
April 2023 Market Report

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QUILTY
SPACE

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

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What We're Reading:



STRATEGY & POLICY

- ✓ [China Has Been Waging a Decades-Long, All-Out Spy War](#)
"Relax, it's much worse than you think."
- ✓ [Optimizing the Defense Budget in Three Alternative Futures](#)
"steady state", "10% topline cut" or "9.5% additional increase"
- ✓ [Is the Taiwan Strait Open to International Vessels Under International Law?](#)
Yes - SWC



TRENDS IN TECHNOLOGY

- ✓ [The Secret War for Asia Is Being Fought Under the Sea](#)
It's not what you think! - SWC
- ✓ [The Disruptive Military Technologies That the Pentagon is Spending Nearly \\$150B On](#)
"Moats of Dispair"
- ✓ [Who's Doing What in Defense Tech](#)
Another good map - SWC



CONTRACTING, PROCUREMENT & BUDGET

- ✓ [The Pentagon Is Increasingly Relying on Billionaires' Rockets](#)
This author is foolishly concerned with policy opinions of the Space Billionaires. Now do media companies - SWC
- ✓ [Spy Satellite Agency Has Plans to Quadruple US Eyes in the Sky](#)
"Office has goal to collect 10 times the images and signals." Anyone looking for a growth market? - SWC
- ✓ [Defense Innovation Labs](#)
Good summary - SWC



CAPITAL MARKETS

- ✓ [Who and What Drove GovCon M&A in 2022](#)
"But we are seeing more of the third option: Finding that private equity firm to partner with."
- ✓ [L3Harris to Reply to FTC's Second Request on Aerojet Deal Around June](#)
"Once both companies fully comply with the second request, the FTC has 30 days to either sue to block the deal or let it stand."
- ✓ [More About Roll-Ups in Defense](#)
"The system, however, is no longer designed to promote innovation."

