

Pickwick Market Intel Brief:

**Lower Middle Market M&A in the Biden/COVID Era
Security, Defense and Federal Services**

M&A 2021



February 2021

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The Bottom Line



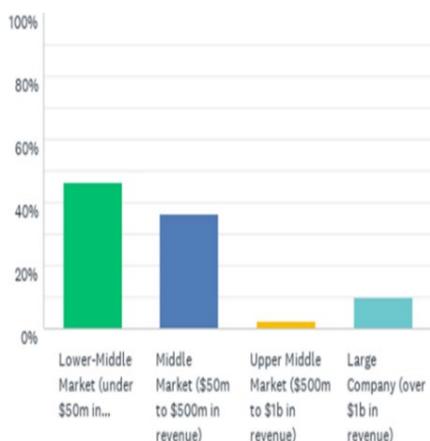
Robust M&A markets should prevail in 2021 for lower middle¹ and middle market companies serving the physical security, federal services and defense sectors, we anticipate. Owners of businesses with solid growth and margins will likely see attractive valuations and buyer competition. Weaker-performing and smaller companies could also draw interest if they offer beachheads in markets that larger buyers need to prioritize for success in the Biden Administration and COVID “new normal.”

“We expect M&A during 2021 will be very active,” says Steve Humphreys, security- and federal services-industry veteran and CEO of Identiv, Inc. (INVE), a leader in digitally securing the physical world. “In order to absorb large capital pools, there’ll be a preference for larger deals, but scarcity will drive deal growth into the mid-market faster than expected.”²

“Based on my four decades in the security market, which include advising mission-critical federal and defense customers, I see a strong M&A market coming. Strategic players must respond to increasingly complex market and technology environments. Many will find it far more effective to buy successful lower middle market companies rather than investing in R&D and market entry to compete against them. Meantime, private equity groups (PEGs) should see growing value in these recession-resistant sectors, which among other virtues include many companies with recurring revenue,” observes Howard J. Belfor, CPP, security industry advisor and President of Belfor & Associates, LLC.

Along with pent-up buyer demand from last year, plus low interest rates and strong stock markets, M&A in 2021 may be buoyed by owners seeking to avoid tax increases promised by the Biden Administration. These looming hikes could cost more leisurely sellers millions of dollars. A wild card in the mix: the psychology of lower middle market owners approaching retirement. How many will see 2020’s personal and business travails as a tipping point in the decision to sell their businesses versus a setback requiring the return of their companies to “normal” before selling in the future?

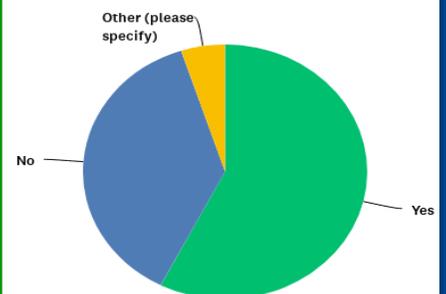
Our conclusions are based on a Pickwick survey³ of CEOs/senior executives and private-equity executives involved in these sectors, among others, combined with analysis of recent third-party reports and surveys covering the broader middle market.



▲ Almost 30% of survey respondents say their company or a company they know is considering selling this year.

▲ Even more – over half – say they, their client or a company they know plans to acquire a security, defense or federal services business this year.

Are You, Your Client or Another Company You Know Planning to Buy a Business in 2021?



¹ Lower middle = revenue < \$50 million; middle market = revenue from \$50 to \$500 million.

² The inclusion of quotes in this report does not indicate whether the cited companies are planning on M&A this year.

³ Non-scientific survey of several dozen operating company CEOs/senior executives; acquirers from private equity groups, family offices and strategics and some consultants and M&A attorneys active in these markets. Survey conducted at the end of January 2021.

Those taking our survey list good market conditions and personal factors as leading reasons to sell in 2021. Tax and budget changes sought by the Biden Administration were less prevalent motivations. Here are reasons for selling, in order, from our survey:

1. Buyer demand and good valuations;
2. Personal factors, such as a desire to retire;
3. Potential Biden tax increases; and
4. Flat/declining defense budgets.

