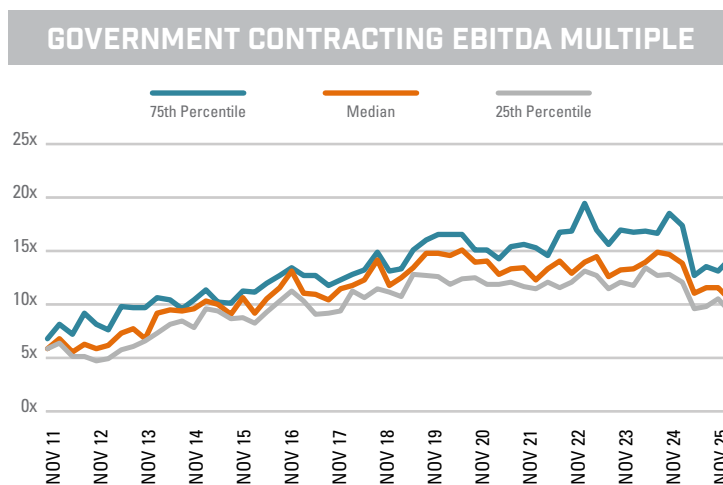


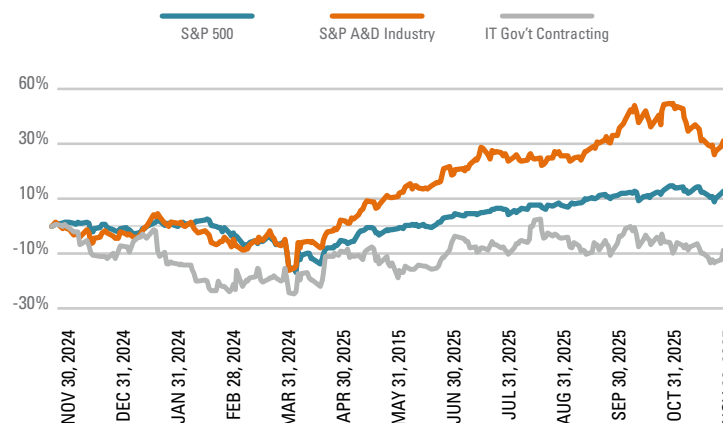
- The market continues to show a clear bifurcation: defense and national security sectors remain robust, while non-homeland civilian markets are showing substantive declines. For example, BAH expects civil revenue to decline in the low 20% range, ICF has experienced an approximate 30% year-over-year decrease for Q3, and LDOS noted a 3% topline impact that was offset in other areas.
- Across the companies reviewed, exposure to essential services helped mute the overall impact of the government shutdown. Reported impacts include: BAH estimating a \$30 million revenue effect assuming a 10/31 shutdown end date; CACI expecting a single-digit revenue impact; ICF citing approximately \$8 million of October revenue at risk; MMS reporting less than 12 employees; and PSN noting that a prolonged shutdown through year-end would bias revenue toward the lower end of guidance.
- Share repurchase activity remained strong. BAH repurchased \$208 million during the quarter and increased its authorization by \$500 million. LDOS executed \$100 million of repurchases; MMS completed \$151 million in the quarter (\$457 million for the fiscal year, with \$250 million remaining authorized); PSN repurchased \$25 million in the quarter and \$65 million YTD; SAIC remains on track to repurchase \$350-400 million for the year; and V2X repurchased \$10 million in the quarter.
- Most companies highlighted concrete examples of how they are deploying AI to enhance customer outcomes. BBAI, BAH, CACI, ICF, LDOS, and MMS explicitly referenced AI initiatives, and several organizations underscored their readiness for a shift toward an outcome-based contracting environment.

VALUATIONS



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

STOCK PERFORMANCE VS. MARKET



KEY INDUSTRY TRANSACTIONS & DEVELOPMENTS

AUG
13

Arlington Capital Partners announced the formation of Neumo. Neumo was formed through the merger of Avenu Insights & Analytics and Intellectual Technology Inc., and the recently completed acquisition of GovOS. The new platform will provide integrated software and payments solutions for local, state, and federal governments.

AUG
14

Merlin Labs and Bleichroeder Acquisition Corp. announced they have entered into a definitive business combination agreement. As a result, Merlin Labs will be a publicly traded company. As an autonomous flight technology developer for defense customers, the transaction will allow Merlin Labs to scale AI-enabled autonomous flight capabilities in support of national security. Bleichroeder Acquisition Corp is a SPAC backed by Inflection Point.

