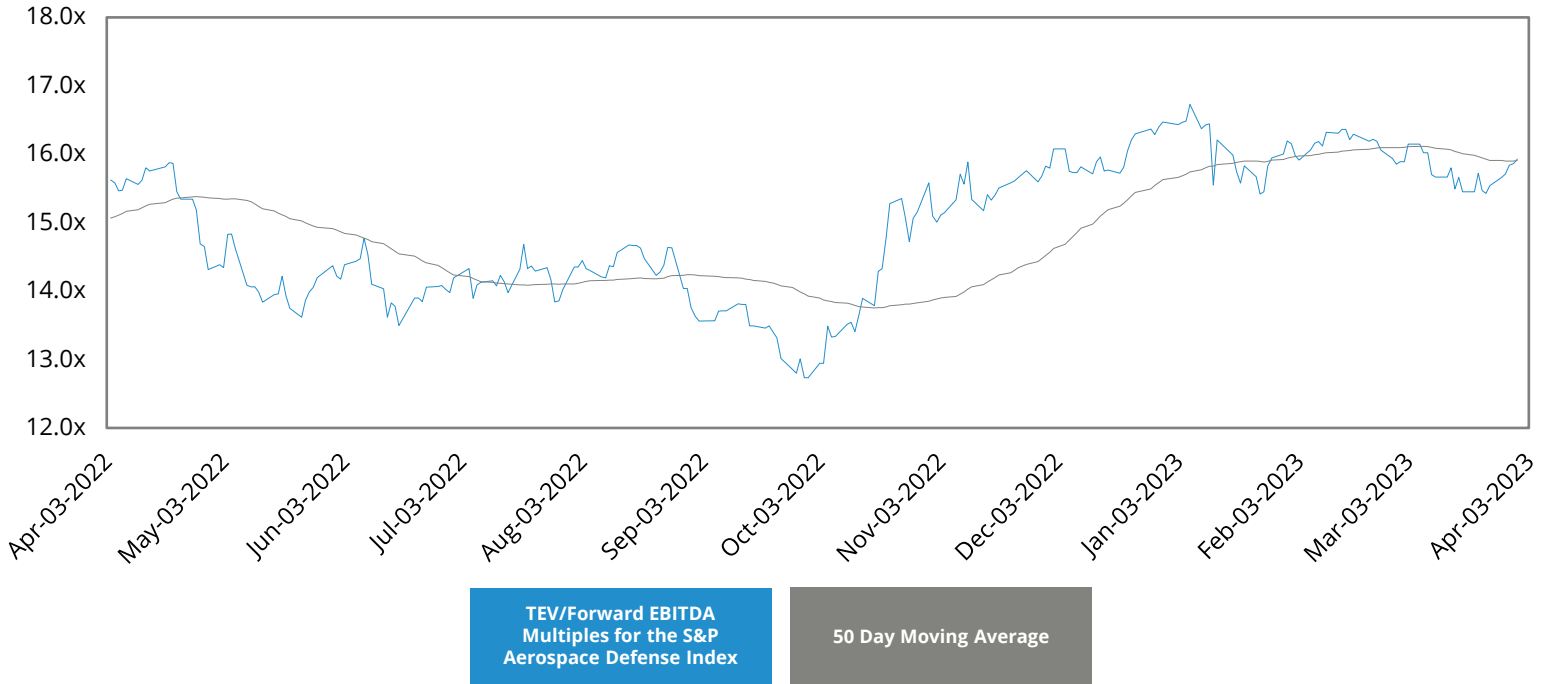


AVIATORS & WARFIGHTERS

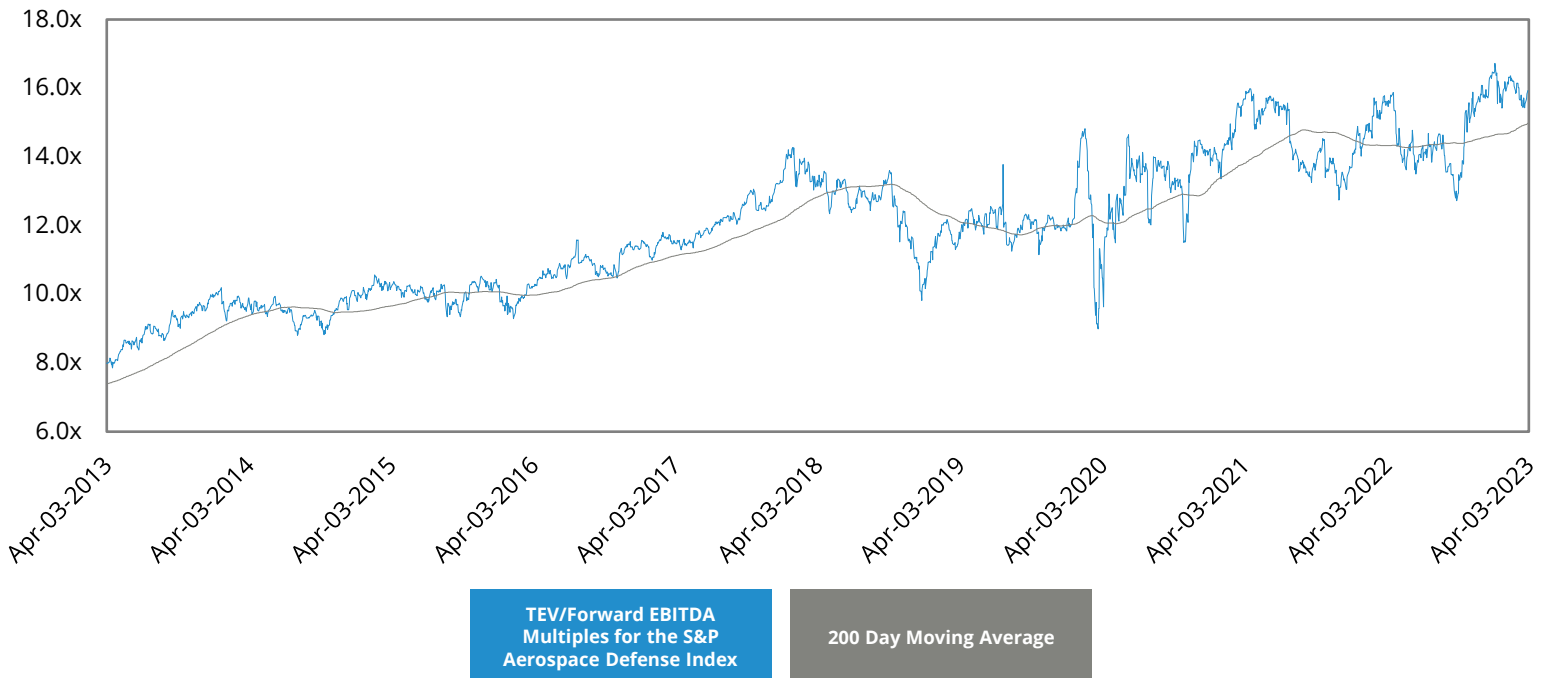
- ✓ [How Will I Do When That Time Comes?](#)
"My fear of combat was overshadowed by my gnarling fear of performing poorly in front of my brothers."
- ✓ [EA-18G Growler Pilot Talks You Through His Aerial Refueling Frustrations](#)
"Fighter cockpit videos are great, but ones narrated by the pilot telling you everything going on and what they're thinking are way better."
- ✓ [Adam Brown: The Life and Legacy of Fearless Navy SEAL](#)
"He transformed himself from a drug-abusing criminal to a devout Christian and a celebrated American hero who served on the esteemed Navy SEAL Team 6..."

Valuation Trends:

1-Yr Historical EBITDA Multiples*



10-Yr Historical EBITDA Multiples*



* Source: S&P Capital IQ.

Public Company Valuations:

