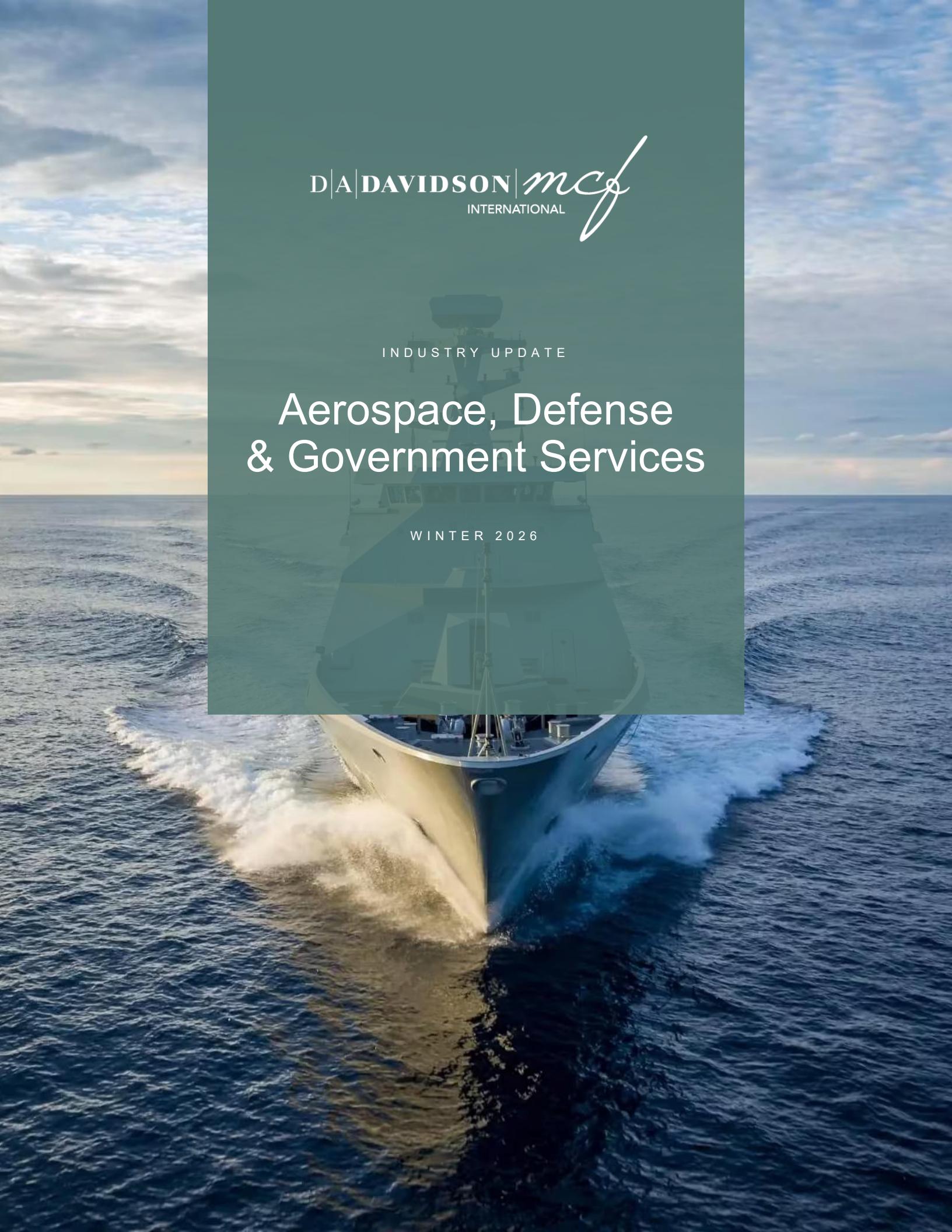




INDUSTRY UPDATE

# Aerospace, Defense & Government Services

WINTER 2026



# An Experienced, Proven, and Trusted Advisor Across Aerospace, Defense & Government Services

**D.A. Davidson | MCF International** has extensive experience serving middle market companies across a broad spectrum of aerospace, defense & government services (“AD&GS”) market segments. We have expertise working with privately owned, sponsor backed, and public companies

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## Selected Recent Transactions



**D.A. Davidson's full-service capital markets platform and partnership with MCF International enable global reach and unique cross-border expertise**



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## “Herd” on the Street

*Throughout 2025, the D.A. Davidson | MCF International AD&GS team attended over thirty industry events and engaged in numerous conversations with key industry constituents across strategic and private equity acquirors. The following represents a summary of Davidson’s Bison “Herd” on the Street*

### Aerospace



#### Demand Pushes Aviation Asset-Backed Securities Market Toward Record Growth

- Aircraft demand and growing backlogs have driven aviation asset-backed securities (“ABS”) issuance to nearly \$10 billion in 2025, representing a 67% jump compared to 2024
  - The recent surge reflects strong investor confidence in aviation finance, while signaling lower funding costs for airlines amid shifting risk appetite and capital flows in aircraft leasing

#### A330neo: A Cost-Effective Widebody Solution

- The A330neo has evolved into a highly reliable and cost-effective widebody option, with its Trent 7000 engines now achieving near 4,000-cycle reliability after early performance issues
  - Offering significantly lower acquisition costs than competitors like the A350 and 787 while delivering strong range and capacity, the A330neo presents a compelling value proposition for airlines seeking efficient long-haul lifts

#### Airbus Extends Delivery Lead as Boeing Strengthens Widebody Orders

- For December, Airbus delivered 136 planes (114 narrowbodies and 22 widebodies), while Boeing delivered 63 planes (45 narrowbodies and 18 widebodies)
- Airbus’s result was driven by strong A320neo-family handovers and steady A220 output, while Boeing’s month showed a heavier widebody mix led by 787 deliveries
- Additionally, Airbus led in new orders for December with 203, dominated by the A320neo family, compared with Boeing’s 165 orders, which consisted primarily of 737 MAX aircraft
- For full-year 2025, Boeing led in gross orders with 1,167, while Airbus recorded 1,000; conversely, Airbus led full-year deliveries with 793

#### 2025 Airbus and Boeing Backlog



Sources: Office of the U.S. Trade Representative, Airbus, Boeing, and other publicly available resources.  
Note: Boeing’s backlog is adjusted for the ASC 606 revenue recognition standard.



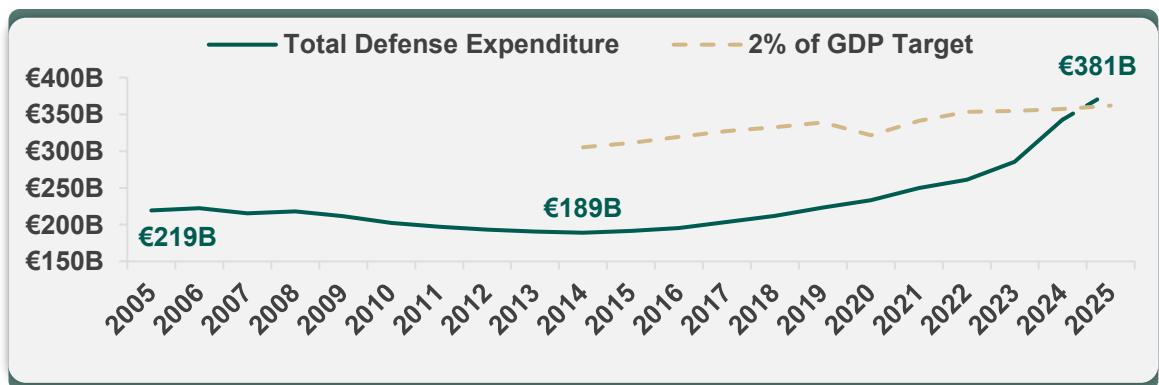
## “Herd” on the Street (Cont’d)

### Global Defense

#### Global Defense Spending Surges Amid Geopolitical Tensions and Tech Race

- Global defense spending surged in 2025 as nations reacted to escalating geopolitical tensions and intensified competition in advanced military technologies
  - Investments centered on next-generation systems, cyber capabilities, and AI-driven platforms, signaling a long-term shift toward tech-focused defense strategies
- In Europe, Germany approved its 2026 defense budget, committing substantial funds to modernize its armed forces, meet NATO obligations, and strengthen capabilities through advanced technologies and equipment upgrades amid rising security challenges

#### European Defense Spending Surpasses Previous 2% of GDP Target



#### Europe’s Drive Toward Defense Self-Reliance

- The European Union (“EU”) is prioritizing domestically produced defense equipment amid supply chain disruptions, tariff concerns, and a push to reduce reliance on U.S. suppliers
  - In addition to expanding domestic production, the EU is also pursuing external partnerships, including the recently announced EU–India Security & Defense Partnership

#### U.S. Greenlights Fighter Jet Deals with Middle East

- The Trump Administration first signaled a major shift in U.S.-Saudi defense ties by considering a sale of F-35 fighter jets to Saudi Arabia after talks with Crown Prince Mohammed bin Salman
- In early December, the U.S. approved a \$445 million Foreign Military Sale to Bahrain for F-16 sustainment and modernization, including spare parts, support equipment, and technical assistance to boost air combat readiness and interoperability
- In late December, Washington finalized an \$8.6 billion deal for Israel to acquire 25 advanced F-15IA jets, with an option for 25 more, featuring cutting-edge avionics, radars, and expanded payload capacity for long-range strike and air superiority

#### Largest-Ever Defense Initial Public Offering (“IPO”) Completed in Europe

- Czech defense manufacturer Czechoslovak Group (ENXTAM: CSG or “CSG”) completed an initial public offering on Euronext Amsterdam on January 23, 2026, raising ~\$4.5 billion and achieving a ~\$30 billion valuation, marking the largest defense IPO ever by funds raised
  - Shares of the stock surged more than 30% on its first day of trading, signaling strong investor confidence in CSG and the broader European defense sector

Sources: Stockholm International Peace Research Institute, European Defense Agency, U.S. Department of War, and other publicly available resources.



## “Herd” on the Street (Cont’d)

### U.S. Defense

#### Trump Signs Defense Bill, Extending 65-Year Bipartisan Defense Tradition

- On December 18, 2025, President Donald Trump signed the \$900 billion 2026 National Defense Authorization Act (“NDAA”) into law, following its passage by large bipartisan majorities in both the House and Senate
  - This marks the 65th consecutive year the NDAA has been enacted, reinforcing its status as one of the most enduring bipartisan measures in U.S. legislative history

#### Key Takeaways from the FY 2026 NDAA

#	Takeaway	Summary
1	<b>Modernization &amp; Tech Investment</b>	<i>Significant funding for advanced technologies such as AI, cyber, and space systems to maintain strategic advantage</i>
2	<b>Supply Chain Security</b>	<i>Measures to reduce reliance on foreign sources and strengthen domestic industrial base resilience</i>
3	<b>Acquisition Reform</b>	<i>Streamlined procurement processes to accelerate innovation and integrate nontraditional defense suppliers</i>
4	<b>Alliance &amp; Partnership Support</b>	<i>Provisions to enhance interoperability and cooperation with allied nations</i>
5	<b>Focus on Strategic Competition</b>	<i>Policies aimed at countering near-peer adversaries and addressing emerging global security challenges</i>

#### U.S. Launches Warship Program Under “Golden Fleet” Naval Expansion

- As part of President Trump’s “Golden Fleet” naval expansion initiative, the U.S. is set to build a “Trump-class” series of new-age, supercharged warships boasting speeds, size, and power vastly surpassing past battleships
  - Reflecting a strategic shift, the U.S. is prioritizing advanced warships designed to counter emerging threats (particularly in the Indo-Pacific) and revitalize domestic shipbuilding

#### U.S. Army Revamps Acquisition to Deliver Advanced Capabilities Faster

- The U.S. Army is overhauling its acquisition process to deliver warfighting capabilities faster and more efficiently
- The new approach emphasizes speed, flexibility, and collaboration with industry partners to accelerate innovation and reduce bureaucratic delays
  - Aiming to ensure a venture capitalist approach, this modernization effort focuses on broad technology, calculated risk-taking, and scaling the most promising solutions

Sources: U.S. Department of War, and other publicly available resources.



