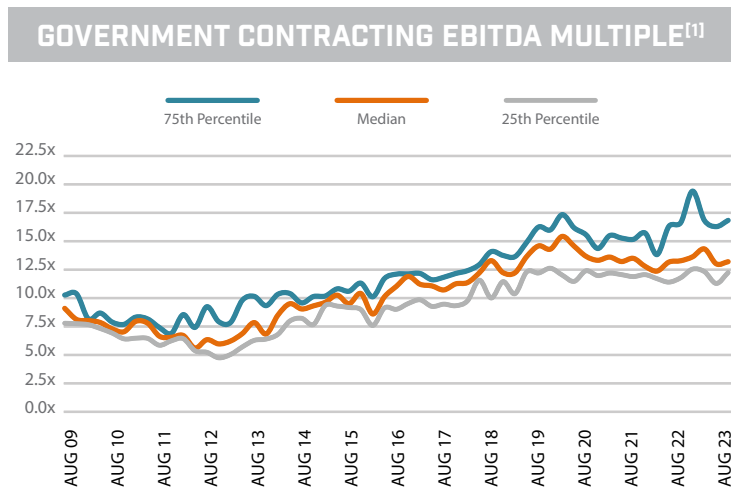


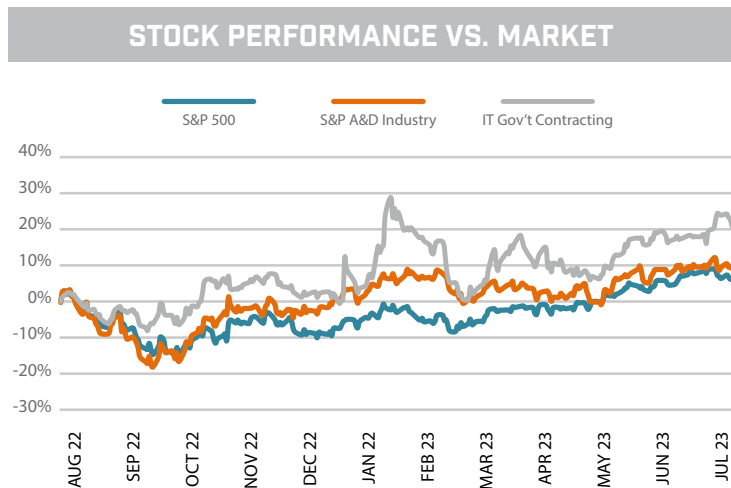
**EARNINGS THEMES**

- Financial performance was strong, with companies delivering substantial revenue/ EBITDA growth and solid bookings.
- A key area of focus in comments and in analyst questions was AI – how it’s being used internally by companies and how companies are using it to better serve customers.
- M&A was mentioned by several companies but not with the level of emphasis of prior periods. When mentioned, M&A had modifiers such as targeted and select. Other approaches to capital allocation – stock buybacks, debt paydown – were generally mentioned at the same time.

**VALUATIONS**



[1] The following companies are included for any periods in which they were public - BigBear.ai, Booz Allen Hamilton, CACI, CSRA/SRA, ICF, Leidos, ManTech, Maximus, PAE, Parsons, Perspecta, SAIC, V2X, and VSE.



## KEY INDUSTRY TRANSACTIONS &amp; DEVELOPMENTS

MAY  
25

**Godspeed Capital Management**, a lower middle-market Defense & Government services, solutions, and technology-focused private equity firm, has raised its second fund from new and existing institutional investors to continue the strategy of backing companies in the government market. Since its inception, Godspeed Capital has completed 16 acquisitions in the formation of three distinct platform investments.

MAY  
30

**SilverEdge Government Solutions (Godspeed Capital Management)**, a leading cybersecurity, software, and intelligence solutions platform serving the DoD and IC, acquired Gardetto Engineering LLC, an engineering services company specializing in digital design, hardware design, and systems engineering. The acquisition strengthens SilverEdge's engineering capabilities and expands its competencies in digital and hardware design.

JUN  
1

**iNovex (Enlightenment Capital)** has reached a deal to acquire Secure Innovations, a leading cybersecurity business servicing the IC and DoD. With prime contract awards well over \$2 billion, the acquisition is expected to strengthen iNovex's ability to meet the growing demand for innovative cybersecurity solutions.

JUN  
5

**Activate Capital** led a Series E fundraising round, raising \$87M for Tomorrow.io, a weather intelligence platform to predict, automate, and solve weather challenges. RTX Ventures, Seraphim Space, and Chemonics also joined the round. Tomorrow.io has received contracts totaling more than \$30 million from the DoD and is expected to use the Series E funding to augment the existing weather constellation to support weather data-as-a-service use by the military.

