

FOR INSTITUTIONAL USE ONLY



2023

AEROSPACE, DEFENSE, & GOVERNMENT SERVICES

ANNUAL REPORT

YEAR IN REVIEW

Activity remains robust in the Aerospace, Defense, and Government Services (“ADG”) sector despite a volatile macroeconomic environment in 2023. The global M&A market remained historically low through the first three quarters of 2023, but interest rate normalization in Q4 presented an uptick in deal sentiment. The 10-year Treasury decreased nearly 82 bps during the fourth quarter of 2023 despite finishing almost 60 bps higher for the year, forcing both corporations and private investors to take a more disciplined approach to investment strategies. Additionally, the higher rate environment has slightly pushed down valuations, making performing companies more attractive targets for acquirers and yielding competitive auctions.

Equally important, private investment funds, especially in the middle market segment, are sitting on deployable capital. These funds continue to invest despite a more challenging macroeconomic environment and uncertain geopolitical backdrop. As fund lives approach maturation, private investment vehicles rapidly deploy capital to meet their investors’ expectations on investments in quality new opportunities, while also ensuring ongoing fundraising efforts for future funds are successful. Traditionally a flight to quality in uncertain times due to its historically countercyclical nature, the ADG sector is expected to see significant market tailwinds continue.

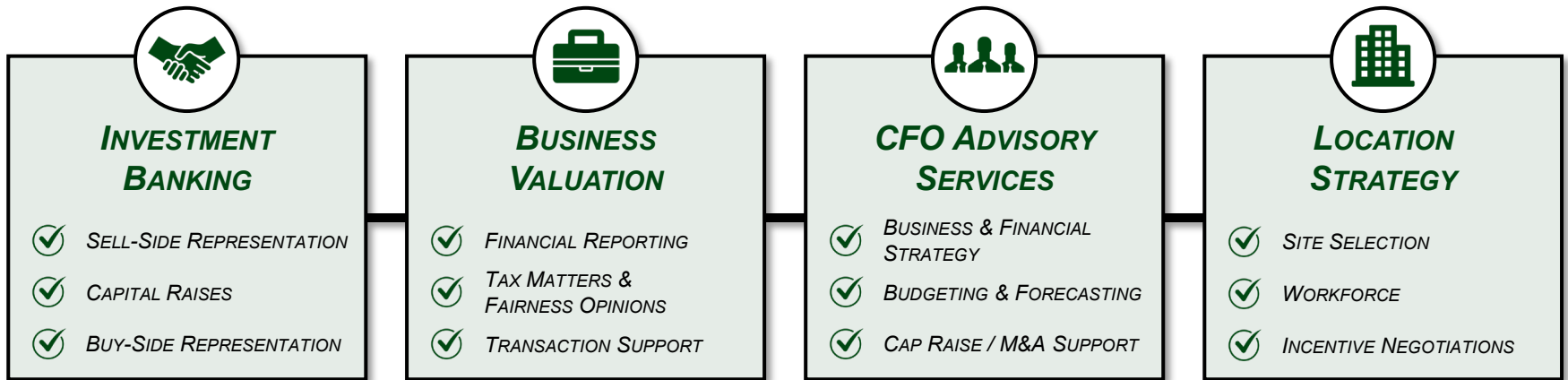
Intensified spending focus on defense, space, and technology areas amid persistent global conflicts, stabilizing inflation, and normalizing interest rates uniquely position ADG companies as attractive targets. As signs point towards a more stable macroenvironment in 2024, we believe middle-market M&A will continue to be the catalyst for increasing deal activity in the ADG space as record levels of dry powder get put to use. We continue to see this trend firsthand as our transaction volume and client list remains robust.

Sam DiPaola & Steve Prichett

- Sam DiPaola and Steve Prichett, Managing Directors



EVERGREEN ADVISORS



2023 REPRESENTATIVE ADG TRANSACTIONS



n2grate, a leading government and commercial IT solutions provider, was acquired by BlueAlly, a portfolio company of Source Capital and a top IT provider in the United States.

The transaction enabled BlueAlly to expand its access to federal clients with a comprehensive suite of service offerings.

“The whole n2grate team has done an incredible job scaling the company to the outstanding IT consulting firm it is today. It was a pleasure to work with them, and we are very excited about what BlueAlly and n2grate can do together.”

– Rick Kohr
CEO, Evergreen Advisors Capital



JRAD, a provider of test & evaluation and acquisition support services for the DOD, DHS, and other agencies was acquired by Sayres Defense, a portfolio company of Broadtree Partners.

The transaction expands Broadtree’s GovCon platform and strengthens its competitive positioning within the national security landscape.

“I can’t thank the Evergreen team enough for their professionalism, expertise, and patience to get the sale across the finish line. As a person who has slowly built a business he loves, through the mental gymnastics of the sale, their ability to provide clear guidance, stability, and calm speaks to them as professionals and, more importantly, people.”

– Mike Diederer
CEO, JRAD



PRKK, a recognized leader in large, cross-domain analyses for space-related government agencies including the USSF, SCO, and intelligence community was acquired by Systems Planning & Analysis (“SPA”), a portfolio company of Arlington Capital Partners.

The transaction grows SPA’s space and intelligence service offerings to the defense community.

“Evergreen Advisors Capital provided invaluable guidance throughout the entire process. Their expertise, knowledge, efficient process, and 24/7 communication and access allowed us to both successfully achieve our transaction goals and find an ideal home for our business.”

– Phil Ryan
Co-President, PRKK

RECENT EVERGREEN TRANSACTIONS

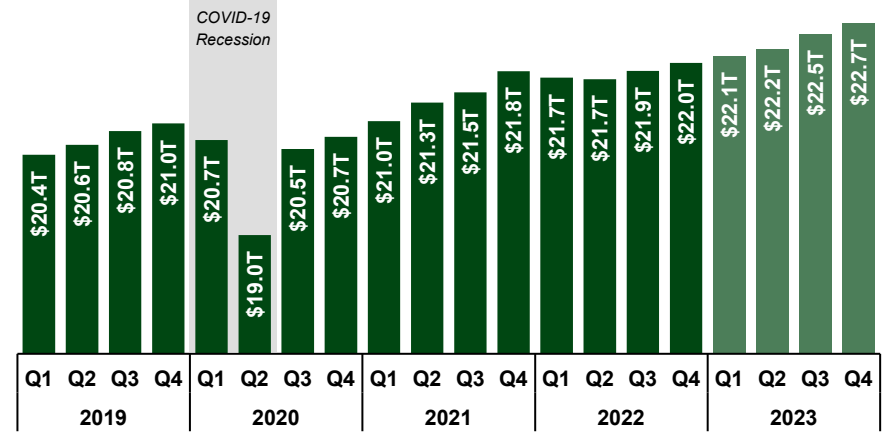
 <p>was acquired by</p> <p><i>Undisclosed Buyer</i></p> <p>Sell-Side Advisory</p>	 <p>was acquired by</p>  <p>a portfolio company of</p>  <p>Sell-Side Advisory</p>	 <p>was acquired by</p>  <p>a portfolio company of</p>  <p>Sell-Side Advisory</p>	 <p>was acquired by</p>  <p>a portfolio company of</p> <p>SourceCapital LLC</p> <p>Sell-Side Advisory</p>	<p>Communications Electronics </p> <p>was acquired by</p>  <p>Sell-Side Advisory</p>	 <p>was acquired by</p>  <p>a portfolio company of</p>  <p>Sell-Side Advisory</p>
 <p>was acquired by</p>  <p>Sell-Side Advisory</p>	 <p>was recapitalized by</p>  <p>Recapitalization</p>	 <p>was acquired by</p>  <p>Sell-Side Advisory</p>	 <p>was acquired by</p>  <p>Sell-Side Advisory</p>	    <p>was acquired by</p>  <p>Buy-Side Advisory</p>	 <p>was acquired by</p>  <p>Sell-Side Advisory</p>
 <p>was acquired by</p>  <p>Sell-Side Advisory</p>	 <p>was acquired by</p>  <p>Sell-Side Advisory</p>	 <p>was acquired by</p>  <p>Sell-Side Advisory</p>	 <p>was acquired by</p>  <p>Sell-Side Advisory</p>	 <p>was acquired by</p>  <p>Sell-Side Advisory</p>	 <p>was acquired by</p>  <p>Sell-Side Advisory</p>

