
February 2023 Market Report

IN THIS ISSUE:

What We're Reading

Valuation Trends

Public Company Valuations

M&A Trends

February Transaction Activity



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

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What We're Reading:



STRATEGY & POLICY

- ✓ [NDIA President Urges Congress to Ready Defense Sector for Great Power Competition](#)
"Today, there is a mismatch between what our national strategies aim to achieve and how our defense industrial base is postured."
- ✓ [The US Needs to Talk About the Risk of War with China](#)
"The crackdown in Hong Kong ended any possibility of a truly voluntary reunification."
- ✓ [How to Prepare to Fight and Win the Next War](#)
"...the current 'victory gap' is not static, and our military advantage over a near-peer adversary is not guaranteed in perpetuity."



TRENDS IN TECHNOLOGY

- ✓ [Will China Become the World's Technology Superpower?](#)
"Another purpose of China's investments in innovative technology is to integrate these capabilities and other dual-use technologies into the military area."
- ✓ [ASPI's Critical Technology Tracker](#)
"China's global lead extends to 37 out of 44 technologies that ASPI is now tracking..."
- ✓ [A Defense Tech Market Map](#)
"Commercial sector innovators have to be able to speak DoD language to navigate the space effectively."



CONTRACTING, PROCUREMENT & BUDGET

- ✓ [Measuring Results in the Hyped World of Defense Investment](#)
"Today, many companies do not know if they're on a highway to recurring revenue or a demonstration dead end."
- ✓ [Intelligence Agencies Seek Better Ways to Buy IT and Emerging Tech](#)
"...nearly 80% of the IC's budget goes to contractors."
- ✓ [Defense Industrial Base Loses Thousands More Firms](#)
"...42% now say they're the government's only supplier for at least some of the products they sell."



CAPITAL MARKETS

- ✓ [Defense Innovation & Venture Capital](#)
"Decades ago, a remarkably close partnership between the DoD, Stanford University, and some brilliant, innovative, and patriotic engineers sparked what is now known globally as Silicon Valley."
- ✓ [Intuitive Machines Completes SPAC Merger](#)
"...will receive \$55 million from an **affiliate of company founders** and sponsors." (emphasis SWC)
- ✓ [Venture Capital Arms of Lockheed Martin & Raytheon Technologies Reveal Their Latest Investments](#)
Venture Capital as a proxy for IR&D... - SWC