## “Herd” on the Street (Cont’d)

### U.S. Defense (Cont’d)



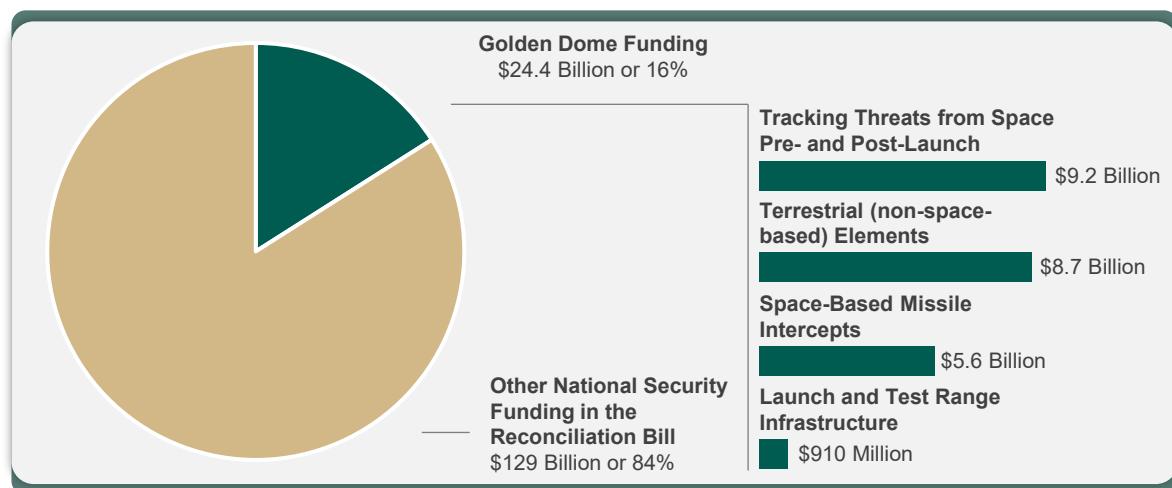
#### Missile Defense Agency Expands Access to \$151 Billion Defense Contract

- The Missile Defense Agency (“MDA”) has qualified 2,000+ companies to compete for future awards under its Scalable Homeland Innovative Enterprise Layered Defense (“SHIELD”) program, an Indefinite Delivery, Indefinite Quantity with a contract ceiling of \$151 billion
  - Designed to streamline acquisition, this initiative expands industry participation, and enhance capabilities in areas like sensors, interceptors, and command-and-control technologies

#### “Golden Dome” Drives Historic Surge in FY 2026 Space Force Budget

- The FY 2026 defense space budget reflects a major shift driven by the Trump administration’s Golden Dome initiative, a next-generation missile defense program integrating space-based sensors and interceptors
- Combined appropriations and reconciliation funding could raise Space Force resources to ~\$40 billion, representing nearly a 40% increase from FY 2025 despite a nominal cut in the President’s budget request
- Golden Dome dominates new investments, with ~\$25 billion allocated for tracking threats from space, missile interceptors, and supporting infrastructure, alongside a broader transition toward proliferated satellite networks and commercial services
  - These changes signal a long-term move toward tech-centric defense strategies and acquisition reforms favoring innovation and nontraditional providers

#### Golden Dome Funding as Share of National Security Reconciliation Bill



#### Anduril Debuts EagleEye Mixed-Reality Device

- Anduril unveiled its EagleEye mixed-reality headset at Association of the United States Army (“AUSA”), designed to provide soldiers with immersive situational awareness and real-time battlefield visualization
  - The device integrates augmented reality with live sensor data, enabling faster decision-making and improved coordination in complex environments,
  - This also reflects a broader trend toward advanced human-machine interfaces in defense technology and modern defense programs

Sources: U.S. Department of War, and other publicly available resources.



## "Herd" on the Street (Cont'd)

### Government Services



#### Financial Transparency Now Mandatory for 8(a) Program Participants

- In early December, the Small Business Administration ("SBA") ordered all 4,300 firms in the 8(a) Business Development Program to submit financial records for the past three fiscal years by January 5, 2026, including bank statements, payroll, and contracting documents
  - The requirement follows the Department of Justice's ("DoJ") fraud probes and SBA's ongoing audit of high-dollar, limited-competition contracts, with recent suspensions of executives and contractors

#### Cybersecurity Compliance and False Claims Act Risks for Contractors

- As of November 10th, the Cybersecurity Maturity Model Certification ("CMMC") 2.0 compliance is now tied to False Claims Act ("FCA") liability, meaning Department of War ("DoW") contractors must maintain accurate and continuous cybersecurity attestations or risk severe penalties, including fines, treble damages, and potential contract termination
  - Non-compliance with National Institute of Standards and Technology Special Publication ("NIST SP") 800-171 controls can trigger FCA exposure, encouraging contractors to conduct gap analyses, implement remediation plans, and seek legal counsel before making official attestations to avoid enforcement actions

#### Big Changes Ahead for Contractor Performance Reviews

- Congress will overhaul the DoW's Contractor Performance Assessment Reporting System ("CPARS") via the 2026 NDAA, shifting from subjective ratings to an objective, incident-focused model centered exclusively on verifiable negative performance events like defective deliveries, cybersecurity breaches, or false claims
  - Contractors will receive an automated composite score based on the frequency and severity of negative events, have access to the data with the ability to submit rebuttals, and should prepare for updates and training expected mid-2026

#### Federal Research Programs Stalled as Lawmakers Weigh Renewal Efforts

- The Small Business Innovation Research ("SBIR") and Small Business Technology Transfer ("SBTT") programs remain stalled after their authority expired on September 30, 2025, preventing agencies from issuing new Phase I or II awards and leaving innovators in a state of uncertainty
- Congressional negotiations have intensified, with bipartisan proposals circulating and organizations like the National Small Business Association ("NSBA") and the Small Business Technology Council ("SBTC") reporting growing momentum as lawmakers exchange reauthorization frameworks
- Amid the impasse, the Department of Homeland Security ("DHS") has clarified that while new Phase I and II solicitations cannot be issued, Phase III work may proceed using non-program funds if it is derived from prior research

#### New Executive Order Cracks Down on Underperforming Defense Contractors

- Signed on January 7, 2026, the new Executive Order bans underperforming defense contractors from issuing stock buybacks or dividends and requires performance-based reviews and remediation plans tied to delivery, production speed, and investment in capacity
  - The Executive Order also establishes enforcement tools, remediation deadlines, and potential restrictions on international sales advocacy to push contractors toward improved performance and increased production capacity

Sources: Whitehouse.gov and other publicly available federal sources and websites.



## “Herd” on the Street (Cont’d)

### Space



#### Major Overhaul Proposal of Space and Earth Station Licensing

- In early October, the Federal Communications Commission (“FCC”) proposed a streamlined, modular licensing process with expedited review, extended 20-year license terms, and reduced surety bond requirements to enhance efficiency, predictability, and flexibility for applicants
  - The reforms also introduce updated rules to support innovative space activities and improve space situational awareness data sharing

#### Satellite Access to High-Frequency Bands Set for Major Expansion

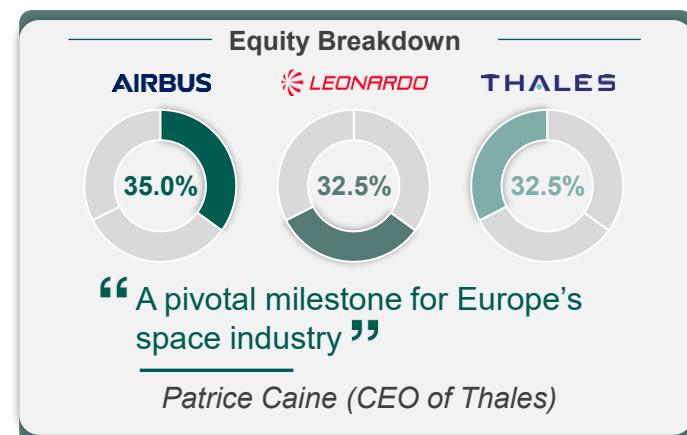
- The FCC proposes recalibrating the Upper Microwave Flexible Use Service (“UMFUS”) framework to expand satellite access in millimeter-wave bands by implementing nationwide “light licensing,” market-based coordination agreements, and dynamic spectrum sharing to improve efficiency and reduce application delays
  - These changes aim to better balance terrestrial and satellite use, supporting the growing demand for satellite services and enhancing deployment efficiency in these frequency bands

#### SpaceX acquires xAI Ahead of its Anticipated 2026 IPO

- SpaceX is targeting a mid-to-late 2026 IPO aiming to raise over \$30 billion with an implied valuation around \$1.5 trillion, potentially making it the largest IPO in history according to reports from Bloomberg and Reuters
  - The IPO push is driven by rapid growth in Starlink and Starship rocket development, with plans to use proceeds for space-based data centers and direct-to-mobile services
  - In early February 2026, SpaceX acquired Musk’s AI startup xAI for ~\$1.25 trillion, unifying his space and AI ventures to advance orbital data-center development and AI infrastructure

#### European Space Giants Join Forces to Challenge SpaceX with Satellite Venture

- Airbus, Leonardo, and Thales have agreed to merge their satellite and space systems businesses into a \$7.1 billion company employing around 25,000 people, aiming to create a strong European competitor to SpaceX’s Starlink
  - The new venture, expected to start operations by 2027, seeks to boost Europe’s presence in the global space market, particularly in low-Earth orbit satellite technology, and enhance strategic autonomy amid intense international competition



#### Congress Proposes New Space Agency to Keep United States Ahead

- The bipartisan Space Research and Continuing Exploration (“RACE”) Act calls for the creation of the National Institute for Space Research (“NISR”), a federally controlled but independently operated organization
  - The NISR’s mission is to coordinate and fund U.S. microgravity research on emerging private-sector space stations as the International Space Station nears retirement in 2030

Sources: Bloomberg, Reuters, U.S. Space Force, whitehouse.gov, and other publicly available resources.