AUG
18

Cryptic Vector (Enlightenment Capital), a full spectrum offensive cyber, EW, and secure RF communications solutions provider, acquired Caesar Creek Software. Caesar Creek Software provides offensive cyber research and development services for the IC and DoD.

The One 23 Group (Willow Creek Partners), a government services provider, announced its acquisition of Integrated Computer Solutions ("ICS"). ICS provides mission IT and cybersecurity services to U.S. federal agencies. The acquisition will strengthen The One 23 Group's mission IT focus as well as expand its reach within national security communities.

AUG
21

Pasteur Labs announced its acquisition of FOSAI, a space systems and autonomy solutions provider for the aerospace and defense industries. FOSAI has established relationships with the USSF, DARPA, commercial aerospace companies, and defense primes. The acquisition will expand Pasteur Labs' AI driven simulation capabilities.

AUG
25

Culmen International acquired Madison Springfield, Inc., a provider of an AI/ML-enabled predictive analytics platform for autonomous data acquisition and analysis. The acquisition is expected to enhance Culmen's ability to deliver insights and risk analysis in support of its U.S. government and international partners.

AUG
26

mPower Technology, Inc. announced a strategic investment from Lockheed Martin Ventures, which is an add-on investment to mPower's recent Series B funding round. The investment will accelerate mPower's ability to scale production of its DragonSCALES solar modules, a solution for solar power in space.

AUG
29

Valkyrie Enterprises (DC Capital Partners) announced it acquired Optical Sciences Corporation ("OSC"). OSC specializes in precision electro-optical and infrared (EO/IR) scene projector and test systems and provides engineering support services in support of missile defense, space sensor development, and advanced aviation applications. The acquisition will strengthen Valkyrie's position across the DoD and will be contributory in supporting key programs such as Golden Dome and Next Generation Interceptor.

SEP
2

Cherokee Federal acquired a majority stake in Management Science and Innovation (MSI). MSI is a DC-based consulting firm specializing in strategy, process optimization, human capital, business transformation and digital transformation for federal clients.

GovCIO (Welsh, Carson, Anderson & Stowe Company) completed its acquisition of SoldierPoint Digital Health, LLC. SoldierPoint provides digital health solutions to allow organizations to expand access to care, improve outcomes and modernize healthcare delivery for Veterans. As a result of the acquisition, GovCIO will oversee a 7-year, \$2 billion single-year IDIQ award with the VA.

KEY INDUSTRY TRANSACTIONS & DEVELOPMENTS

SEP
3

Shift5, an Operational Intelligence platform developer for defense and transportation systems, announced it raised \$75 million in Series C funding. The funding will scale operational technology monitoring capabilities across defense and commercial transportation sectors.

SEP
4

Safran Defense & Space, Inc. announced its acquisition of Attollo Engineering. Attollo specializes in shortwave infrared and midwave infrared imaging systems and laser sensing technologies for defense, aerospace, and commercial sectors. The acquisition will allow Safran DSI to expand its product lines by enhancing situational awareness, target detection, and surveillance capabilities for military and aerospace applications.

AEVEX Aerospace (Madison Dearborn Partners) acquired select assets and IP from RapidFlight. The acquired assets and IP will expand AEVEX's portfolio of aircraft and mission solutions for defense and national security customers.

SEP
8

American Systems, a mission essential and information engineering service provider to federal customers, announced the acquisition of Epsilon, Inc., a cybersecurity and managed IT services provider. The acquisition will expand American Systems' capabilities through Epsilon's delivery model, geographical footprint, and customer base, as well as promote economies of scale.

SEP
9

Precise Systems (Bluestone Investment Partners), a solutions provider to the DoD, announced its acquisition of Mission Focused Systems (MFS). MFS delivers systems engineering, cybersecurity, research, experimentation and prototyping solutions for the DoD, IC, federal agencies, and commercial customers.

SEP
12

Apex Space announced the completion of its \$200 million Series D funding round, increasing its valuation to over \$1 billion. Apex Space is a spacecraft manufacturer of mass-produced productized, configurable bus platforms for government and commercial customers.

SEP
16

Xcelerate Solutions (McNally Capital) acquired GDIT's background investigation assets. The acquisition expands Xcelerate's reach of background investigators and positions it as a major prime in the national security space. As part of the transaction, contracts, personnel, and systems transitioned to Xcelerate.