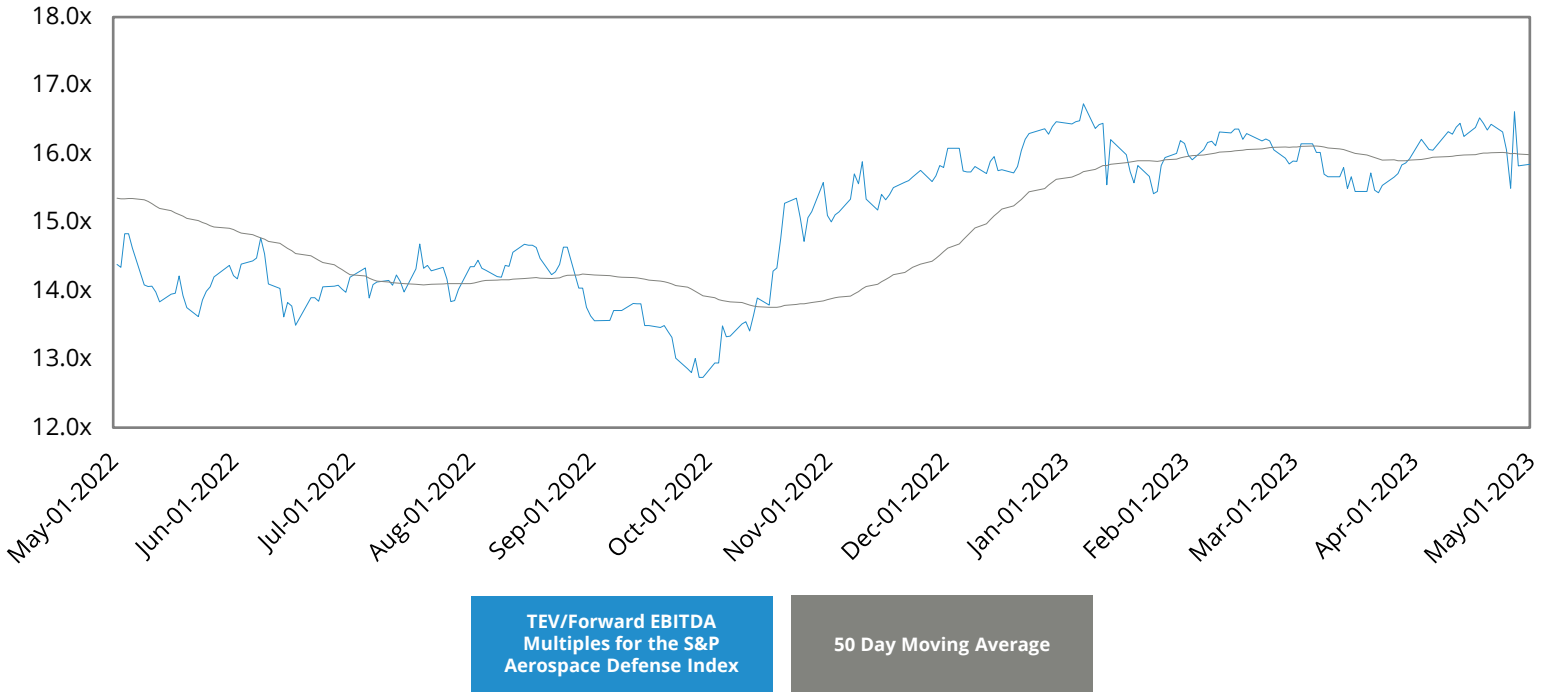


AVIATORS & WARFIGHTERS

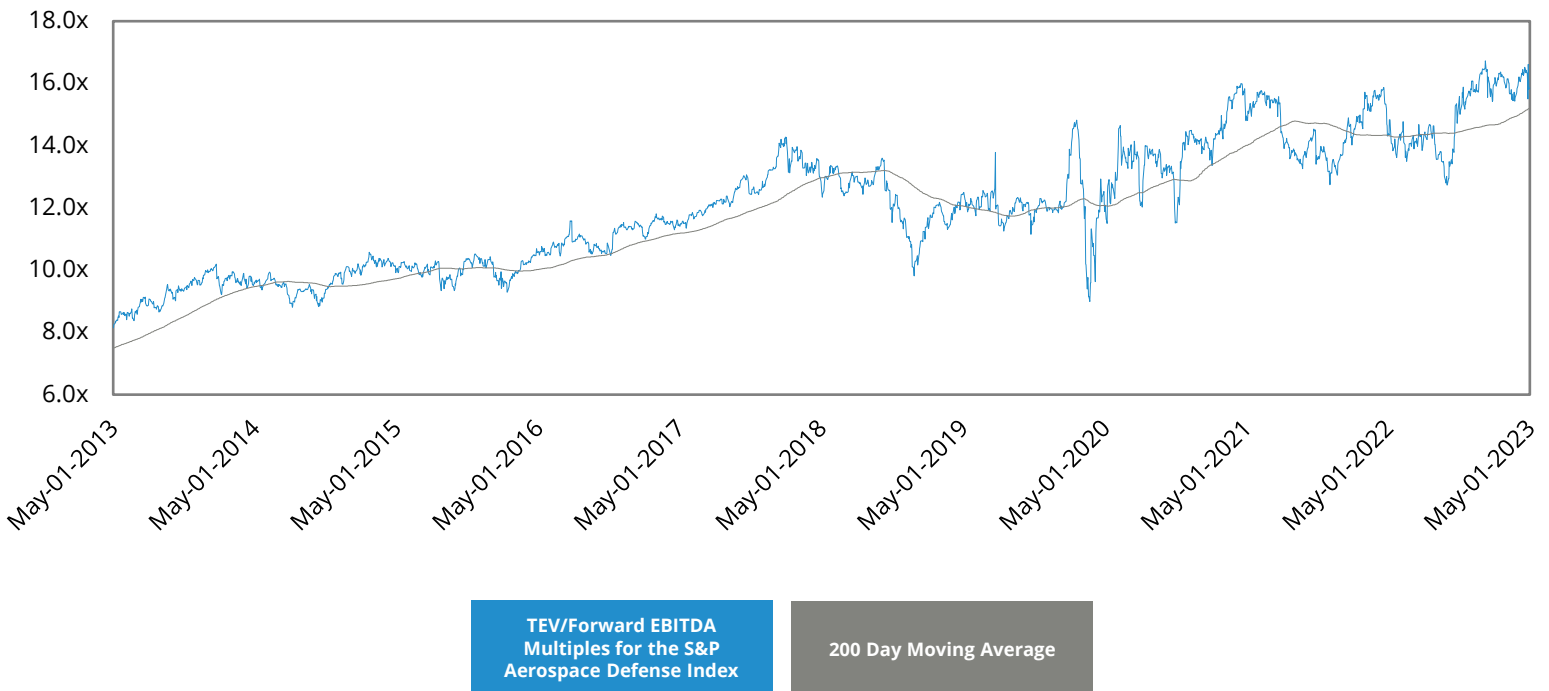
- ✓ [Humility & Hard Questions Win Wars](#)
"Well meaning people can be wrong." "When they get in trouble, they send for the sons of bitches."
- ✓ [Dirty Boat Guys: An Expansive History of Navy SWCC](#)
"Today, the Special Warfare Combatant-Craft Crewmen...are often called the U.S. Navy's 'best kept secret.'"
- ✓ [How a Small Group of Marines Overthrew a Pirate Regime](#)
"From the halls of Montezuma to *the shores of Tripoli...*"

