

# EUROPEAN DEFENSE SPENDING UNDERPINS RISE IN TRAINING & SIMULATION M&A

TRAINING & SIMULATION SECTOR UPDATE | OCTOBER 2025



**CAPSTONE  
PARTNERS**

# TABLE OF CONTENTS

- 4 Key Sector Takeaways
- 5 Defense Spending Underscores Mixed Reality Solutions Demand
- 6 Capstone Interviews Industry Executives
- 8 Sector M&A Rebounds, Buyers Target Virtual Training Solutions
- 9 Military Simulation Segment Gains Momentum in M&A Market
- 10 Notable Military Segment M&A Transactions
- 11 Select M&A Transactions by Segment
- 12 Public Equity Market Points To Strong Revenue Backdrop
- 13 Public Company Data by Segment
- 14 Training & Simulation Report Contributors
- 15 Firm Track Record
- 16 Capstone's Proprietary Research Reveals Top Services in Demand
- 17 Endnotes



## CONTACT OUR TRAINING & SIMULATION SECTOR BANKERS



**Ted Polk**  
Managing Director  
708-921-8961  
[tpolk@capstonepartners.com](mailto:tpolk@capstonepartners.com)



**Brian Gerner**  
Director  
847-861-7992  
[bgerner@capstonepartners.com](mailto:bgerner@capstonepartners.com)



Capstone Partners, a subsidiary of Huntington Bancshares Incorporated (NASDAQ:HBAN), has been a trusted advisor to leading middle market companies for over 20 years, offering a fully integrated range of expert investment banking and financial advisory services uniquely tailored to help owners, investors, and creditors through each stage of the company's lifecycle.

MIDDLE  
MARKET  
FOCUS

FULL  
SERVICE  
CAPABILITIES

SUPERIOR  
CLIENT  
RESULTS

TOP  
RANKED  
PERFORMANCE

ESTABLISHED  
BRAND  
REPUTATION

A DIFFERENT KIND OF FIRM. BUILT FOR THE MIDDLE MARKET.

#### Mergers & Acquisitions

- Sell-side Advisory
- Buy-side Advisory
- Recapitalizations
- Mergers & Joint Ventures

#### Capital Advisory

- Equity Advisory
- Debt Advisory
- Infrastructure Finance

#### Financial Advisory

- Transaction Advisory
- Interim Management
- Advisory Services
- Performance Improvement
- Litigation Support

#### Special Situations & Restructuring

- Special Situations Turnaround
- Restructuring
- Bankruptcy
- Insolvency

#### ESOP Advisory

- Preliminary Analysis
- Feasibility Study
- ESOP Implementation
- Design & Execution

## Sign Up for Sector Insights.

Delivering timely, sector-specific intelligence to your inbox

One of our core capabilities is to deliver sector-specific intelligence designed specifically for sector leaders, private equity firms and their advisors. Our sector reports and featured articles deliver real-time access to key sector data including:


- Emerging sector trends
- Acquirer and investor appetites
- Mergers & acquisitions market analysis
- Notable transactions
- Public company data

Receive email updates with our proprietary data, reports, and insights as they're published for the sectors that matter to you most.

[Subscribe](#) ►



[capstonepartners.com](http://capstonepartners.com)



# Training & Simulation

## European Defense Spending Underpins Rise in Training & Simulation M&A

### KEY SECTOR TAKEAWAYS

Capstone Partners' Aerospace, Defense, Government & Security (ADGS) Group is pleased to share its Training & Simulation report. Merger and acquisition (M&A) activity in the sector has spiked year to date (YTD), supported by increased defense spending in Europe and among North Atlantic Treaty Organization (NATO) allies. Heightened demand for advanced, virtual training solutions has also spurred sector growth—a trend Capstone heard echoed while interviewing executives in the space. Several additional key report takeaways are outlined below.

