chesapeake corporate advisors

# Defense & Government

## INDUSTRY UPDATE | *Q2 2026*

IN THIS ISSUE

# 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

**120+**
2025 Valuations

**12+**
Advisory Clients Exited since Jan. 2021

# Intel and Cyber News

### Fixed-Price Contracts

In April 2026, the Administration issued an Executive Order directing agencies to maximize the use of fixed-price and performance-based contracts and make them the default approach for federal procurement. The policy reflects a broader effort to improve cost predictability, increase contractor accountability, and reduce the government's reliance on cost-reimbursement contract vehicles.

### E.O. on AI Innovation & Security

Signed in June 2026, Executive Order 14409 ("Promoting Advanced Artificial Intelligence Innovation and Security") elevates the NSA into a central tech oversight role. Under the directive, the NSA is partnered with CISA and the Treasury Department to build a new AI cybersecurity clearinghouse tasked with scanning and patching software vulnerabilities. The NSA must also co-develop a classified benchmarking process to evaluate voluntary 30-day pre-release access to "covered frontier models" before public launch.

### David Imbordino Appointed

The NSA named David Imbordino as Chief of its Cybersecurity Directorate, placing a veteran cyber and intelligence leader at the helm of one of the government's most influential cybersecurity organizations. The appointment comes as the agency continues expanding collaboration with industry and strengthening defenses against increasingly sophisticated nation-state cyber threats.

### CYBERCOM AI Cyber Ops

U.S. Cyber Command is seeking to increase funding for its "AI for Cyber Operations" initiative from $5 million in FY26 to $138 million in FY27, underscoring the growing importance of AI-enabled capabilities across offensive and defensive cyber missions. The investment is intended to improve threat detection, accelerate decision-making, and enable cyber operators to respond to adversaries at machine speed.

### CYBERCOM 2.0

In his official June 2026 posture statement, U.S. Cyber Command Commander General Joshua M. Rudd outlined the strategic evolution of the Command toward a specialized, high-tempo force model known as "CYBERCOM 2.0". The transition prioritizes deep domain mastery over baseline force quantity while leveraging expanded Service-like budgetary, artificial intelligence, and acquisition authorities to pace escalating state-sponsored digital threats.

### Quantum Computing

On May 21, 2026, the Department of Commerce announced a $2 billion investment across nine quantum companies to build domestic infrastructure and protect critical supply chains. Departing from traditional research grants, the administration is utilizing the CHIPS and Science Act to take passive, minority non-controlling equity stakes.

## 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.

# Recent Government Technology Services Transaction Highlights

**Announced: May 2026**

USContracting, Inc. was acquired by nextpoint group / A portfolio company of Godspeed Capital

### Target Description

UScontracting, Inc. delivers advanced software engineering and information technology solutions to U.S. federal government, defense, intelligence, and select commercial customers. Founded in 2002, the Company specializes in developing mission-critical applications that support cybersecurity, signals intelligence (SIGINT), data analytics, cloud computing, and high-performance computing environments. UScontracting, Inc. is recognized for delivering scalable, real-time software solutions that address complex intelligence, defense, and cyber challenges.

**Announced: June 2026**

Insignis (Remarkable Results) was acquired by Woven / A portfolio company of F

### Target Description

Insignis provides advanced information technology and engineering services to U.S. government customers supporting cybersecurity and national security missions. Founded in 2017, the Company specializes in designing, building, securing, and sustaining complex technology infrastructures while delivering systems engineering, network engineering, cybersecurity, and software development solutions for mission-critical environments. The Company's approach leverages exceptional engineering talent to design complex, secure environments, while their sustainment frameworks focus on maintaining the infrastructure that makes mission-critical cyber operations possible.

**Announced: June 2026**

Ready Support Services was acquired by TYTO Athene / A portfolio company of ACP

### Target Description

Ready Support Services (RSS) provides advanced information technology, cloud, cybersecurity, and systems engineering services to U.S. federal government agencies, particularly within the intelligence community (IC), Department of Defense (DoD), and national security sectors. The Company specializes in helping intelligence and defense organizations transition mission-critical applications to secure cloud environments. It has extensive experience supporting application rationalization, cloud migration planning, infrastructure modernization, and enterprise operations while tailoring solutions to unique security and operational requirements.