Though not yet front of mind for some potential sellers, Biden Administration tax increases may become more galvanizing as their reality sets in. "We've started getting calls from some of our CEO clients about possible preparations for President Biden's tax increases, both as to whether they should sell before the taxes get closer and methods of structuring their companies and personal assets now in a way that minimizes potential problems later," notes Ed Schiff, of counsel to law firm Sheppard Mullin and longtime M&A attorney in defense and other sectors.

Buyers, both private equity and strategic, face their own potential tax increases, which could scramble their targeted returns and increase valuation expectations among sellers focused on after-tax proceeds.

Results Consistent with Other Industry Data

We agree with other recent reports and surveys that rebounding M&A levels across many industries in late 2020 will continue into the first half of 2021 and likely beyond.⁴

Business Owners, Private Equity Firms Expect Wave of M&A Deals in 2nd Half of 2021

January 27, 2021, 08:35 AM

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An improved public health environment and the possibility of higher capital gains taxes will likely drive increased merger and acquisition activity in 2021, according to [Citizens' 2021 Middle Market M&A Outlook](#). Companies will rely on M&A for growth in 2021 and more sellers will be open to making deals, particularly in the second half, survey respondents said.

For example, a survey of 700 corporate and private equity executives by Citizens Financial Group late last year indicates a "rush of middle market M&A is likely in 2021."

We believe these predictions for the broader middle market will hold true as well in the lower middle market for physical security, defense and federal services companies, which for reasons discussed below are often better positioned than companies in other industries.

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⁴ See: [Citizens' 2021 Middle Market M&A Outlook](#), 1/21. Also: [Middle Market Growth](#), 1/21; [SS&C Deal Flow Indicator](#), 12/20; and [Bloomberg](#), 12/20; among several others.

Where the Personal Meets the Macro: "Should I Stay or Should I Go?"

Because lower middle market companies are frequently led by founding owners, the decision to sell can be driven less by macro trends than personal concerns. Many aging business owners are now balancing their individual "runways" against market conditions. To quote a song that Baby-Boomer business owners may recall, the question is: "Should I stay or should I go?"

Buyer demand, valuations, tax consequences and customer spending are critical considerations for business owners contemplating a sale. Yet these factors are filtered through the owner's personal aspirations and worries. Though they vary widely, such motivations are frequently influenced by the age and health of the owner, plus factors such as whether there's a member of the next generation willing, or able, to assume management of the family firm.

When both company financial performance and market EBITDA multiples are positive, personal factors often settle the "stay/go" decision.



Economic Environment, COVID and Industry Trends

As CEOs and acquirers consider M&A, they must assess both general and industry-specific factors such as:

- Market trends in their sectors (e.g. "security as a service," "virtual guarding" and visual verification; growing demand for cybersecurity and data analytics solutions; shift of defense spending to focus on "near-peer" adversaries; etc.);
- Impact of COVID and responses to it by consumers, corporate customers, governments and markets;
- Consequences of civil unrest, rising crime and the unrelenting barrage of cyber-attacks across all industries and locations;
- Effects of Biden Administration policies (e.g., tax hikes; shifting defense and federal budgets; increasing regulation; changing relations with China; minimum wage increases; etc.); and
- Trends in the broader economic and investment environment.

Economic and Investment Environment

We assume that during 2021 interest rates will remain low, there will no recession and the stock market will avoid any dramatic, sustained decrease in value. Our confidence is higher about the first assumption than the last.

Stock market performance impacts the share value, balance sheets and availability of debt that publicly-traded buyers depend on for acquisitions. Many of these strategic buyers possess ample resources to complete transactions and we believe they will be active this year, based on their public disclosures and contacts with us.

Private equity groups, though sensitive to macro factors, generally control committed capital they must deploy by certain deadlines. There is now a record level of this "dry power" – widely estimated at \$1.5 trillion or more – in the hands of PE buyers, who in many cases need to make acquisitions this year.

