



Aerospace | Defense & Government |
Intelligence Community

February 2025 Market Snapshot

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Strategy & Policy



- ✓ **Risk**
"There is no such thing as risk-free strategy."
- ✓ **[A New Way of Thinking About Naval Power](#)**
"...the number of combatant ships in the fleet is less important than the amount of firepower they can generate..."
- ✓ **[The New Space Race is Here - And America Needs a Strategy](#)**
"More alarmingly, the 2022 State of the Space Industrial Base report warned that China could become the dominant nation in space as early as 2045."

Trends in Technology



- ✓ **[Military Starship: How SpaceX is About to Make America Globally Dominant](#)**
"...a fleet of Starships could land an entire armored division anywhere on Earth in under an hour and keep it supplied in the field."
- ✓ **[Debunking Myths on Defense Technology](#)**
"...the reality is that most of the value lies in the software."
- ✓ **[Lockheed Martin Unveils Mysterious New Weapon](#)**
"modular, lethal and affordable"

Contracting, Procurement & Budget



- ✓ **[Analyzing 17 Areas in the FY26 DoD Budget Money is Being Redirected To](#)**
"...an 8% budget reallocation."
- ✓ **[America has Fought- and Fixed-Defense Contracting Before](#)**
"The Continental Army's desperate supply situation brought the first major reorganization of the American military's procurement methods—only two years after it came into being—in 1778."
- ✓ **['Goldplating' - not Speed - is the Real Problem in Weapons Acquisition](#)**
"Service leaders and their allies in the defense industry work to pack as many features as possible into every weapon and then wonder why they can't get all the components to work together properly."

Capital Markets



- ✓ **[Defense M&A and the Deal Flow Dinner](#)**
There has been plenty of 'deal flow' resulting in tremendous consolidation. The pie (gov't spending) isn't getting meaningfully bigger - at some point a reckoning is coming on valuations. - SWC
- ✓ **[Pentagon Needs an Investor's Savvy](#)**
"...the administration may oppose further major consolidation among established military contractors and instead "effectively sponsor some of our best private-sector manufacturing companies to help them get into DoD."
- ✓ **[Shield AI Closes \\$240M Investment Round](#)**
"Unmanned systems, artificial intelligence and autonomy represent hot interest areas for investors with both a keen interest in defense technologies and hopes that the Pentagon will prioritize high-tech areas like them."

