

# Defense & Government

INDUSTRY UPDATE | *Q4 2025*

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# Chesapeake Corporate Advisors (CCA) Firm Overview



## Firm Overview

CCA is a boutique corporate advisory and investment banking firm that has been successfully serving investor-owned and closely held emerging growth and middle market companies since 2005. Our team of managing directors brings 30 years of experience to the Baltimore area.

Together we provide a collaborative, holistic approach to serving clients in the Mid-Atlantic region. For middle market companies looking to create business value with the help of our strategy services, and/or realize value through a merger, acquisition or other transaction, CCA stands ready to guide you through the process and help you achieve your goals.

## Solutions for Every Critical Juncture

### INVESTMENT BANKING

- Sell-Side
- Buy-Side
- Merger
- Recapitalization
- Growth Capital
- Management Buyout

### CORPORATE ADVISORY

- Strategic Assessments
- Financial Planning & Analysis
- Value Sharing Plans
- Transaction Advisory
- Value Creation Strategy
- Business Valuations

\$4Bn+

Aggregate Tx value

40+

Closed Tx since  
Jan. 2020

100+

2024 Valuations

12+

Advisory Clients Exited  
since Jan. 2021



# Intel and Cyber News

## Government Shutdown

During the 2025 government shutdown, intelligence and cybersecurity missions were largely exempt, but the disruption still mattered. Hiring and some acquisition activities slowed, timelines slipped, and information-sharing authorities were impacted. For IC and cyber organizations, the episode highlighted ongoing operational resilience.

## FY 2026 NDAA signed

The FY 2026 NDAA, signed December 18, 2025, authorizes over \$900 billion in defense policy and funding, boosting cyber budgets and mandating stronger AI security frameworks for weapon systems and software procurement. It expands DoD cyber workforce authorities, accelerates tech innovation adoption, and codifies outbound investment controls. This will result in heightened emphasis on resilient cyber and intelligence capabilities.

## M&A Activity

Q4 2025 saw continued M&A momentum in cyber and intel, with dozens of deals completed as both strategic buyers and private equity continue to be active. CCA closed a transaction in the Cyber market, which has not been publicly announced.

## Market Landscape

Companies serving the Intelligence and Cyber Markets encompass a wide range of offerings with a diverse set of skills and market segments. From Artificial Intelligence and Machine Learning to Cybersecurity and support for the war fighter, the people that make up these technology companies are actively involved in national security. Along with these “pointy edge of the sword companies” are support industries in staffing, engineering, finance, and legal, which serve the various needs of this community.

## AI Procurement

Federal acquisition discourse shifted from experimentation to operationalizing AI responsibly in mission systems, with an emphasis on guardrails for large language model (LLM) buys. This has direct implications for IC contractors building or supplying advanced analytics and automation capabilities.

## Ongoing Cyber Threats

The U.S. House Committee on Homeland Security published an updated ‘Cyber Threat Snapshot,’ outlining the heightened threats posed by malign nation-states and criminals to U.S. networks and critical infrastructure since 2024. The federal government shutdown, coupled with the lapse of the Cybersecurity Information Sharing Act of 2015, has significantly constrained the federal government’s ability to coordinate with industry and execute its defensive cyber mission.

## U.S. Tech Force

The U.S. Tech Force initiative was launched in December 2025 to recruit tech talent into government roles to modernize federal AI and IT capabilities. The Tech Force will be ~1,000 technology specialists hired by agencies. Through a two-year program, participants will work in teams reporting directly to agency leadership. In collaboration with leading technology companies, participants will receive technical training, engage with industry leaders, and work closely with senior managers from companies partnering with the Tech Force.



# Recent Government Technology Services Transaction Highlights

ANNOUNCED:  
OCTOBER 2025



was acquired by



## Target Description

Science Applications International Corp. entered into a definitive agreement to acquire SilverEdge Government Solutions, LLC, a portfolio company of Godspeed Capital Management LP. SilverEdge is a purpose-built provider of cybersecurity, software, and intelligence solutions to private sector and U.S. federal government defense and intelligence markets. This acquisition advances SAIC's strategy of bringing mission focused, IP-based solutions and commercial products to its customers. By integrating SilverEdge's SaaS products and expertise, SAIC will further enhance its ability to deliver real-time mission-based solutions with speed, efficiency, and agility.