At Pickwick we maintain on-going contact with more than 200 PEGs and family offices, many with appetite for defense, federal services and physical security companies. We've watched these buyers resume full operations after the shell shock of early 2020, when preservation of capital to protect portfolio companies and work-from-home challenges slowed them. Many of these PEGs, in our estimate, are now looking to make up for lost time.



"PEG executives tell us they're focused on security, defense and federal platform targets with recurring revenue or good government contracts in high-growth areas. These companies generally become more attractive as their EBITDA exceeds \$3 million, but promising smaller companies are also in demand as bolt-ons to existing platform companies or, in certain areas, as platforms themselves," reports Brad McGowan, Pickwick Managing Director and veteran defense, security and federal services advisor.

We, along with other observers, anticipate that pressure on PEGs to deploy their dry powder will intensify and prove a major driver of M&A this year.⁵ "Not only do many PEGs need to deploy capital this year, they are using these circumstances as a marketing message to potential buy-out targets," notes J. Eli Kemmerer, a partner in Transaction Advisory Services at RSM, the national provider of audit, tax and consulting services to the middle market.



Another source of buyers comes from the resurgence of SPACs, special purpose acquisition companies that raise capital through an initial public offering (IPO) for the purpose of buying an existing company. Two SPACs have recently agreed to take public companies in the sectors discussed here, each for \$1 billion+ valuations despite

relatively low earnings. Latch, a smart-lock and property technology ("proptech") provider, will trade under the ticker LTCH and Momentus, a space technology company, will have the ticker MNTS (assuming both companies complete the SPAC process).

Buyers often employ "leverage" to bulk up their purchase offers and inexpensive debt this year will encourage such structures. Non-bank debt providers, including asset-based and "hard money" lenders, continue to step in when bank loans are not available. A less expensive option for companies with government receivables can be "factoring" providers, which in effect "buy" a future government payment from a federal contractor in return for a payment today, based on a percentage of the future payment.

"We expect the vibrant M&A trend to continue as investors previously not in the sector recognize the stability, and counter-cyclical nature, of the government contracting community," says Ed Stucky, CEO of Republic Capital Access, which describes itself as the largest and fastest growing commercial finance company exclusively for government contractors, large and small. "Also fueling this interest are some rather innovative financial products unique to this space," he adds.

⁵ See for example: "Private Equity Expected to Drive More Deals in 2021," Wall Street Journal, 1/21.

The Cure Versus the Disease: COVID and Responses to It

The pandemic is shaping both temporary and permanent social, business, individual and technological changes in the U.S. and abroad. We assume an inverse relationship between COVID-19 infection levels and economic growth; when the former declines, the latter increases, accelerated by government stimulus spending.

As the flood of COVID woes slows and then recedes, its enduring consequences will emerge. Some changes from this “reset” will broadly impact business. Others will carry specific implications for the physical security, defense and federal services markets. They include:

- Devastation of the restaurant, air travel, hospitality, in-person entertainment, events/conventions, cruise, commercial real estate and other industries that are important customers for physical security firms;
- Distress of workers from the industries above and others, including the millions left unemployed and financially crippled;
- Widespread anger at government, large businesses and fellow citizens with different political views;
- Increase in work-from-home technologies, smart homes, virtual education, telemedicine and e-commerce;
- Growing government regulation, taxes and budget pressures caused in part by massive COVID-related spending;
- Domestic migration to less crowded, regulated and expensive locations and those offering in-person public education;
- Transformation of global supply chains, from international shipping to home delivery; and
- Greater friction between China and the United States.

Civil Unrest, Crime & Businesses in The Crosshairs



The last year has scourged America with levels of civil unrest unseen for decades, which have claimed lives, undermined public confidence and inflicted property damage estimated at over \$1 billion. Although serious crime has spiked in numerous U.S. cities, many mayors, prosecutors and activist groups continue to call for “defunding” the police, eliminating effective anti-crime tactics and reducing penalties and prosecutions for crimes ranging from assaulting law enforcement officers to looting and shoplifting.