Aviators & Warfighters

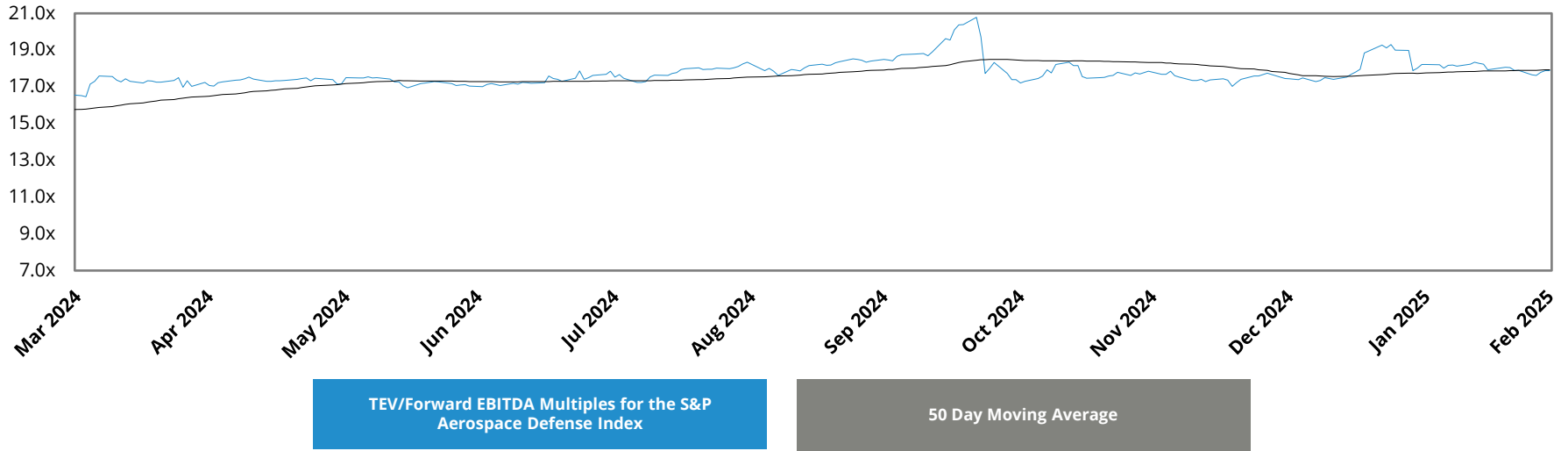


- ✓ **[7 POWs Who Were Total Badasses After Being Taken Captive](#)**
"When the prisoner collapsed only partway into the lashing, Antrim asked that he be allowed to take the rest of the punishment."
- ✓ **[Mastermind of the Mustang](#)**
"...an aircraft that the USAAF never intended to buy."
- ✓ **[The Third Delta Sniper You Didn't See in 'Black Hawk Down'](#)**
"...the decision set a precedent that allows amputees to continue serving under the Continuation of Active Duty program."

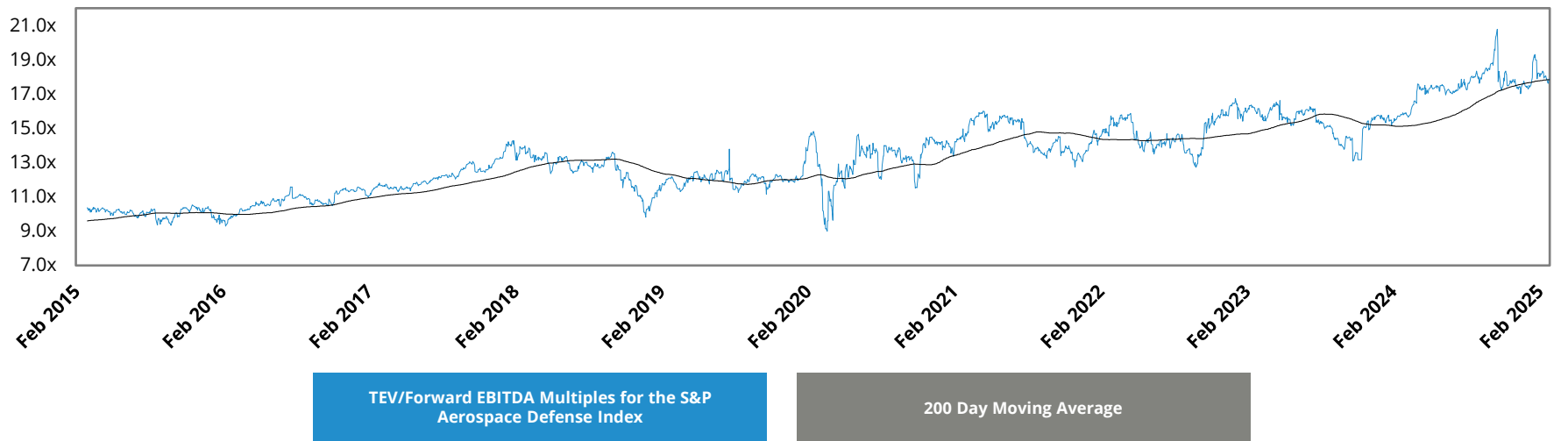


Please see additional insights on the satellite & space industry in the [February 2025 Market Monitor](#) from our partners at Quilty Space.