SEP
17

IonQ (NYSE: IONQ) entered into a definitive agreement to acquire Vector Atomic, a manufacturer of advanced quantum sensors for positioning, navigation, and timing applications. Additionally, Vector Atomic has secured more than \$200 million in government contracts and delivers critical U.S. federal and national security applications.

SEP
22

Voyager Technologies, Inc. (NYSE: VOYG) acquired BridgeComm's proprietary technology to accelerate the delivery of advanced optical communication solutions in support of DoD missions, as well as position solutions for commercial adoption. Additionally, the transaction enhances Voyager's capabilities in advanced sensors, AI-enabled edge processing and on-orbit infrastructure.

Quantum Space announced its acquisition of Phase Four's multi-mode propulsion assets. These assets allow a single system to operate in both chemical and electric modes and are expected to strengthen Quantum Space's ability to deliver platforms for its national security, civil, and commercial customers.

KEY INDUSTRY TRANSACTIONS & DEVELOPMENTS

SEP
23

Cyberbit (Charlesbank Capital Partners) announced the acquisition of RangeForce, a cybersecurity training and exercises provider. The business combination will create a U.S.-based organization, as well as deliver advanced AI-powered operational cyber readiness platforms to better serve government and highly regulated customers.

Auterion, an autonomous systems software provider for defense applications, announced it raised \$130 million in Series B funding. The funding will accelerate production of its AuterionOS platform and Nexyx defense system. Additionally, \$25 million of the \$130 million raised is backed by the DoD.

SEP
24

KBR, Inc. (NYSE: KBR) announced its plan to pursue a spin-off of its Mission Technology Solutions (MTS) segment. KBR shareholders will benefit from ownership in two public companies, New KBR and SpinCo. New KBR will focus on technologies and capabilities serving diversified energy and critical infrastructure needs, while SpinCo (MTS) will provide government services to national security and space customers.

Vitesse Systems (Trive Capital) acquired Spacetime Engineering, a manufacturer of RF components and antenna feeds used in military and satellite communication networks. The acquisition strengthens Vitesse's position within its market as a supplier of multi-band antenna solutions.

SEP
25

Razor's Edge, a national security-focused growth equity firm, announced the closing of its \$560 million fund to accelerate mission-critical national security innovation. The fund is expected to focus on space, autonomy, cyber, advanced sensing, signal processing, AI-enabled systems, and other A&D technologies.

OCT
1

Intuitive Machines (Nasdaq: LUNR) completed its acquisition of KinetX for \$30 million, inclusive of \$15 million in cash and approximately 1.4 million shares of LUNR common stock. KinetX specializes in deep space navigation, systems engineering and constellation mission design and is expected to enhance Intuitive Machines' offerings.

OCT
5

Firefly Aerospace (Nasdaq: FLY) entered into a definitive agreement to acquire SciTec, Inc., for approximately \$855 million. SciTec provides advanced national security technologies, specializing in remote sensing, missile defense, and command and control systems. The acquisition will advance Firefly's space services by adding mission-proven defense software analytics, remote sensing, and multi-phenomenology data expertise.

OCT
6

Science Applications International Corp. (Nasdaq:SAIC) announced it entered into a definitive agreement to acquire SilverEdge Government Solutions from Godspeed Capital for \$205 million in cash. SilverEdge provides the IC and DoD with mission-driven technology solutions and products, with capabilities across digital transformation, generative AI, and data analytics.

Hathiant, a mission-driven solutions provider for government and defense organizations, announced its acquisition of SJ Technologies. SJ Technologies specializes in cybersecurity, software and application development, IT modernization, DevSecOps, enterprise architecture and design solutions for federal agencies.

KEY INDUSTRY TRANSACTIONS & DEVELOPMENTS

OCT
7

Xcelerate Solutions (McNally Capital) acquired clearAvenue, a software development & maintenance, business intelligence and analysis, AI/ML, big data analytics and infrastructure, and cloud services support provider across federal agencies. The acquisition marks Xcelerate's third acquisition since McNally Capital's investment, including VMD (2024) and GDIT's Background Investigation Assets (2024).

Cherokee Federal announced it entered into a formal agreement to acquire the Salesforce practice of HigherEchelon ("HESFP"). HESFP provides expertise across human capital management, applicant tracking, case management, and higher education systems, serving federal, state, and local government customers, including the USMC, AFSOC, VA, USCIS.