Both the “Ferguson Effect,” where police officers reduce crime-fighting efforts in the face of public and government criticism, and the “get out of jail free” approach to property crime in a growing number of jurisdictions seem sure to imperil many citizens, businesses and communities.

Businesses, already battered by COVID lockdowns, will remain at heightened risk, both from common criminals and radicals targeting them for political “offenses.” Bedeviling security and risk officers are “insider threats” – no longer just employees committing crimes against their companies, but also workers damaging their employers’ reputations by participating in riots and extremist groups. “This has driven interest in social media monitoring and threat detection tools that help identify both outside adversaries and menacing employees,” says Michael Gips, CPP, a widely-published advisor to corporate security offices and the companies that serve them. “Among these solutions are continuous monitoring services that, in effect, serve as a constantly refreshed background check by informing a company if, for example, an employee is arrested, shows up on a no-fly list or has a professional license suspended or revoked,” says Gips, whose company Gips Insights offers what it believes to be the largest actionable database of insider threats.

Another emerging security challenge is the scattering of employees to home offices, which often lack the physical and cybersecurity protections implemented at workplaces.

These pain-points are addressed by physical security companies with solutions from intelligent video surveillance to touchless access control and guards and barriers. Security technology providers also offer law enforcement agencies solutions to improve their effectiveness and accountability, including predictive crime analytics and body cameras. Yet even technologies considered relatively benign not long ago, such as facial recognition, or whose value has been suggested by recent events, such as non-lethal crowd-control systems, are now vulnerable to criticism and potential legal attack by politicians and the activists who sway them in many jurisdictions (for example, IBM announced it would drop most of its facial recognition business following recent public criticism of the technology).⁶

Facebook reportedly tells employees to avoid wearing company logo in public

The warning comes after Facebook suspended President Donald Trump's account indefinitely.



Carrie Mihalcik | Jan. 12, 2021 8:33 a.m. PT



▶ LISTEN - 01:03

Biden Administration Policies and Budgets



President Biden and his team are likely to place less emphasis on defense and security spending than the Trump Administration. Massive expenditures on COVID/healthcare, climate change, infrastructure and social programs seem sure to squeeze national security budgets. Biden also brings a less hawkish approach to the security and economic threats posed by China. These factors should provide tailwinds for federal service providers focused on civilian programs but spell trouble for a number of defense programs, though others should see continued growth, as detailed below.

The Sectors: Physical Security, Defense & Federal Services

The sectors discussed in this report face broadly different market dynamics, but they include many companies that serve two or more sectors. For example, an access control provider may sell to commercial, federal agency and defense/Intelligence Community customers. Cross-over technologies increasingly demanded by all three sectors include UAVs/UAV defense; space systems; cyber security; AI/advanced data analytics and robotics.



Physical Security: As customers move closer to previous levels of operations and purchasing, many physical security companies are updating their strategies for the “new normal,” in which clients demand solutions for actual viruses, not just cyber ones.

This requires expanding beyond “security” to “safety” and “health.” One example: the ballyhooed if sometimes finicky “fever cameras,” which detect above-normal temperatures. Other hardware and software can support goals such as social distancing and the reduction of viruses and germs in the air and on surfaces. “Covid has stoked a lot of interest in touchless access control — mobile apps and face recognition among other technologies. It’s often combined with visitor management systems that offer self check-in, enhanced scheduling and advanced social distancing. Cloud-based security systems are also integrating with other ‘proptech,’ or smart building, elements such as HVAC and lighting controls,” explains Michael Gips, the security advisor.

This parallels the industry’s movement into what we call “ROI security.” These are technologies that not only improve security but also increase revenue in ways such as optimizing customer pathways through stores to

⁶ Some proactive companies offer solutions that improve security in ways more acceptable to activist groups and concerned citizens. For example, ZeroEyes’ AI-driven video surveillance software for school security detects guns instead of the more controversial recognition of faces.

increase purchases; identifying slow check-out lanes and tracking assets to improve inventory control and reduce leakage (see case study below).