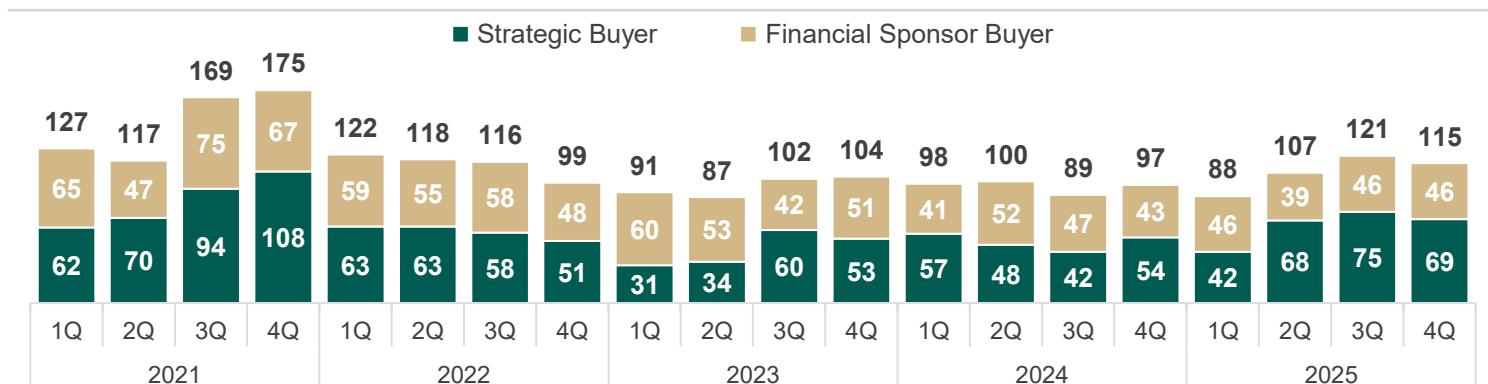


## M&A and Capital Markets Activity

### Global AD&GS M&A Activity

- 4Q 2025 global AD&GS M&A activity declined from the prior quarter, but was up ~20% compared to 4Q 2024
- After a challenging first half of 2025 marked by tariffs, DOGE, and U.S. Federal Government budget uncertainty, sentiment improved meaningfully in 3Q and 4Q 2025, bolstered by the Federal Reserve's 25 basis point rate cuts in September, November, and December and continued momentum and increased spending across aerospace and defense
- The slight quarterly decline in deal volume was likely impacted by the longest U.S. Federal Government shutdown in history, which delayed approvals and added to budget uncertainties
- Deals in which the buyer was a financial sponsor accounted for ~40% of 4Q 2025 transaction activity, a ~10% decrease compared to the average in 2024

### Completed AD&GS Transactions



### Highlighted M&A Transactions

Aerospace	NOVARIA GROUP acquired by ARCLINE INVESTMENT MANAGEMENT	Announced Date: November 10, 2025 Purchase Price: \$2.2B	TriMas AEROSPACE acquired by TINICUM	Announced Date: November 4, 2025 Purchase Price: \$1.5B
		Novaria Group is a provider of niche engineered components and specialty processes for aerospace and defense industries		TriMas Aerospace is a provider of engineered fasteners and precision-machined components for mission-critical applications
Defense	Stellant (ACP) acquired by TRANSDIGM GROUP INC.	Announced Date: December 31, 2025 Purchase Price: \$960.0M	SciTec acquired by FIREFLY AEROSPACE	Announced Date: October 5, 2025 Purchase Price: \$855.0M
		Stellant is a designer and manufacturer of high-power electronic components and subsystems for space, aerospace, and defense applications		SciTec is a provider of mission-critical software and analytics supporting remote sensing, missile defense, and command and control systems
Government Services	MetroStar Systems' acquired by VERITAS CAPITAL	Announced Date: November 13, 2025 Purchase Price: Not Disclosed	SilverEdge (GODSPEED CAPITAL) acquired by SAIC	Announced Date: October 6, 2025 Purchase Price: \$205.0M
		MetroStar Systems is a provider of digital transformation and information technology services for government agencies		SilverEdge is a provider of mission-driven technology solutions and products for government agencies
Space	ARKA (Blackstone) acquired by CACI	Announced Date: December 22, 2025 Purchase Price: \$2.6B	Lanteris SPACE SYSTEMS (Advent) acquired by INTUITIVE MACHINES	Announced Date: November 4, 2025 Purchase Price: \$800.0M
		ARKA is a manufacturer of space-based sensor payloads and related defense sensing systems for national security missions		Lanteris Space Systems is a provider of space technology and orbital infrastructure services for civil and commercial applications

Sources: Capital IQ, DACIS, and publicly available research.

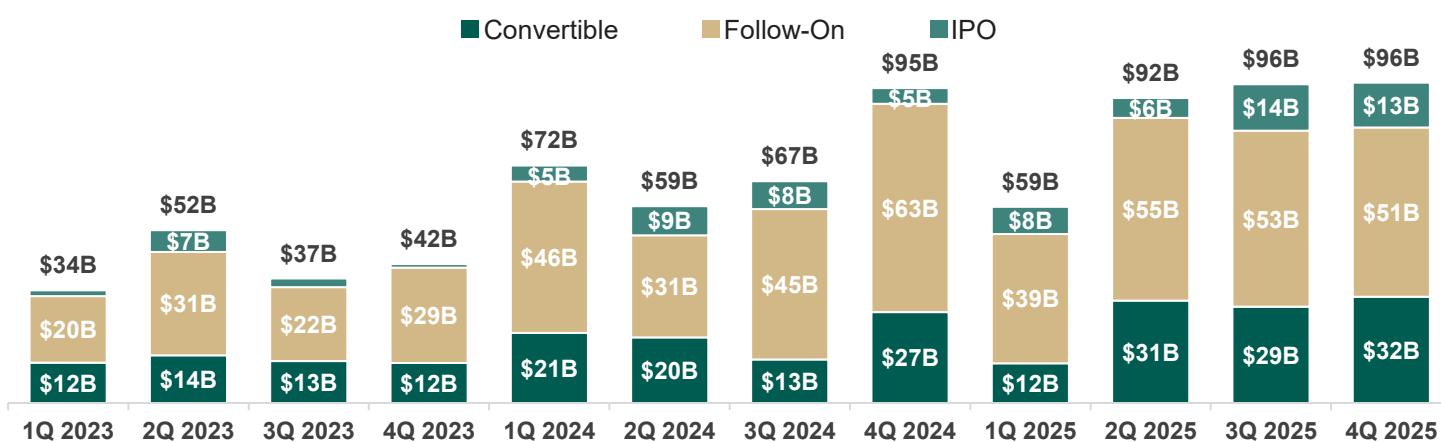


## M&A and Capital Markets Activity (Cont'd)

### Total U.S. Equity Capital Markets Activity

- After a slow start to 2025, equity capital markets activity accelerated in 2Q and 3Q 2025, with proceeds exceeding \$90B in each quarter; 4Q 2025 total proceeds of \$96B remained in line with the prior year period
- While follow-ons continue to be the largest contributor to total quarterly proceeds, 4Q 2025 IPO proceeds increased ~175% from the prior year period and remained in-line with the prior quarter
- Increased M&A activity combined with a favorable economic backdrop creates strong demand for equity issuances

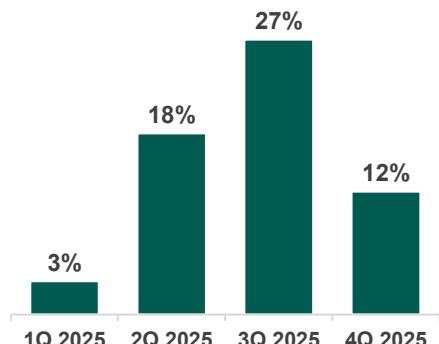
#### Capital Raised Through Equity Markets



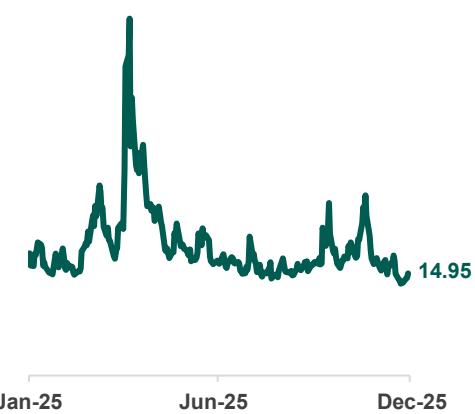
#### Supplemental Equity Capital Markets Data

- 4Q 2025 post-offering performance declined by ~1,450 bps over the prior quarter following a strong 3Q rally
- Outside of volatility spikes in 1Q 2025, the average Chicago Board Options Exchange ("CBOE") Volatility Index ("VIX") has remained near the optimal level of 20 or less for capital markets in the YTD period
- Strong inflows into public markets resumed in 4Q 2025 as portfolio managers redeployed capital following mid-year volatility

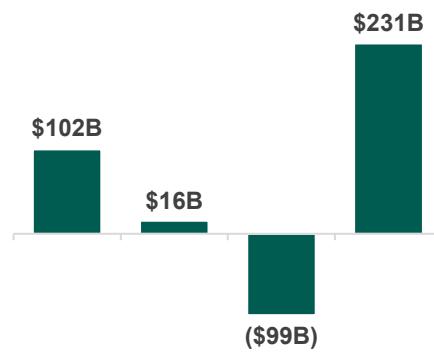
#### Post-Offering Performance<sup>(1)</sup>



#### CBOE VIX



#### Net Long-Term Fund Flows<sup>(2)</sup>



Sources: Dealogic, Capital IQ, ISI Institute as of December 31, 2025.

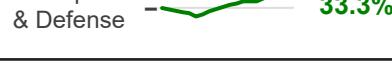
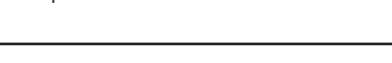
(1) Data reflects post-offering performance for IPOs and Follow-Ons.

(2) Data reflects funds flows for mutual funds and ETFs.