1-Yr Historical EBITDA Multiples*



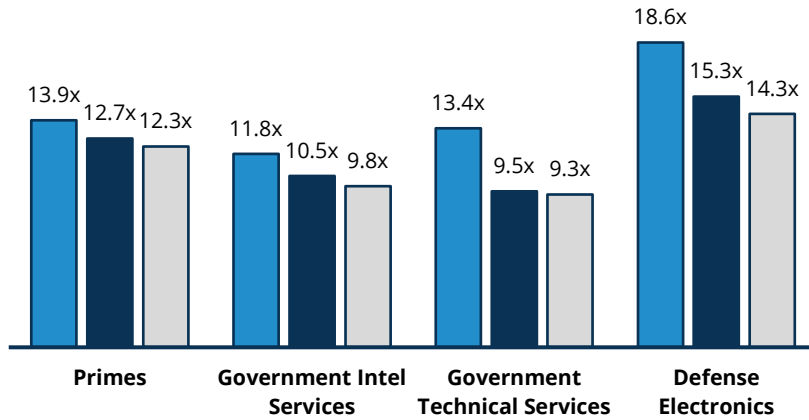
10-Yr Historical EBITDA Multiples*



Defense & Government | Intelligence Community*

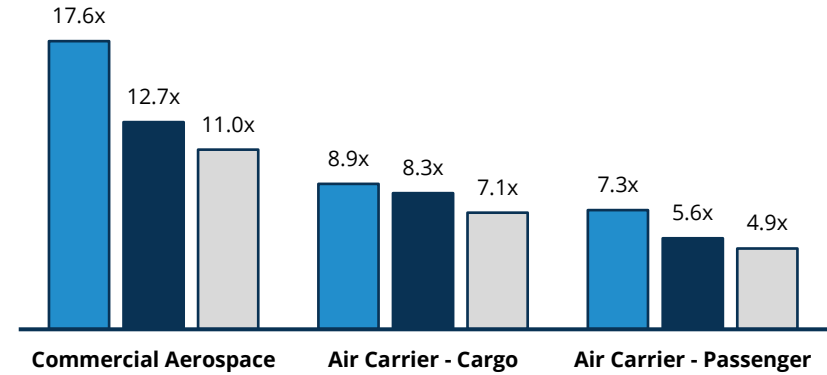
■ LTM ■ 2025CY □ 2026CY

Median EV/EBITDA (x)

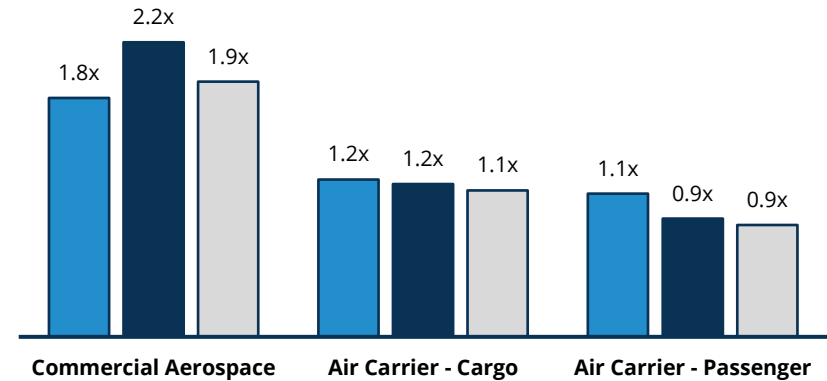
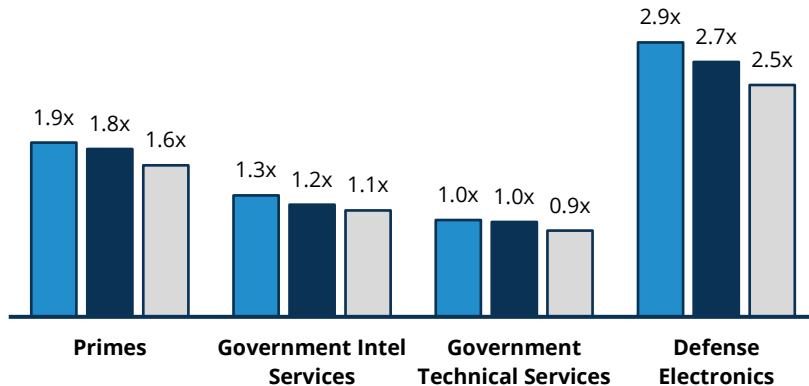