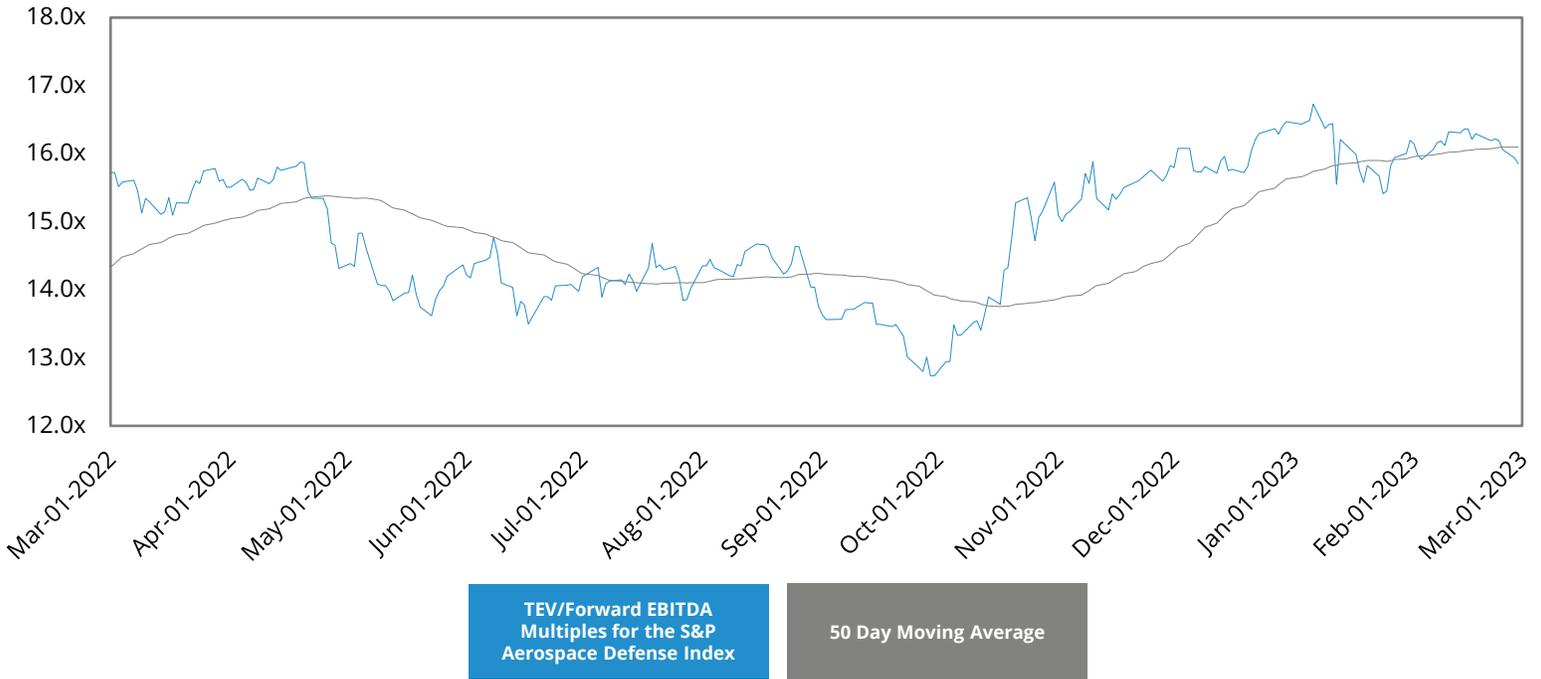


AVIATORS & WARFIGHTERS

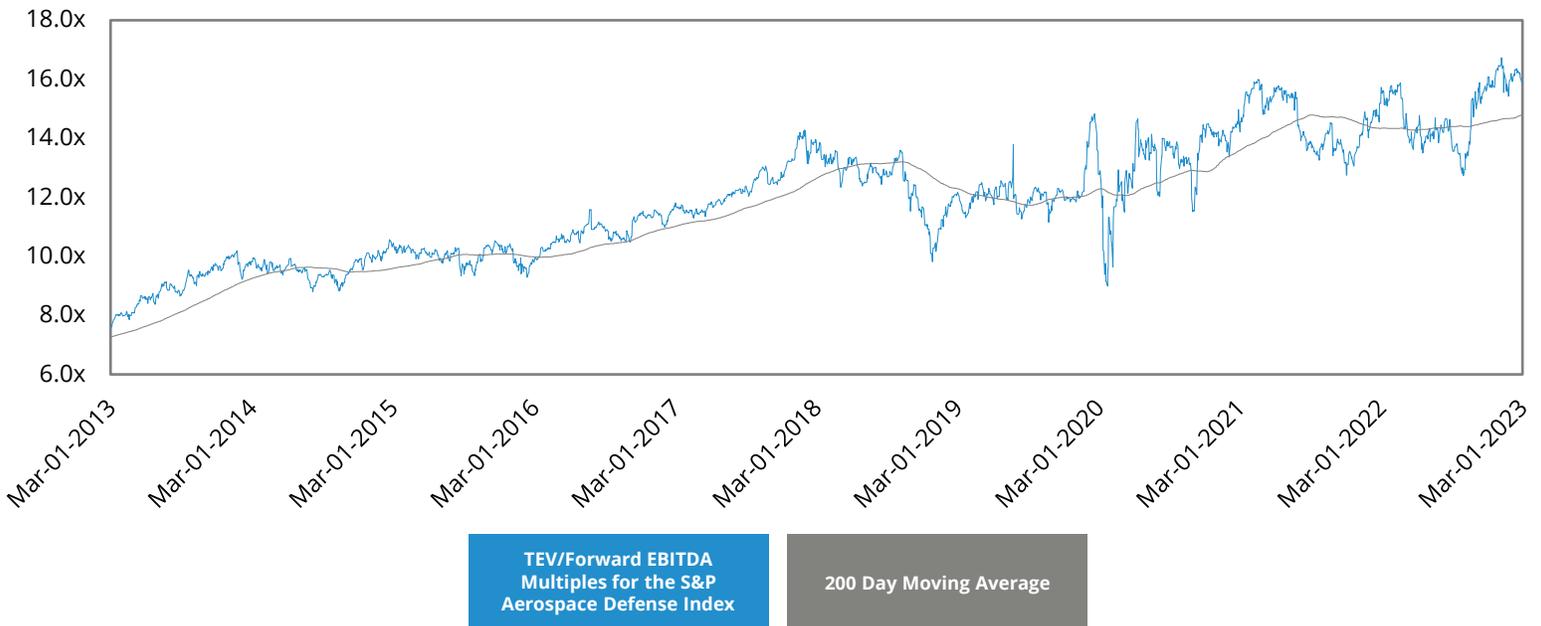
- ✓ [Confessions of an A-6 Intruder Pilot](#)
"When I cruised on the Ranger, we were the last of the all-Grumman Air Wings."
- ✓ [The CIA's Cold War in China](#)
"...the longest-serving American prisoner of war in history."
- ✓ [Famous Sunken Submarine USS Albacore Discovered After 78 Years](#)
"The Albacore was believed to have been lost on November 7, 1944, off the coast of Hokkaido, Japan."