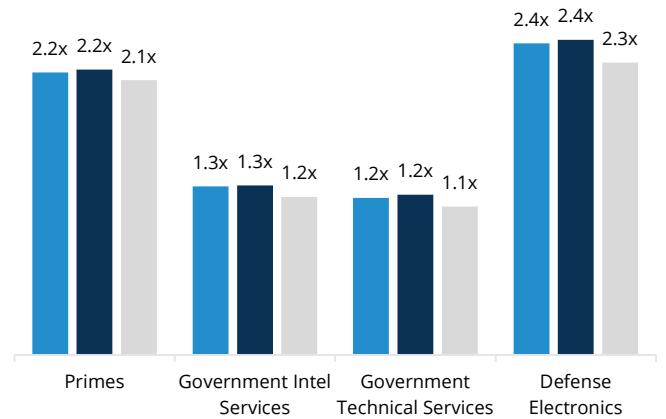
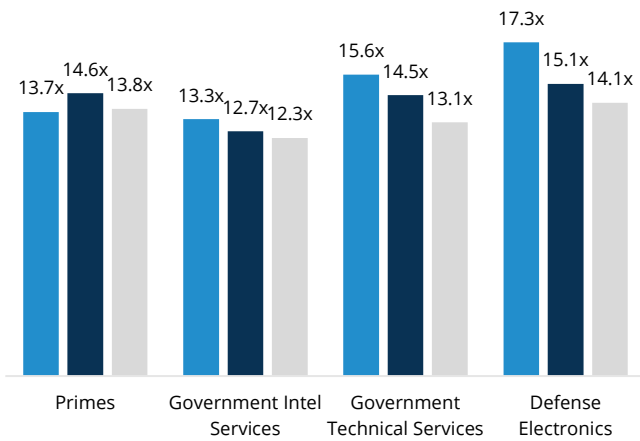
Defense & Government | Intelligence Community*

Median EV/EBITDA

Median EV/Revenue

■ LTM ■ 2022CY ■ 2023CY

■ LTM ■ 2022CY ■ 2023CY



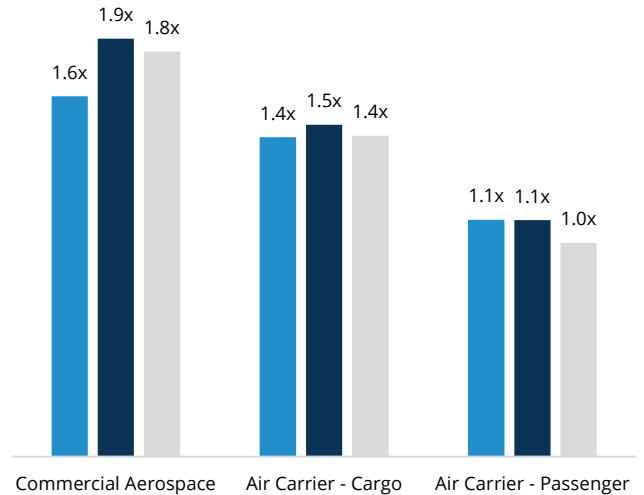
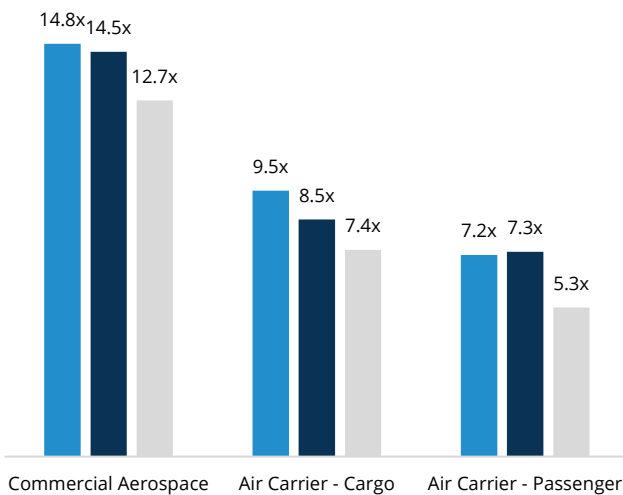
Commercial Aerospace*

