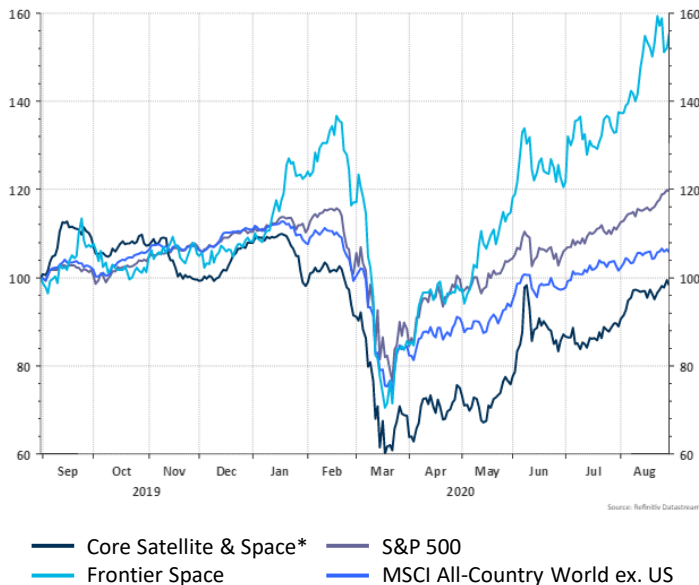


## Aug. 2020 Key Monthly Takeaways:

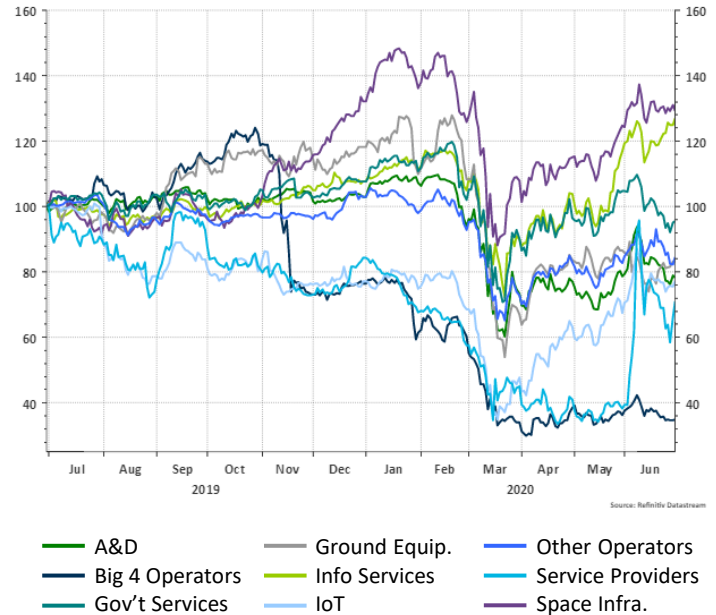
- Our core Satellite & Space index was up +11% in August vs. +7% for the S&P 500, with vibrant activity across each of the commercial, civil, and defense space arenas. In commercial space, SpaceX's Starlink program advanced further and Intelsat made a large move in acquiring Gogo's CA business. In defense space, KBR is acquiring Centauri and the U.S. SDA made a key award for its Tranche 0 "Transport Layer" (to York and Lockheed). Meanwhile, a successful follow-on equity offering by Virgin Galactic early in the month demonstrated the public's ongoing interest in investable frontier space-related themes

## Public Stock Performance

### LTM Core Satellite & Space vs. Indices



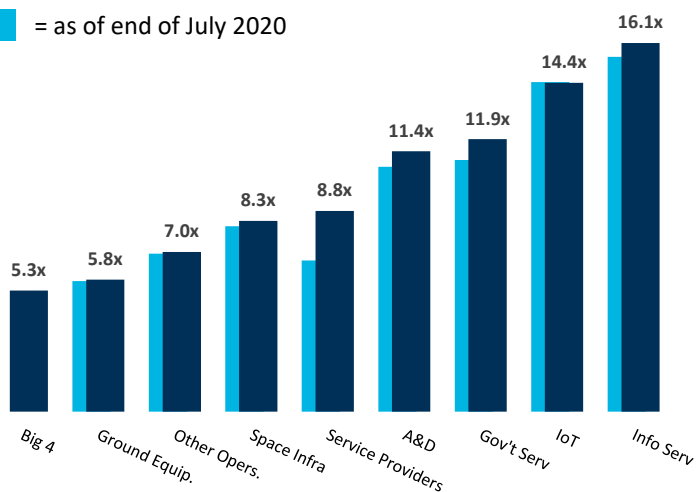
### LTM Satellite & Space by Sub-Sector



\* See page 3 for detailed list of index participants All sub-sector closing prices converted to USD on an equal-weighted basis.