Commercial Aerospace*

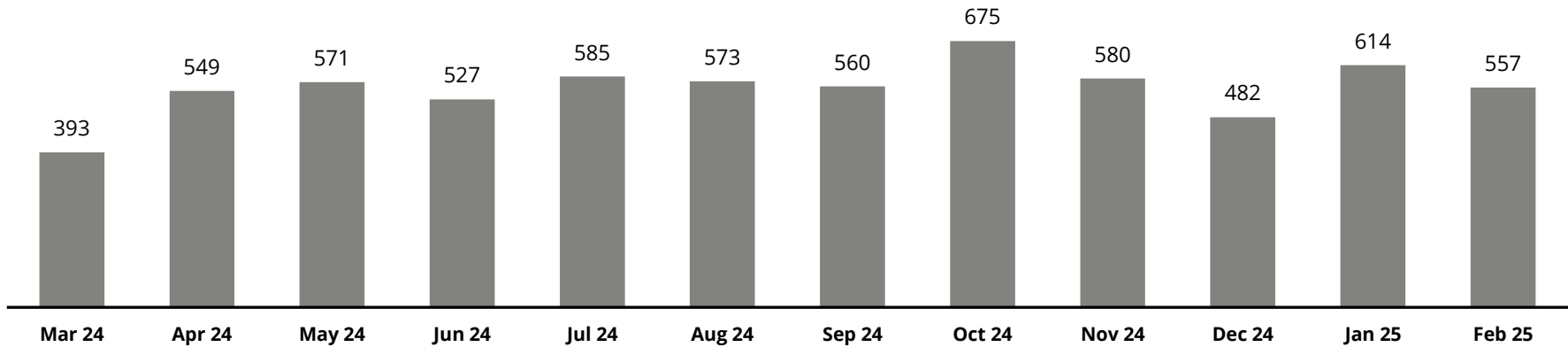
■ LTM ■ 2025CY □ 2026CY



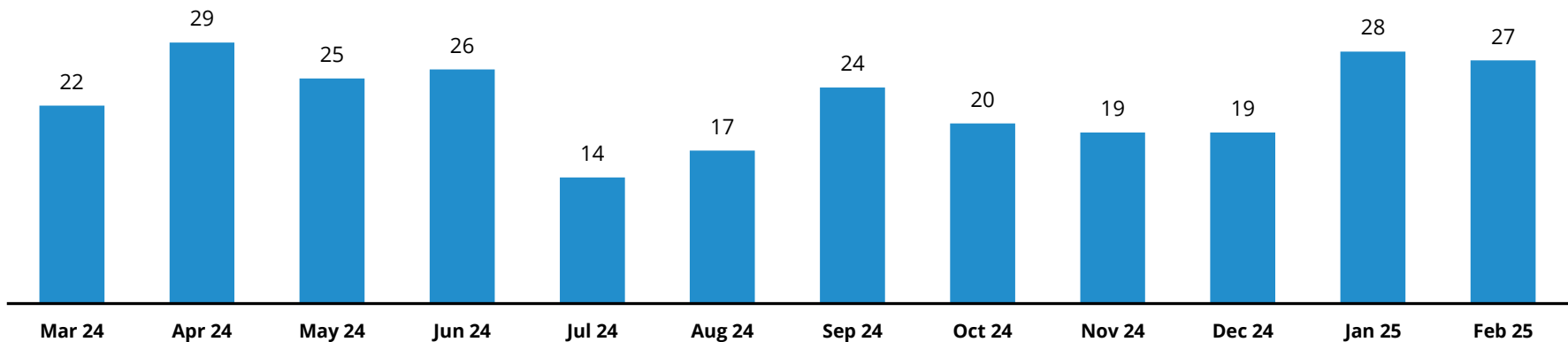
Median EV/Revenue (x)



LTM US M&A Activity—Consolidated*



LTM US M&A Activity—Southwind Industry Universe*



Date	Status	Target	Acquirer/Investor	Transaction Value (US\$ Mil)	Valuation (EV/LTM EBITDA)
02/03/2025	Announced	Triumph Group, Inc.	Berkshire Partners LLC; Warburg Pincus LLC	\$3,034.63	15.2x
02/17/2025	Announced	Hangar facility and MRO (maintenance, repair and overhaul) Business of Boeing	British Airways (BA) Limited	n.d.	n.d.
02/19/2025	Announced	System High Corporation	Ridgeline International, LLC	n.d.	n.d.
02/01/2025	Closed	Vital Edge Solutions, Inc.	Dynamic Integrated Services, LLC	n.d.	n.d.
02/03/2025	Closed	Applied Composite Technology Aerospace, Inc.	The Thermal Group	n.d.	n.d.
02/03/2025	Closed	Millennium International, LLC	HEICO Corporation	n.d.	n.d.
02/03/2025	Closed	Arotech Corporation	Albion River LLC	n.d.	n.d.
02/03/2025	Closed	InSite Engineering, LLC	Godspeed Capital Management LP	n.d.	n.d.
02/03/2025	Closed	Statheros, LLC	Peerless Technologies Corporation	n.d.	n.d.
02/03/2025	Closed	Optical Systems Business and Advanced Electronic Systems Business of Excelitas Technologies Corp.	Teledyne Technologies Incorporated	\$710.00	n.d.