**Announced: June 2026**

naralogics was acquired by OMNI (Disrupt | Innovate | Succeed) / A portfolio company of MDP

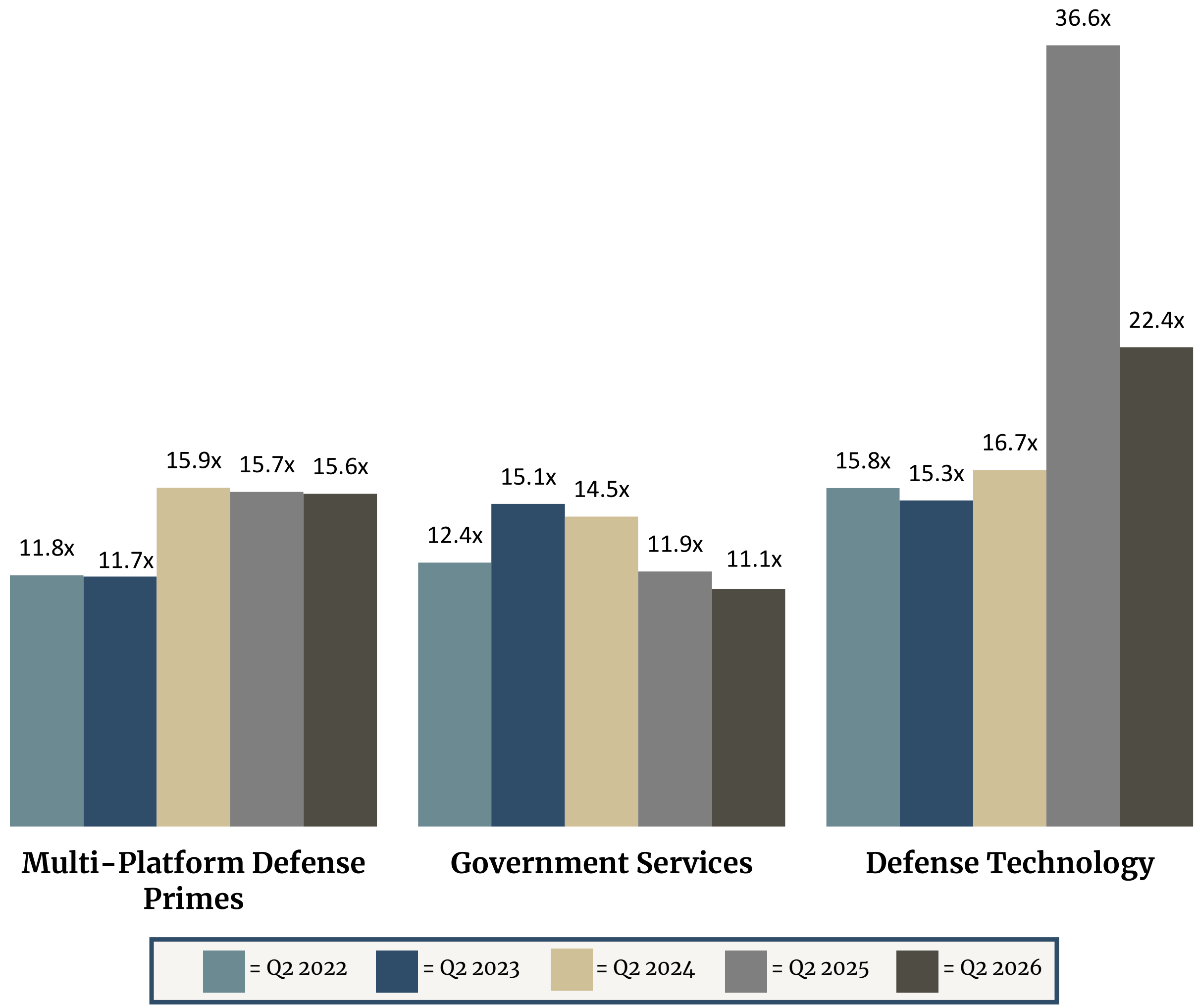
### Target Description

Nara Logics is a developer of neuro-inspired AI technologies and advanced decision-intelligence platforms for private sector and U.S. federal government aerospace and defense markets. The company's Synaptic Intelligence Platform is a neuroscience-inspired AI platform that combines knowledge graphs, contextual reasoning, continuous learning, and transparent AI recommendations to support mission planning, intelligence analysis, operational decision-making, customer engagement, and predictive analytics. The platform's architecture enables organizations to rapidly develop AI advisors capable of delivering real-time, context-aware recommendations.