THE ECONOMY IN 2023

2023 MARKET OVERVIEW

- The market surprised in 2023, defying experts’ forecasts of negative real gross domestic product (“GDP”) with positive real GDP growth of approximately 3.0%.
- Consistent consumer expenditures paired with cooling inflation and moderating unemployment figures point to a resilient environment, also highlighted by a normalized rate of steady job gains as real wages grow.
- Inflation-adjusted private investment in manufacturing construction hit a 65-year high in 2023, indicating a shift in focus on expanding manufacturing infrastructure for high-demand, non-residential industries, including computer chips and electronics. 2023 was a notable year for resiliency and a positive shift in consumer sentiment.

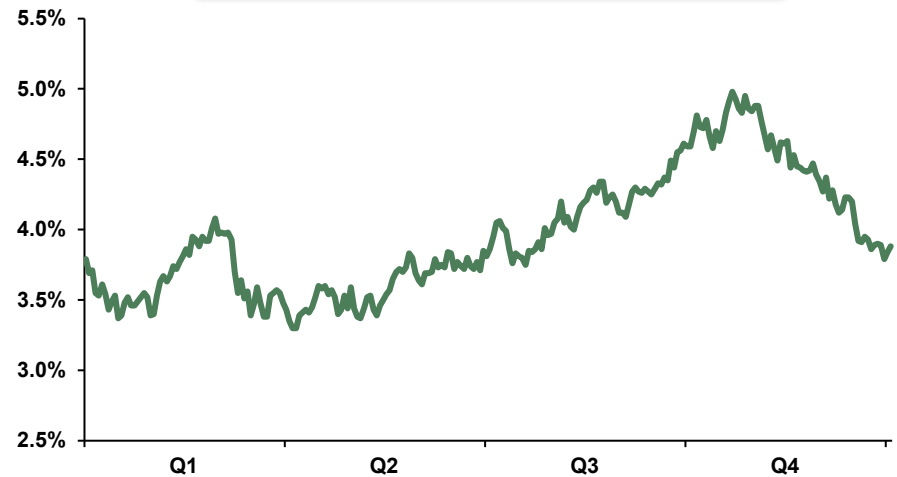
REAL GROSS DOMESTIC PRODUCT, 2019 – 2023



2023 MONTHLY INTEREST RATES

- Interest rates widely fluctuated in 2023 but ended the year almost exactly where they began, with the benchmark 10-year treasury yield finishing 2023 just under 3.9%. After 11 rate hikes over the last two years, the Federal Reserve signaled rate hikes may be completed, which led to a steady decline in interest rates during Q4.
- A noticeably softer stance on rate hikes comes as year-over-year (“YoY”) inflation moderates after nearly two years of an overheating economy. Fed Chair Jerome Powell has signaled that rate cuts could be in store during 2024, which could bolster consumer spending within the economy and drive sales.
- Normalizing interest rates in the second half of 2023 catalyzed a “return to normal” deal environment from valuation and deal flow standpoints, and outsized multiples from COVID have begun regressing to the mean.

10-YEAR TREASURY YIELD IN 2023



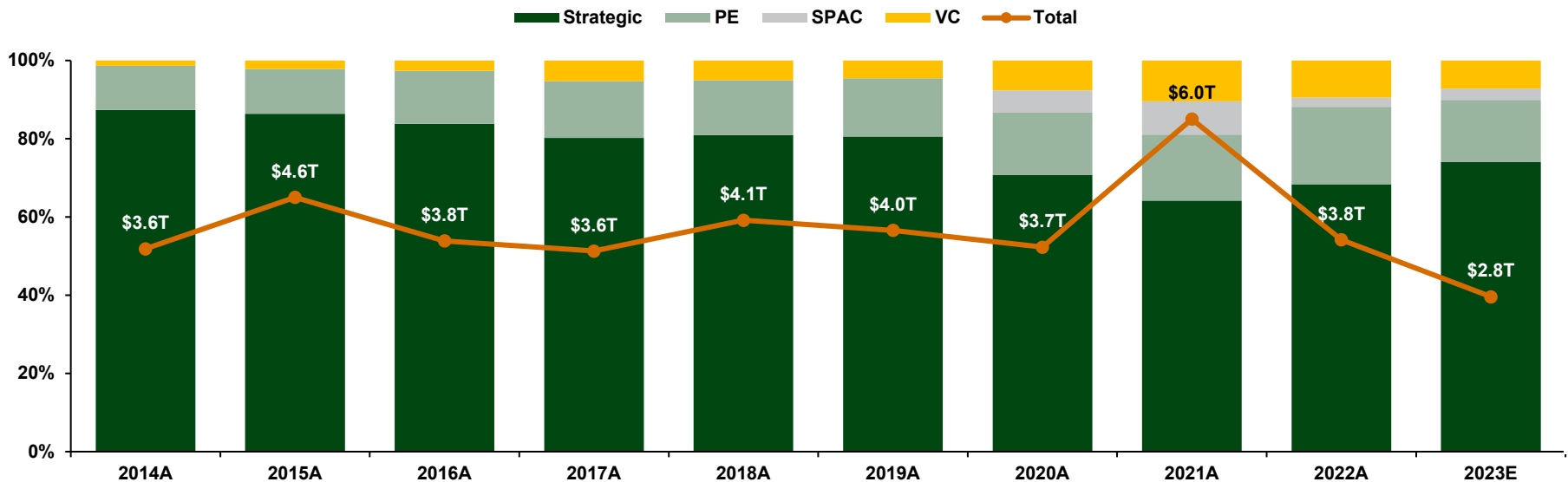
Source: Federal Reserve of St. Louis Economic Data

M&A MARKET OVERVIEW

M&A MARKET OVERVIEW

- 2023 continued a downward trend of dealmaking activity over the past two years, with global M&A halving in just two years from its \$6.0T peak in 2021. Global deal volumes also decreased approximately 20% during that timeframe. Large-scale M&A took the largest brunt of the impact, with transactions valued over \$5.0B falling by over 60% from 2021.
- Middle-market M&A remained the catalyst for dealmaking in 2023, due to the relative ease of financing smaller scale deals at current interest rates. ADG M&A in particular saw a material increase in deal volume, with over 10% more deals YoY from 2022. While interest rate uncertainty impacted deal activity, it opened the door for alternative investment options from financial sponsors, who shifted deal structures towards heavier equity contributions and creative deferred payment options including equity rolls and seller notes to shield from costly traditional financing options.
- In 2023, valuation gaps remained persistent and stunted deal volume as valuation multiples finish normalizing post-COVID. Valuation gaps and a stricter financing environment led to a slight rise in private equity minority investments. As these valuation gaps tighten in 2024 and seller sentiment normalizes, increased pressure on dry powder levels could incentivize and reinvigorate deal activity for 2024.