Valuation Trends:

1-Yr Historical EBITDA Multiples*



10-Yr Historical EBITDA Multiples*



* Source: S&P Capital IQ.

Public Company Valuations:

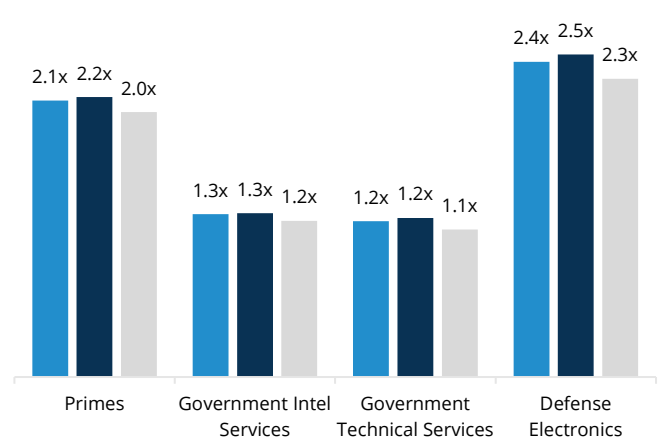
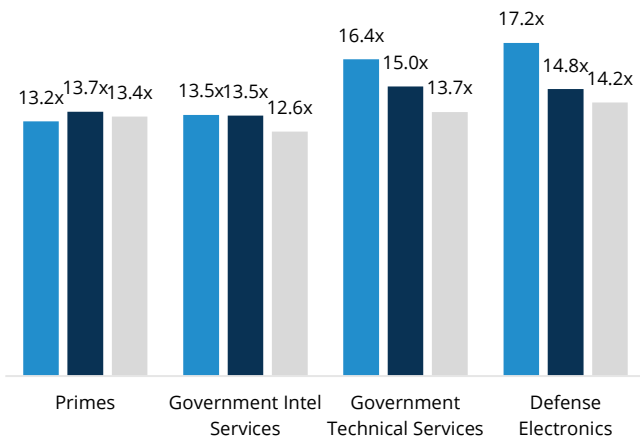
Defense & Government | Intelligence Community*

Median EV/EBITDA

Median EV/Revenue

■ LTM ■ 2022CY ■ 2023CY

■ LTM ■ 2022CY ■ 2023CY



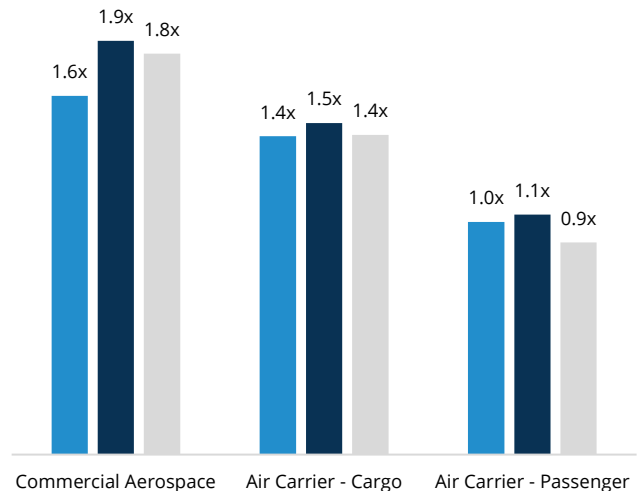
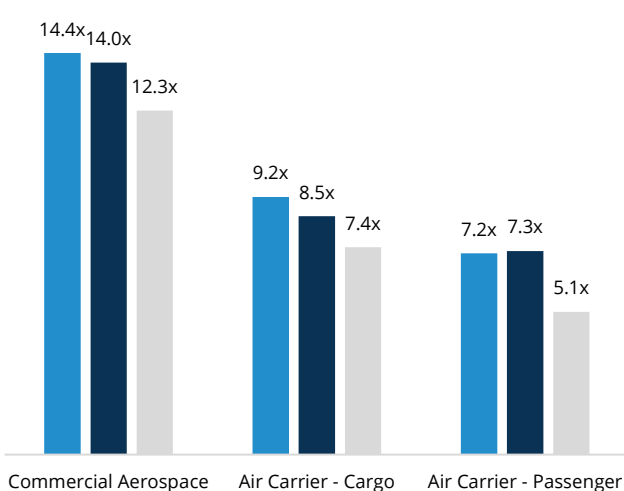
Commercial Aerospace*