JUN  
6

**CDW Corporation (NASDAQ: CDW)** acquired Enquizit, an experienced provider of AWS cloud services that solve customer challenges and deliver meaningful outcomes through innovative technical solutions. The acquisition provides additional capabilities to the CDW Public Sector Cloud Services Practice and enables the company to accelerate its Public Sector customers' cloud strategies.

JUN  
8

**BAH Ventures, LLC** has made a strategic investment in Shift5, an onboard data company that brings order to the complexity of onboard data, providing observability, critical insights, and cybersecurity protection to commercial and military fleets and weapon systems. The investment is expected to be a key enabler in BAH's continued delivery of tradecraft for cyber-physical resilience and mission readiness.

JUN  
18

**Exacom (Seaport Capital)**, a mission-critical communication recording solutions provider, acquired SecuLore Solutions for an undisclosed sum. SecuLore Solutions specializes in cybersecurity solutions for public safety, critical infrastructure, and local governments. The acquisition is expected to expand security services to Exacom's portfolio to ensure public safety customers are protected from cyberattacks.

JUN  
22

**Broadtree Partners** acquired Joint Research and Development ("JRAD") for an undisclosed sum. JRAD provides test and evaluation services, total life-cycle acquisition support, medical and public health preparedness, and science and technology R&D to government customers including the DoD, DHS, and Federal Civilian Agencies. JRAD is expected to become the second company in Broadtree's GovCon platform, joining Sayres Defense, a leading provider of systems engineering and mission support services to the DoD.

## KEY INDUSTRY TRANSACTIONS &amp; DEVELOPMENTS

JUN  
27

**Paladin Capital Group** led the Series A fundraising round, raising \$12M for CalypsoAI, a systems software provider focused on accelerating and securing an enterprise's adoption of AI and machine learning. In early 2023, CalypsoAI announced the creation of CalypsoAI Labs, which will work extensively with government agencies, universities, and private firms to develop tailored applications and expert solutions to enhance AI security capabilities focused on national security.

JUL  
3

**Huntington Ingalls Industries and Fluor Federal Services** announced the acquisition of an unknown minority stake in Savannah River Nuclear Solutions, which engages in the management and operations of the DOE's Savannah River Site.

JUL  
10

**TPG** has signed a definitive agreement to acquire Forcepoint's Global Governments and Critical Infrastructure (G2CI) business for approximately \$2.45 billion. The acquisition will separate Forcepoint's Commercial and G2CI businesses and will establish G2CI as an independent entity, which will position the new company to grow its platform as a comprehensive cybersecurity provider for defense, intelligence, and critical national infrastructure organizations across the globe.

JUL  
11

**Vector Capital**, a private equity firm specializing in investments in established technology businesses, completed its acquisition of Riverbed Technology, an application performance infrastructure solutions developer based in San Francisco, CA. The acquisition is expected to enhance Riverbed's product offerings through innovation and strategic growth investments.

JUL  
11

**Mission1st Group** acquired Ardent Management Consulting, an information technology and business solutions provider with expertise in delivering cloud services, driving digital transformation, harnessing the power of data science and analytics, and leveraging location intelligence for the US Government. The strategic combination is expected to enhance the delivery capabilities of both organizations.

JUL  
12

**Enlightenment Capital** made a strategic investment in Red Alpha, a software development and technology consulting firm that works with customers in the defense community and certain commercial markets. Red Alpha's core focus areas include cybersecurity, cloud computing, enterprise web applications, large-scale systems engineering, and large-scale distributed/virtual systems administration. Enlightenment Capital made the investment through its Small Business Investment Company fund, a fund to give investors venture funds to back small businesses via agency-supported loans.

JUL  
13

**The Swift Group** acquired OPS Consulting, a solutions provider with advanced technologies in data analytics, high-performance computing, and threat mitigation. OPS provides highly specialized mission-critical technology services and solutions which support the IC and DoD. The acquisition is expected to expand Swift's products and services offerings, as well as aid in maintaining its long-term growth strategy.

JUL  
17

**IMB Partners** has made a strategic investment in eTelligent Group, a technologies and program management solutions provider to the U.S. Government. The investment is expected to scale the organizational infrastructure and capabilities of eTelligent to enable it to undertake larger contracts as well as seek potential acquisitions to build upon existing capabilities to best serve the US Government.

## KEY INDUSTRY TRANSACTIONS &amp; DEVELOPMENTS

JUL  
19

**CISO Global** acquired SB Cyber Technologies, a cybersecurity company that specializes in identifying, enhancing, and applying emerging government and military-grade capabilities to critical commercial technical security challenges. The acquisition is expected to accelerate CISO Global's strategy to bring additional talent and technology to its customers. Since 2019, CISO Global has acquired 17 companies to expand its geographic footprint, broaden its solutions portfolio, and build its talent base to deliver fully managed end-to-end cybersecurity and compliance services to enterprises in the US and Latin America.