GLOBAL M&A BY DEAL TYPE



Source: Wall Street Journal

PRIMARY MARKET DRIVERS

PRIMARY DRIVERS INFLUENCING THE MARKET



INCREASE IN GOVERNMENT SPENDING

AS THE GEOPOLITICAL LANDSCAPE CONTINUES TO REMAIN UNCERTAIN, SECURITY SPENDING CONTINUES TO BE A PRIMARY FOCUS



STABILIZING INTEREST RATES

THE FED HAS RECENTLY STABILIZED INTEREST RATES, KEEPING RATES AT 5.25% - 5.5% FOR THE NEAR FUTURE



DECCELERATING INFLATION

SINCE 2022, OVERALL INFLATION TRENDS HAVE SLOWED FROM 9.1% IN JUNE 2022 TO 3.4% IN DECEMBER 2023



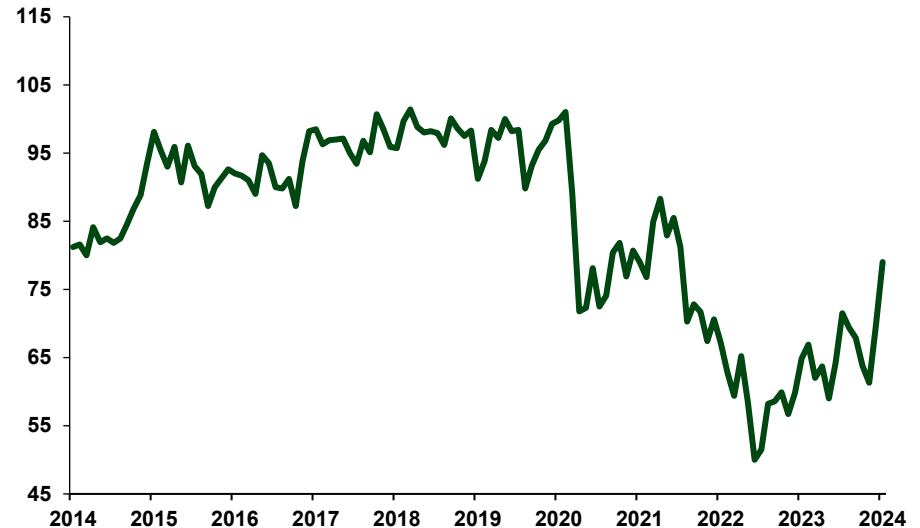
UNEMPLOYMENT REMAINS EXTREMELY LOW

UNEMPLOYMENT HAS CONSISTENTLY REMAINED BELOW 4.0%, REBOUNDING FROM RECORD HIGHS DURING COVID

KEY TAKEAWAYS

- After an extremely high inflationary period in 2022, consumer confidence has increased in part due to cooling inflation, stabilizing interest rates, and lower unemployment figures.
- Driven by an improvement in consumers' outlook for inflation, retail spending increased 5.6% in 2023, fueling the economy and reducing the risk of a recession.
- While consumer retail spending was up, elevated interest rates pushed the real estate market down 30-40% since 2022 as new homeowners struggled to afford mortgage payments.
- Federal non-defense spending towards infrastructure persisted as a result of legislation passed in 2021 and 2022, while defense spending remained a priority as geopolitical conflicts began and intensified throughout 2023. Government funding discussions to date have not had a measurable impact on deal volume.

MONTHLY CONSUMER SENTIMENT INDEX



2023 ADG MARKET

ADG M&A OVERVIEW

- Despite a downturn in the broader M&A market, ADG deal activity remained relatively strong throughout 2023, outpacing many of its peer industries in both deal volume and deal value.
- Private equity sponsors remained committed to acquiring new portfolio companies in 2023, but volatile rates and a costly financing environment pushed most groups to focus on expanding their current platforms rather than acquiring new ones.
- Public strategics remain heavily involved in dealmaking, accounting for almost 25% of M&A within the ADG space in 2023 – an environment which has largely consolidated into three buyer profiles – financial sponsors, PE-backed strategics, and public standalone strategics. Private strategics continue to be active in the smaller end of the M&A market but are increasingly leveraging private equity backing when expanding.

KEY TRENDS / TAKEAWAYS

GEOPOLITICAL CONFLICTS INCREASE U.S. MILITARY AID LEVELS

Recent and emerging global conflicts have collectively cost the U.S. almost \$60B in military aid, spurring the production of critical munitions, tactical weapons and vehicles, and other defense systems

GOVERNMENT FUNDING CONTINUES TO EXPAND

Both total funding and R&D allocations reach historic levels as the government earmarks defense and space departments as priorities moving forward

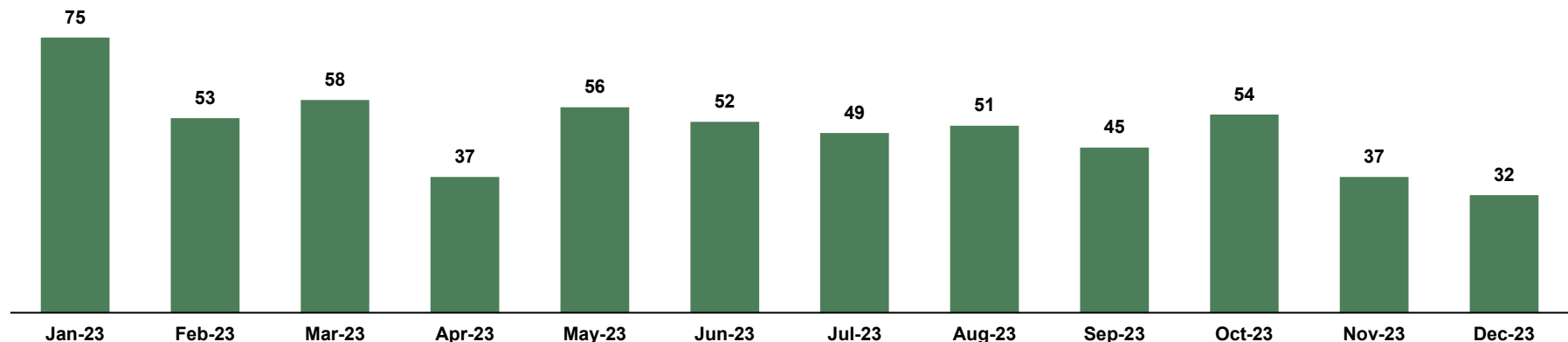
SHIFTING MONETARY POLICY

Fed Chair Powell's decisions to hold interest rates steady in December and announce plans for multiple potential rate cuts in 2024 indicate a renewed sense of confidence regarding the current state of the economy

SUPPLY CHAIN CHALLENGES PERSIST

Supply chain delays for multiple ADG industries, notably input materials, have delayed production / delivery timelines and pushed contract revenue to the right