## M&A and Capital Markets Activity (Cont'd)

### Selected AD&GS Equity Capital Markets Activity – 4Q 2025

Issuer	Ticker	Issuance Type	Pricing or Filing Date	Total Value (\$M)	Additional Details	Sub Sector	Performance Since Pricing / Filing
 <b>VERTICAL</b>	EVTL	F-3 Shelf	12/29/2025	\$200	Pre-Deal MCAP: ~\$523.9M	Aerospace	 <b>0.9%</b>
 <b>SIDUS SPACE</b>	SIDU	Follow-On Offering	12/23/2025	\$25	Pre-Deal MCAP: ~\$80.6M	Space	 <b>90.3%</b>
 <b>GILAT</b>	GILT	PIPE Offering	12/18/2025	\$100	Pre-Deal MCAP: ~\$788.4M	Aerospace & Defense, Space	 <b>14.0%</b>
 <b>BLACKSKY</b>	BKSY	ATM Offering	12/16/2025	\$100	Pre-Deal MCAP: ~\$651.1M	Space	 <b>4.3%</b>
 <b>CGI</b>	GIB	F-10 Shelf	12/16/2025	\$1,500	Pre-Deal MCAP: ~\$20.0B	Government Services	 <b>0.0%</b>
 <b>LightPath TECHNOLOGIES</b>	LPTH	Follow-On Offering	12/12/2025	\$60	Pre-Deal MCAP: ~\$428.6M	Aerospace & Defense	 <b>33.3%</b>
 <b>BLACKSKY</b>	BKSY	S-3 Shelf	11/28/2025	\$250	Pre-Deal MCAP: ~\$632.5M	Space	 <b>5.8%</b>
 <b>LightPath TECHNOLOGIES</b>	LPTH	S-3 Shelf	11/24/2025	\$200	Pre-Deal MCAP: ~\$282.1M	Aerospace & Defense	 <b>59.1%</b>
 <b>DUCOMMUN</b>	DCO	S-3ASR Shelf	11/14/2025	N/A	Pre-Deal MCAP: ~\$1.4B	Aerospace & Defense	 <b>7.3%</b>
 <b>XTI AEROSPACE</b>	XTIA	PIPE Offering	11/12/2025	\$25	Pre-Deal MCAP: ~\$50.3M	Aerospace	 <b>(17.9)%</b>
 <b>V2X</b>	VVX	Secondary Offering	11/12/2025	\$127	Pre-Deal MCAP: ~\$1.8B Priced at \$55.30, discount of 2.0%	Government Services	 <b>(1.7)%</b>
 <b>SURFAIR</b>	SRFM	PIPE Offering	11/11/2025	\$65	Pre-Deal MCAP: ~\$142.2M	Aerospace	 <b>(36.2)%</b>
 <b>REDWIRE</b>	RDW	ATM Offering	11/10/2025	\$250	Pre-Deal MCAP: ~\$1.1B	Space	 <b>23.2%</b>

Sources: Capital IQ, PitchBook, and publicly available research as of December 31, 2025.  
Note: "MCAP" = Market Capitalization.



## M&A and Capital Markets Activity (Cont'd)

### Selected AD&GS Equity Capital Markets Activity – 4Q 2025

Issuer	Ticker	Issuance Type	Pricing or Filing Date	Total Value (\$M)	Additional Details	Sub Sector	Performance Since Pricing / Filing
<b>ARCHER</b>	ACHR	PIPE Offering	11/7/2025	\$650	Pre-Deal MCAP: ~\$6.2B Priced at \$8, discount of 16.4%	Aerospace	
<b>BETA</b>	BETA	IPO	11/3/2025	\$1,000	Implied MCAP at offering: ~\$7.6B Priced at \$34.00 (above filing range)	Aerospace	
<b>Horizon Aircraft</b>	HOVR	ATM Offering	10/31/2025	\$50	Pre-Deal MCAP: ~\$98.8M	Aerospace	
<b>nauticus robotics</b>	KITT	PIPE Offering	10/28/2025	\$250	Pre-Deal MCAP: ~\$15.2M Priced at lowest hourly VWAP <sup>(1)</sup>	Defense	
<b>VSE CORPORATION</b>	VSEC	Follow-On Offering	10/27/2025	\$400	Pre-Deal MCAP: ~\$4.1B Priced at \$170.00, discount of 5.3%	Aerospace	
<b>Ascent SOLAR</b>	ASTI	S-3 Shelf	10/27/2025	\$100	Pre-Deal MCAP: ~\$6.9M	Aerospace & Defense	
<b>AST SpaceMobile</b>	ASTS	Registered Direct Offering	10/21/2025	\$157	Pre-Deal MCAP: ~\$21.9B	Space	
<b>SATELLOGIC</b>	SATL	Follow-On	10/16/2025	\$90	Pre-Deal MCAP: ~\$437.1M Priced at \$3.25, discount of 21.5%	Space	
<b>Innovative Solutions &amp; Support</b>	ISSC	S-3 Shelf	10/14/2025	\$100	Pre-Deal MCAP: ~\$211.9M	Aerospace	
<b>draganFLY</b>	DPRO	F-10 Shelf	10/14/2025	\$143	Pre-Deal MCAP: ~\$273.8M	Aerospace	
<b>Joby</b>	JOBY	Follow-On Offering	10/7/2025	\$514	Pre-Deal MCAP: ~\$16.2B Priced at \$16.85, discount of 10.9%	Aerospace	
<b>AST SpaceMobile</b>	ASTS	ATM Offering	10/7/2025	\$800	Pre-Deal MCAP: ~\$22.9B	Space	
<b>AAR</b>	AIR	Follow-On Offering	10/1/2025	\$249	Pre-Deal MCAP: ~\$3.2B Priced at \$83.00, discount of 7.4%	Aerospace	

Sources: Capital IQ, PitchBook, and publicly available research as of December 31, 2025.

Note: "MCAP" = Market Capitalization.

(1) Volume-Weighted Average Price.

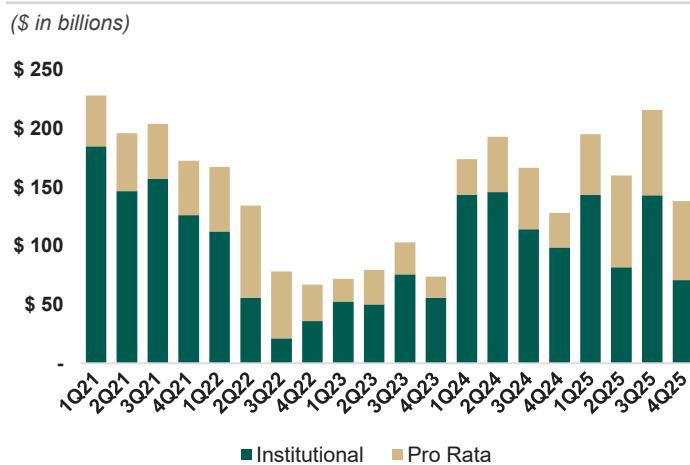


## M&A and Capital Markets Activity

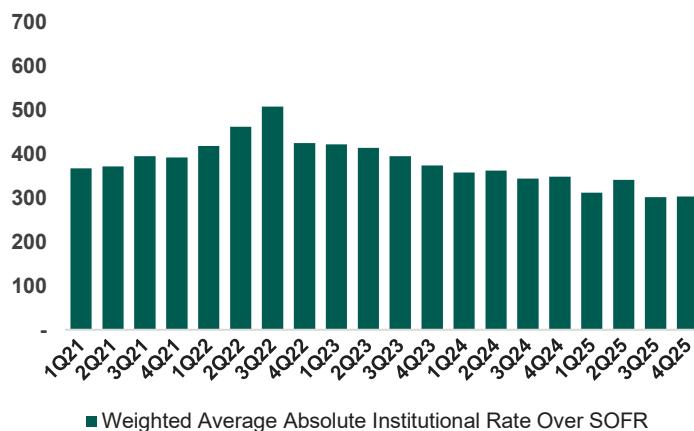
### Total U.S. Debt Capital Markets Activity

- Total U.S. leveraged loan volume across institutional and pro rata markets decreased by 36% from \$215.8B in 3Q 2025 to \$138.2B in 4Q 2025, driven primarily by a pullback in repricing and refinancing volumes
- Average new-issue institutional spreads remained tight in 4Q 2025 at 303 bps, the second lowest quarterly level in more than four years
- Total U.S. leveraged loan volume across institutional and pro rata markets increased by 7% from \$661.2B in 2024 to \$709.0B in 2025; outlook for 2026 is positive due to lower borrowing costs, improving sponsor confidence in the macro environment, and pent-up LBO and M&A activity

#### Quarterly Institutional & Pro Rata Loan Volume



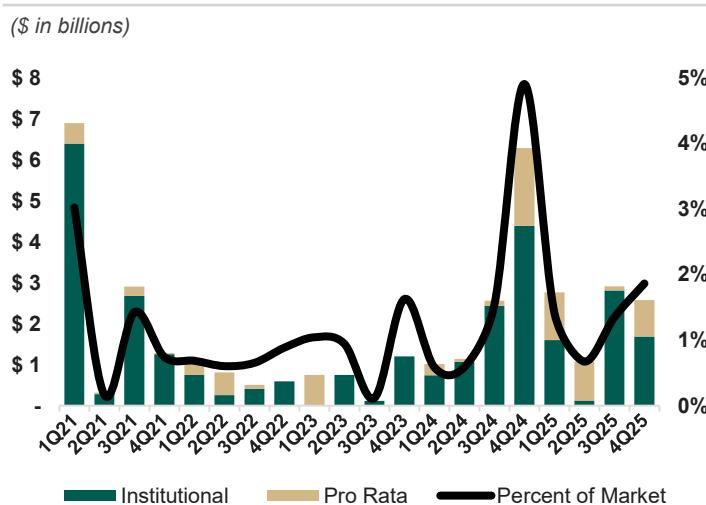
#### Quarterly New Issue Average Credit Spreads



### U.S. AD&GS Debt Capital Markets Update

- Consistent with the broader market trend, 4Q 2025 total AD&GS loan volume of \$2.6B (across institutional and pro rata markets) declined 12% from the prior quarter
- Total AD&GS new-issue institutional spreads averaged 300 bps in 4Q 2025 – up from 294 bps in 3Q 2025 but well below 2Q 2022's peak of 625 bps

#### Quarterly AD&GS Loan Volume



#### Quarterly AD&GS Term Loan B Spreads (bps)



Sources: PitchBook Leveraged Commentary & Data as of January 17, 2026.



## M&A and Capital Markets Activity (Cont'd)

### Selected AD&GS Debt Capital Markets Activity – 4Q 2025

Pricing Date	Issuer	Purpose	Type / Deal Size	Coupon / SOFR Floor	Facility Ratings	Ownership
12/22/2025	<b>CACI</b> EVER VIGILANT	Acquisition Financing	Senior Secured Bridge Loan: \$1.3B	N/A	BB+ / Baa3	Public: NYSE: CACI
12/15/2025	<b>FAIRBANKS MORSE DEFENSE</b>	Acquisition Financing	Fungible Add-On 1st-Lien TL: \$260M	S+275 / 0.75%	B / B2	Sponsor: Arcline Investment Management
12/5/2025	<b>SIGNATURE AVIATION</b>	Repricing	Term Loan B: \$2.48B	S+250 / 0.50%	B+ / B2	Sponsors: Blackstone, Global Infrastructure Partners
12/2/2025	<b>Ducommun</b>	Repricing	Term Loan A: \$200M	S+150 / 0.50%	NR	Public: NYSE: DCO
11/25/2025	<b>MANTECH</b> ALWAYS ADVANCING	Refinancing	Term Loan B: \$2.3B	S+500	NR	Sponsor: Carlyle Group
11/21/2025	<b>ITP AERO</b>	Dividend Recapitalization	1st-Lien TL: \$1.6B	S+250 / 0.50%	B / B2	Sponsor: Bain Capital
11/17/2025	<b>FIREFLY AEROSPACE</b>	Acquisition Financing	Senior Secured Revolver: \$260M	S+300 / 0.00%	NR	Public: NASDAQ: FLY
11/3/2025	<b>HOWMET AEROSPACE</b>	Refinancing	Senior Notes: \$500M	4.55%	BBB+ / Baa1	Public: NYSE: HWM
10/29/2025	<b>BRIDGER AEROSPACE</b>	Refinancing	Revolver: \$21.5M Term Loan: \$210M DDTL: \$100M	N/A	NR	Sponsor: Bain Capital
10/22/2025	<b>ASTRONICS</b>	Refinancing	Revolver: \$300M	S+125-212 / 0.00%	NR	Public: NASDAQ: ATRO
10/22/2025	<b>KARMAN</b> SPACE & DEFENSE	Acquisition Financing	Fungible Add-On Term Loan B: \$130M	S+350 / 0.00%	BB- / B1	Public: NYSE: KRMN
10/20/2025	<b>TENAX</b> AEROSPACE	Growth Financing	Add-On to Existing Senior Notes: \$100M	N/A	NR	Sponsor: NTC Group
10/17/2025	<b>BARNES</b>	Divestiture Financing	Term Loan B: \$425M	S+475 / 0.00%	B / B2	Sponsor: Apollo Global Management
10/9/2025	<b>CIRCOR</b>	Repricing	Term Loan B: \$647M	S+300 / 0.00%	B / B3	Sponsor: KKR