Date	Status	Target	Acquirer/Investor	Transaction Value (US\$ Mil)	Valuation (EV/LTM EBITDA)
02/04/2025	Closed	Commerce, Marketing & Strategy, and Digital Engineering Services Segment of Digital Management, LLC	Encora Digital LLC	n.d.	n.d.
02/04/2025	Closed	LAUNCH Technical Workforce Solutions, LLC	Capitol Meridian Partners LP	n.d.	n.d.
02/04/2025	Closed	TRS Group, Inc.	Parsons Corporation	\$36.00	n.d.
02/04/2025	Closed	Govplace, Inc.	DigiCap LLC	n.d.	n.d.
02/04/2025	Closed	Tidelift, Inc.	SonarSource SA	n.d.	n.d.
02/05/2025	Closed	Basmat, Inc.	Standex International Corporation	n.d.	n.d.
02/06/2025	Closed	EpiSys Science, Inc.	Applied Intuition, Inc.	n.d.	n.d.
02/11/2025	Closed	cBEYONData LLC	SMX Group, LLC	n.d.	n.d.
02/11/2025	Closed	PBK Architects, Inc.	Craig Gaulden & Davis, Inc.	n.d.	n.d.
02/18/2025	Closed	Aeroparts Group, LLC	Coltala Holdings, LLC	n.d.	n.d.
02/18/2025	Closed	Omnigas Systems, Inc.	O2 Aero Acquisitions, LLC	n.d.	n.d.
02/19/2025	Closed	Technology Assessment & Transfer, Inc.	Tethon Corporation	n.d.	n.d.


Date	Status	Target	Acquirer/Investor	Transaction Value (US\$ Mil)	Valuation (EV/LTM EBITDA)
02/19/2025	Closed	Contraqer Corp.	Unanet, Inc.	n.d.	n.d.
02/20/2025	Closed	Pan Am International Flight Academy, Inc.	Acorn Capital Management; Acorn Aerospace & Defense Fund V, L.P.	n.d.	n.d.
02/21/2025	Closed	Government Services Business of Navient Corporation	Gallant Capital Partners, LLC	n.d.	n.d.
02/24/2025	Closed	Electro-Methods, Inc.	Blackstone Inc.; Stronvar Aerospace HoldCo, L.P.	n.d.	n.d.
02/24/2025	Closed	Medallion Instrumentation Systems LLC	Patrick Industries, Inc.	n.d.	n.d.
02/25/2025	Closed	Loki Solutions LLC	VTG LLC	n.d.	n.d.
02/26/2025	Closed	Pryer Aerospace, LLC	Argonaut Private Equity	n.d.	n.d.
02/27/2025	Closed	HashiCorp, Inc.	International Business Machines Corporation	\$7,663.63	n.d.

Date	Status	Company	Deal Type	New Investor(s)	Industry Sector*	Investment Size (US\$ Mil)
02/01/25	Completed	Sandtable (Application Software)	Early Stage VC	Quiet Capital, Silent Ventures	A&D	N/A
02/03/25	Completed	Hidden Level	Later Stage VC	Costanoa Ventures, DFJ Growth, Friends & Family Capital, Revolution (Washington DC)	A&D	65.00
02/10/25	Completed	Maglev Aero	Seed Round	N/A	Air Mobility	2.50
02/18/25	Completed	Saronic Technologies	Later Stage VC	General Catalyst	A&D	600.00
02/20/25	Completed	Vantage Robotics	Later Stage VC	ideaForge	Air Mobility	159.60
02/20/25	Completed	Doroni	Later Stage VC	Innovation Wings Industries	Air Mobility	30.00
02/23/25	Completed	AirQtel	Early Stage VC	N/A	A&D	27.00
02/28/25	Completed	Rune Technologies	Seed Round	Andreessen Horowitz, Brett Granberg, Gokul Subramanian, John Doyle, Point72 Ventures, Scott Sanders, XYZ Venture Capital	A&D	6.20

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

- 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

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.