AEROSPACE, DEFENSE, AND GOVERNMENT SERVICES (“ADG”) M&A DEAL COUNT



Source: Pitchbook

PRIMARY ADG MARKET DRIVERS

PRIMARY DRIVERS INFLUENCING ADG MARKET



ESCALATING GEOPOLITICAL TENSIONS

INCREASED SPENDING ON ADG AS FOCUS SHIFTS TOWARDS NATIONAL SECURITY TO COMBAT MODERN THREATS



TECHNOLOGICAL ADVANCEMENT

CYBER WARFARE & ESPIONAGE PROLIFERATION REQUIRES MORE SKILLED TALENT



CONTINUED IT MODERNIZATION

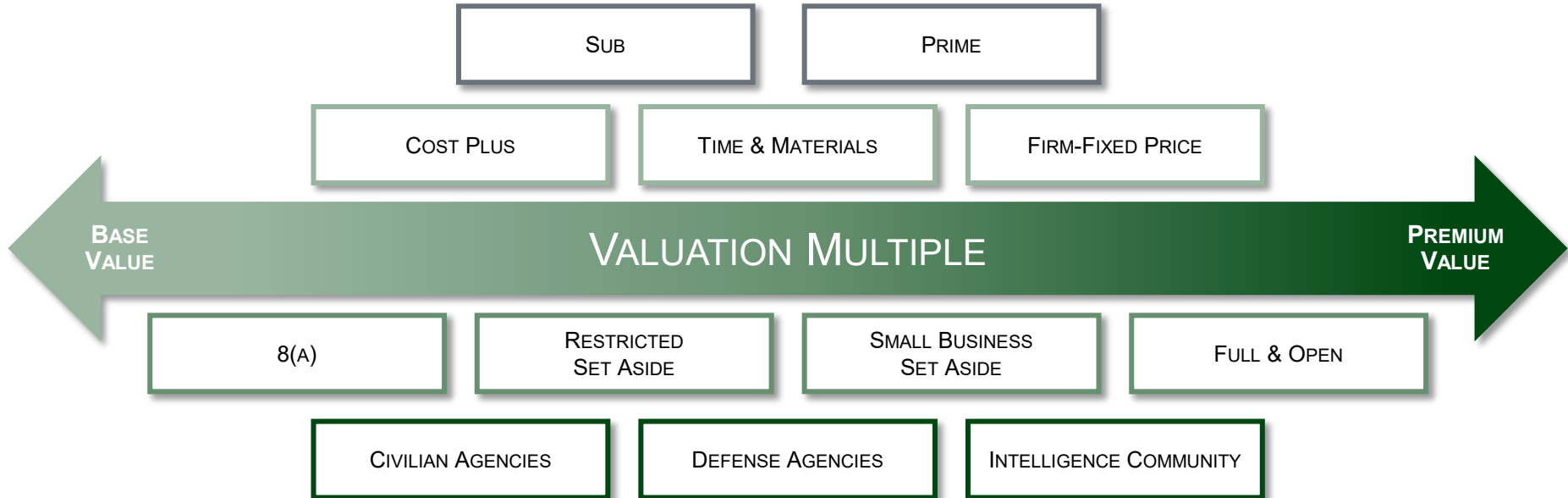
NEED FOR IT MODERNIZATION REMAINS STRONG ACROSS AGENCIES IN A DIGITAL ENVIRONMENT



ELONGATED PROCUREMENT CYCLES

CONTRACT AWARDS SLIDING AND POTENTIAL GOVERNMENT SHUTDOWNS THREATEN REVENUE FORECASTS

KEY VALUATION DRIVERS



PUBLICLY TRADED COMPANIES

After a strong 2022, the ADG sector overall continues to perform well.

ADG SECTOR OVERVIEW

GOVERNMENT SERVICES



Government Services includes companies that provide enterprise and mission-level expertise to civilian, IC, and DoD agencies.

DIVERSIFIED CONTRACTORS



Diversified Contractors comprises organizations that deliver products to enhance civilian and IC operations.

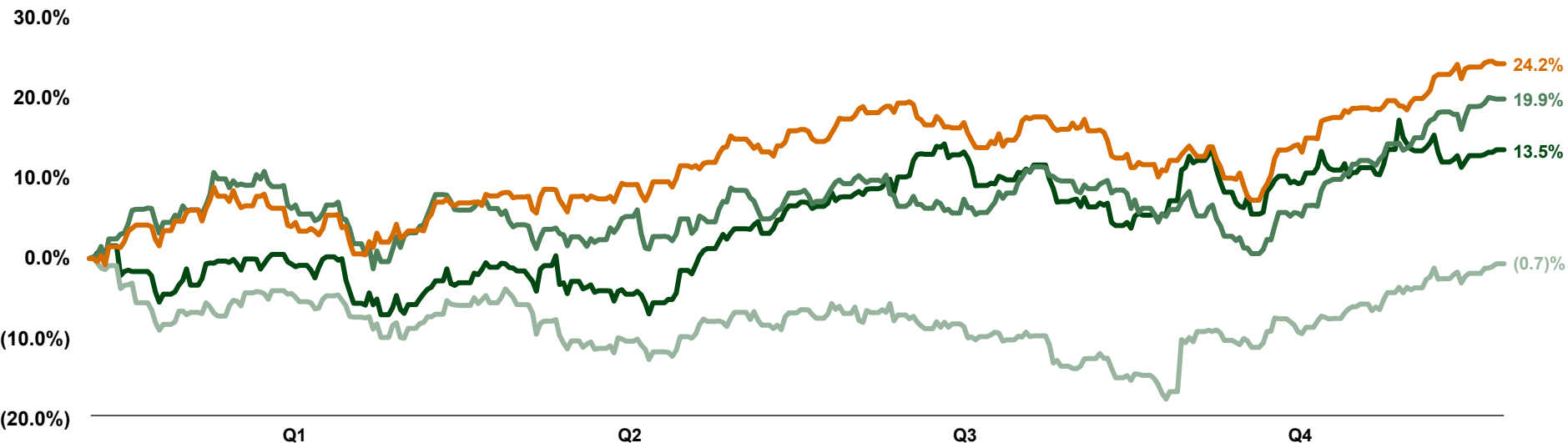
AEROSPACE & DEFENSE



Aerospace & Defense encompasses contractors that build and deploy mission-critical technology for DoD agencies.