Median EV/EBITDA

Median EV/Revenue

■ LTM ■ 2022CY ■ 2023CY

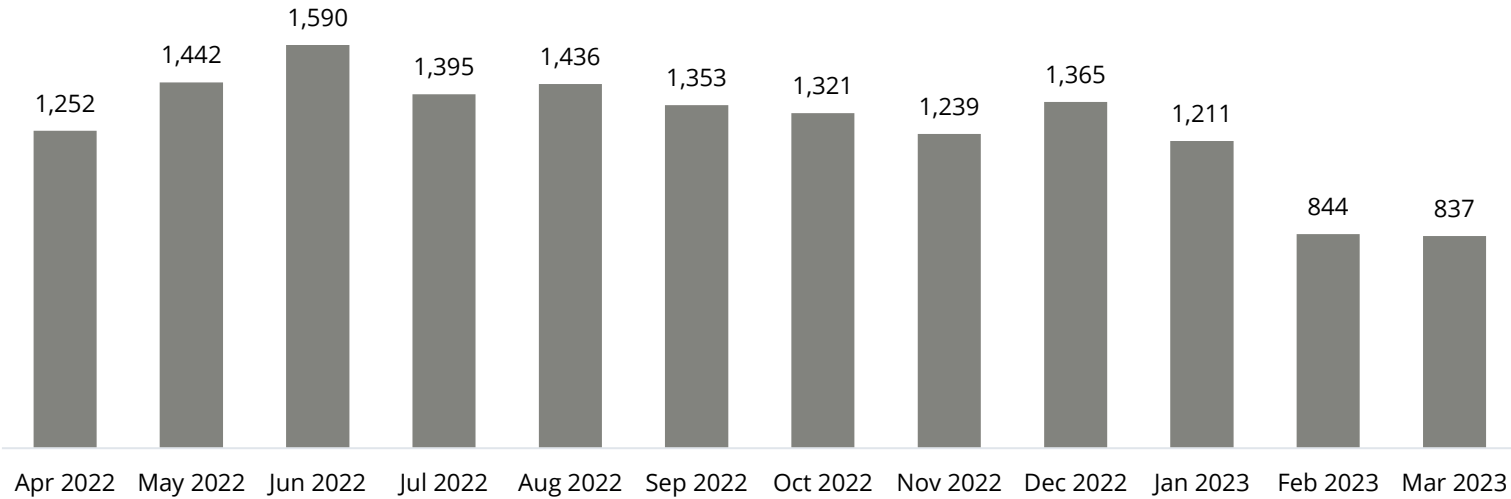
■ LTM ■ 2022CY ■ 2023CY



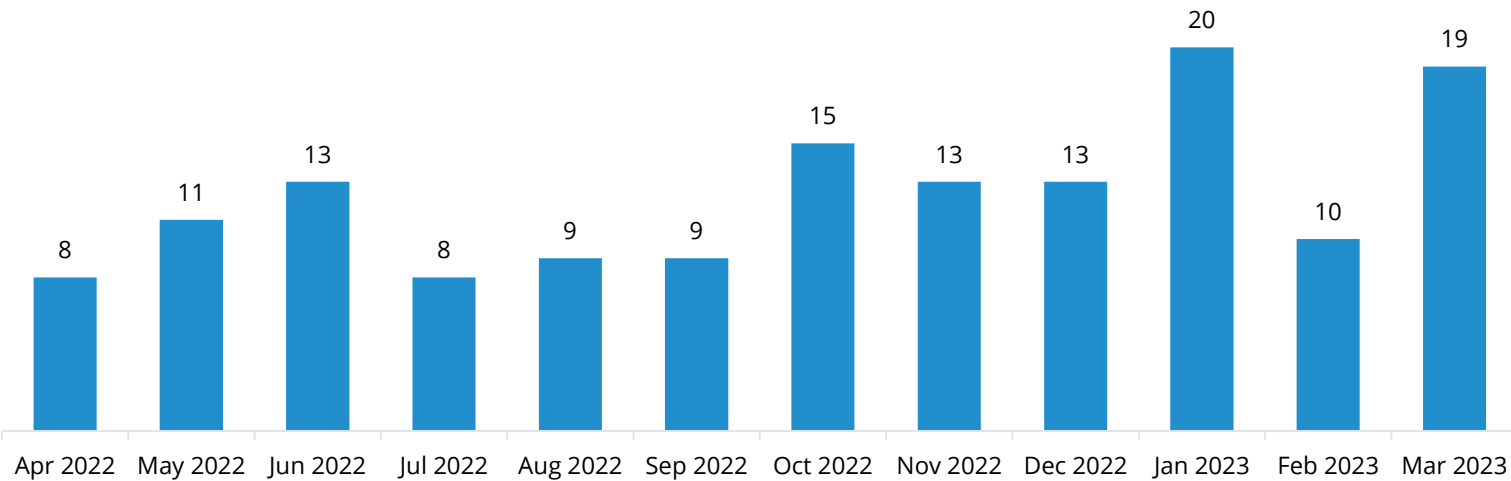
* Source: S&P Capital IQ as of April 3, 2023. For a full list of companies within each index, see page 8.

M&A Trends*:

LTM US M&A Activity—Consolidated



LTM US M&A Activity—Southwind Industry Universe



* Source: S&P Capital IQ. These charts consist of completed transactions that were announced within the last twelve months.