Valuation Trends:

1-Yr Historical EBITDA Multiples*



10-Yr Historical EBITDA Multiples*



*Source: S&P Capital IQ.

Public Company Valuations:

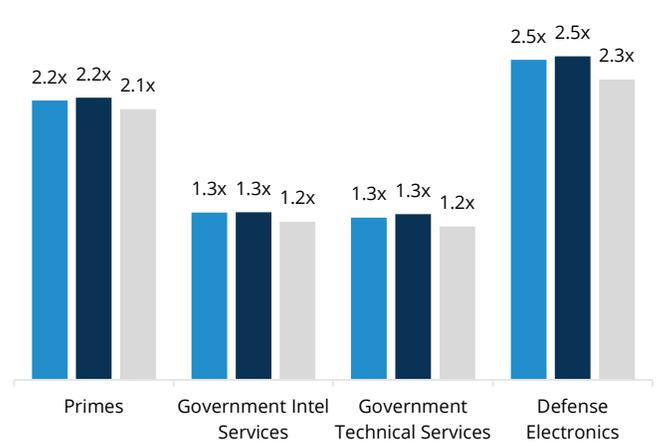
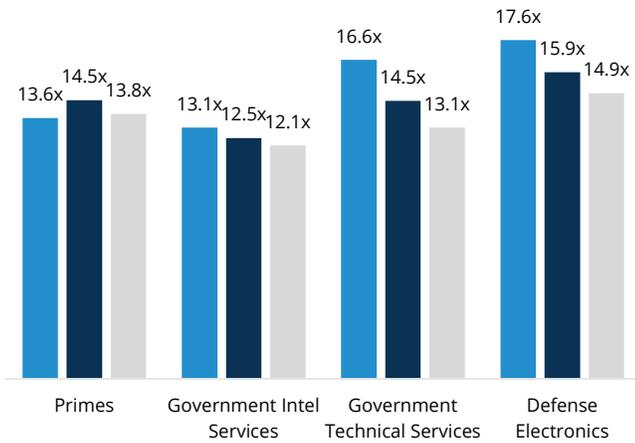
Defense & Government | Intelligence Community*

Median EV/EBITDA

Median EV/Revenue

■ LTM ■ 2022E ■ 2023P

■ LTM ■ 2022E ■ 2023P



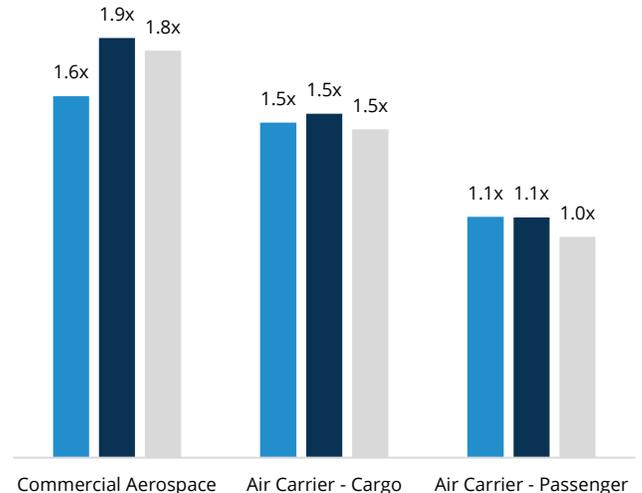
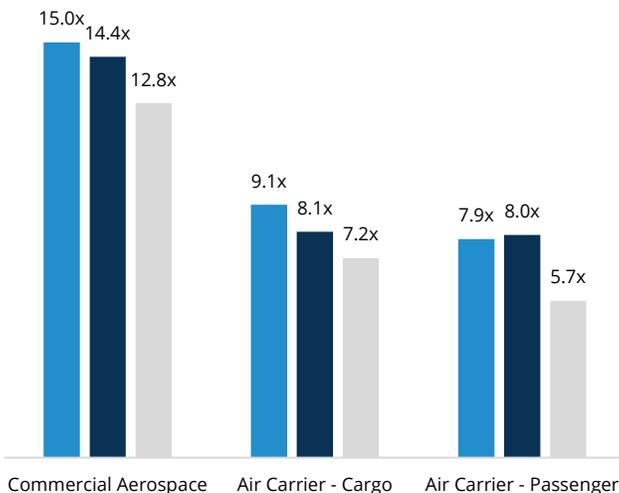
Commercial Aerospace*