1. Training & Simulation sector deal volume has more than doubled year-over-year (YOY) to 35 transactions announced or completed to date.
2. Strategic buyers have driven sector M&A growth in YTD 2025, led by private strategics tucking in competitors to gain scale.
3. Private equity (PE) acquisition activity in the sector has cooled to date; however, robust dry powder levels and a softening Debt market are expected to support future sponsor dealmaking.
4. The Military segment has gained significant M&A momentum YTD largely due to the increase in defense spending.
5. With both the United States and allies increasing defense spending from record levels, the long-term market outlook is robust, and the ongoing shift from legacy solutions to VR/XR technology continues.

Capstone Partners has developed a full suite of corporate finance solutions to help privately-owned businesses and private equity firms navigate through each stage of a company's lifecycle. These solutions include financial advisory services, merger and acquisition advisory, debt advisory, equity capital financing and employee stock ownership plan (ESOP) advisory.

To learn more about Capstone's wide range of advisory services and Training & Simulation sector knowledge, please [contact us](#).



# DEFENSE SPENDING UNDERSCORES MIXED REALITY SOLUTIONS DEMAND

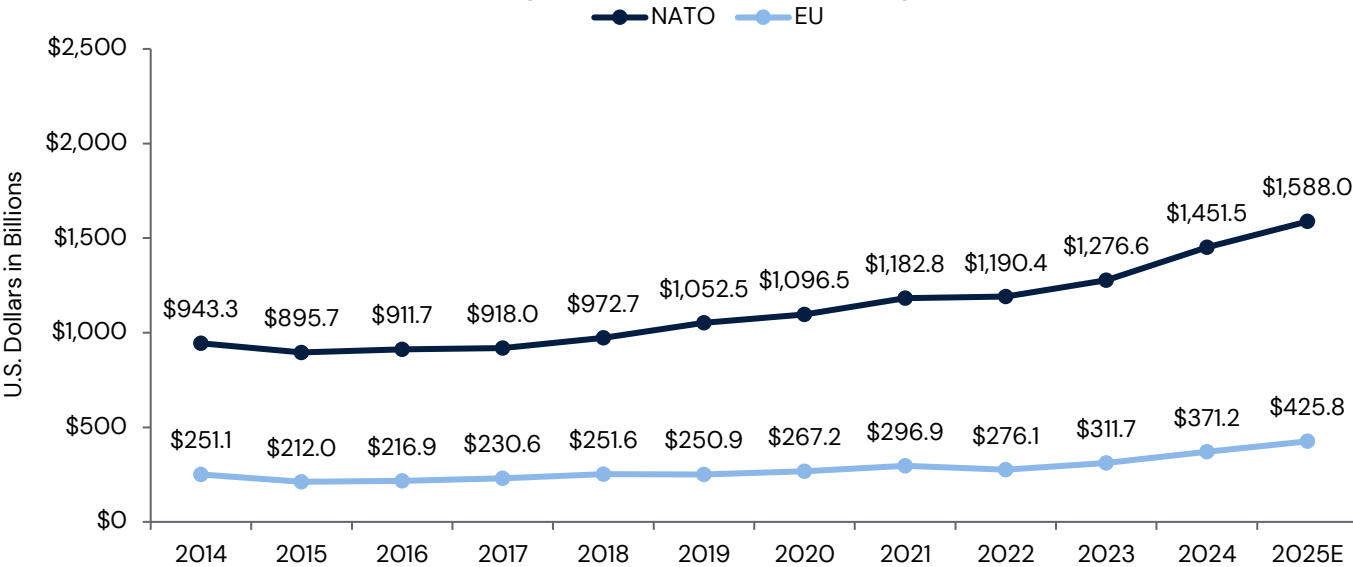
The Training & Simulation sector has experienced strong demand, especially for mixed reality solutions that support military battle-readiness efforts. Elevated defense spending in Europe and among NATO allies has been the primary driver behind this demand. European defense spending spiked 19.1% YOY in 2024 and is expected to rise 14.7% YOY to \$425.8 billion by year-end 2025, according to the European Defense Agency's (EDA) 2024-2025 Defence Data report.<sup>1</sup> Similarly, NATO defense expenditures increased 13.7% YOY in 2024 and are slated to tick up 9.4% to \$1.6 trillion in 2025, according to NATO's August "Defence Expenditure of NATO Countries (2014-2025) publication."<sup>2</sup> The U.S. has historically taken the lead in funding NATO operations, consistently contributing a substantial portion of the alliance's defense budget. However, President Trump has asserted that this imbalance is unsustainable, demanding NATO members to increase their defense spending contributions to 5% of gross domestic product (GDP), according to a Reuters article.<sup>3</sup> This is supported by a five-year forecasted global military training spending compound annual growth rate (CAGR) of 5.9% between 2025 and 2030, according to CAE's (NYSE:CAE) Q1 2026 Investor Relation Presentation.<sup>4</sup> This surge in funding has supported an increase in activity throughout the Training & Simulation sector. NATO member states have begun redirecting portions of their expanded budgets toward modernizing military training infrastructure and acquiring advanced simulation technologies. The development of immersive virtual environments and artificial intelligence (AI)-driven training platforms has enhanced the realism and effectiveness of military exercises. The sector's M&A market has reflected heightened demand for solutions deemed mission-ready, rapidly deployable, and more cost-effective than traditional live action training modules. Sector participants with these capabilities will likely continue to see robust revenue and acquisition opportunities through 2025 and into 2026.