March Transaction Activity*:

Date	Status	Target	Acquirer / Investor	Transaction Value (US\$ Mil)	Valuation (EV/LTM EBITDA)
03-01-2023	Closed	Safeground Analytics, Inc.	Tyler Technologies, Inc. (NYSE:TYL)	n.d.	n.d.
03-01-2023	Closed	Virginia Systems & Technology, Inc.	Altamira Technologies Corporation	n.d.	n.d.
03-01-2023	Closed	Criterion Systems, Inc.	Cherokee Federal	n.d.	n.d.
03-02-2023	Closed	Golden Isles Aviation	Odyssey Aviation U.S.	n.d.	n.d.
03-06-2023	Closed	Herley Industries, Inc.	Cobham Advanced Electronic Solutions Inc.	n.d.	n.d.
03-06-2023	Closed	Linearizer Communications Group	MACOM Technology Solutions Holdings, Inc. (NasdaqGS:MTSI)	49.00	n.d.
03-07-2023	Closed	IDSS Holdings, Inc.	Tek84 Engineering Group, LLC	n.d.	n.d.
03-08-2023	Closed	Ace Aeronautics, LLC	International Defense & Aerospace Group, LLC	n.d.	n.d.
03-08-2023	Closed	Substantially All of the Assets of Enstrom Helicopter Corp.	MidTex Aviation, LLC	10.50	n.d.
03-09-2023	Announced	DataPath, Inc.	Gilat Satellite Networks Ltd. (NasdaqGS:GILT)	n.d.	n.d.
03-09-2023 ⁽¹⁾	Announced	Hawaii Pacific Teleport	Calian Group Ltd. (TSX:CGY)	46.00	n.d.
03-13-2023	Closed	ZIN Technologies, Inc.	Voyager Space Holdings, Inc.	n.d.	n.d.
03-14-2023	Closed	ClearShark LLC/ClearShark Services Inc.	Optiv Security Inc.	n.d.	n.d.
03-14-2023	Announced	IPKeys Power Partners, LLC	Parsons Corporation (NYSE:PSN)	43.00	n.d.
03-14-2023	Announced	Calspan Corporation	TransDigm Group Incorporated (NYSE:TDG)	725.00	n.d.
03-14-2023	Closed	Deep Water Point & Associates	Deep Water Point, LLC	n.d.	n.d.
03-15-2023	Closed	Aviation Ground Equipment Corp.	HDT Global, Inc.	n.d.	n.d.
03-17-2023	Closed	Apollo 3 Energy	Maddox Defense, Inc.	n.d.	n.d.

* Source: S&P Capital IQ. This list represents select deals within Southwind's industry universe that have been announced and/or closed in the past month.

⁽¹⁾ Southwind Capital and Quilty Analytics are the joint sell-side financial advisors to Hawaii Pacific Teleport in this transaction.

March Transaction Activity*:

Date	Status	Target	Acquirer / Investor	Transaction Value (US\$ Mil)	Valuation (EV/LTM EBITDA)
03-17-2023	Closed	Atlas Air Worldwide Holdings, Inc.	Apollo Global Management, Inc. (NYSE:APO); Hill City Capital LP; J.F. Lehman and Company, LLC	5,117.70	4.3x
03-20-2023	Closed	TRAX USA Corp.	AAR Corp. (NYSE:AIR)	140.00	n.d.
03-21-2023	Closed	Gray Matters, Inc.	Gray Matters Data Corporation	n.d.	n.d.
03-21-2023	Announced	BLR Aerospace, LLC	Ducommun Incorporated (NYSE:DCO)	n.d.	n.d.
03-23-2023	Announced	Logistics and Supply Chain Management Business of SAIC	ASRC Federal Holding Company, LLC	350.00	n.d.
03-23-2023	Closed	Diversified Manufacturing of California, Inc.	North American Specialty Laminations	n.d.	n.d.
03-23-2023	Closed	Personnel Decisions Research Institutes, LLC	Pearson plc (LSE:PERSON)	190.00	n.d.

*Source: S&P Capital IQ. This list represents select deals within Southwind's industry universe that have been announced and/or closed in the past month.

About Southwind Capital:

More Than **60** Transactions · Over **\$6 Billion** in Transaction Value

Core Values Driving Success



Client-Focused Solutions

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.

Southwind Publicly Traded Company Indices

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

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