Median EV/EBITDA

Median EV/Revenue

■ LTM ■ 2022E ■ 2023P

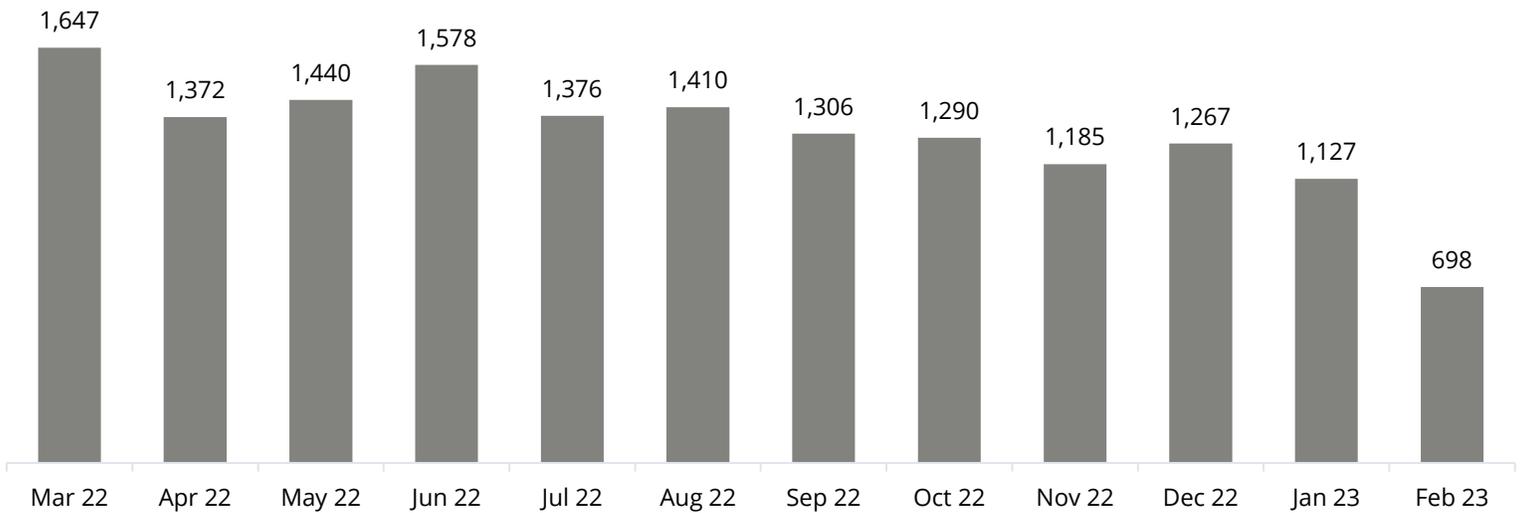
■ LTM ■ 2022E ■ 2023P



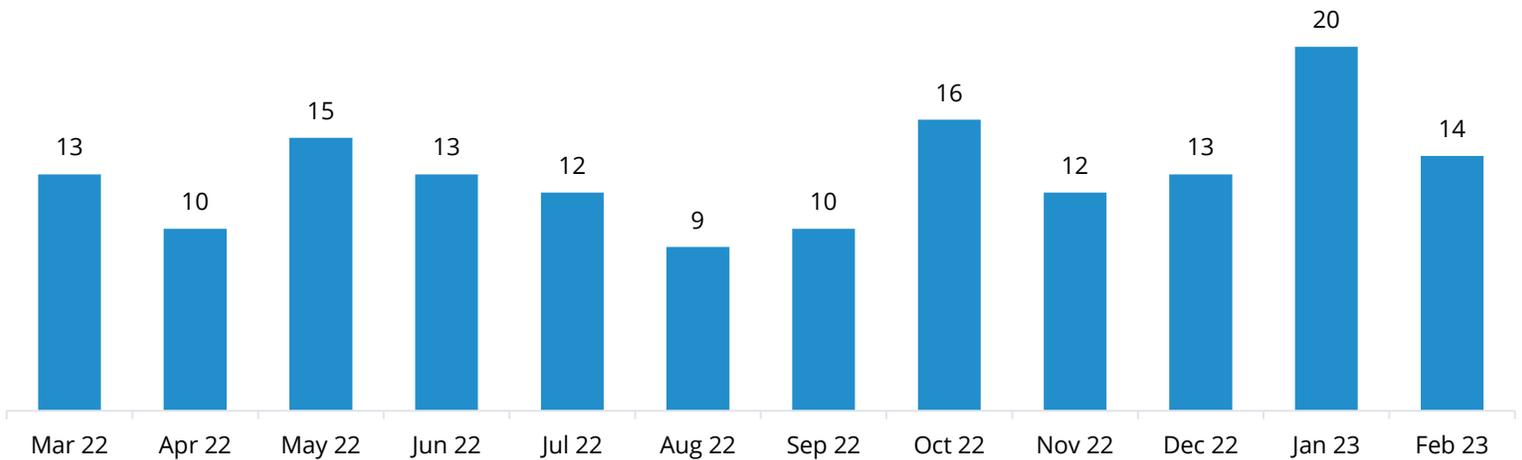
*Source: S&P Capital IQ as of March 3, 2023. For a full list of companies within each index, see page 7.

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.

February Transaction Activity*:

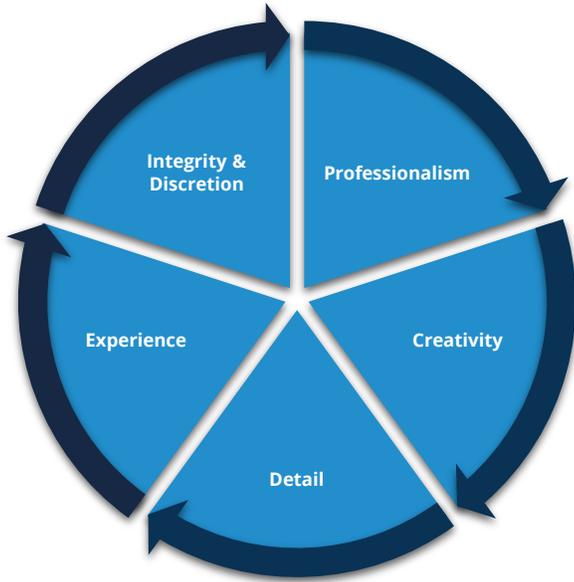
Date	Status	Target	Acquirer / Investor	Transaction Value (US\$ Mil)	Valuation (TEV/TTM Adj. EBITDA)
2-01-23	Announced	Epps Air Service, Inc.	SAR Trilogy Management, LLC	n.d.	n.d.
2-02-23	Closed	n2grate Government Technology Solutions, LLC	BlueAlly Technology Solutions LLC	n.d.	n.d.
2-02-23	Closed	Western Jet Aviation, Inc.	StandardAero, Inc.	n.d.	n.d.
2-03-23	Announced	Titan Acquisition Holdings L.P.	Lone Star Americas Acquisitions, Inc.	n.d.	n.d.
2-06-23	Closed	Worldwide Aircraft Services, Inc.	Air T, Inc.	3.08	n.d.