Ted Polk,  
Managing Director

*"Within the Training & Simulation sector, we continue to observe a secular transition from expensive simulator hardware and domes to training-as-a-service and proven technology solutions. Specifically, companies providing advanced XR-based simulators are recording strong adoption with respect to flight, naval, and ground-based JTAC training. These solutions allow for cost effective, repeatable training in high-fidelity environments, with proven trainee outperformance."*

NATO and EU Defense Spending Expansion Supports Training & Simulation Sector Growth



Note: 'E' indicates the estimated period  
Source: NATO, European Council, and Capstone Partners

## CAPSTONE INTERVIEWS INDUSTRY EXECUTIVES

In September 2025, Capstone spoke with several industry executives to gain deeper insight into the growing demand for mixed reality solutions in the Training & Simulation market. These conversations have revealed how government bodies and military agencies have leveraged training and simulation solutions as part of broader modernization and strategic training initiatives. To discuss emerging trends and growth opportunities in the Training & Simulation sector or provide an update on your business, please contact Capstone Managing Director [Ted Polk](#).



**Sandis Kondrats**  
Founder and CEO, Exonicus  
[exonicus.com](https://exonicus.com)

**Can you please touch on the need for tactical medical training and what kind of opportunities you are seeing pop up across NATO allies and in the U.S.?** Ukraine has proven that TCCC [Training Combat Casualty Care] training is a true force multiplier. A Special Operations Forces commander explained their remarkable record two years without a single KIA [Killed in Action] by saying, 'We have a daily TCCC training requirement. That's one of the secrets.' This shows the impact of making lifesaving skills a daily discipline rather than a periodic exercise. NATO allies and the U.S. are increasingly adopting this mindset, investing in scalable, immersive training that builds muscle memory under stress and directly improves survival, resilience, and mission success.



STREET SMARTS VR



**Oliver Noteware**  
Founder and CEO, Street Smarts VR  
[streetsmartsvr.com](https://streetsmartsvr.com)

**How is your solution being adopted across military branches and law enforcement, and what training applications or scenarios are these groups utilizing and benefiting from compared to traditional methods?** Across defense and public safety, XR [Extended Reality] is no longer about proving the technology—it's about survival of the differentiated. Commoditized products are being squeezed by downward pricing pressure, while the vendors with true platforms are building resilience through multi-service adoption and recurring revenue. Commanders don't want more demos; they want solutions they can standardize across missions and still count on in five years. At the same time, many have tried to build XR training products in-house and failed, underestimating the difficulty of sustaining capability at scale. That reality makes the build-versus-buy decision clearer: proven platforms that have already crossed this threshold will be the natural winners as adoption accelerates with the DOD's [Department of Defense] move to buy commercial solutions that are ready today.