A Physical Security Case Study for the COVID Era

"Our sales of RFID sensors roughly doubled in the second half of 2020 versus 2019, which we think will continue as part of the IoT 'megatrend.' Enterprises increasingly see major benefits from tracking and securing physical assets via digital platforms. Use cases include security but also many applications that cut costs, generate insights from data and increase revenue," says Steve Humphreys of Identiv. "Such applications will also be important to the Biden Administration's infrastructure projects, where sensor-enabled processes can improve initial construction and enhance future support, maintenance and software-enabled improvements," he concludes.



Among "security-sensitive" industries leading the rebound in this sector are banking, pharma, government and supply chain/logistics. "COVID has created massive disruptions in the global supply chain -- everything from package-level deliveries to large commercial shipments of raw materials. Meanwhile, geopolitical factors such as rising tensions with China and Iran present another layer of security challenges, ranging from protecting ships and other maritime critical infrastructure to preventing hacks of logistics software backbones," says Luke Ritter, a maritime and supply-chain security expert and Vice President of HALO Maritime Defense Solutions, a leading provider of waterside security barrier systems. "In my experience, this kind of focused security environment often leads to the identification of specialized, enabling technology solutions, which are then scooped up by strategic operators."



Port Security Barrier

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Defense: The Pentagon's budget has likely peaked, at least for the coming several years. In FY 2020 it accounted for about \$445.5 billion in contracting (out of about \$681 billion for the entire federal government.⁷) We believe this spending is likely to decline in real terms as soon as next year, barring a major military confrontation.

But even in flat or down budgets, there are typically "fast currents" of defense spending. Among areas we expect to receive continued or even greater emphasis in a flat-to-declining budget environment are:



- U.S. Navy and Air Force systems versus Army weaponry/force structure as the Pentagon focuses more on Chinese and other "near-peer" threats;
- maintenance, sustainment and modernization (including the sourcing of "orphan parts"⁸)
- unmanned and autonomous systems such as UAVs and UUVs (unmanned underwater vehicles) and systems to defeat them;
- stand-off & long-range strike weapons;
- air defense;
- hypersonic missiles;
- biodefense;
- quantum computing/sensors;
- robotics;
- AI/data analytics;
- space; and, of course,
- cybersecurity.



"Threats from the Chinese dictatorship are reshaping American defense priorities. Preventing a war in the Pacific requires a stronger Navy and Air Force, which likely means relatively lower resourcing of the Army. Anti-Access/Area Denial (A2/AD) warfare moves to the fore, along with missile, sensor, space and unmanned systems, plus the AI and quantum technologies that will increasingly help decide battles. But even air and sea superiority are not enough in this era of asymmetric cyber vulnerability. The front line of our struggle with China is now the (smart phone) endpoint in your hand," states Rod Teeple, Pickwick Managing Director; Founder and Managing Member, Pelican Creek Capital and former Navy SEAL Platoon Commander.

"As defense budgets flatten or decline, strategic buyers often seek to 'shape their portfolios' by divesting business units serving lower-growth programs and acquiring businesses with contracts and capabilities in growth areas," recounts Frank Tobin, veteran defense and security executive who is now President of Hoyos Integrity, provider of an ultra-secure smartphone and related security solutions based on NSA-certified operating systems. "This can mean purchasing, or investing in, companies with innovative solutions but relatively modest revenue."



⁷ Bloomberg Government, 1/21.

⁸ The problem of "orphan parts" offers insight on the challenges posed by aging weapons platforms, such as aircraft carriers and submarines, that are often older than many servicemembers operating them. "Orphan parts" are important for maintenance but are no longer readily available because their makers have gone out of business or left the defense industry. In some cases the military services have been forced to contract with specialized companies to "reverse engineer" such parts in a manner similar to that used to recreate captured enemy weapons.

Aware of this dynamic, investors are moving to place bets on companies they believe will be strong acquisition candidates. "We believe flat or declining defense budgets are upon us and will shift contracting focus to a number of priority program areas, most with value in countering the threats from adversarial nations. These include drone programs, space, enhanced communication capabilities and cybersecurity. Our pipeline includes representatives from those areas, some of which could also find themselves with acquisition suitors from larger defense contractors," says Mark Powell, former technology CEO, service-disabled Marine officer and co-founder of MarlinSPIKE, an advisory group focused on the national security sector.