# 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.

BAE SYSTEMS | BOEING | Honeywell | GENERAL DYNAMICS | L3HARRIS | LOCKHEED MARTIN | NORTHROP GRUMMAN | Raytheon Technologies

### 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.

Booz | Allen | Hamilton | CACI | JACOBS | ICF | leidos | PARSONS | SAIC | V2X

### 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.

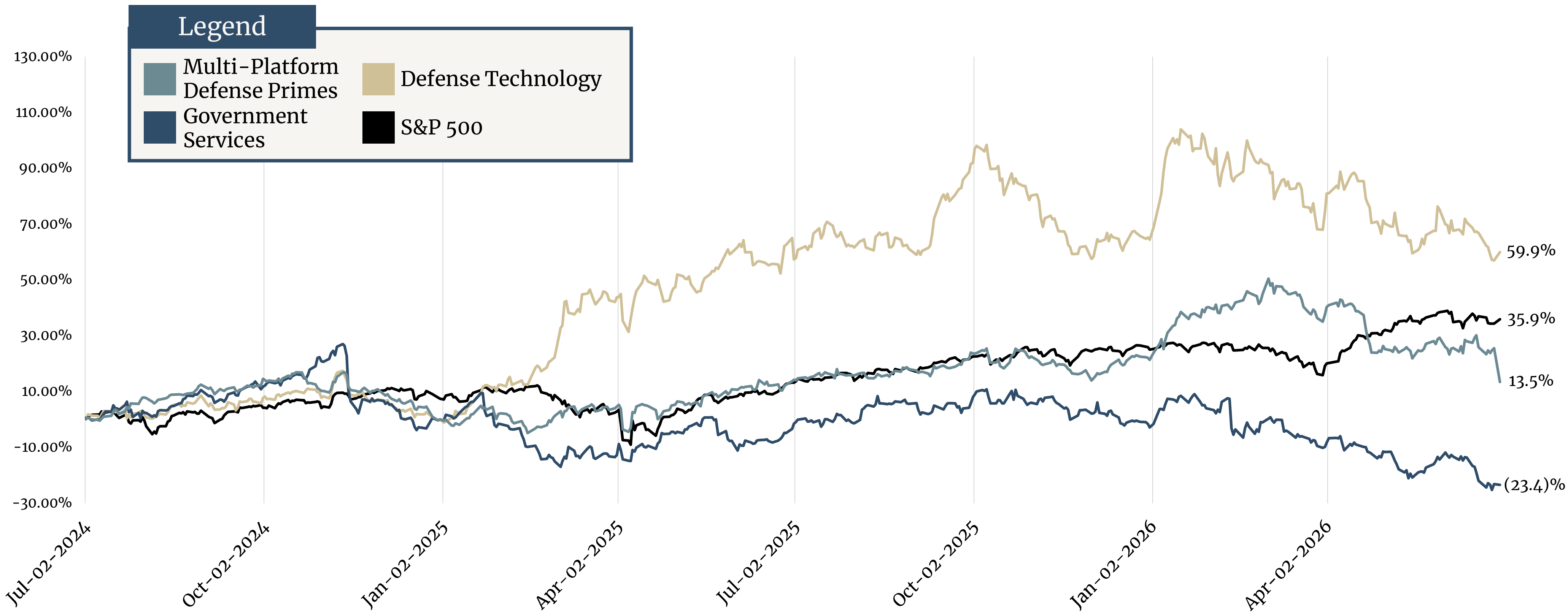
AeroVironment | COMTECH | mercury systems | KRATOS | TELEDYNE TECHNOLOGIES | THALES