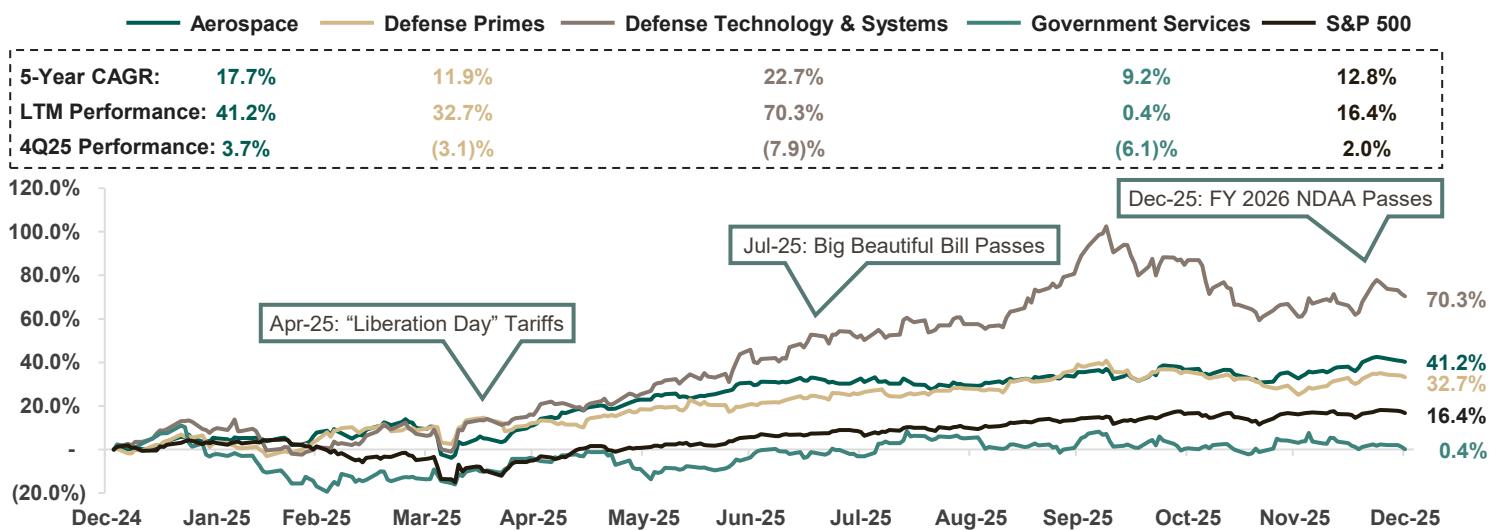
Sources: Pitchbook Leveraged Commentary & Data as of January 17, 2026.  
Note: NR = "Not Rated".



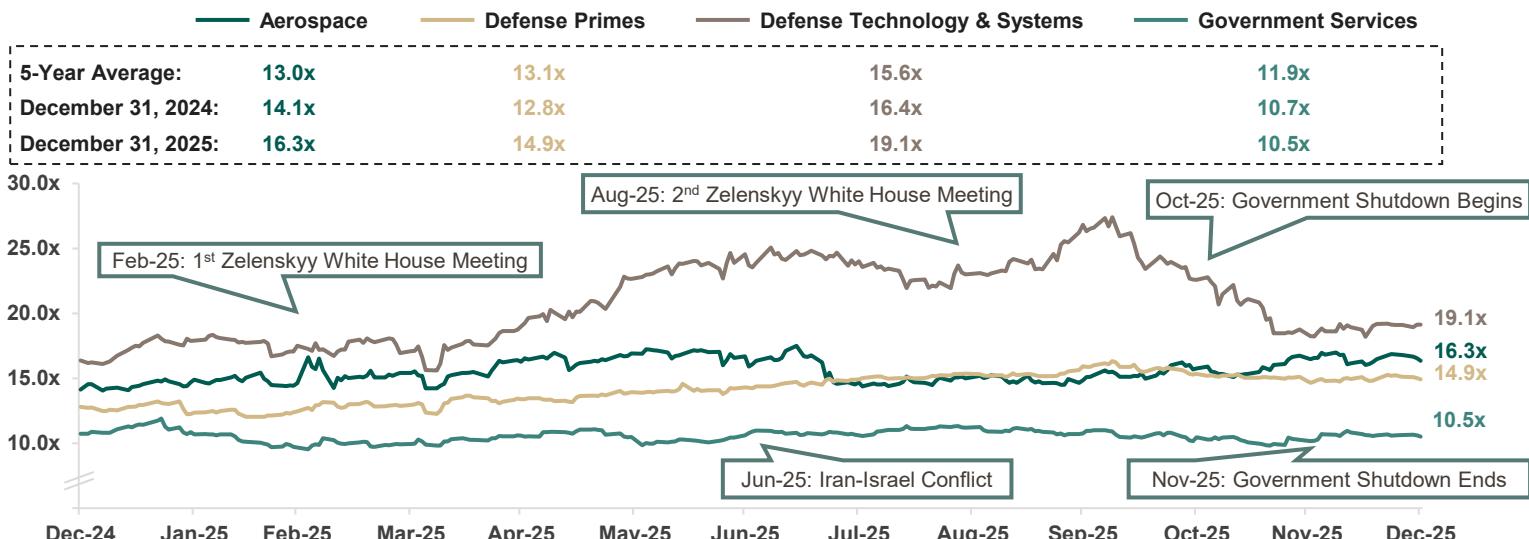
# Public Company Metrics and Commentary

- Aerospace:** The Aerospace index remains strong with stock prices and EV / NTM EBITDA multiples near record highs supported by robust backlogs, modernizing aging fleets, and global pressure to scale production
- Defense Primes:** Defense Primes continue to demonstrate steady performance, driven by heightened geopolitical tensions, NATO commitments to increase defense spending, and the recently approved National Defense Authorization Act ("NDAA")
- Defense Technology & Systems:** Fueled by continued investor focus on next-gen software-enabled defense capabilities, battlefield digitization, and AI-integrated systems, the Defense Technology & Systems index has significantly outperformed other indices in both stock price performance and EV / NTM EBITDA premium
- Government Services:** Stock price performance and EV / NTM EBITDA multiples for the Government Services index continue to lag 5-year averages following a year marked by volatility and uncertainty, driven in part by the U.S. Federal Government shutdown and resulting funding disruptions

## Stock Price Performance



## Median EV / NTM EBITDA Multiples



Source: Capital IQ as of December 31, 2025.

Note: Composition of the Aerospace, Defense Primes, Defense Technology & Systems, and Government Services indices are displayed on pages 21 – 23.



## Selected Public Company Metrics

### Notable Earnings Releases, Market Responses, and Leadership Insights

Company	Latest Reporting Period	Share Price Reaction <sup>(1)</sup>	Quarterly Results   YoY % Change		Key Management Comments
			Revenue	Adj. EPS	
 <b>BOEING</b>	12/31/2025	(0.6%)	\$24.0B   57% 5%	\$9.92   68% 10%	<p><i>"In 2025, we methodically increased commercial production guided by our safety and quality plan. This enabled our team to deliver the most commercial airplanes since 2018. We delivered 600 airplanes and won more than 1,100 commercial orders for the year, making this one of our highest order totals ever"</i></p> <p><i>- Robert Ortberg, President, CEO &amp; Director (1/27/2026)</i></p>
Booz   Allen   Hamilton	12/31/2025	(0.9%)	\$2.6B   (10%) (4%)	\$1.77   14% 39%	<p><i>"Awards in the quarter were seasonally light. As noted earlier, the shutdown caused delays in some funding actions and shifted some award activities to subsequent quarters...Despite friction in the funding environment, we ended the calendar year with a record year-end backlog"</i></p> <p><i>- Matthew Calderone, CFO (1/23/2026)</i></p>
 <b>CACI</b> EVER VIGILANT	12/31/2025	(1.2%)	\$2.2B   6% (2%)	\$6.81   14% 5%	<p><i>"While we saw some lingering impacts from the shutdown that impacted program timing and delayed some government material purchases in Q2, our confidence in raising our fiscal '26 guidance reinforces the broader strength that we're seeing"</i></p> <p><i>- Jeffrey MacLauchlan, EVP, CFO &amp; Treasurer (1/27/2026)</i></p>
 <b>GENERAL DYNAMICS</b>	12/31/2025	(0.8%)	\$14.4B   8% 4%	\$3.88   16% 1%	<p><i>"The long continuing resolution was particularly impactful and the examination of all contracts by the Department of Government Efficiency hurt growth and slowed contracting activity early in the year. Nevertheless, these businesses persevered and came through it all on a very good basis"</i></p> <p><i>- Phebe Novakovic, Chairperson &amp; CEO (1/28/2026)</i></p>
 <b>L3HARRIS™</b>	1/02/2026	3.7%	\$5.7B   2% 2%	\$2.86   10% 4%	<p><i>"The government invests now, allowing us to further increase capacity for critical interceptor programs such as PAC-3 and standard missile. There is no waiting for contracts or acquisition funding. The investment gives us the confidence to build today while the long-term contracts are being negotiated and finalized"</i></p> <p><i>- Christopher Kubasik, Chairman &amp; CEO (1/29/2026)</i></p>
 <b>LOCKHEED MARTIN</b>	12/31/2025	(0.9%)	\$20.3B   9% 2%	\$5.80   161% (3%)	<p><i>"PAC-3 Missile Segment Enhancement will increase annual production capacity from approximately 600 to 2,000 per year. That's more than tripling the production rate to support U.S. forces, allies and partner nations in today's increasingly unsettled geopolitical environment"</i></p> <p><i>- James Taiclet, Chairman, President &amp; CEO (1/29/2026)</i></p>
 <b>NORTHROP GRUMMAN</b>	12/31/2025	(0.8%)	\$11.7B   10% 1%	\$7.23   13% 4%	<p><i>"Demand signals remain strong, and we anticipate continued growth in 2026 and beyond. The global appetite for our technology is fueling this demand, particularly in air and missile defense system, advanced munitions, radars and a diverse array of airborne capabilities"</i></p> <p><i>- Kathy Warden, CEO (1/27/2026)</i></p>
 <b>RTX</b>	12/31/2025	(0.3%)	\$24.2B   12% 7%	\$1.55   1% 5%	<p><i>"Commercial air travel is expected to grow again... On the commercial OE front, given the substantial airframer backlog, we expect OEM production rates to increase again, this year, particularly on the A320neo, 737 MAX and 787 platforms as well as on business jet and general aviation aircraft"</i></p> <p><i>- Christopher Calio, Chairman &amp; CEO (1/27/2026)</i></p>

Beat / Met / Missed vs. Consensus Estimate in %

Sources: DACIS, Company Earnings Reports, and Capital IQ as of January 29, 2026.