ANNOUNCED:  
NOVEMBER 2025



was acquired by



## Target Description

Markon, LLC, a portfolio company of Sterling Investment Partners, L.P., acquired privately held Plex Solutions, LLC. Plex Solutions is a provider of cybersecurity, AI, and secure enterprise engineering solutions for private sector and U.S. federal government markets. The acquisition of PLEX increased Markon's total headcount to more than 600, with cyber and technology offerings now accounting for over half of the combined enterprise's revenue.

ANNOUNCED:  
NOVEMBER 2025



was acquired by



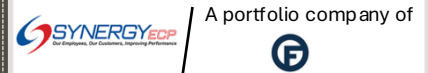
## Target Description

VTG, a portfolio company of Alvarez & Marsal Capital, acquired privately held Miklos Systems, Inc. Miklos Systems supports the Intelligence Community (IC), providing cloud services, cybersecurity, data science, database management, full software lifecycle development, project management, and systems engineering for mission-critical programs. The acquisition reflects VTG's shared strategic vision with its majority investor, A&M Capital, to deepen technical capabilities and scale in high-impact domains. It follows VTG's earlier 2025 acquisitions of Loki Solutions, Triplex, Byte Systems, Iota IT, and Tunuva Technologies.

ANNOUNCED:  
DECEMBER 2025



was acquired by



## Target Description

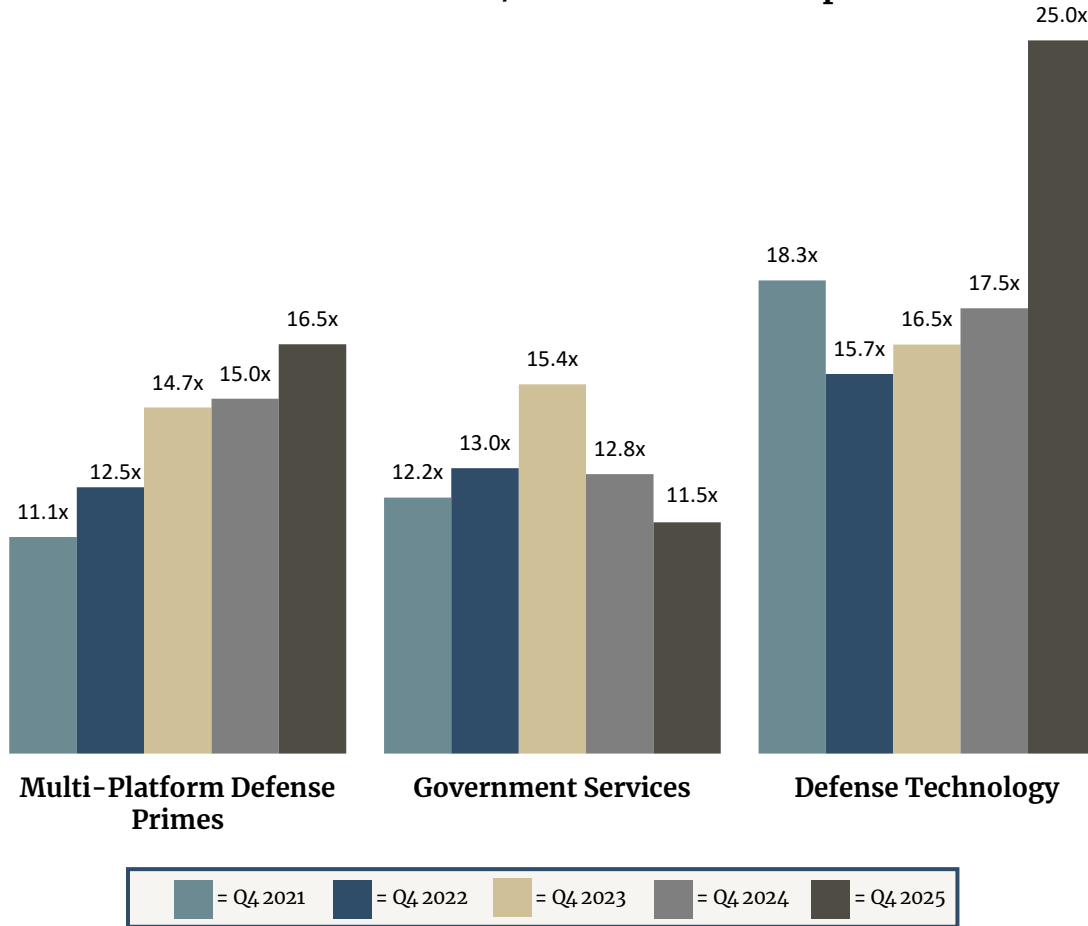
Synergy ECP, LLC, a portfolio company of Falfurrias Capital Partners, acquired privately held NetServices, Inc. NetServices is a provider of secure information technology solutions for private sector and U.S. federal government mission-critical markets. These capabilities strengthen Synergy ECP's ability to deliver end-to-end, mission-driven technology solutions across the Intelligence and Defense communities, while expanding access to key customer missions and technical programs essential to national security.