2023 INDEX PERFORMANCE¹

— Government Services — Diversified Contractors — Aerospace & Defense — S&P 500

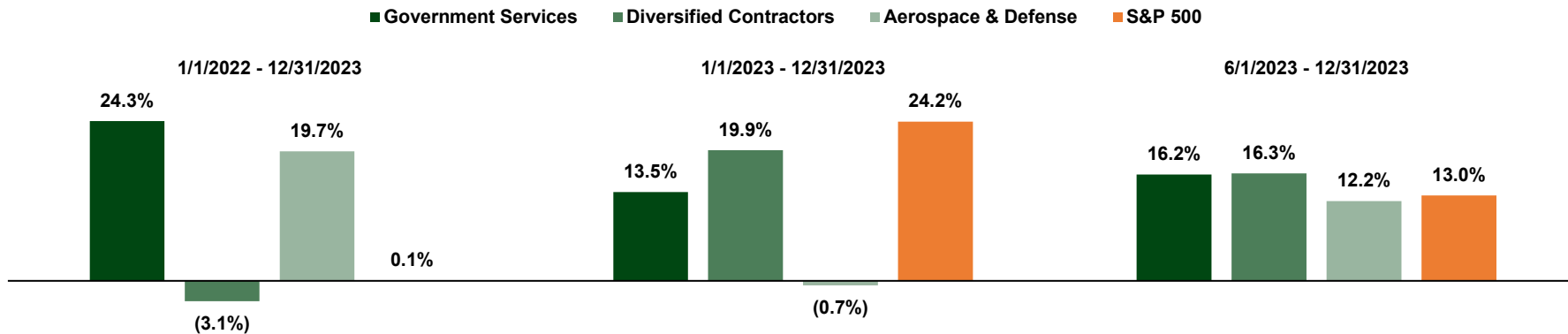


Source: S&P Capital IQ as of 12/31/2023

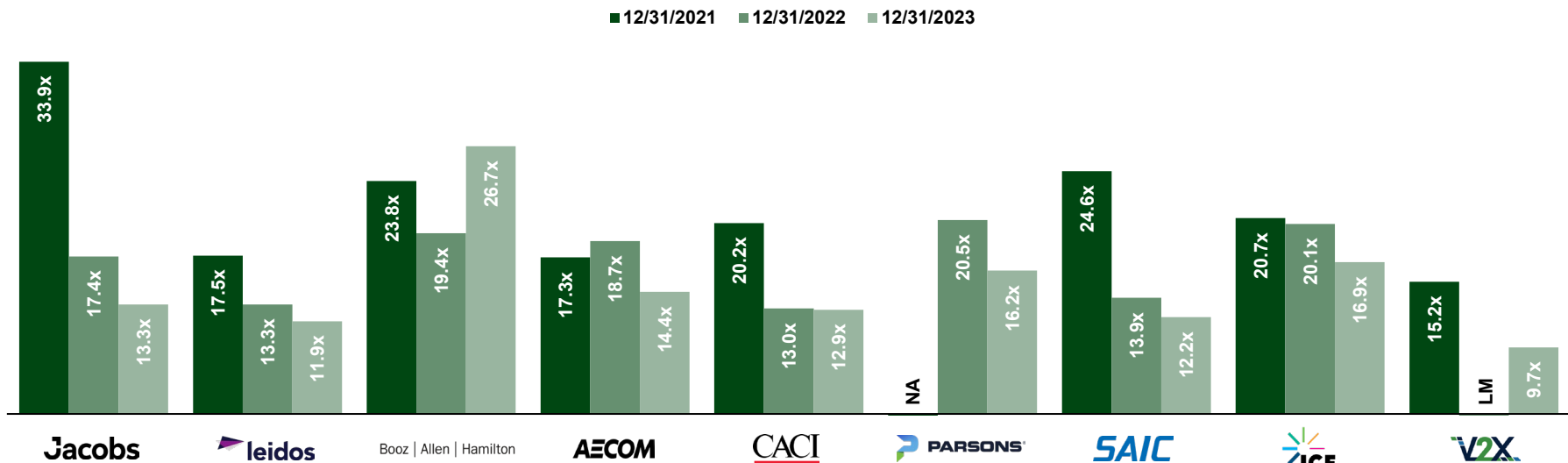
1) Index and S&P 500 performance assumes equal weighting of holdings

PUBLICLY TRADED COMPANIES

COMPARATIVE INDEX PERFORMANCE



IMPLIED EV / EBITDA VALUATION MULTIPLES – GOVERNMENT SERVICES¹



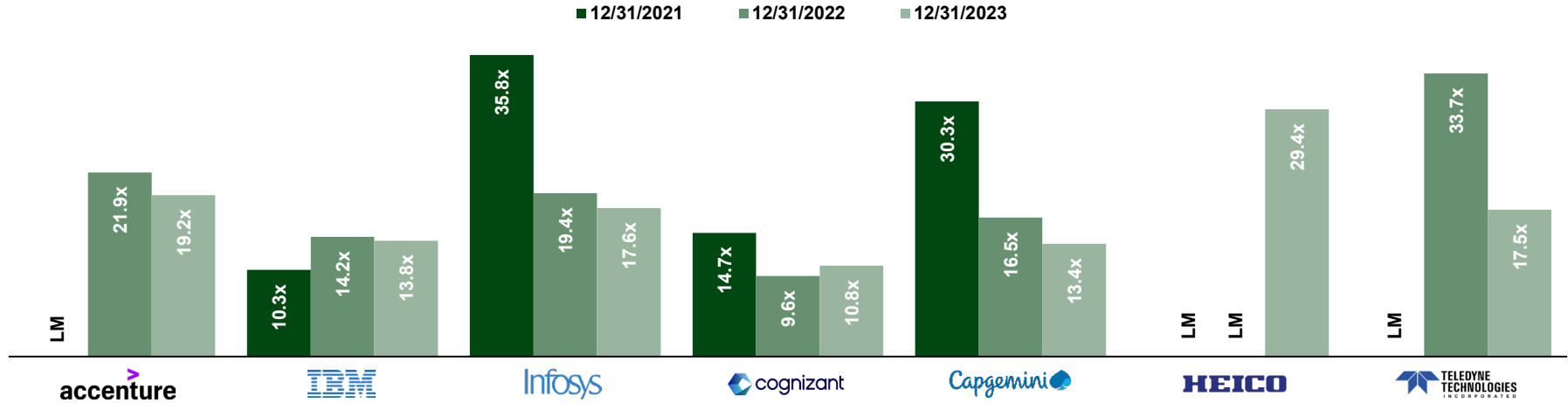
Source: S&P Capital IQ as of 12/31/2023 (assumes equal weighting for comparative index performance)

Note: EV = Enterprise Value; EBITDA = Earnings Before Interest, Taxes, and Depreciation & Amortization

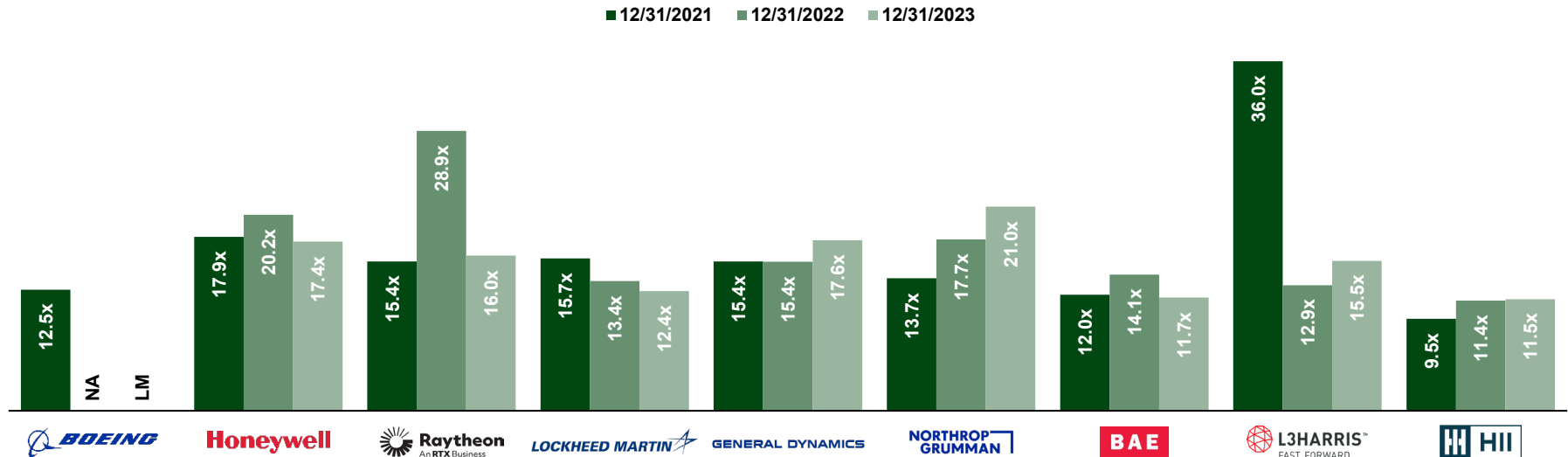
1) EV / EBITDA multiples above 40.0x denoted as large multiple ("LM") and companies with negative EBITDA figures denoted as not applicable ("NA")

PUBLICLY TRADED COMPANIES (CONT.)