Note: "NR" = Not Reported.

(1) Share price reaction represents the last share price unaffected by earnings compared to the share price close following earnings release.



## Selected Public Company Metrics (Cont'd)

### Aircraft & Engine OEMs

**AIRBUS**

**DASSAULT AVIATION**

GE Aerospace



**BOEING**

**EMBRAER**



**TEXTRON**

### Aerospace Suppliers

**Ducommun**

**HEICO**

**HEXCEL**



**MAGELLAN AEROSPACE**

**MOOG**

**Parker**

**ST Engineering**

**StandardAero**

**TRANSDIGM GROUP INC.**

**WOODWARD**

Peers

Median

CY2026E

CY2027E

CY2026E

CY2027E

Sales Growth

10.6%

10.2%

8.2%

8.3%

EBITDA Margin

13.0%

13.5%

19.7%

21.6%

EV / Revenue Multiple

2.0x

1.7x

3.2x

2.8x

EV / EBITDA Multiple

13.0x

11.3x

16.7x

15.5x

Source: Capital IQ as of December 31, 2025.

Note: Financial metrics reflect median of peer group.



## Selected Public Company Metrics (Cont'd)

	Defense Primes	Defense Technology & Systems	Government Services
Peers	 <b>GENERAL DYNAMICS</b>  <b>LOCKHEED MARTIN</b>  	 <b>CURTISS-WRIGHT</b>  <b>HENSOLDT</b>  <b>KRATOS</b>  <b>mercury</b>  <b>TELEDYNE</b> 	 <b>Booz   Allen   Hamilton</b>      
Median	<span>CY2026E</span> <span>CY2027E</span>	<span>CY2026E</span> <span>CY2027E</span>	<span>CY2026E</span> <span>CY2027E</span>
Sales Growth	5.9% 5.7%	8.2% 8.6%	3.1% 4.8%
EBITDA Margin	14.3% 14.4%	17.3% 18.1%	10.2% 10.6%
EV / Revenue Multiple	2.0x 1.9x	3.5x 3.2x	1.1x 1.0x
EV / EBITDA Multiple	14.5x 13.5x	18.7x 16.3x	10.2x 9.6x

Source: Capital IQ as of December 31, 2025.

Note: Financial metrics reflect median of peer group.



## Selected Public Company Metrics (Cont'd)

(\$ in millions, except share price)

Comparable Companies	Share Price	As % of	Market	Net	Enterprise	CY2026E			EV / Revenue		EV / EBITDA	
	12/31/2025	52-Week High	Cap	Debt (Cash)	Value (EV)	Revenue	EBITDA	% Margin	CY2026E	CY2027E	CY2026E	CY2027E
<b>Aircraft &amp; Engine OEMs</b>												
Airbus	\$ 233.03	91.4%	\$ 183,948	\$ 1,761	\$ 185,814	\$ 97,216	\$ 13,258	13.6%	1.9x	1.7x	14.0x	12.1x
Boeing	217.12	89.5%	165,032	31,078	196,113	96,244	6,281	6.5%	2.0	1.8	31.2	19.4
Dassault Aviation	321.59	82.4%	25,155	(11,002)	14,153	10,038	1,227	12.2%	1.4	1.3	11.5	9.8
Embraer	16.17	97.2%	11,446	628	12,442	8,412	1,042	12.4%	1.5	1.3	11.9	10.5
GE Aerospace	308.03	96.8%	324,914	7,729	332,852	46,574	11,470	24.6%	7.1	6.5	29.0	26.0
MTU Aero Engines	417.31	88.9%	22,445	1,352	23,797	11,000	2,098	19.1%	2.2	2.0	11.3	10.4
Rolls-Royce	15.49	96.2%	129,699	(1,497)	128,237	28,975	6,112	21.1%	4.4	4.1	21.0	18.9
Textron	87.17	95.6%	15,361	2,288	17,649	15,442	1,894	12.3%	1.1	1.1	9.3	8.7
<b>Mean</b>	<b>92.3%</b>	<b>\$ 109,750</b>	<b>\$ 4,042</b>	<b>\$ 113,882</b>	<b>\$ 39,238</b>	<b>\$ 5,423</b>	<b>15.2%</b>	<b>2.7x</b>	<b>2.5x</b>	<b>17.4x</b>	<b>14.5x</b>	
<b>Median</b>	<b>93.5%</b>	<b>77,427</b>	<b>1,556</b>	<b>76,017</b>	<b>22,208</b>	<b>4,105</b>	<b>13.0%</b>	<b>2.0</b>	<b>1.7</b>	<b>13.0</b>	<b>11.3</b>	
<b>Aerospace Suppliers</b>												
Ducommun	\$ 95.13	93.8%	\$ 1,422	\$ 174	\$ 1,596	\$ 893	\$ 152	17.0%	1.8x	1.7x	10.5x	9.3x
HEICO	323.59	95.1%	39,102	1,950	41,593	5,113	1,393	27.2%	8.1	7.4	29.9	26.9
Hexcel	73.90	93.3%	5,883	667	6,549	2,072	407	19.7%	3.2	2.8	16.1	13.0
Loar Holdings	68.00	68.2%	6,366	184	6,550	567	222	39.2%	11.6	10.5	29.5	26.2
Magellan Aerospace	13.49	94.1%	770	15	788	800	110	13.7%	1.0	0.9	7.2	6.5
Moog	243.55	96.2%	8,175	1,003	9,178	4,250	626	14.7%	2.2	2.0	14.7	15.5
Parker-Hannifin	878.96	96.8%	110,913	9,860	120,782	21,753	5,974	27.5%	5.6	5.2	20.2	18.6
ST Engineering	6.55	92.8%	20,401	4,055	24,713	10,368	1,478	14.3%	2.4	2.2	16.7	15.4
StandardAero	28.68	89.7%	9,593	2,240	11,832	6,335	901	14.2%	1.9	1.7	13.1	11.6
TransDigm Group	1,329.85	81.9%	74,895	27,207	102,109	10,143	5,348	52.7%	10.1	9.3	19.1	17.2
Woodward	302.32	95.2%	18,138	402	18,540	4,044	829	20.5%	4.6	4.3	22.4	19.9
<b>Mean</b>	<b>90.6%</b>	<b>\$ 26,878</b>	<b>\$ 4,341</b>	<b>\$ 31,294</b>	<b>\$ 6,031</b>	<b>\$ 1,586</b>	<b>23.7%</b>	<b>4.7x</b>	<b>4.4x</b>	<b>18.1x</b>	<b>16.4x</b>	
<b>Median</b>	<b>93.8%</b>	<b>9,593</b>	<b>1,003</b>	<b>11,832</b>	<b>4,250</b>	<b>829</b>	<b>19.7%</b>	<b>3.2</b>	<b>2.8</b>	<b>16.7</b>	<b>15.5</b>	
<b>Overall Aerospace</b>												
<b>Mean</b>	<b>91.3%</b>	<b>\$ 61,772</b>	<b>\$ 4,215</b>	<b>\$ 66,068</b>	<b>\$ 20,013</b>	<b>\$ 3,201</b>	<b>19.1%</b>	<b>3.7x</b>	<b>3.6x</b>	<b>17.8x</b>	<b>15.6x</b>	
<b>Median</b>	<b>93.8%</b>	<b>\$ 20,401</b>	<b>\$ 1,352</b>	<b>\$ 18,540</b>	<b>\$ 10,038</b>	<b>\$ 1,393</b>	<b>17.0%</b>	<b>2.2x</b>	<b>2.0x</b>	<b>16.1x</b>	<b>15.4x</b>	

Source: Capital IQ as of December 31, 2025. Represents consensus estimates as of December 31, 2025.

Note: All figures shown in USD at historical exchange rates. Future estimates may be subsequently updated.



## Selected Public Company Metrics (Cont'd)

(\$ in millions, except share price)