**Timo Toikkanen**  
CEO, Varjo  
[varjo.com](https://varjo.com)

**What do you believe to be the demand drivers behind immersive training activities?** Across NATO, hundreds of synthetic training programs across flight, ground, and heavy weapons systems already rely on mixed reality technology originally pioneered by Varjo. Mixed reality provides trainees with unprecedented levels of realism in simulation at a fraction of the cost of legacy solutions. In addition to obvious cost benefits, mixed reality trainers are also forward deployable to the point of need with no dedicated infrastructure and deliver better training outcomes, as proven by higher skill and confidence levels among trainees. Based on the latest market forecasts, the global Defense Mixed Reality Training market will grow in excess of 50% CAGR [Compound Annual Growth Rate] for the rest of this decade and beyond.



## CAPSTONE INTERVIEWS INDUSTRY EXECUTIVES (CONTINUED)



**Pat O'Connor**  
CEO, VRAI  
[vraisimulation.com](http://vraisimulation.com)

**What tailwinds have you and VRAI begun to see in respect to NATO spending and mixed reality solution adoption?** XR is increasingly an accepted part of how simulation is delivered at scale in aerospace and defense. As more users move to simulation, the human performance data being generated is growing, but this data is often an untapped resource. There is also an increased understanding that you need large, relevant datasets to build the AI enabled solutions that the end user needs. All of this is creating more demand and opportunities for VRAI to support our customers to capture, store, analyze, and visualize this data.



**Brad Denn**  
Founder and CEO, HAVIK  
[havik.us](http://havik.us)

**How has HAVIK disrupted traditional training for special forces personnel, and what are the measurable benefits of using HVAIK verse traditional training platforms?** The Military Training industry has been locked into expensive, slow-to-build simulators that reach only a fraction of the force. At HAVIK, we're changing that. By combining AI with scalable PC [Personal Computer], AR, and VR delivery, we're putting affordable, world-class training into the hands of every warfighter—at speed, at scale, and at a fraction of the cost.