IMPLIED EV / EBITDA VALUATION MULTIPLES – DIVERSIFIED CONTRACTORS¹



IMPLIED EV / EBITDA VALUATION MULTIPLES – AEROSPACE & DEFENSE¹



Source: S&P Capital IQ as of 12/31/2023

1) EV / EBITDA multiples above 40.0x denoted as large multiple ("LM") and companies with negative EBITDA figures denoted as not applicable ("NA")

PUBLICLY TRADED COMPANIES

\$ millions (excl. stock price)

	Company Name	Stock Ticker	Stock Price	% of 52-Week High	Market Cap	Enterprise Value	LTM			EV / LTM	
							Total Revenue	EBITDA	EBITDA Margin	Total Revenue	EBITDA
Government Services	Jacobs Solutions Inc.	NYSE:J	\$129.80	94.5%	\$16,396	\$19,726	\$16,713	\$1,482	8.9%	1.2x	13.3x
	Leidos Holdings, Inc.	NYSE:LDOS	\$108.24	98.0%	\$14,884	\$19,403	\$15,438	\$1,633	10.6%	1.3x	11.9x
	Booz Allen Hamilton Holding Corporation	NYSE:BAH	\$127.91	114.6%	\$16,677	\$19,763	\$10,324	\$739	7.2%	1.9x	26.7x
	AECOM	NYSE:ACM	\$92.43	101.4%	\$12,569	\$14,355	\$14,896	\$998	6.7%	1.0x	14.4x
	CACI International Inc	NYSE:CACI	\$323.86	95.0%	\$7,215	\$9,209	\$7,131	\$716	10.0%	1.3x	12.9x
	Parsons Corporation	NYSE:PSN	\$62.71	54.5%	\$6,578	\$7,451	\$5,443	\$460	8.5%	1.4x	16.2x
	Science Applications International Corporation	NYSE:SAIC	\$124.32	250.2%	\$6,472	\$8,556	\$7,675	\$700	9.1%	1.1x	12.2x
	ICF International, Inc.	NasdaqGS:ICFI	\$134.09	106.3%	\$2,523	\$3,263	\$1,963	\$193	9.8%	1.7x	16.9x
	V2X, Inc.	NYSE:VVX	\$46.44	93.6%	\$1,449	\$2,569	\$3,901	\$266	6.8%	0.7x	9.7x
	Mean				112.0%					8.6%	1.3x
Median				98.0%					8.9%	1.3x	13.3x
Diversified Contractors	Accenture plc	NYSE:ACN	\$350.91	108.4%	\$220,018	\$216,761	\$64,588	\$11,304	17.5%	3.4x	19.2x
	International Business Machines Corporation	NYSE:IBM	\$163.55	108.6%	\$149,341	\$196,963	\$61,860	\$14,291	23.1%	3.2x	13.8x
	Infosys Limited	NSEI:INFY	\$18.54	90.8%	\$76,717	\$74,996	\$18,552	\$4,250	22.9%	4.0x	17.6x
	Cognizant Technology Solutions Corporation	NasdaqGS:CTSH	\$75.53	36.7%	\$37,872	\$36,949	\$19,353	\$3,417	17.7%	1.9x	10.8x
	Capgemini SE	ENXTPA:CAP	\$208.63	295.3%	\$35,664	\$37,001	\$22,522	\$2,760	12.3%	1.6x	13.4x
	HEICO Corporation	NYSE:HEI	\$178.87	40.0%	\$21,686	\$24,531	\$3,244	\$834	25.7%	7.6x	29.4x
	Teledyne Technologies Incorporated	NYSE:TDY	\$446.29	249.4%	\$21,058	\$23,798	\$5,636	\$1,363	24.2%	4.2x	17.5x
	Mean				132.7%					20.5%	3.7x
Median				108.4%					22.9%	3.4x	17.5x
Aerospace & Defense	The Boeing Company	NYSE:BA	\$260.66	249.1%	\$157,693	\$196,605	\$77,794	\$3,154	4.1%	2.5x	LM
	Honeywell International Inc.	NasdaqGS:HON	\$209.71	94.7%	\$138,251	\$152,169	\$36,662	\$8,730	23.8%	4.2x	17.4x
	RTX Corporation	NYSE:RTX	\$84.14	38.2%	\$120,714	\$153,691	\$68,920	\$9,611	13.9%	2.2x	16.0x
	Lockheed Martin Corporation	NYSE:LMT	\$453.24	90.4%	\$112,448	\$126,286	\$67,571	\$10,225	15.1%	1.9x	12.4x
	General Dynamics Corporation	NYSE:GD	\$259.67	47.3%	\$70,736	\$80,381	\$42,272	\$4,570	10.8%	1.9x	17.6x
	Northrop Grumman Corporation	NYSE:NOC	\$468.14	183.1%	\$70,592	\$83,785	\$39,290	\$3,983	10.1%	2.1x	21.0x
	BAE Systems plc	LSE:BA.	\$14.15	5.6%	\$42,797	\$37,208	\$23,078	\$3,188	13.8%	1.6x	11.7x
	L3Harris Technologies, Inc.	NYSE:LHX	\$210.62	1645.2%	\$39,921	\$53,794	\$19,419	\$3,478	17.9%	2.8x	15.5x
	Huntington Ingalls Industries, Inc.	NYSE:HII	\$259.64	100.9%	\$10,314	\$12,885	\$11,454	\$1,119	9.8%	1.1x	11.5x
Mean				272.7%					13.3%	2.3x	15.4x
Median				94.7%					13.8%	2.1x	15.7x

Source: S&P Capital IQ as of 12/31/2023

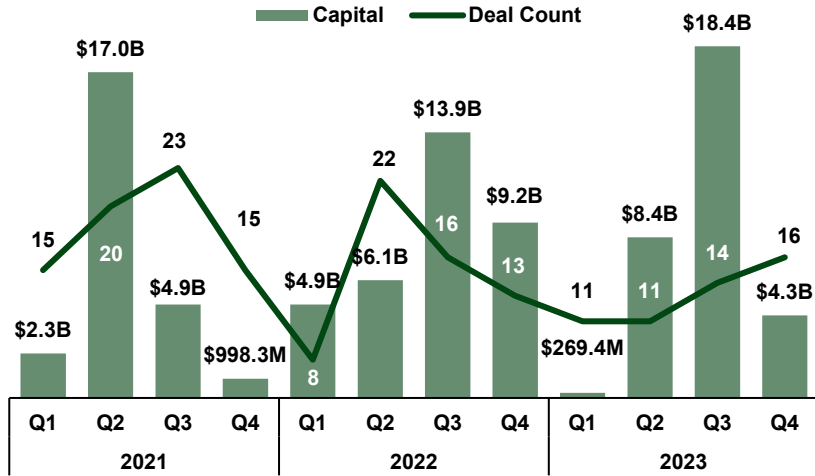
Note: LTM = Last Twelve Months

1) EV / EBITDA multiples above 40.0x denoted as large multiple ("LM") and companies with negative EBITDA figures denoted as not applicable ("NA")

ADG M&A ENVIRONMENT

Strong middle market M&A activity continues.