Comparable Companies	Share Price	As % of	Market	Net	Enterprise	CY2026E			EV / Revenue		EV / EBITDA	
	12/31/2025	52-Week High	Cap	Debt (Cash)	Value (EV)	Revenue	EBITDA	% Margin	CY2026E	CY2027E	CY2026E	CY2027E
<b>Defense Primes</b>												
BAE Systems	\$ 23.09	82.7%	\$ 68,752	\$ 9,967	\$ 78,957	\$ 44,240	\$ 6,185	14.0%	1.8x	1.7x	12.8x	11.7x
General Dynamics	336.66	93.4%	90,803	5,494	96,297	54,301	6,817	12.6%	1.8	1.7	14.1	13.1
L3Harris Technologies	293.57	95.3%	54,913	11,503	66,416	23,309	4,362	18.7%	2.8	2.7	15.2	14.6
Lockheed Martin	483.67	93.7%	111,920	18,719	130,639	77,801	11,004	14.1%	1.7	1.6	11.9	11.5
Northrop Grumman	570.21	89.0%	81,380	13,738	95,118	44,254	6,433	14.5%	2.1	2.0	14.8	13.9
RTX	183.40	97.6%	245,898	33,093	280,870	92,381	15,759	17.1%	3.0	2.9	17.8	16.6
<b>Mean</b>	<b>91.9%</b>	<b>\$ 108,944</b>	<b>\$ 15,419</b>	<b>\$ 124,716</b>	<b>\$ 56,048</b>	<b>\$ 8,427</b>	<b>15.2%</b>	<b>2.2x</b>	<b>2.1x</b>	<b>14.4x</b>	<b>13.6x</b>	
<b>Median</b>	<b>93.6%</b>	<b>86,092</b>	<b>12,621</b>	<b>95,708</b>	<b>49,278</b>	<b>6,625</b>	<b>14.3%</b>	<b>2.0</b>	<b>1.9</b>	<b>14.5</b>	<b>13.5</b>	
<b>Defense Technology &amp; Systems</b>												
AeroVironment	\$ 241.89	57.9%	\$ 12,023	\$ 138	\$ 12,161	\$ 2,223	\$ 403	18.1%	5.5x	4.8x	30.1x	26.3x
Curtiss-Wright	551.27	90.0%	20,328	743	21,071	3,693	841	22.8%	5.7	5.3	25.0	22.8
Elbit Systems	584.53	98.6%	27,147	(236)	26,915	8,795	1,081	12.3%	3.1	2.8	24.9	21.5
Hensoldt	86.21	62.4%	9,957	1,279	11,248	3,255	603	18.5%	3.5	3.0	18.7	15.3
Huntington Ingalls Industries	340.07	94.4%	13,345	2,386	15,731	12,747	1,108	8.7%	1.2	1.2	14.2	12.6
Kratos	75.91	67.4%	12,817	(477)	12,340	1,590	159	10.0%	7.8	6.4	77.8	56.8
Leonardo DRS	34.09	69.1%	9,069	41	9,110	3,818	507	13.3%	2.4	2.3	18.0	16.3
Mercury Systems	73.01	85.6%	4,388	292	4,679	995	172	17.3%	4.7	4.1	27.2	18.5
Safran	349.31	94.7%	145,791	(2,201)	144,243	41,428	8,915	21.5%	3.5	3.2	16.2	14.6
Teledyne Technologies	510.73	85.7%	23,979	2,005	25,984	6,368	1,598	25.1%	4.1	3.9	16.3	15.2
Thales	269.91	82.3%	55,432	4,025	59,490	27,656	4,494	16.3%	2.2	2.0	13.2	12.0
<b>Mean</b>	<b>80.7%</b>	<b>\$ 30,389</b>	<b>\$ 727</b>	<b>\$ 31,179</b>	<b>\$ 10,233</b>	<b>\$ 1,807</b>	<b>16.7%</b>	<b>4.0x</b>	<b>3.5x</b>	<b>25.6x</b>	<b>21.1x</b>	
<b>Median</b>	<b>85.6%</b>	<b>13,345</b>	<b>292</b>	<b>15,731</b>	<b>3,818</b>	<b>841</b>	<b>17.3%</b>	<b>3.5</b>	<b>3.2</b>	<b>18.7</b>	<b>16.3</b>	
<b>European Defense</b>												
Chemring Group	\$ 6.37	77.0%	\$ 1,729	\$ 117	\$ 1,846	\$ 781	\$ 153	19.6%	2.4x	2.1x	12.1x	10.3x
Cohort	12.22	50.5%	559	55	616	416	64	15.3%	1.5	1.4	9.7	8.4
Hensoldt	86.21	62.4%	9,957	1,279	11,248	3,255	603	18.5%	3.5	3.0	18.7	15.3
Kongsberg Gruppen ASA	25.63	64.3%	22,546	(1,040)	21,573	6,753	1,142	16.9%	3.2	2.8	18.9	16.6
Leonardo S.p.a.	57.74	86.7%	33,284	3,073	37,700	24,369	3,227	13.2%	1.5	1.4	11.7	10.5
QinetiQ Group	5.95	76.2%	3,154	250	3,405	2,723	456	16.7%	1.3	1.2	7.5	7.0
Rheinmetall	1,833.45	77.7%	84,121	2,198	86,881	19,366	4,129	21.3%	4.5	3.3	21.0	14.6
Saab AB	58.38	91.5%	31,357	426	31,820	9,871	1,385	14.0%	3.2	2.8	23.0	19.4
Safran	349.31	94.7%	145,791	(2,201)	144,243	41,428	8,915	21.5%	3.5	3.2	16.2	14.6
Thales	269.91	82.3%	55,432	4,025	59,490	27,656	4,494	16.3%	2.2	2.0	13.2	12.0
<b>Mean</b>	<b>76.3%</b>	<b>\$ 38,793</b>	<b>\$ 818</b>	<b>\$ 39,882</b>	<b>\$ 13,662</b>	<b>\$ 2,457</b>	<b>17.3%</b>	<b>2.7x</b>	<b>2.3x</b>	<b>15.2x</b>	<b>12.9x</b>	
<b>Median</b>	<b>77.3%</b>	<b>26,952</b>	<b>338</b>	<b>26,696</b>	<b>8,312</b>	<b>1,263</b>	<b>16.8%</b>	<b>2.8</b>	<b>2.4</b>	<b>14.7</b>	<b>13.3</b>	
<b>Overall Defense (excludes duplicates)</b>												
<b>Mean</b>	<b>81.8%</b>	<b>\$ 48,529</b>	<b>\$ 4,399</b>	<b>\$ 53,130</b>	<b>\$ 21,381</b>	<b>\$ 3,375</b>	<b>16.3%</b>	<b>3.1x</b>	<b>2.8x</b>	<b>19.7x</b>	<b>16.7x</b>	
<b>Median</b>	<b>85.6%</b>	<b>25,563</b>	<b>1,011</b>	<b>26,450</b>	<b>9,333</b>	<b>1,263</b>	<b>16.5%</b>	<b>2.9</b>	<b>2.7</b>	<b>16.2</b>	<b>14.6</b>	

Source: Capital IQ as of December 31, 2025. Represents consensus estimates as of December 31, 2025.  
 Note: All figures shown in USD at historical exchange rates. Future estimates may be subsequently updated.



## Selected Public Company Metrics (Cont'd)

(\$ in millions, except share price)

Comparable Companies	Share Price	As % of	Market	Net	Enterprise	CY2026E			EV / Revenue		EV / EBITDA	
	12/31/2025	52-Week High	Cap	Debt (Cash)	Value (EV)	Revenue	EBITDA	% Margin	CY2026E	CY2027E	CY2026E	CY2027E
<b>Government Services</b>												
Amentum	\$ 29.00	91.0%	\$ 7,068	\$ 3,503	\$ 10,686	\$ 14,311	\$ 1,138	8.0%	0.7x	0.7x	9.4x	8.7x
Booz Allen Hamilton	84.36	57.4%	10,233	3,144	13,377	11,521	1,231	10.7%	1.2	1.1	10.9	9.8
CACI International	532.81	84.2%	11,764	2,645	14,409	9,613	1,122	11.7%	1.5	1.4	12.8	11.6
ICF International	85.30	63.0%	1,573	460	2,033	1,917	217	11.3%	1.1	1.0	9.4	8.7
Leidos	180.40	87.7%	23,065	3,677	26,787	17,912	2,430	13.6%	1.5	1.4	11.0	10.8
Parsons	61.80	63.1%	6,581	824	7,512	6,678	653	9.8%	1.1	1.0	11.5	10.5
SAIC	100.66	81.1%	4,543	2,442	6,985	7,424	725	9.8%	0.9	0.9	9.6	9.4
V2X	54.55	85.6%	1,720	927	2,647	4,703	339	7.2%	0.6	0.5	7.8	7.3
<b>Mean</b>	<b>76.6%</b>	<b>\$ 8,318</b>	<b>\$ 2,203</b>	<b>\$ 10,554</b>	<b>\$ 9,260</b>	<b>\$ 982</b>	<b>10.2%</b>	<b>1.1x</b>	<b>1.0x</b>	<b>10.3x</b>	<b>9.6x</b>	
<b>Median</b>	<b>82.7%</b>	<b>6,824</b>	<b>2,544</b>	<b>9,099</b>	<b>8,518</b>	<b>923</b>	<b>10.2%</b>	<b>1.1</b>	<b>1.0</b>	<b>10.2</b>	<b>9.6</b>	
<b>Space</b>												
Firefly Aerospace	\$ 22.37	30.3%	\$ 3,562	(\$ 962)	\$ 2,601	\$ 446	(\$ 120)	NM	5.8x	3.2x	NM	99.0x
Intuitive Machines	16.23	65.1%	1,937	(287)	2,297	895	58	6.5%	2.6	2.2	39.5x	27.7
Karman	73.17	82.4%	9,682	458	10,140	710	211	29.7%	14.3	11.3	48.0	37.1
Momentus	4.87	2.8%	8	3	12	-	-	NM	NA	NA	NA	NA
Redwire	7.60	28.5%	1,255	143	1,503	471	40	8.5%	3.2	2.9	37.3	29.9
Rocket Lab	69.76	87.4%	37,263	(547)	36,716	904	33	3.7%	40.6	28.7	NM	NM
Virgin Galactic	3.21	47.6%	210	32	242	34	(188)	NM	7.1	0.7	NM	3.6
Voyager Technologies	26.14	35.3%	1,557	(413)	1,171	232	(58)	NM	5.1	3.2	NM	NM
<b>Mean</b>	<b>47.4%</b>	<b>\$ 6,934</b>	<b>(\$ 197)</b>	<b>\$ 6,835</b>	<b>\$ 462</b>	<b>(\$ 3)</b>	<b>12.1%</b>	<b>11.2x</b>	<b>7.5x</b>	<b>41.6x</b>	<b>39.4x</b>	
<b>Median</b>	<b>41.5%</b>	<b>1,747</b>	<b>(142)</b>	<b>1,900</b>	<b>459</b>	<b>17</b>	<b>7.5%</b>	<b>5.8</b>	<b>3.2</b>	<b>39.5</b>	<b>29.9</b>	

Source: Capital IQ as of December 31, 2025. Represents consensus estimates as of December 31, 2025.

Note: All figures shown in USD at historical exchange rates. Future estimates may be subsequently updated.



## Case Study: Sale of Celestar to B&A / DFW

### Transaction Overview

- D.A. Davidson served as exclusive financial advisor to Celestar Holdings Corporation (“Celestar”) on its sale to Bart & Associates, LLC (“B&A”), a portfolio company of DFW Capital Partners (“DFW”)
- Celestar is a global provider of multiple intelligence (“multi-INT”) solutions serving U.S. government agencies across the defense intelligence enterprise
- B&A is an information technology systems integrator serving the federal government through six primary lines of business: agile DevSecOps delivery, data science and analytics, cloud migration and modernization, human capital management, operations and enablement, and application transformation
- Transaction closed in January 2026



has been acquired by



**Your Future.**  
Our Mission.

a portfolio company of

**DFW CAPITAL PARTNERS**

### Celestar Overview

#### Key Figures

**300+**  
Employees

**85%+**  
Prime Contracts

**95%+**  
Employees with  
Clearances

#### Key Capabilities

- All-Source Analysis
- Counterintelligence
- Cyber Intel Analysis
- Data Solution Development
- Intelligence Enterprise Management
- Human Intelligence
- Imagery & Geospatial Intel Analysis
- Knowledge Management

#### Key Customers



Note: DevSecOps stands for Development, Security, Operations.



## Case Study: Sale of Hanmar to AMG / IGP

### Transaction Overview

- D.A. Davidson served as exclusive financial advisor to Hanmar LLC (“Hanmar”) on its sale to Alpha Metalcraft Group (“AMG”), a portfolio company of Industrial Growth Partners (“IGP”)
- Hanmar is a provider of unique metalworking capabilities, specializing in metal spinning and deep draw forming, for aerospace, defense, space, and industrial end markets
- AMG is a high-precision metal forming manufacturing platform that provides mission-critical components and assemblies for aerospace, defense, and medical markets
- Transaction closed in May 2025



has been acquired by



a portfolio company of



### Hanmar Overview

#### Key Figures

**~90**  
Employees

**65k sq ft**  
Facility Footprint

**100+**  
Platforms Supported

#### Key Platforms

**Airbus A320**



**Boeing 737**



**C-130**



**FGM-148 Javelin**



#### Key Customers





# Case Study: Acquisition of Votaw Precision Technologies

## Transaction Overview

- D.A. Davidson served as exclusive financial advisor to Cerberus Capital Management (“Cerberus”) on the acquisition of Votaw Precision Technologies (“Votaw”)
- Votaw is a supplier of highly engineered precision spaceflight & defense hardware and mission critical components headquartered in Santa Fe Springs, CA
- Votaw’s capabilities include vertical turning, large milling, fabrication, large complex assembly, and special processing, testing, and finishing
- The partnership with Votaw is led by Cerberus’ Supply Chain and Strategic Opportunities platform, which invests in companies that address critical national security supply chain shortages for the U.S. and its allies
- Transaction closed in March 2025