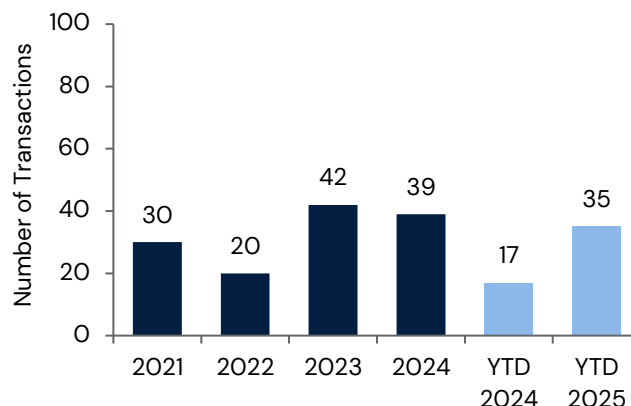


## SECTOR M&A REBOUNDS, BUYERS TARGET VIRTUAL TRAINING SOLUTIONS

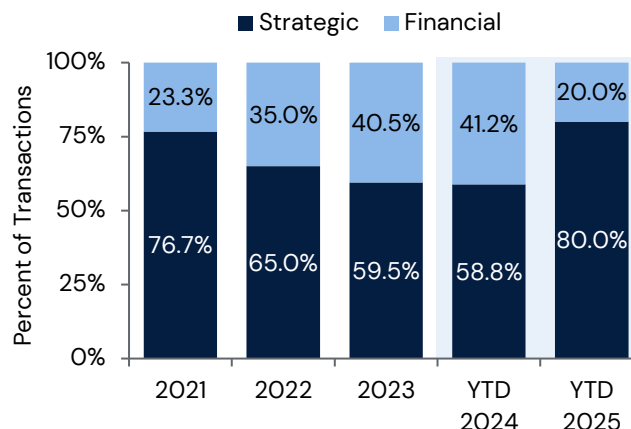
M&A volume in the Training & Simulation sector has more than doubled YOY to 35 transactions announced or completed YTD. Healthy deal activity has been supported by a sudden onset of demand for innovative virtual training solutions in both the Military and Civilian segments. From a military perspective, demand for these solutions has stemmed from armed forces aiming to build up training capabilities. Of note, Voyager Technologies (NYSE:VOYG) acquired ElectroMagnetic Systems, a target recognition and radar modeling business, in August 2025 (undisclosed). The adoption of innovative solutions in the Civilian segment has enabled more streamlined learning capabilities, enhancing the speed and efficiency at which professionals prepare to address mission-critical scenarios. Notably, Cardio Partners acquired RescueStat, a healthcare technology company (August 2025, undisclosed). “Their leading-edge AED readiness and maintenance solutions elevate our impact and strengthen our mission to drive better outcomes in sudden cardiac arrest through expanded, technology-driven solutions,” stated Brain LaDuke, CEO of RescueStat, in a press release.<sup>5</sup>

Strategic buyers have continued to lead sector transaction activity to date, comprising 80% of deals, with private strategics alone accounting for 57.1%. Private strategic buyers have targeted competitors with advanced solutions to enhance overall product quality, reliability, and capability. Notably, Safe Life—provider of life-saving solutions acquired HeartCert (May 2025, undisclosed) to improve training offerings. Sponsors have displayed hesitancy to increase sector positions in YTD 2025, discouraged by the continuation of tariff-related uncertainties. However, robust dry powder levels and easing debt costs have spurred a rebound in platform acquisitions, which have ticked up from zero deals in YTD 2024 to six in YTD 2025. Active PE firms have sought out platforms that offer proprietary capabilities that can be scaled to build out coverage in the sector. Of note, ~\$1.6 trillion in dry powder remains for PE to deploy, according to [Capstone’s Q2 2025 Capital Markets Update](#). The Federal Reserve’s 25 basis point interest rate cut in September will likely also serve as a catalyst for future PE dealmaking in the sector. Notably, middle market deals (less than \$500 million enterprise value) have comprised 71.4% of total disclosed sector transactions from 2024 to YTD 2025.

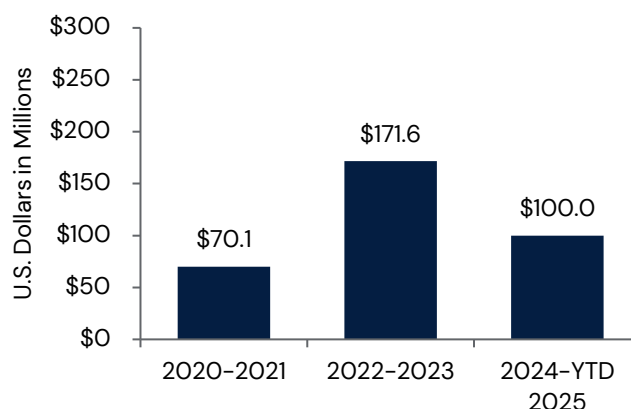
**Training & Simulation M&A Volume On Pace to Break Peak Levels**