## Public Company EV / CY 2020E EBITDA\*

- = as of end of August 2020
- = as of end of July 2020



- Market sentiment improved further across the Satellite & Space ecosystem during the month of August, driving share prices higher across most sub-sectors
- Government and defense-focused names climbed higher with A&D contractors and Government Services players up an average of +8% and +7%, respectively for the month
- Info Services sector valuations were propelled higher by Maxar (+30%) and Hexagon (+12%), with Maxar handily beating Wall Street expectations in its Q2 earnings report
- Big 4 Operators were up +9% on Loral (+30%) rumors that Telesat/Loral are making progress toward a combination that would result in a single, "clean" public company (also more conducive to financing and strategic transactions)
- Service Providers up +63% on Gogo (+77%) and Rignet (+103%). Gogo's pending sale of its CA business is described below. Rignet reported stronger-than-expected 2Q20 earnings results

- Several companies are still highly impaired by the COVID-19 environment and therefore not all companies' estimates are included.
- For a full list of the companies within each index – see page 3.

## Monthly Transaction Activity

Target	Acquirer / Investor	Transaction EV (USD \$Mil)	TEV / LTM Adj. EBITDA
<b>Acquisitions / Buy-Outs</b>			
Centauri, LLC	KBR, Inc.	\$827	n.d. <sup>(1)</sup>
Gogo (Commercial aviation segment)	Intelsat	400	n.m. <sup>(2)</sup>
Microwave Vision SA (53% majority stake)	HLD Europe SCA (private equity group)	189	14.2x
Lepton Global Solutions LLC	Kymeta Corporation	n.d.	n.d.
<b>Private Equity &amp; Related Investments</b>			
SpaceX	Undisclosed	\$1,900	n.m.
iSpace	Led by Beijing Financial Street Capital	170	n.m.
Kymeta Corporation	Led by Bill Gates	85	n.m.
ABL Space Systems	Led by Venrock	49	n.m.
ispace	Led by Incubate Fund	28	n.m.
Pixxel	Consortium of investors led the round	5	n.m.
Warpspace	Mitsubishi UFJ Capital Co.	3	n.m.
Consensus Technologies	Led by Kirenaga Partners	2	n.m.
Skygate Technologies Inc.	Keio Innovation Initiative	n.d.	n.m.
Morpheus Space	Consortium of investors	n.d.	n.m.
<b>Public Equity &amp; Related Investments</b>			
Virgin Galactic Holdings, Inc.	Follow-on	\$460	n.m.

(1) KBR provided guidance for Centauri including 2021 revenue forecast of ~\$700m and 2021 EBITDA of approximately 10% implying a fwd. multiple of 11.8x.

(2) On a CY 2019 basis, pre-COVID-19 effects, Gogo CA posted segmental profit (essentially NA+ROW Segmental Adjusted EBITDA) of +\$35.6 million. However, 2Q20 YTD annualized Gogo CA segment loss was (\$38.7m) as a result of the ongoing commercial aviation slump.