**cerberus**

has acquired



## Votaw Precision Technologies Overview

### Key Figures

**~160**

Employees

**240k sq ft**

Manufacturing  
Space

**60+**

Years Supporting  
Government Programs

### Key Products

#### Domes



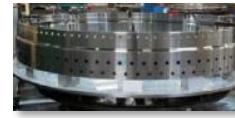
#### ESPA Rings



#### Segment Cores



#### Tangs



### Key Customers

**beyond gravity**

**BOEING**

**LOCKHEED MARTIN**

**NORTHROP  
GRUMMAN**

**SAAB**

**ULA**  
United Launch Alliance



## Case Study: Sale of Bandy Manufacturing to Novaria

### Transaction Overview

- D.A. Davidson served as exclusive financial advisor to Bandy Manufacturing (“Bandy”) on its sale to Novaria Group (“Novaria”), a portfolio company of Kohlberg Kravis Roberts (“KKR”)
- Bandy manufactures specialized hinges for an array of aerospace, defense, and industrial applications
- Novaria is a manufacturer of fasteners, precision components, and services within the aerospace and defense marketplace
- Transaction closed in December 2024



### Bandy Manufacturing Overview

#### Key Figures

**~65**  
Employees

**400+**  
Customers

**100k+**  
Hinges per  
year

#### Key Products

##### Hinges



##### Pins



#### Key Platforms



*Boeing 737*



*F-15*



*Boeing 777*



*F-16*



*Boeing 787*



*A400*



# Case Study: Sale of Atmospheric and Environmental Research to JANUS Research Group

## Transaction Overview

- D.A. Davidson served as financial advisor to Verisk (Nasdaq: VRSK), a leading global data analytics and technology provider, on the sale of its Atmospheric and Environmental Research ("AER") business to JANUS Research Group ("JANUS"), a portfolio company of CM Equity Partners
- AER provides science-based solutions and actionable intelligence to global corporations, research universities, and government agencies to anticipate, manage, react to, and prepare for weather, climate, and space-based risks
- JANUS is an industry leader in the integration and application of technical, engineering, and domain expertise to deliver full life-cycle services and solutions to Federal, Department of War, and commercial clients
- Transaction closed in December 2024

 **Verisk**

has divested

 **aer** | Atmospheric and Environmental Research

to

 **JANUS**  
RESEARCH GROUP

a portfolio company of



CM EQUITY PARTNERS

## Atmospheric and Environmental Research Overview

### Key Figures

**100%**  
Full & Open Contracts

**~50%**  
Employees with Clearances

**40%+**  
Employees with PhDs

### Key Capabilities



**Climate & Terrestrial Environment**



**Defense & Intelligence**



**Modeling & Data Science**



**Oceanography, Weather, & Space**



**Space Domain Awareness**

### Key Applications



**Air Quality**



**Atmosphere**



**Climate**



**Oceans**



**Satellites**



**Space**



## Conferences We Are Tracking in 2026

### Come Meet Us!

Event	Location	Date
Surface Navy Association - National Symposium 2026	Arlington, VA	January 13-15, 2026
SHOT Show 2026	Las Vegas, NV	January 20-23, 2026
APEX Defense 2026	Washington, DC	January 27-28, 2026
Space Mobility Conference & Expo	Orlando, FL	January 28-30, 2026
Miami Space Summit 2026	Miami, FL	February 5-6, 2026
Association for Corporate Growth - Rocky Mountain Corporate Growth Conference	Denver, CO	February 9-10, 2026
Pacific Northwest Aerospace Alliance - ADVANCE 2026	Lynnwood, WA	February 9-11, 2026
National Security Space Association - Defense and Intelligence Space Conference	Reston, VA	February 9-11, 2026
WEST 2026	San Diego, CA	February 10-12, 2026
Space Foundation Innovate Space - Finance Forum 2026	Dallas, TX	February 18-19, 2026
Air & Space Forces Association - Warfare Symposium 2026	Aurora, CO	February 23-25, 2026
DA Davidson - Private Company Conference	Fort Worth, TX	February 25-26, 2026
The AeroLambda Group - The Aerospace Event (LA)	Beverly Hills, CA	March 2-3, 2026
Wharton Aerospace 2026	Philadelphia, PA	March 5-6, 2026
Vertical Aviation International - Verticon 2026	Atlanta, GA	March 9-12, 2026
Association for Corporate Growth - NEXT Conference 2026	McLean, VA	March 10, 2026
Tectonic Defense Summit 2026	Austin, TX	March 11-12, 2026
PB Expo 2026	Miami Beach, FL	March 11-12, 2026
Aviation Week - Defense Conference 2026	Washington, DC	March 17-18, 2026
SATELLITE 2026 Conference and Exhibition	Washington, DC	March 23-26, 2026
Aircraft Electronics Association - International Convention & Trade Show	Dallas, TX	March 23-26, 2026
Space Foundation - Space Symposium 2026	Colorado Springs, CO	April 13-16, 2026
Aircraft Interiors Expo 2026	Hamburg, Germany	April 14-16, 2026
Army Aviation Association of America - Nashville Summit 2026	Nashville, TN	April 15-17, 2026
Navy League of the United States - Sea-Air-Space 2026	National Harbor, MD	April 19-22, 2026
MRO Americas - Aviation Week 2026	Orlando, FL	April 21-23, 2026
SPIE - Defense + Security	National Harbor, MD	April 26-30, 2026
Modern Day Marine 2026	Washington, DC	April 28-30, 2026
Professional Services Council - Annual Conference 2026	White Sulphur Springs, WV	May 3-5, 2026
Association for Uncrewed Vehicle Systems International - XPONENTIAL 2026	Detroit, MI	May 11-14, 2026
United States Geospatial Intelligence Foundation - GEOINT Symposium 2026	Aurora, CO	May 18-21, 2026
Special Operations Forces Week 2026	Tampa, FL	May 18-21, 2026
Institute of Electrical and Electronics Engineers - International Microwave Symposium 2026	Boston, MA	June 7-12, 2026
Eurosatory 2026	Paris, France	June 15-19, 2026
Farnborough International - Airshow 2026	Farnborough, UK	July 20-24, 2026
Space & Missile Defense - Symposium 2026	Huntsville, AL	August 11-13, 2026
Small Satellite Conference 2026	Salt Lake City, UT	August 23-26, 2026
U.S. Chamber of Commerce - Global Aerospace Summit 2026	Washington, DC	September 9-11, 2026
Air & Space Forces Association - Air, Space & Cyber Conference 2026	National Harbor, MD	September 12-13, 2026
The AeroLambda Group - The Aerospace Event (DC)	Washington, DC	October 12-13, 2026
National Business Aviation Association - Business Aviation Convention & Exhibition	Las Vegas, NV	October 20-22, 2026
Aviation Week - MRO Europe	Amsterdam, Netherlands	October 27-28, 2026
The AeroLambda Group - The Aerospace Event, Mergers & Acquisitions (LA)	Beverly Hills, CA	November 11, 2026
Space Tech Expo - Europe	Bremen, Germany	November 17-19, 2026
Interservice/Industry Training, Simulation and Education Conference 2026	Orlando, FL	November 30-December 3, 2026
Association of Old Crows - International Symposium & Convention 2026	National Harbor, MD	December 8-10, 2026

Note: \* indicates the conference has already been attended.



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## Glossary of Terms and Other Important Information

**ABS** – Asset Backed Securities. A financial product collateralized by an underlying pool of assets.

**AD&GS** – Aerospace, Defense, and Government Services.

**AUSA** – Association of the United States Army. Nonprofit organization that advocates for the Army and its soldiers.

**CBOE** – Chicago Board Options Exchange. Major financial exchange based in Chicago, Illinois, known for being the first marketplace for trading listed options.

**CPARS** – Contractor Performance Assessment Reporting System. A scorecard used to document and evaluate contractor performance for future selections.

**CSG** – Czechoslovak Group. Czech-based defense conglomerate that manufactures equipment and advanced industrial systems.

**DHS** – U.S. Department of Homeland Security. The Federal agency overseeing national security programs.

**DoJ** – U.S. Department of Justice. Enforces federal laws, protects national interests, and oversees U.S. government agencies.

**DoW** – U.S. Department of War. Executive department of the U.S. federal government charged with coordinating and supervising the Army, Navy, Marines, Air Force, Space Force, and related functions and agencies.

**EBITDA** – Earnings before interest, taxes, depreciation & amortization. An approximate measure of a company's operating cash flow based on data from the company's income statement.

**EBIT** – Earnings before interest and taxes. A measure of a company's earning power from ongoing operations, equal to earnings before deduction of interest payments and income taxes.

**EU** – European Union. A supranational political and economic union of 27 member states that are located primarily in Europe.

**EV** – Enterprise value. Market value of equity plus debt less cash.

**FAR** – Federal Acquisition Regulation. Governs how the U.S. federal government purchases goods and services.

**FCA** – False Claims Act. A federal law that prohibits submitting fraudulent claims for payment to the U.S. government.

**FCC** – Federal Communications Commission. An independent U.S. government agency responsible for regulating interstate and international communications via radio, television, wire, satellite, and cable to establish equitable communications.

**FY** – Fiscal Year. A twelve-month period used by businesses, governments, and organizations for accounting and financial reporting purposes.

**IPO** – Initial Public Offering. When a privately held company sells shares of its stock to the public for the first time, allowing it to raise capital and become publicly traded.

**LTM** – Last twelve months. Time period used when referencing a financial statistic.

**MCAP** – Market capitalization. The total value of a publicly traded company's outstanding common shares owned by stockholders.

**MDA** – Missile Defense Agency. A component of the DoW responsible designed to protect the U.S. and its allies from ballistic missiles.

**NDAA** – National Defense Authorization Act. Annual law that authorizes funding levels and sets policies for defense related agencies.

**NSBA** – National Small Business Association. Organization that represents small businesses in federal program reauthorizations.

**NIST SP** – National Institute of Standards and Technology Special Publication. Standard set for organizations to comply with established cybersecurity and risk management standards.

**NTM** – Next twelve months. Time period used when referencing a financial statistic.

**RACE** – Research and Continuing Exploration. An initiative focused on advancing scientific discovery and innovation through sustained research efforts, technology development, and exploration programs that drive progress in critical fields.

**RFO** – Revolutionary FAR Overhaul. A government-wide initiative to simplify and modernize the Federal Acquisition Regulation.

**SBA** – Small Business Administration. Independent U.S. government agency that provides support to small businesses.

**SBIR** – Small Business Innovation Research. Federal program that funds small businesses to conduct research.

**SBTC** – Small Business Technology Council. Industry council that represents technology-focused small businesses and advocates on federal innovation policy.

**SBTT** – Small Business Technology Transfer. Federal program that funds collaborative research between small businesses and nonprofit research institutions.

**The S&P 500** – An unmanaged common stock index commonly used to measure and report common stock performance.

**TLB** – Institutional Term Loan B. Type of term loan provided by institutional investors rather than commercial banks.

**UMFUS** – Upper Microwave Flexible Use Service. A FCC framework that enables innovative wireless services using high-bandwidth spectrum for applications such as voice, data, and video, limited to fixed, mobile, and Internet of Things (IoT) deployments.

**VIX** – Average CBOE Volatility Index. Popular measure of expected stock market volatility based on S&P 500 index options.

**VWAP** – Volume-Weighted Average Price. Calculates the average price of a security, weighted by the trading volume at each price point, reflecting where most trading occurs during the day.



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