**Strategic Buyers Escalate Training & Simulation M&A Presence**



**Median Sector Enterprise Value Cools, Remains Above Historical Levels**



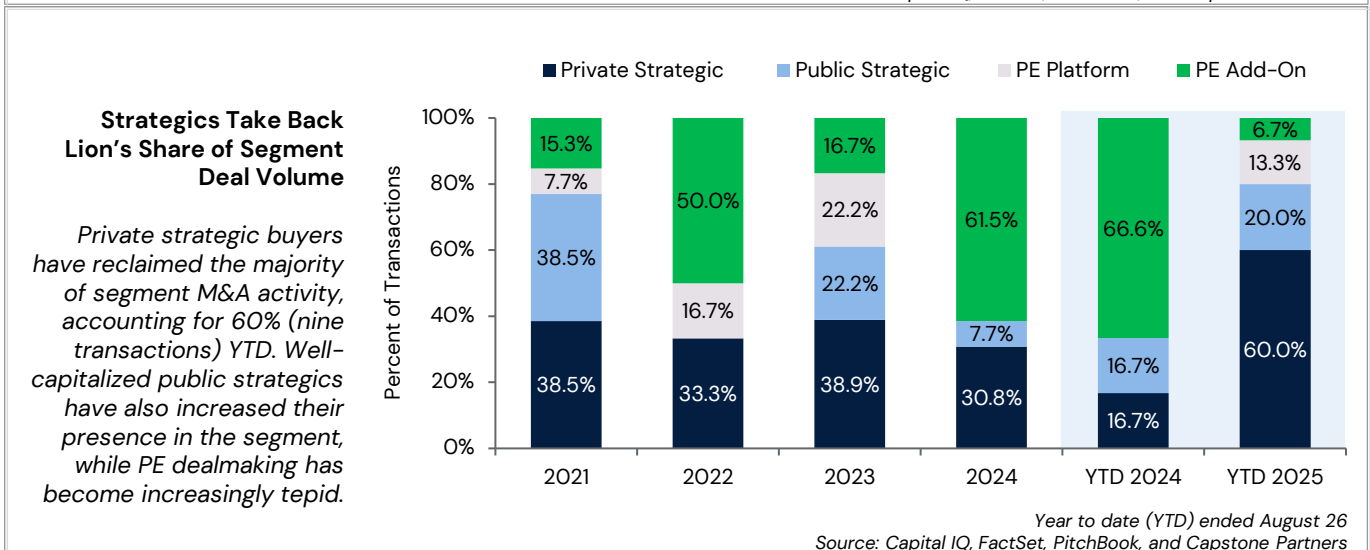
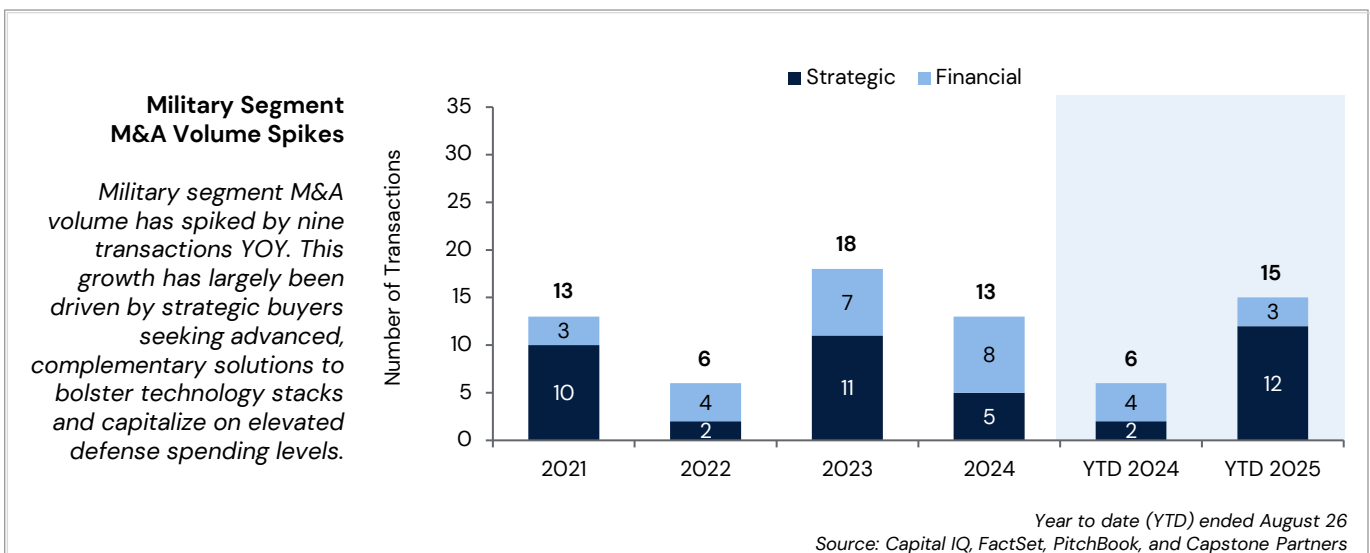
Year to date (YTD) ended August 26  
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners



## MILITARY SEGMENT GAINS MOMENTUM IN M&A MARKET

M&A volume in the Military segment has strengthened YOY, rising from six transactions announced or completed in YTD 2024 to 15 in YTD 2025. As a result, the Military segment has captured 42.9% of total sector deals to date—the second-highest composition on record. Military branches in the U.S. and internationally have increasingly adopted virtual reality (VR), augmented reality (AR), and AI to replicate real-world combat scenarios, uplifting inorganic growth strategies in the segment. Heightened defense spending has also driven participants to scale via M&A. Notably, 13 of the 27 EU member states have increased their total defense contributions above 2% of GDP, according to the EDA report.

Mirroring the broader sector, Military segment M&A growth has been driven by strategic buyer activity. Strategic-led segment deals have risen by 10 YOY to comprise 80% of M&A in the space YTD. Private strategics have accounted for 60% of segment deals to date, often rolling up middle market businesses with VR and AR capabilities. Of note, Visionary Training acquired Reaction Simulation, a VR development company, for an undisclosed amount in April 2025. Financial sponsors have taken a more cautious stance, with PE transactions declining two transactions. Platforms rose two deals in YTD 2025 as buyers looked for something to build capabilities off. Notably, Acorn Capital acquired Pan Am Flight Academy as the key piece to build out its pilot training capabilities in the sector. Robust defense expenditure projections are anticipated to further buoy M&A in the Military segment, with advanced technology providers likely seeing outsized valuations.



## NOTABLE MILITARY SEGMENT M&A TRANSACTIONS



In July 2025, optic manufacturer EOTECH acquired VK Integrated Systems (VKIS) for an undisclosed sum. Under the terms of the transaction, VKIS will continue operations from its Tennessee headquarters. VKIS is a developer of advanced weapon electronics and warfighter technologies, including weapon-mounted sensors, edge-computing systems, and Tactical Assault Kit (TAK)-based situational awareness tools. This acquisition follows a string of U.S. defense investments with the intent of tightening supply chains and scaling mixed-use solutions that combine increases battlefield alertness. EOTECH has since rebranded under the EOTAK name.

“This is a continuation of our thesis. We’re building an integrated, American-made platform for mission-critical awareness, where hardware, software, and sensors work as one,” said Joesph Caradonna, CEO of EOTECH, in a press release.<sup>6</sup>



U.S.-based Visionary Training Resources (VTR), a provider of VR training solutions for pilots, acquired Reaction Simulation in April 2025 (undisclosed). Reaction Simulation develops VR products for pilots to utilize when training on new aircraft models. Under the terms of the deal, VTR has folded Reaction Simulations’ development operations into their own to support the rapid acceleration of innovative technology capabilities and a fully built out training experience.