2-08-23	Announced	Enercon Services, Inc.	Oaktree Capital Management, L.P.	n.d.	n.d.
2-10-23	Effective	D2K Technologies LLC	End-to-End Enterprise Solutions Inc.	n.d.	n.d.
2-13-23	Closed	Orbit Logic, Inc.	Boecore, Inc.	n.d.	n.d.
2-15-23	Closed	Capability Analysis & Measurement Organization, LLC	LinQuest Corporation	n.d.	n.d.
2-16-23	Closed	Nathan Associates, Inc.	The Cadmus Group, Inc.	n.d.	n.d.
2-21-23	Closed	Launcher Inc.	Vast	n.d.	n.d.
2-21-23	Closed	Diversified Consulting Solutions, Inc.	NV5 Global, Inc.	n.d.	n.d.
2-22-23	Closed	Summit2Sea Consulting, LLC	cBEYONData LLC	n.d.	n.d.
2-22-23	Closed	Constant Aviation, LLC	Flexjet, LLC	n.d.	n.d.
2-22-23	Closed	Global Research Analytics, LLC	Core One Group	n.d.	n.d.
2-23-23	Closed	Axim Geospatial, LLC	NV5 Global, Inc.	0.14	n.d.
2-27-23	Closed	Electronic Manufacturers Associated	Unknown Buyer	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.