ANNOUNCED ADG TRANSACTIONS¹



ACTIVE MARKET PARTICIPANTS

Category	Participants
PUBLIC	SAIC, Jacobs, HEICO, QINETIQ, AMETEK, BAE, KBR, leidos, CACI, L3HARRIS
STANDALONE	AMERICAN SYSTEMS, noblis, AKIMA, ANDURIL, CIRI, MTSI, VOYAGER, ASRC, FEDERAL, TRAY INTERNATIONAL
FINANCIAL	DC CAPITAL PARTNERS, ARCLINE, BLUE DELTA, ENLIGHTENMENT CAPITAL, NEWSPRING, THE WHITE OAK GROUP, BROADTREE, GODSPEED, CI CAPITAL PARTNERS
PE-BACKED	SAYRES, REDHORSE, RealmOne, SMX, OASIS, CADMUS, SPA, EmpowerAI, SILVEREDGE, ManTech, Gunnison

SELECT ACTIVE MARKET PARTICIPANTS

PUBLIC

HEICO

13
Acquisitions since 2020

SELECT RECENT ACQUISITIONS

- Wencor Group (08/04/2023)
- Sensor Systems (08/10/2022)

amentum

8
Acquisitions since 2020

SELECT RECENT ACQUISITIONS

- Critical Mission Sol. (11/20/2023)
- Jt4 (11/01/2023)

PRIVATE EQUITY

ENLIGHTENMENT CAPITAL

30
Acquisitions since 2020

SELECT RECENT ACQUISITIONS

- RevaComm (11/06/2023)
- INNOPLEX (05/16/2023)

ACP

14
Acquisitions since 2020

SELECT RECENT ACQUISITIONS

- Exostar (11/19/2023)
- Verus Technology (04/03/2023)

PE-BACKED²

BLUEHALO

12
Acquisitions since 2020

SELECT RECENT ACQUISITIONS

- Verus Technology (04/03/2023)
- Citadel Defense (05/16/2023)

STANDALONE

ANDURIL

5
Acquisitions since 2020

SELECT RECENT ACQUISITIONS

- Blue Force Tech. (09/07/2023)
- Adranos (06/25/2023)

Source: Pitchbook

1) Representative of announced ADG transactions with disclosed deal values

2) BlueHalo is financially sponsored by Arlington Capital Partners

M&A SPOTLIGHT

Well-managed businesses and those having defensible intellectual property are seeing competitive processes and successful outcomes.



Guidehouse

was acquired by



BainCapital

12/14/2023

PRIVATE EQUITY

Professional consulting and advisory services including audit, accounting, and tax services for government agencies



RTX
Cybersecurity, Intelligence and Services Business

was acquired by

Blackstone

10/24/2023

PUBLIC NYSE:BX

Provider of mission critical intelligence, cybersecurity, and specialized solutions for U.S government agencies



splunk

was acquired by



CISCO

09/21/23

PUBLIC NAS:CSCO

Leader in AI-enabled security and digital resilience, using data analytics to provide real-time feedback



PRKK

was acquired by




SPA
a portfolio company of
ACP

09/07/23


PE-BACKED STRATEGIC

Provider of cross-domain analyses and studies to advance space domain awareness and space superiority



MAXAR

was acquired by




Advent International
GLOBAL PRIVATE EQUITY

05/03/23


PRIVATE EQUITY

Full-service geospatial intelligence company providing comprehensive earth imagery, geospatial data, and analytic solutions



JRAD
JOINT RESEARCH AND DEVELOPMENT

was acquired by



SAYRES
a portfolio company of
BROADTREE PARTNERS

06/22/23

PE-BACKED STRATEGIC

Test and evaluation, systems engineering, and acquisition support contractor for federal military and civilian agencies



GTMR

was acquired by




CASTELLUM

03/22/2023


PUBLIC NYSE: CTM

Engineering services specializing in the off-site installation of cutting-edge tactical systems for defense industry clients



Axim
GEOSPATIAL

was acquired by





























N|V|5

02/22/2023



























PUBLIC NAS: NVEE

Technology, conformity assessment, and geospatial utility services to defense, intelligence, federal, and commercial clients

RECENT TRANSACTIONS










DATE	TARGET	ACQUIRER	ACQUIRER TYPE	TARGET DESCRIPTION
12/13/2023			Private Equity	Provider of cybersecurity and cloud IT services tailored for enterprise services
12/04/2023			Standalone	Software security provider for cloud and IT related services within both the public and private sectors
11/29/2023			Public	Provider of government engineering, technology development, and mission-oriented services
11/29/2023			PE-Backed Strategic (Veritas Capital)	Design and development of small-scale satellites for data collection and monitoring
10/24/2023			PE-Backed Strategic (DC Capital Partners)	Provider of aerospace technology focused on Beyond Visual Line of Sight technology
10/18/2023			PE-Backed Strategic (Odyssey Investment Partners)	Provider of law services to government agencies, healthcare, and private sector
10/02/2023			Private Equity	Provider of enterprise solutions specializing in revenue recovery and administration software for the public sector
11/21/2023			Private Equity	Provider of business collaboration platforms, serving clients in aerospace, defense, life sciences, and healthcare
09/26/2023			Private Equity	Provider of tanker and military support vessels and operating and maintaining U.S. government-owned vessels
09/08/2023			Private	Provider of engineering, project management, and process improvement solutions for government agencies
08/15/2023			PE-Backed Strategic (Renovus Capital Partners)	Professional services firm offering IT Technology and Management Services and Solutions to government clients
07/28/2023			Public	Manufacturer of rockets, hypersonic, and propulsion systems for the space and defense industries and civil applications
06/25/2023			VC-Backed (Valor Equity Partners)	Development of solid rocket propellant used in military and space exploration applications

RECENT TRANSACTIONS (CONTINUED)

DATE	TARGET	ACQUIRER	ACQUIRER TYPE	TARGET DESCRIPTION
06/02/2023	 YINGLING AVIATION	 ae Industrial Partners	Private Equity	Maintenance, repair, and overhaul on a variety of special missions for commercial and government aviation clients
06/01/2023	 Secure Innovations	 RealmOne	PE-Backed (<i>Enlightenment Capital</i>)	Cybersecurity engineering, security automation, and vulnerability testing for defense and commercial clients
05/30/2023	 GE GARDETTO ENGINEERING LLC	 SILVEREDGE	PE-Backed (<i>Godspeed Capital</i>)	System engineering supporting hardware and software lifecycles for customers
05/08/2023	 LA JOLLA LOGIC	 Boecore	PE-Backed (<i>Enlightenment Capital</i>)	Information security system solutions for DoD, academic, and commercial customers
04/19/2023	 Miracle Systems	 ARETUM	PE-Backed (<i>Renovus Capital</i>)	PMO support, IT modernization initiatives, and engineering services for government customers
04/06/2023	 VPSI	 Chugach	Standalone (<i>Alaska Native Corporation</i>)	Cybersecurity, information assurance, system engineering, and acquisition management services for federal clients
03/21/2023	 UES Excellence in Science & Technology	 eclipse	PE-Backed (<i>Arlington Capital Partners</i>)	On-site scientific, technical, and research support services for government agencies and industry partners
03/15/2023	 Aviation Ground Equipment Corp.	 HDT GLOBAL	PE-Backed (<i>Nexus Capital Management</i>)	Manufacturing and distribution of ground support equipment for military and commercial aviation industry applications
03/13/2023	 ZIN TECHNOLOGIES	 VOYAGER SPACE	Holding Company	Design, fabrication, and testing of spaceflight hardware and integrated products for DoD, NASA, and commercial clients
02/17/2023	 CLOVER LEAF	 ceis	PE-Backed (<i>White Wolf Capital Group</i>)	Consulting and staffing services for Department of Energy (“DOE”) laboratories and commercial clients
02/16/2023	 NATHAN Trusted for Excellence	 CADMUS	PE-Backed (<i>CI Capital Partners</i>)	Economic and analytics consulting for government and commercial clients
02/13/2023	 ORBIT LOGIC	 Boecore	PE-Backed (<i>Enlightenment Capital</i>)	Mission planning and space situational awareness for aerospace, defense, and satellite industry clients
02/01/2023	 KnowBe4	 VISTA EQUITY PARTNERS	Private Equity	Security awareness training and software applications for commercial and government clients