# Public Market Data

| | | Market Data | | | Financial Performance | | | | | | Enterprise Value / | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *($ in millions, except share price)* | | % of 52 | Market | Enterprise | TTM 2025 | | | 2025E | | | Revenue | | EBITDA | |
| Company | Price | Week High | Cap | Value | Revenue | EBITDA | EBITDA % | Revenue | EBITDA | EBITDA % | TTM | 2025E | TTM | 2025E |
| **Multi-Platform Defense Primes** | | | | | | | | | | | | | | |
| RTX Corporation | $189.73 | 88.5% | $255,506 | $289,377 | $90,373 | $15,263 | 16.9% | $94,055 | $15,829 | 16.8% | 3.20x | 3.08x | 19.0x | 18.3x |
| The Boeing Company | 216.47 | 85.1% | 170,644 | 200,086 | 92,184 | (3,259) | NM | 97,610 | 4,382 | 4.5% | 2.17x | 2.05x | NM | 45.7x |
| Honeywell International Inc. | 223.90 | 45.1% | 70,937 | 97,375 | 37,660 | 8,526 | 22.6% | 20,176 | 4,570 | 22.7% | 2.59x | 4.83x | 11.4x | 21.3x |
| Lockheed Martin Corporation | 509.46 | 73.6% | 117,463 | 136,266 | 75,106 | 7,995 | 10.6% | 79,131 | 11,243 | 14.2% | 1.81x | 1.72x | 17.0x | 12.1x |
| General Dynamics Corporation | 354.24 | 95.8% | 95,653 | 101,831 | 53,808 | 6,487 | 12.1% | 55,284 | 6,742 | 12.2% | 1.89x | 1.84x | 15.7x | 15.1x |
| Northrop Grumman Corporation | 509.31 | 65.8% | 72,339 | 87,823 | 42,367 | 7,307 | 17.2% | 43,976 | 6,215 | 14.1% | 2.07x | 2.00x | 12.0x | 14.1x |
| BAE Systems plc (United Kingdom) | 24.47 | 78.1% | 69,413 | 77,277 | 38,137 | 4,829 | 12.7% | 44,066 | 6,202 | 14.1% | 2.03x | 1.75x | 16.0x | 12.5x |
| L3Harris Technologies, Inc. | 290.59 | 76.6% | 54,135 | 64,902 | 22,477 | 4,114 | 18.3% | 23,550 | 4,248 | 18.0% | 2.89x | 2.76x | 15.8x | 15.3x |
| **Mean** | | **76.1%** | | | | | **15.8%** | | | **14.6%** | **2.33x** | **2.50x** | **15.3x** | **19.3x** |
| **Median** | | **77.4%** | | | | | **16.9%** | | | **14.2%** | **2.12x** | **2.02x** | **15.8x** | **15.2x** |
| **Government Services** | | | | | | | | | | | | | | |
| Leidos Holdings, Inc. | $102.97 | 50.0% | $12,952 | $19,490 | $17,329 | $2,404 | 13.9% | $18,231 | $2,487 | 13.6% | 1.12x | 1.07x | 8.1x | 7.8x |
| Jacobs Solutions Inc. | 126.00 | 74.8% | 14,878 | 18,056 | 13,175 | 1,025 | 7.8% | 14,219 | 1,404 | 9.9% | 1.37x | 1.27x | 17.6x | 12.9x |
| Booz Allen Hamilton Holding Corporation | 60.67 | 50.5% | 7,265 | 10,659 | 11,217 | 1,258 | 11.2% | 11,300 | 1,205 | 10.7% | 0.95x | 0.94x | 8.5x | 8.8x |
| CACI International Inc | 463.26 | 67.8% | 10,234 | 15,691 | 9,163 | 1,106 | 12.1% | 9,557 | 1,140 | 11.9% | 1.71x | 1.64x | 14.2x | 13.8x |
| Parsons Corporation | 52.39 | 58.5% | 5,605 | 7,111 | 6,301 | 524 | 8.3% | 6,651 | 653 | 9.8% | 1.13x | 1.07x | 13.6x | 10.9x |
| Science Applications International Corporation | 110.41 | 89.5% | 4,668 | 7,234 | 7,291 | 737 | 10.1% | 7,257 | 707 | 9.7% | 0.99x | 1.00x | 9.8x | 10.2x |
| V2X, Inc. | 74.56 | 81.2% | 2,335 | 3,251 | 4,718 | 312 | 6.6% | 4,934 | 357 | 7.2% | 0.69x | 0.66x | 10.4x | 9.1x |
| ICF International, Inc. | 72.86 | 71.6% | 1,319 | 1,919 | 1,823 | 198 | 10.9% | 1,907 | 215 | 11.3% | 1.05x | 1.01x | 9.7x | 8.9x |
| **Mean** | | **68.0%** | | | | | **10.1%** | | | **10.5%** | **1.13x** | **1.08x** | **11.5x** | **10.3x** |
| **Median** | | **69.7%** | | | | | **10.5%** | | | **10.3%** | **1.09x** | **1.04x** | **10.1x** | **9.7x** |
| **Defense Technology** | | | | | | | | | | | | | | |
| Thales S.A. (France) | $256.83 | 80.5% | $52,772 | $54,718 | $25,991 | $3,535 | 13.6% | $27,098 | $4,351 | 16.1% | 2.11x | 2.02x | 15.5x | 12.6x |
| Teledyne Technologies Incorporated | 666.90 | 96.2% | 30,897 | 32,852 | 6,226 | 1,538 | 24.7% | 6,428 | 1,609 | 25.0% | 5.28x | 5.11x | 21.4x | 20.4x |
| AeroVironment, Inc. | 165.07 | 39.5% | 8,323 | 8,525 | 1,977 | 195 | 9.8% | 1,898 | 273 | 14.4% | 4.31x | 4.49x | 43.8x | 31.2x |
| Kratos Defense & Security Solutions, Inc. | 49.86 | 37.2% | 9,340 | 8,062 | 1,415 | 81 | 5.7% | 1,744 | 177 | 10.2% | 5.70x | 4.62x | NM | 45.5x |
| Mercury Systems, Inc. | 122.33 | 99.7% | 7,345 | 7,670 | 967 | 96 | 9.9% | 959 | 145 | 15.1% | 7.93x | 7.99x | NM | NM |
| Comtech Telecommunications Corp. | 2.10 | 33.8% | 63 | 497 | 454 | 37 | 8.1% | 433 | 36 | 8.2% | 1.09x | 1.15x | 13.4x | 14.0x |
| **Mean** | | **64.5%** | | | | | **12.0%** | | | **14.8%** | **4.40x** | **4.23x** | **23.5x** | **24.7x** |
| **Median** | | **60.0%** | | | | | **9.9%** | | | **14.7%** | **4.79x** | **4.56x** | **18.4x** | **20.4x** |