# TEV/ EBITDA Public Valuation Multiples

As we monitor the Government Contracting Industry, we have classified some of the largest government contractors into three main industry sub sectors defined below.

## Historical TEV/TTM EBITDA Multiples



Note: Multiples are based on a weighted average by market capitalization

### Multi-Platform Defense Primes

Companies typically involved in the interdisciplinary fields of engineering and engineering management in the delivery of defense related products and services. This category includes, but is not limited to weaponry, munitions, electronics and cyber related products and services.



### Government Services

Government contractors focused on the delivery of professional services. These services typically augment or support engineering, IT and software development, cyber security project-based initiatives or bolster the Government's ability to provide for the national defense.



### Defense Technology

Defense prime contractors specialize in the design, construction and support of defense-based products and services. Their work with the Government is typically in a prime contracting relationship as they manage their supply chains and furnish services, supplies or construction to the Government.



# Public Market Data



## Multi-Platform Defense Primes

Company	Market Data				Financial Performance						Enterprise Value /			
	(\$ in millions, except share price)				TTM 2025			2025E			Revenue		EBITDA	
	Price	% of 52 Week High	Market Cap	Enterprise Value	Revenue	EBITDA	EBITDA %	Revenue	EBITDA	EBITDA %	TTM	2025E	TTM	2025E
RTX Corporation	\$183.40	97.6%	\$245,898	\$282,520	\$85,988	\$14,462	16.8%	\$86,971	\$14,634	16.8%	3.29x	3.25x	19.5x	19.3x
The Boeing Company	217.12	89.5%	165,032	198,463	80,757	(6,154)	NM	87,994	(2,021)	NM	2.46x	2.26x	NM	NM
Honeywell International Inc.	195.09	80.7%	123,860	149,688	40,670	9,778	24.0%	37,288	10,151	27.2%	3.68x	4.01x	15.3x	14.7x
Lockheed Martin Corporation	483.67	93.7%	111,920	130,639	73,349	7,257	9.9%	74,572	9,246	12.4%	1.78x	1.75x	18.0x	14.1x
General Dynamics Corporation	336.66	93.4%	90,803	98,159	51,509	6,240	12.1%	51,961	6,272	12.1%	1.91x	1.89x	15.7x	15.7x
Northrop Grumman Corporation	570.21	89.0%	81,380	96,914	40,928	6,577	16.1%	41,855	5,908	14.1%	2.37x	2.32x	14.7x	16.4x
BAE Systems plc (United Kingdom)	23.07	82.7%	68,678	78,883	37,548	4,598	12.2%	41,202	5,708	13.9%	2.10x	1.91x	17.2x	13.8x
L3Harris Technologies, Inc.	293.57	95.3%	54,913	66,416	21,740	4,077	18.8%	21,976	3,969	18.1%	3.06x	3.02x	16.3x	16.7x
<b>Mean</b>		<b>90.2%</b>					<b>15.7%</b>			<b>16.4%</b>	<b>2.58x</b>	<b>2.55x</b>	<b>16.7x</b>	<b>15.8x</b>
<b>Median</b>		<b>91.4%</b>					<b>16.1%</b>			<b>14.1%</b>	<b>2.41x</b>	<b>2.29x</b>	<b>16.3x</b>	<b>15.7x</b>