JUL  
26

**NewSpring Capital** acquired Bridge Core, a visual intelligence, cybersecurity, and other technical solutions provider to the IC. Bridge Core will be a newly formed platform company under NewSpring and is expected to utilize the proceeds from the transaction to execute an M&A and growth strategy to create a full-spectrum, technology-enabled IC.

AUG  
1

**T-Rex Solutions** announced its acquisition of Cyber Cloud Technologies, an IT services firm that provides a suite of enterprise IT services to the federal government, including cybersecurity and cloud services. The acquisition is expected to expand T-Rex Solutions' service offerings within its National Security business area.

**ManTech (Carlyle)** has signed a definitive agreement to acquire Definitive Logic, a leading provider of digital transformation consulting and technology solutions to defense, homeland security, and federal civilian agencies. The acquisition will add more than 330 highly skilled and cleared employees to the ManTech team, expand ManTech's suite of differentiated capability offerings in cloud, cyber, DevSecOps, data engineering, and AI/ML and provide a distinguished set of technology partnerships.

AUG  
2

**Sentar** acquired Waterfront Technical Services, a Huntsville-based company. Waterfront's capabilities include flight and ground operations, data center operations, information technology, and software development. Waterfront provides mission-critical support to NASA's ISS, Artemis, Gateway, and Human Lander projects. The acquisition is expected to expand Sentar's reach in the Civil Space market as well as provide current and future customers with more robust solutions to meet mission requirements.

**Arlington Capital Partners** announced its acquisition of Integrated Data Services ("IDS"), a provider of software and technology-enabled support and development for federal government services. IDS' flagship software offering, Comprehensive Cost and Requirement, is primarily utilized to automate historically manually intensive processes centered around program portfolio management. IDS employs over 275 employees and serves nearly 30 customer locations across the Air Force, Army, Space Force, and other defense and civilian departments.

AUG  
3

**ICF** acquired the power and energy engineering firm CMY Solutions. CMY's team of 50 highly specialized experts support senior leaders of utilities and developers across the US, Europe, and Asia in making more informed decisions on grid modernization policies, programs, and investments. The transaction expands ICF's addressable market by giving it the ability to support client needs for renewables interconnection, substation and distribution upgrades, and grid resilience and providing new technology and data management capabilities that can be offered to its commercial energy and government clients.


AUG  
8

**Arcfield (Veritas)**, a leading government services, and mission support provider, completed its acquisition of Strategic Technology Consulting, LLC ("STC"), a highly differentiated provider of full-spectrum model-based systems engineering and digital engineering services and solutions. Post-closing, STC continues to serve its breadth of commercial and government customers as a subsidiary of Arcfield.


## GUIDANCE &amp; BOOK-TO-BILL

COMPANY	CURRENT GUIDANCE	PRIOR GUIDANCE	LTM BOOK-TO-BILL
BigBear.ai	Revenue: \$155 - \$170 million EBITDA: Single-digit negative (in millions)	Revenue: \$155 - \$170 million EBITDA: Single-digit negative (in millions)	n/a
BAH	Revenue Growth: 7.0% - 11.0% EPS: \$4.80 - \$4.95	Actual: Revenue: \$9.26 billion EPS: \$4.56	1.24x
CACI	Actual: Revenue: \$6.7 billion EPS: \$18.83	Revenue: \$6.68 – \$6.75 billion EPS: \$18.09 – \$18.72	1.5x
ICF	Revenue: \$1.93 - \$2.0 billion EPS: \$6.15 - \$6.45	Revenue: \$1.93 - \$2.0 billion EPS: \$6.15 - \$6.45	1.3x
Leidos	Revenue: \$14.9 – \$15.2 billion EPS: \$6.40 – \$6.80	Revenue: \$14.7 – \$15.1 billion EPS: \$6.40 – \$6.80	0.9x
Maximus	Revenue: \$4.875 - \$4.975 billion EPS: \$4.00 - \$4.20	Revenue: \$4.85 - \$5.0 billion EPS: \$4.00 - \$4.30	2.1x
Parsons	Revenue: \$4.85 - \$5.05 billion EBITDA: \$410 - \$440 million	Revenue: \$4.5 - \$4.7 billion EBITDA: \$375 - \$415 million	1.2x
SAIC	Revenue: \$7.13 - \$7.23 billion EPS: \$7.00 - \$7.20	Actual: Revenue: \$7.70 billion EPS: \$7.55	1.0x
V2X	Revenue: \$3.85 - \$3.95 billion EPS: \$3.85 - \$4.30	Revenue: \$3.8 - \$3.9 billion EPS: \$3.80 - \$4.30	1.3x


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