OCT
8

Stoke Space announced it raised \$510 million in series D funding in conjunction with a \$100 million debt facility led by Silicon Valley Bank. Stoke Space develops fully, and rapidly reusable rockets and space vehicles designed to operate with aircraft-like frequency. In March 2025, Stoke Space announced it was selected by the USSF to participate in the NSSL Phase 3 Lane 1 program, enabling Stoke to compete for a total of \$5.6 billion in national security launch contracts.

DigitalNet.ai (Ulysses Management) announced its official launch following the acquisitions of Harmonic AI, Zillion Technologies, and Axis Group. DigitalNet.ai delivers end-to-end solutions for commercial and government clients through its JanusAI agentic platform and a set of services in digital transformation, data analytics, and cybersecurity.

OCT
9

Forterra announced its acquisition of goTenna, an off-grid connectivity provider for the public sector, including the DoD, CBP, and other government agencies. The acquisition is expected to enhance Forterra's communication systems to deliver fully integrated autonomous mission systems to provide secure communications in harsh environments.

Systems Planning & Analysis (Arlington Capital Partners) announced it acquired Group W, a data science and defense analytics company that specializes in modeling and simulation and wargaming capabilities to the DoD. The combined company is expected to create the most robust analytical defense modeling and simulation company serving the global allied national security ecosystem.

OCT
10

DC Capital Partners acquired Aeronautical & General Instruments Limited (AGI), an integrated maritime technologies and systems provider. AGI delivers cutting-edge systems across command and control, navigation aids, rugged electronics, secure enclosures and lighting technologies. AGI was formed in 2017 as a result of the merger of AGI and Aish Technologies Limited and was subsequently acquired by Trident Maritime Systems in 2022.

Havoc AI announced it secured \$85 million in new capital, bringing its total funding to nearly \$100 million. Havoc AI develops maritime autonomous systems and delivers ASVs to the defense and commercial markets. The capital will support additional vessel integration, increased demand, and the company's ability to operate in non-US areas.

KEY INDUSTRY TRANSACTIONS & DEVELOPMENTS

OCT
13

JPMorganChase (NYSE:JPM) announced the Security and Resiliency Initiative, a \$1.5 trillion, 10-year plan to facilitate, finance and invest in industries critical to national economic security and resiliency. JPM will make direct equity and venture capital investments of up to \$10 billion. The four key areas include Supply Chain and Advanced Manufacturing, Defense and Aerospace, Energy Independence, and Frontier and Strategic Technologies.

Sigma Defense Systems (Sagewind Capital) announced the acquisition of Aries Defense. Aries Defense specializes in tactical video and sensor integration and focuses on capturing and distributing UAV and unattended sensor data for real-time situational awareness.

OCT
16

Molex signed an agreement to acquire Smiths Interconnect. Smiths Interconnect designs and manufactures technically differentiated electronic components, along with microwave, optical and radio frequency products and subsystems that connect, protect and control critical applications for aerospace, defense, medical, semiconductor and industrial markets.

OCT
20

Anduril Industries announced it acquired American Infrared Solutions (AIRS), a designer and manufacturer of high-performance cooled infrared cameras and components. As a result of the acquisition, AIRS's advanced hardware will be integrated into Anduril's portfolio of sensing systems.

OCT
22

Hughes Network Systems, an EchoStar company (Nasdaq: SATS), acquired Anderson Connectivity. Anderson Connectivity is an aerospace innovator in design, engineering, and manufacturing services. The acquisition is expected to expand Hughes' capabilities while positioning the company for accelerated growth in the global aviation, space, and defense markets.

OCT
22

Venus Aerospace announced a strategic investment by Lockheed Martin Ventures. Venus Aerospace is building a scalable platform for high-performance, reusable propulsion based on its proprietary Rotating Detonation Rocket Engine (RDRE) and Venus Detonation Ramjet (VDR).

MTX Group announced its acquisition of VerifyID.ai, an AI-based digital identity verification platform designed for the public sector. VerifyID.ai delivers a digital verification platform with built-in fraud prevention that leverages advanced AI technology for facial and ID recognition, spoof and deepfake detection, and decentralized identity verification.

OCT
27

Voyager Technologies (NYSE: VOYG) acquired ExoTerra. ExoTerra develops electric propulsion systems that deliver precise maneuvering, extended lifetimes and high efficiency delta-V. The proprietary technology is essential for spacecraft across national defense architecture layers.

OCT
28

BTS Software Solutions, an intelligence operations, counter-UAS, cybersecurity, and data science solutions provider to national security focused agencies, announced a strategic investment from Blue Delta Capital Partners. The invested capital is expected to further enhance BTS's capabilities for its national security customers, support future acquisitions, and expand its impact to the National's missions.