## Government Services

Leidos Holdings, Inc.	\$180.40	87.7%	\$23,065	\$27,365	\$17,332	\$2,335	13.5%	\$17,251	\$2,398	13.9%	1.58x	1.59x	11.7x	11.4x
Jacobs Solutions Inc.	132.46	78.6%	15,642	18,142	12,030	1,265	10.5%	12,064	1,217	10.1%	1.51x	1.50x	14.3x	14.9x
Booz Allen Hamilton Holding Corporation	84.36	57.4%	10,233	13,578	11,706	1,299	11.1%	12,039	1,328	11.0%	1.16x	1.13x	10.5x	10.2x
CACI International Inc	532.81	84.2%	11,764	14,834	8,859	1,017	11.5%	8,615	961	11.2%	1.67x	1.72x	14.6x	15.4x
Parsons Corporation	61.80	63.1%	6,581	7,659	6,495	529	8.1%	6,441	617	9.6%	1.18x	1.19x	14.5x	12.4x
Science Applications International Corporation	100.66	81.1%	4,543	7,144	7,350	655	8.9%	7,452	693	9.3%	0.97x	0.96x	10.9x	10.3x
V2X, Inc.	54.55	85.6%	1,720	2,680	4,419	302	6.8%	4,474	317	7.1%	0.61x	0.60x	8.9x	8.4x
ICF International, Inc.	85.30	63.0%	1,573	2,196	1,926	214	11.1%	1,870	209	11.2%	1.14x	1.17x	10.3x	10.5x
<b>Mean</b>		<b>75.1%</b>					<b>10.2%</b>			<b>10.4%</b>	<b>1.23x</b>	<b>1.23x</b>	<b>12.0x</b>	<b>11.7x</b>
<b>Median</b>		<b>79.9%</b>					<b>10.8%</b>			<b>10.6%</b>	<b>1.17x</b>	<b>1.18x</b>	<b>11.3x</b>	<b>10.9x</b>