**Source: S&P Capital IQ Data as of 06/30/2026**

# CCA Government Services & Defense Indices Stock Performance




## Key Observations

- Since June 2024, the S&P 500 has gained over 35%, while reaching multiple all-time highs.
- Defense Technology stocks experienced significant growth since 2024 because of a shift from traditional hardware to advanced electronics, sensors, AI, and data processing. However, these companies have come off their highs from early 2026.
- Government Services have experienced declines throughout the first half of 2026. This is driven from sector-wide pressures, as the government continues to shift its focus to products from services.

# Selected GovCon Precedent Transactions in Q2 2026

**Prominent Edge**
*Acquired by*
WINDWARD | FTV Capital
April 2026

**Syntelligent Analytic Solutions, LLC**
*Acquired by*
Bridge Defense
April 2026

**icgLUX**
*Acquired by*
Scale
April 2026

**LS Contracting, Inc.**
*Acquired by*
nextpoint group | Godspeed Capital
May 2026

**HALO Privacy**
*Acquired by*
cycurion
May 2026

**Bad Monkey AI**
*Minority Investment by*
B&A | DFW Capital Partners
May 2026

**naralogics**
*Acquired by*
OMNI | MDP
June 2026

**BreakPoint Labs**
*Acquired by*
Valiant Solutions | Bluestone Investment Partners
June 2026

**Ready Services Group**
*Acquired by*
TYTO Athene | ACP
June 2026

**Insignis**
*Acquired by*
Woven
June 2026

**Dragos**
*Acquired by*
accenture
June 2026

**CyberHawk**
*Acquired by*
Ondas
June 2026

# How CCA Helps Government Contractors

### Strategy & Corporate Advisory

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.

### Investment Banking Services

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.

### Business Valuations & Financial Opinions

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

***Charlie Maskell***
***Managing Partner***
***cmaskell@ccabalt.com***

***Marty O'Neill***
***Managing Director***
***moneill@ccabalt.com***

***Mike Zuidema***
***Managing Director***
***mzuidema@ccabalt.com***

***Tim Brasel***
***Managing Director***
***tbrasel@ccabalt.com***

***Katie Kieran***
***Director***
***kkieran@ccabalt.com***

***Andy Spears***
***Director***
***aspears@ccabalt.com***

***Dave Morrison***
***Director***
***dmorrison@ccabalt.com***

***Meghan Smith***
***Vice President***
***mdaley@ccabalt.com***