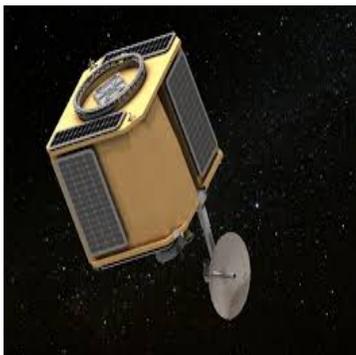


Federal Services: Some areas of federal services -- such as IT, data analytics and cybersecurity -- are on secular growth curves in both government and commercial markets. Demand for other categories will vary with Biden Administration budgets, expected to increase contracting for services in areas such as healthcare and infrastructure development.



"Our network includes technology companies and service providers offering everything from business services to sensitive operational support, from financial and security software to AI-driven data analytics. What many have in common is highly-differentiated technology with potential to grow rapidly in the federal contracting space with a disciplined go-to-market approach. Companies that serve programs favored by the new Administration and can demonstrate positive financial performance are likely to generate interest from buyers," observes Anand Subramanian, Pickwick Managing Director and an electrical engineer with deep Silicon Valley ties.

Another market poised for continued growth is that for space systems. While President Biden has yet to provide detailed guidance on his space policies and budget priorities, we expect the military and commercial push into space by America, its allies and adversaries will support increasing expenditures in these areas.



"The strength of the commercial space industry and the willingness of previous administrations to encourage its growth give us confidence this industry will continue to grow rapidly. Many innovative space solutions will provide pleasing stories for retail and institutional investors, driving highly-active public and private markets eager to expand growth through the universe:" Ian Fichtenbaum, CEO of Bradford Space, a provider of attitude control, propulsion systems and other hardware and service solutions to the space industry.



Fully financed buyers seeking diverse GovCon acquisition opportunities.

As an M&A firm representing federal contractors actively pursuing growth through acquisition, we are seeking GovCon acquisition opportunities nationwide across a diverse strategic spectrum.

One indication of acquisition demand in the federal services market comes from the message (excerpt at left) we received days ago from an M&A buy-side advisor that works for acquirers of government contracting (GovCon) companies. This advisor says it represents numerous buyers of federal services firms. They're looking for companies generating \$1-10 million of EBITDA in

IT and professional services; logistics and engineering management; construction/facilities support and financial services. The bank says its clients all have the financing to make purchases and wish to close acquisitions in the coming 3- to 12-months.

What attributes are buyers seeking, beyond attractive cash flow? The profile of an attractive acquisition target in federal services and security was limned for us by one survey taker: "There's an abundance of technology -- cloud, bio, artificial/machine learning, situational awareness, dynamic cybersecurity, etc. Successful M&A must strengthen the buyer's ability to solve *real* customer pain points, have low risk of deployment (truly secure, easily integrated and maintained), low cost of adoption and long-term expandability, and *must* come with a truly strong team."

A factor particular to federal markets involves something noted in the buy-side announcement discussed above. It mentions "set-aside companies" designated as SDVOSB (owned by a disabled veteran); WOSB (owned by a woman) and 8(a) (in most cases, owned by a minority businessperson), which can receive government contracts reserved for this category of companies. CEOs of these companies – expected to receive additional attention from the Biden Administration -- must balance the capture of "set-aside" contracts, only open to companies in the categories above, versus winning "full and open competition" contracts for which all companies may compete. The mix of these contracts can help determine the price an entrepreneur can get for his or her company and, in some cases, whether the business is sellable at all for a reasonable sum.



"A wave of federal spending on Biden Administration priorities is coming. Much of it will be on civilian programs under the sometimes interchangeable umbrellas of COVID-response, climate change, support of underrepresented communities, racial equity and infrastructure. We expect many of these programs will involve public/private partnerships. This will create many opportunities for federal service providers but also potential complexities. Owners of such businesses should think now about ensuring their federal contracts are compatible with a future sale to strategic or PE buyers," says Rachel Kemp, Pickwick Vice President, economic development expert and former assistant Secretary of Economic Affairs – Commonwealth of Massachusetts.