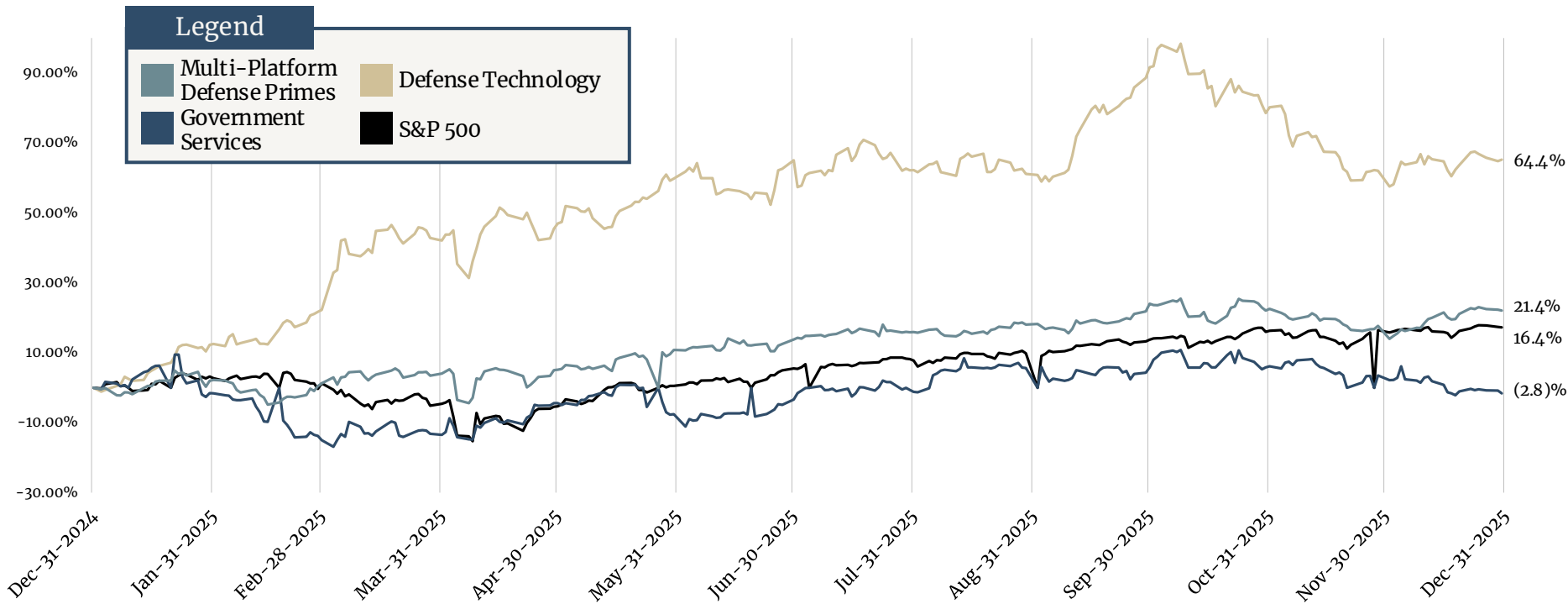
## Defense Technology

Thales S.A. (France)	\$269.81	82.3%	\$55,412	\$59,471	\$25,072	\$3,196	12.7%	\$25,789	\$4,155	16.1%	2.37x	2.31x	18.6x	14.3x
Teledyne Technologies Incorporated	510.73	85.7%	23,979	25,984	6,005	1,450	24.1%	6,076	1,476	24.3%	4.33x	4.28x	17.9x	17.6x
AeroVironment, Inc.	241.89	57.9%	12,023	12,260	1,370	105	7.7%	786	140	17.8%	8.95x	15.59x	NM	NM
Kratos Defense & Security Solutions, Inc.	75.91	67.4%	12,817	12,385	1,285	69	5.3%	1,329	118	8.8%	9.64x	9.32x	NM	NM
Mercury Systems, Inc.	73.01	85.6%	4,388	4,733	933	79	8.5%	883	104	11.7%	5.07x	5.36x	NM	45.7x
Comtech Telecommunications Corp.	5.29	93.6%	157	565	495	35	7.0%	484	4	0.8%	1.14x	1.17x	16.4x	NM
<b>Mean</b>		<b>78.7%</b>					<b>10.9%</b>			<b>13.3%</b>	<b>5.25x</b>	<b>6.34x</b>	<b>17.6x</b>	<b>25.9x</b>
<b>Median</b>		<b>83.9%</b>					<b>8.1%</b>			<b>13.9%</b>	<b>4.70x</b>	<b>4.82x</b>	<b>17.9x</b>	<b>17.6x</b>

Source: S&P Capital IQ Data as of 12/31/2025



# CCA Government Services & Defense Indices Stock Performance



## Key Observations

- In 2025, the S&P 500 had a strong year with a gain of over 16%, while reaching multiple all-time highs.
- Defense Technology stocks were outstanding performers in 2025 because of increased government spending, innovations in technology, and persistent geopolitical instability.
- Government Services recovered from early losses to end 2025 almost flat. However, this group is down over 20% since the election in November 2024.



# Selected GovCon Precedent Transactions in Q4 2025

**nextpoint group**

Acquired by

**GODSPEED CAPITAL**

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Dec 2025

**VETERANS ENGINEERING**  
Leading Innovations, Transforming Organizations

Acquired by

**ARETUM** **RENOVUS CAPITAL**

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Dec 2025

**ELDER RESEARCH**  
DATA SCIENCE IN MACHINE LEARNING

Acquired by

**MANTECH** **CARLYLE**  
ALWAYS ADVANCING

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Dec 2025

**INVICTUS**

Acquired by

**Red River** **cerberus**

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Dec 2025

Acquired by

**SYNERGY ECP** **F**  
For Professionals, Not Companies, Without Performance

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Dec 2025

**PLEX**

Acquired by

**Markon** **STERLING INVESTMENT PARTNERS**

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Nov 2025

**MSI**

Acquired by

**VTG** **A&M CAPITAL STRATEGIC INVESTMENTS**

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Nov 2025

**SPATHE SYSTEMS**

Acquired by

**QP** **McNally CAPITAL**  
QUIET PROFESSIONALS

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Nov 2025

**SHOREPOINT**

Acquired by

**CM EQUITY PARTNERS**

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Nov 2025

**BTS**

Received investment from

**BLUE DELTA CAPITAL PARTNERS**

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Oct 2025

Acquired by

**Sigma Defense** **SAGEWIND CAPITAL**

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Oct 2025

**SILVEREDGE SILVEREDGE**

Acquired by

**SAIC**

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Oct 2025



# How CCA Helps Government Contractors



Strategy &  
Corporate  
Advisory



Investment  
Banking  
Services



Business  
Valuations &  
Financial  
Opinions

Chesapeake Corporate Advisors provides a framework for business owners to focus on building sustainable value and to explore their succession and exit alternatives. We use our proprietary tools and methodologies to assess the market and maximize value through strategy.

CCA is a leading investment bank with extensive expertise in mergers, acquisitions, divestitures, and corporate advisory. We use a comprehensive approach to assist clients develop and execute a buy-side, sell-side or recapitalization strategy domestically and in cross-border transactions.

At CCA, understanding shareholder value is at the center of everything that we do. Our analysis considers the feasibility of mergers, acquisitions, divestitures, ESOPs, management buy-outs and recapitalizations. We provide an objective, assessment of value that is deeply rooted in qualitative and quantitative analysis using our proprietary methodologies.

CCA's Government Contracting team is a blend of Corporate Advisory, Investment Banking, and Government Contracting Executives. We have worked with dozens of companies in projects ranging from Sell Side Investment Banking, to Ownership Alternatives, to Valuations to Boards of Directors.



# The CCA Government Contracting Team



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