Median EV/EBITDA

Median EV/Revenue

■ LTM ■ 2022CY ■ 2023CY

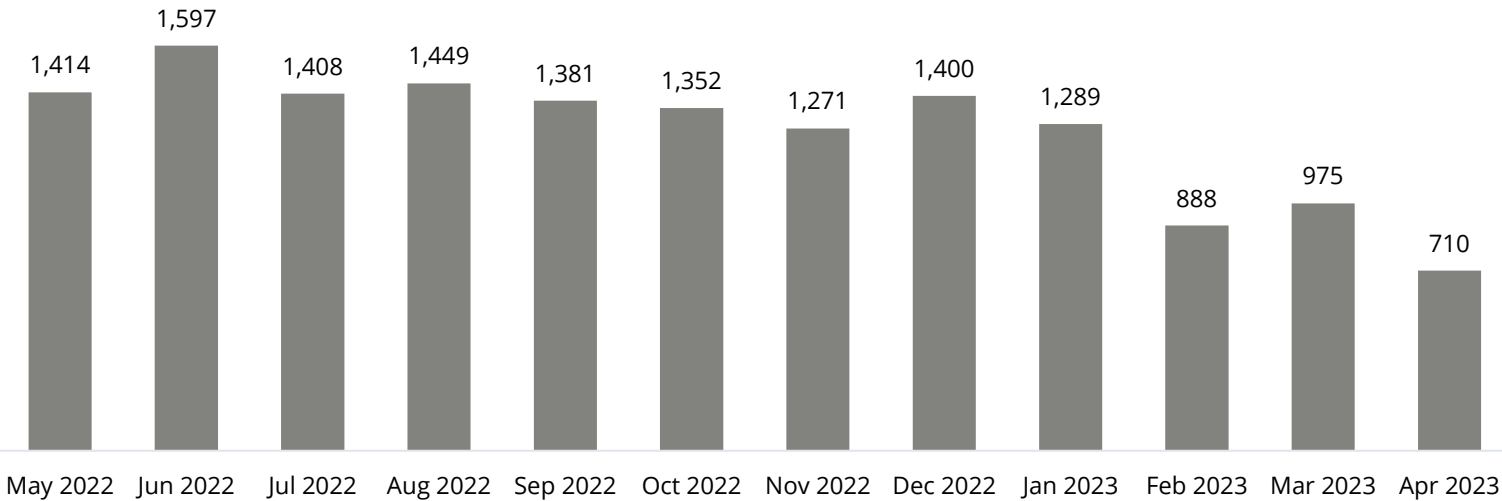
■ LTM ■ 2022CY ■ 2023CY



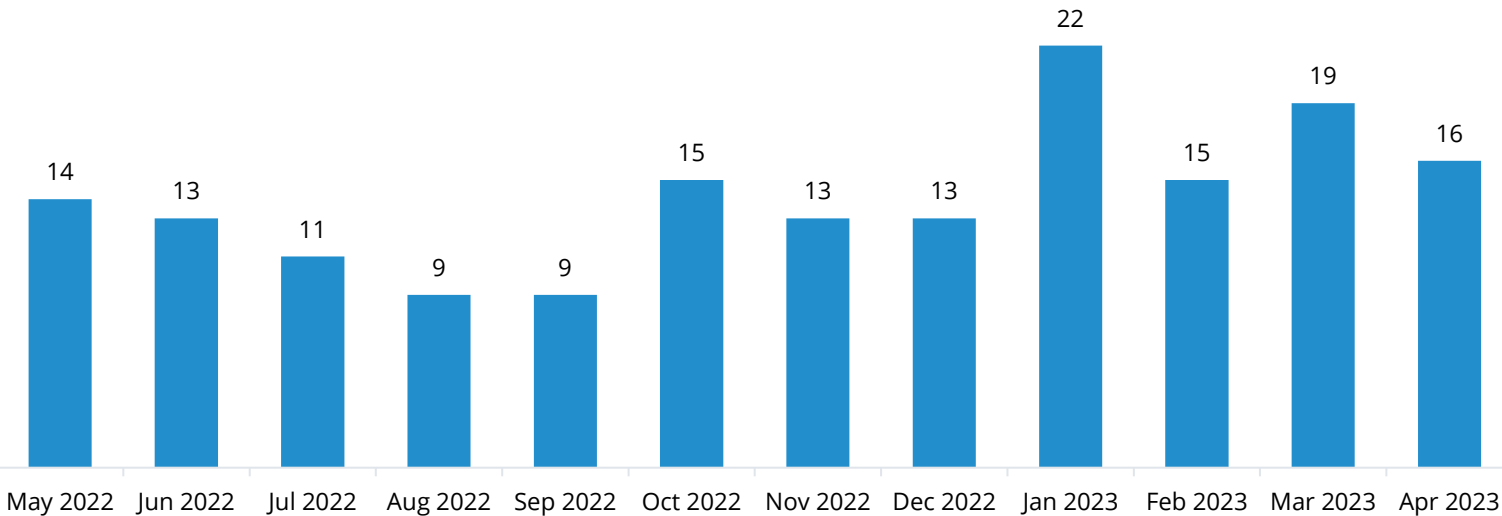
* Source: S&P Capital IQ as of May 2, 2023. For a full list of companies within each index, see page 7.

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.

April Transaction Activity*:

Date	Status	Target	Acquirer / Investor	Transaction Value (US\$ Mil)	Valuation (EV/LTM EBITDA)
4/3/2023	Closed	Verus Technology Group, Inc.	BlueHalo	n.d.	n.d.
4/3/2023	Closed	Key assets for the Aircraft Emergency Locator Transmitter of Honeywell International Inc.	Dukane Seacom, Inc.	n.d.	n.d.
4/5/2023	Closed	CloudAhoy, Inc.	ForeFlight, LLC	n.d.	n.d.
4/5/2023	Closed	Epps Air Service, Inc.	SAR Trilogy Management, LLC	n.d.	n.d.
4/6/2023	Closed	Vector Planning & Services, Inc.	Chugach Government Solutions, LLC	n.d.	n.d.
4/6/2023	Closed	ASSET Private Security, Inc.	JPT Group, Inc.	n.d.	n.d.
4/6/2023	Closed	Magnet Forensics, Inc.	Morpheus Purchaser, Inc.	n.d.	n.d.
4/6/2023	Closed	Visual Information Solutions Business of L3Harris Technologies, Inc.	NV5 Global, Inc. (NasdaqGS: NVEE)	70.00	n.d.