Everyone is in the Cybersecurity Business



Government and commercial spending on cybersecurity continues to move faster than the fingers of a Russian hacker on Red Bull. Good cybersecurity companies are sure to be in strong demand. But even companies whose products have nothing to do with cybersecurity are still in the "cybersecurity business." Customers for all sorts of technologies increasingly insist their vendors demonstrate strong, embedded cybersecurity in order to compete for contracts. Something similar is true for those acquiring businesses, who often view cybersecurity as a foundational due-diligence consideration.

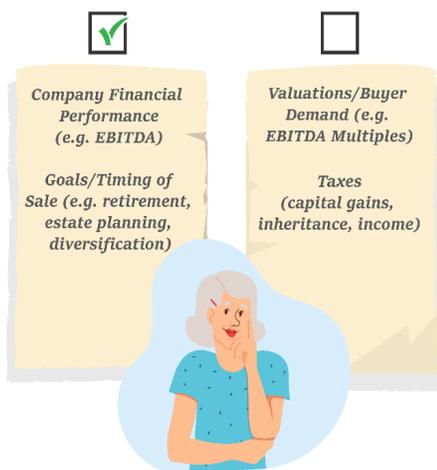
"Recent years have seen an increase in black-market Zero-day vulnerabilities and the theft of private and nation-state espionage tools. Techniques and motivations formerly reserved for nation-states have become expected threat capabilities used against modern businesses. Contrary to popular belief, hackers who've invested in advanced attack capabilities do not target the least defended among a peer group, but rather the highest value targets to maximize financial, strategic, or ideological gains," says Rob O'Dowd, Director of Business Strategy for Green Hills Software, known worldwide for its embedded safety and security solutions. "The more successful an organization is, the more likely it will be targeted by hackers with nation-state level capabilities to compromise long-term success, protected IP and brand reputation. Therefore, we anticipate organizations providing or utilizing vulnerability-free solutions capable of resisting the most advanced attacks will become desirable partners and targets of acquisition for sophisticated buyers and government organizations."

The U.S. government continues to tighten regulations and urge best-practices to compel enterprises to protect themselves effectively. "Compliance with government cybersecurity regulations, such as the Cybersecurity Maturity Model Certification (CMMC), is required not just for Pentagon prime contractors, but also their subcontractors," says Maj. Gen. George Close (Ret.), president of The SPECTRUM Group, a leading strategic advisory and government relations firm which offers cybersecurity, risk and M&A due diligence services (and is a Pickwick partner). "CMMC and similar requirements continue to expand across government agencies. Not only is strong, compliant cybersecurity required to win contracts, it's becoming a major focus of due diligence conducted by strategic and PE buyers on their targets."



"Should I Stay or Should I Go?"

What Sellers Can Control



So what does all this mean to owners of lower middle market businesses in security, defense and federal services?

For them, active M&A markets beg the question: What is my exit strategy? This question assumes added urgency for aging owners anxious about health threats, market changes and impending tax hikes (not just capital gains and income taxes, but also larger inheritance taxes).

Many of these businesses exist, in essence, to serve the financial interests of the owner and her or his family. Owner/operators may believe their market and company are poised for growth over the medium term, but more salient may be compelling personal factors such as health issues, the urge to retire or lack of interest by the next generation in running the business.

An investment banking truism is that the price of a company for M&A purposes is based on one factor a business owner can control and one she can't. CEOs can control their company's financial performance, commonly measured by EBITDA, but they cannot control the market's "going rate" range of EBITDA-multiple valuations (though they've got a chance to move up within the range or even beat it if their company is exceptional and they have help selling it.)

Yet in the end, owners do control the most important consideration: whether to "stay or go" during the M&A market of 2021.

Companies mentioned in this report include:



SheppardMullin

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For questions and comments or to chat about M&A market conditions in the sectors above and others such as healthcare, business services and power, please email: M&A (at) pickwickcapital.com

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