OCT
29

Saildrone announced a \$50 million investment from Lockheed Martin. Saildrone designs, manufactures, and operates wind and solar-powered unmanned surface vehicles (USVs) for ocean science.

KEY INDUSTRY TRANSACTIONS & DEVELOPMENTS

OCT
30

Arlington Capital Partners announced the closing of Arlington Capital Partners VII, with capital commitments totaling \$6 billion. ACP VII is expected to focus on manufacturing and supply chain onshoring, improving government efficiency with mission-critical software, next-generation defense tech, cybersecurity, commercial aviation, advanced medical device and life sciences development, and healthcare technology.

OCT
31

Deloitte announced its strategic investment in Kihomac. Kihomac provides technical data development, system and software engineering, reverse engineering and prototyping, field technology support, engineering analyses, and sustainment solutions for aerospace vehicles. The investment is expected to bolster advanced drone manufacturing in the United States to strengthen America's supply chain and national security.

NOV
4

Intuitive Machines, Inc. (Nasdaq: LUNR) entered into a definitive agreement to acquire Lanteris Space Systems, formerly known as Maxar Space Systems. Lanteris Space Systems is a spacecraft manufacturer for national security, civil and commercial space customers. On October 1, 2025, Lanteris Space Systems announced the rebrand, which reflects its commitment to operating at the intersection of national security, missile tracking, space infrastructure, deep space exploration and commercial connectivity.

Presidio (Clayton, Dubilier & Rice) announced its acquisition of Achieve One, a systems integrator and cloud solutions provider based in Virginia. Achieve One specializes in modernizing IT infrastructure and accelerating digital transformation for clients across the public sector, manufacturing, financial services and healthcare markets.

NOV
10

BigBear.ai Holdings, Inc. (NYSE: BBAI) announced a definitive agreement to acquire Ask Sage for \$250 million. Ask Sage is a Generative AI platform for secure distribution of AI models and agentic AI capabilities, built specifically for defense and national security agencies and other highly regulated sectors.

NOV
11

J2 Ventures announced the close of its \$250 million oversubscribed Brookhaven Fund. J2 Ventures is a venture capital firm investing in technologies that advance both commercial markets and U.S. national security. The Brookhaven Fund will focus on Advanced Computing, Cybersecurity, Communications Infrastructure, AI, and Healthcare.

ARMADA Parent Inc (Carlyle & Stellex Capital Management) announced the acquisition of Poseidon Industrial. Poseidon Industrial supports the U.S. Navy and defense industry with mechanical, electrical, and systems integration services for modernization and repair projects. The acquisition is expected to expand ARMADA's maritime and defense capabilities, reinforcing its commitment to the U.S. defense industrial base and future Navy modernization.

NOV
12

Code Metal announced that it closed \$36.5M of funding for its Series A round to advance its goal of accelerating mission-critical industries with provably correct AI code translation.

Forterra announced it closed a \$238 million Series C in equity and debt. Forterra delivers autonomous mission systems for defense, including self-driving land systems to coordinated swarms of robotic systems.

KEY INDUSTRY TRANSACTIONS & DEVELOPMENTS

NOV
13

CHAOS Industries announced it raised \$510 million in its Series D funding round. CHAOS Industries develops radar and communications technologies to detect airborne threats. The invested capital will be utilized to ramp up manufacturing and scale its workforce.

Veritas Capital announced its acquisition of MetroStar Systems, an AI-enabled digital transformation services and software provider serving the U.S. Defense and National Security communities. MetroStar's solutions accelerate modernization efforts across the DoD and IC.

NOV
17

York Space Systems (AE Industrial Partners) announced it filed a Form S-1 registration statement with the SEC for a proposed IPO. The space and defense prime delivers mission-critical solutions for national security, government, and commercial customers. York plans to list its common stock on the NYSE under the ticker symbol 'YSS.'"

IonQ (NYSE: IONQ) announced it entered into a definitive agreement to acquire Skyloom Global, a provider of high-performance optical communications infrastructure that enables secure, high-speed data links across Earth in orbit. Skyloom provides SDA-qualified OCTs for both satellite-to-satellite and satellite-to-ground laser communications.

Palladyne AI Corp. (Nasdaq: PDYN) a developer of AI software for autonomous platforms in the defense and commercial sectors, announced the acquisitions of GuideTech, and two Crucis companies (Warnke Precision Machining and MKR Fabricators). The acquisitions, combined with the defense variant of Palladyne Pilot will create Palladyne Defense. Palladyne Defense will unite patented embodied AI, UAV and loitering munitions components and systems, advanced engineering and U.S.-based manufacturing.