- SpaceX closed its largest-yet financing of \$1.9 billion in August. Last week, it also launched its latest batch of Starlink satellites, bringing it to more than 700 in total. Beta tests of Starlink show speedy links of 50+ Mbps with low latency (sub-50ms) and can achieve 100+ Mbps according to the company. Importantly, SpaceX is now beginning on-orbit testing of optical links (O-ISLs)
- KBR is acquiring Centauri from Arlington Capital to expand its military space, defense modernization, and cyber portfolio
- Intelsat's pending acquisition of the Commercial Aviation (CA) segment of Gogo for \$400 million (notably, while in bankruptcy protection) marks the first major vertical integration move in recent years among the large fixed satellite service operators. Gogo's CA unit provides WiFi onboard ~3,300 aircraft but has been significantly impacted by the COVID-19 aviation downturn
- A majority of France-based Microwave Vision, focused on EM wave testing, is being acquired by private equity firm HLD Europe
- Chinese launch company iSpace raised a sizable \$170m for ongoing development including of its Hyperbola-2 launch vehicle
- Kymeta closed an \$85m round led by existing investor Bill Gates to complete development of its 2<sup>nd</sup>-gen "u8" flat panel antenna. It announced the acquisition of USG-focused managed solutions provider Lepton and aims to introduced bundled solutions

## Investment Banking at Quilty Analytics

- 75+ M&A/Advisory Transactions
- 70+ Financing Transactions
- Strategy & Consulting

**Exclusive Sector Focus:** Investment banking leadership in Satellite & Space, leveraging deep sector expertise and relationships

**M&A and Financing Experience:** Hundreds of successful M&A and financing advisory transactions across nearly all sub-sectors

**Broad Network:** Wide network of relevant strategic and investor relationships extending throughout the full ecosystem



Eutelsat	Big 4 Operator	Airbus	A&D	Aerojet Rocketdyne	Core S&S	Mynaric	Frontier Space
Intelsat *	Big 4 Operator	Boeing	A&D	APT Satellite	Core S&S	AAC Clyde Space AB	Frontier Space
SES Global	Big 4 Operator	L3Harris Technologies	A&D	Avio	Core S&S	ExactEarth	Frontier Space
Loral Space & Comm.	Big 4 Operator	Honeywell	A&D	Comtech	Core S&S	GomSpace	Frontier Space
Comtech	Ground Equipment	Lockheed Martin	A&D	Echostar	Core S&S	Sky & Space Global *	Frontier Space
Gilat	Ground Equipment	Northrop Grumman	A&D	EOS	Core S&S	Urthecast	Frontier Space
Intellian	Ground Equipment	Raytheon	A&D	Eutelsat	Core S&S	Kleos Space	Frontier Space
Aerojet Rocketdyne	Space Infrastructure	Thales	A&D	Gilat	Core S&S	Ovzon	Frontier Space
Avio	Space Infrastructure	EOS	A&D	Global Eagle *	Core S&S	Virgin Galactic	Frontier Space
OHB SE	Space Infrastructure	Hexagon	Info Svcs	Globalstar	Core S&S		
APT Satellite	Other Operator	IHS	Info Svcs	GoGo	Core S&S		
Echostar	Other Operator	Verisk	Info Svcs	Inmarsat *	Core S&S		
Inmarsat	Other Operator	Maxar	Info Svcs	Intellian	Core S&S		
Thaicom	Other Operator	CalAmp	IoT	Intelsat *	Core S&S		
Iridium	Other Operator	ORBCOMM	IoT	Iridium	Core S&S		
Sky Perfect JSAT	Other Operator	Sierra Wireless	IoT	KVH Industries	Core S&S		
ViaSat	Other Operator	Trimble	IoT	L3Harris	Core S&S		
Globalstar	Other Operator	CACI International	Gov't Services	Loral Space & Comm.	Core S&S		
Global Eagle	Service Provider	SAIC	Gov't Services	Maxar	Core S&S		
GoGo	Service Provider	Mantech	Gov't Services	OHB SE	Core S&S		
KVH Industries	Service Provider	Leidos	Gov't Services	Orbcomm	Core S&S		
RigNet	Service Provider	Cubic Corporation	Gov't Services	RigNet	Core S&S		
Speedcast *	Service Provider	Kratos	Gov't Services	SES Global	Core S&S		
				Sky Perfect JSAT	Core S&S		
				Speedcast *	Core S&S		
				Thaicom	Core S&S		
				ViaSat *	Core S&S		

- Companies with an asterisk have gone private (Inmarsat) or entered bankruptcy (Intelsat, Speedcast, Global Eagle, Sky & Space Global) within the last twelve months. Price performance is included up until the date of their respective filings. Inmarsat was acquired and taken private year-end 2019. Its price performance is included up to the transaction's date of completion.

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