SELECT AWARDED CONTRACTS

Awards reflect competing fiscal needs and shifting priorities.

DATE	CUSTOMER	AWARD VALUE (\$M)	AWARDEE(S)	SCOPE OF WORK
12/26/2023	Department of Veterans Affairs	\$1,400	 IRON BOW™ HEALTHCARE SOLUTIONS	Provide an integrated platform and services to support the VA's connected Care Technologies
12/07/2023	U.S. Department of the Army	\$975	Twelve Awardees	Support training and communication services for the Army across various locations
11/28/2023	U.S. Department of the Air Force	\$2,300	 BOEING	Contract modification to supply 15 additional KC – 46A Pegasus Tankers
11/09/2023	U.S. Department of the Interior	\$2,540	 GENERAL DYNAMICS Information Technology	Support the Indian Health Service in modernization efforts to a new enterprise EHR platform
11/06/2023	U.S. Special Operations Command	\$2,800	 Peraton	Provide support to enterprise operations covering IT services and network infrastructure
11/01/2023	Department of Veterans Affairs	\$60,700	Thirty Awardees	Operations and project management solutions for broad sector IT, enterprise planning, and system maintenance
10/31/2023	U.S. Department of the Air Force	\$996	 LOCKHEED MARTIN	To design and manufacture MK21A reentry vehicle for intercontinental ballistic missile weapon systems
10/23/2023	Defense Health Agency	\$3,000	 United Concordia dental™	Dental health provider for the Military Health Systems
09/28/2023	U.S. Defense Health Agency	\$1,530	Six Awardees	Comprehensive health care support services for military retirees, active-duty personnel, and family members
09/21/2023	U.S. Department of Defense	\$3,130	 GlobalFoundries™	Microelectronic products and trusted processes for the Defense Microelectronics Activity
09/07/2023	U.S. Department of the Navy	\$14,600	 GENERAL DYNAMICS HII	Construction of Flight III Arleigh Burke-class destroyers
08/30/2023	U.S. Forest Service	\$1,500	Forty-Four Awardees	Type 2 helicopters in support of wildland fire management initiatives, including fire suppression and monitoring
08/07/2023	U.S. Marshals Service	\$1,930	 WALDEN SECURITY®	Protective services for federal court houses

SELECT AWARDED CONTRACTS

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DATE	CUSTOMER	AWARD VALUE (\$M)	AWARDEE(S)	SCOPE OF WORK
07/24/2023	U.S. Defense Information Systems Agency	\$900	Sixteen Awardees	Satellite communication services for the Space Systems Command's Satellite Communications Office
06/23/2023	U.S. Department of Treasury	\$1,300		Support for cloud service integration through centralized cloud-base platform
06/22/2023	U.S. Postal Service	\$2,800		Management services for multi-cloud operations and network infrastructure solutions
05/18/2023	U.S. Department of Internal Revenue Services	\$2,600		Support for the modernization and simplification of IRS system operations
04/26/2023	U.S. Department of Health and Human Services	\$75,000	Multiple Awardees	Management, direct care, and infrastructure in support of refugees
04/19/2023	National Aeronautics and Space Administration	\$719		Development, engineering, and testing of new scientific technologies to support NASA programs
04/14/2023	U.S. Department of Energy	\$45,000		Oversight of former plutonium manufacturing complex
03/29/2023	Federal Aviation Administration	\$2,400		Modernization of telecommunications infrastructure and network support through FAA Enterprise Network Services
03/29/2023	U.S. Department of the Army	\$1,200		Production and delivery of Patriot Missile System fire units
03/24/2023	U.S. Department of the Army	\$1,790		Flight simulation training support services
03/01/2023	U.S. Department of the Air Force	\$1,200		Development of E-7 airborne early warning and control aircraft variants
02/24/2023	NASA Kennedy Space Center	\$3,200		Ground system and infrastructure support for the Artemis, Orion, and Space Launch initiatives
02/01/2023	U.S. Naval Air Systems Command	\$717		Sensor development and sensor suite production for multi-intelligence applications

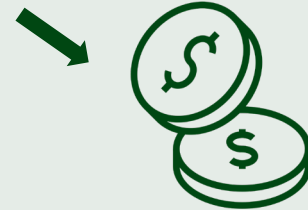
EVERGREEN'S OBSERVATIONS FOR 2024

Evergreen Advisors Capital foresees a robust M&A market due to a favorable economic environment and pent-up demand for investment monetization and strategic acquisitions.

STRATEGIC AND FINANCIAL BUYERS CONTINUE TO EXECUTE ACQUISITIONS AND AN M&A COMEBACK IS PROJECTED FOR 2024



STRONG BALANCE SHEETS, PROJECTED CUTS TO INTEREST RATES MAKING FINANCING MORE AFFORDABLE, AND CEO AND INVESTOR CONFIDENCE ARE FUELING ANTICIPATION OF STRONG CORPORATE M&A ACTIVITY

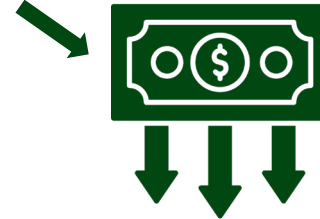


PRIVATE CAPITAL HAS A RECORD \$1.9 TRILLION OF DRY POWDER AND FINANCIAL BUYERS HAVE INVESTMENTS THAT NEED TO BE MONETIZED

KEY INDICATORS CONTINUE TO POINT TO A STRONG MACROECONOMIC ENVIRONMENT IN 2024, BOLSTERING A RESURGENT M&A MARKET



EMPLOYMENT REMAINS STRONG, INDICATING THAT THE FEDERAL RESERVE COULD POSSIBLY ACHIEVE ITS ENVISAGED SOFT LANDING AND PROVIDING MORE CERTAINTY ON FUTURE DECISIONS AND TRAJECTORY



INFLATION CONTINUES TO FALL AS THE FEDERAL RESERVE BEGINS TO LOOK TOWARDS REDUCING INTEREST RATES, SUPPORTING GREATER INVESTMENT AND SPENDING

PLEASE CALL US REGARDING CURRENT MARKET OPPORTUNITIES & M&A SERVICES

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