NOV
18

ShorePoint Inc. announced a strategic investment from CM Equity Partners. ShorePoint provides cybersecurity services dedicated to protecting federal agencies from evolving threats. The investment is expected to rapidly accelerate ShorePoint by expanding its cyber capabilities.

NOV
19

Quindar announced it raised \$18 million in Series A funding to develop a state-of-the-art classified facility to service multi-mission commercial and government programs, increase the number of commercial integrations, and expand its workforce. Quindar provides a management platform for scalable satellite operations.

McNally Capital announced the merger of its portfolio company, Quiet Professional, with Spathe Systems to provide defense technology and operational support solutions with a specialized focus on the SOF community. Quiet Professionals provides advanced intelligence, analytics, and technology solutions, while Spathe Systems delivers integrated technology support, training, and workforce development solutions.

NOV
24

IonQ (NYSE: IONQ) announced a strategic investment and partnership with Heven AeroTech to integrate IonQ's quantum computing, quantum sensing, and quantum security technologies into its autonomous aerial systems. Heven AeroTech develops advanced hydrogen-powered UAS solutions for defense and aerospace missions.

NOV
25

VTG (A&M Capital Partners) announced its acquisition Miklos Systems, Inc. (MSI). MSI delivers full software lifecycle development, cloud services, cybersecurity, data science, and systems engineering to mission-critical programs across the IC. The acquisition marks VTG's sixth acquisition in 2025.

Ondas Holdings Inc. (Nasdaq: ONDS) announced it entered into a definitive agreement to acquire Robo-Team Holdings. Robo-Team develops rugged tactical unmanned ground vehicles used for EOD, ISR, hazardous-environment missions, and commercial applications.

GUIDANCE & BOOK-TO-BILL

COMPANY	CURRENT GUIDANCE	PRIOR GUIDANCE	LTM BOOK-TO-BILL
Amentum	Actual: - Revenue: \$14.4 billion - EPS: \$2.22	Guidance: - Revenue: \$13.975 - \$14.175 billion - EPS: \$2.05 - \$2.20	1.2x
BigBear.ai	Guidance: - Revenue: \$125 - \$140 million	Guidance: - Revenue: \$125 - \$140 million	n/a
BAH	Guidance: - Revenue: \$11.3 - \$11.5 billion - EPS: \$5.45 - \$5.65	Guidance: - Revenue: \$12.0 - \$12.5 billion - EPS: \$6.20 - \$6.55	1.1x
CACI	Guidance: - Revenue: \$9.2 - \$9.4 billion - EPS: \$27.13 - \$28.03	Actual: - Revenue: \$8.63 billion - EPS: \$26.48	1.3x
ICF	Guidance: - Revenue Growth: (10%) - 0% - EPS Growth: (10%) - 0%	Guidance: - Revenue Growth: (10%) - 0% - EPS Growth: (10%) - 0%	n/a
Leidos	Guidance: - Revenue: \$17.0 - \$17.25 billion - EPS: \$11.45 - \$11.75	Guidance: - Revenue: \$17.0 - \$17.25 billion - EPS: \$11.15 - \$11.45	n/a
Maximus	Actual: - Revenue: \$5.4 billion - EPS: \$7.36	Guidance: - Revenue: \$5.375 - \$5.475 billion - EPS: \$7.35 - \$7.55	0.9x
Parsons	Guidance: - Revenue: \$6.4 - \$6.5 billion - EBITDA: \$600 - \$630 million	Guidance: - Revenue: \$6.48 - \$6.68 billion - EBITDA: \$595 - \$635 million	1.0x
SAIC	Guidance: - Revenue: \$7.25 - \$7.325 billion - EPS: \$9.40 - \$9.60	Guidance: - Revenue: \$7.60 - \$7.75 billion - EPS: \$9.10 - \$9.30	1.0x
V2X	Guidance: - Revenue: \$4.425 - \$4.5 billion - EPS: \$4.85 - \$5.05	Guidance: - Revenue: \$4.375 - \$4.5 billion - EPS: \$4.65 - \$4.95	n/a



VALUATIONRESEARCH.COM

Edward Hamilton, CFA

609-243-7018

ehamilton@valuationresearch.com

Sean Woodward

609-243-7026

swoodward@valuationresearch.com

Xavier Love

609-613-4499

xavierlove@valuationresearch.com