4/10/2023	Closed	Omni Components Corporation	Vander-Bend Manufacturing, Inc.	n.d.	n.d.
4/10/2023	Announced	Pinnacle Solutions, Inc.	Akima, LLC	n.d.	n.d.
4/12/2023	Announced	Maddox Defense, Inc.	Envirotech Vehicles, Inc. (NasdaqCM: EVTU)	n.d.	n.d.
4/14/2023	Closed	IPKeys Power Partners, LLC	Parsons Corporation (NYSE: PSN)	43.00	n.d.
4/18/2023	Closed	Miracle Systems, LLC	Aretum, LLC	n.d.	n.d.
4/20/2023	Closed	Rapid Imaging Technologies, LLC	Chesapeake Technology International, Corp.	n.d.	n.d.
4/24/2023	Closed	Broadleaf, Inc.	ASRC Federal Holding Company, LLC	n.d.	n.d.
4/25/2023	Closed	BLR Aerospace, LLC	Ducommun LaBarge Technologies, Inc.	115.00	n.d.
4/26/2023	Announced	Compressor Controls Corporation	Honeywell International Inc. (NasdaqGS:HON)	670.00	n.d.
4/27/2023	Closed	BJG Electronics, Inc.	Fastener Distribution Holdings, LLC	n.d.	n.d.
4/28/2023	Closed	Aubert & Duval S.A.	Ace Capital Partners; Airbus SE (ENXTPA:AIR); Safran SA (ENXTPA:SAF)	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.

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.