“VTR has built a strong foundation with a high-quality VR product and scalable business structure. By bringing Reaction Simulation’s top-tier development talent into our organization, we now control our technical destiny. This merger gives us the speed, capability, and flexibility to push the boundaries of what VR training can do for aviation,” said Evey Cormican, CEO of VTR, in a press release.<sup>7</sup>



Tampa, Florida-based REPKON USA, a technology provider for aerospace and defense, acquired McCormick Stevenson, an engineering firm specializing in munitions and defense applications in March 2025 (undisclosed). As a result of the transaction, McCormick Stevenson will retain its name and now operates as an independent division of REPKON USA. The acquisition strengthened REPKON’s engineering capabilities and will provide McCormick Stevenson greater access to resources to enhance its services for existing clients.

“The McCormick Stevenson Team is thrilled to become part of REPKON USA, a dynamic and growing firm well positioned to meet the needs of America’s Warfighters during this time of unprecedented change in our nation’s Defense Industrial Base, mentioned Noel McCormick, Founder and Principal at McCormick Stevenson, in a press release.<sup>8</sup>



In February 2025, Albion River acquired Arotech Corporation from Greenbriar Equity for an undisclosed amount. Arotech provides mission-critical training and simulation solutions, portable power systems, and advanced electronic manufacturing for Defense, Law Enforcement, and select Commercial end markets. Albion River pursued the transaction as part of a continued build-out of its Defense- and Security-focused portfolio, with Arotech offering software, hardware products, and services applicable across a variety of end markets. This will also allow for Albion to leverage Arotech’s established customer base.

“We are excited to join forces with Albion River as we embark on this next phase of growth. With Albion River’s resources and expertise, we are poised to expand our global footprint, enhance our product offerings, pursue strategic acquisitions, and continue delivering for our customers,” said Dan Krutty, CEO of Arotech, in a press release.<sup>9</sup>

## SELECT M&A TRANSACTIONS BY SEGMENT

### MILITARY

Date	Target	Acquirer	Target Business Description	Buyer Breakdown
08/07/25	ElectroMagnetic Systems	Voyager Technologies (NYSE:VOYG)	Develops models for radar systems analysis.	Public Strategic
07/31/25	VK Integrated Systems	EOTECH	Manufactures situational awareness platforms.	Private Strategic
07/30/25	Dronesense	Versaterm	Develops software for situational awareness programs.	Private Strategic
07/16/25	Quality Maritime Training	The Kimberton	Provides maritime training for maritime personnel.	PE Add-On
07/15/25	Four Drobotics	Go Green Global (OTCPK:GOGR)	Offers training on autonomous vehicles.	Public Strategic
07/15/25	Monterey Technologies	Management Buyout	Designs mission-critical software solutions.	Private Strategic
07/09/25	C2 Technology Innovations	Blue Horizon (CNSX:BHCC)	Develops components for simulation products.	Public Strategic
06/05/25	Fly Kilo Charlie	US Aviation Academy	Provides flight training and simulation services.	Private Strategic
04/07/25	Reaction Simulation	Visionary Training Resources	Operates VR products for flight training.	Private Strategic
04/02/25	Ford K9	Stratoscope	Offers training services for mission-critical detection dogs.	Private Strategic
03/17/25	McCormick Stevenson	REPKON USA	Provides engineering service for armament systems.	Private Strategic
02/28/25	Battlespace Simulations	FAAC	Develops software solutions for combat simulation.	Private Strategic
02/26/25	Pan Am Int. Flight Academy	Acorn Capital Management	Provides flight training and simulation for pilots.	PE Platform
02/03/25	Arotech	Albion River	Offers defense and security simulation products.	PE Platform
02/03/25	PilotWorkshops.com	Sportsman's Market	Provides pilot training services.	Private Strategic

### CIVILIAN

Date	Target	Acquirer	Target Business Description	Buyer Breakdown
08/22/25	Paige	Tempus AI (Nasdaq:TEM)	Develops generative models for cancer detection.	Public Strategic
07/28/25	Ossvis	Huvitz (KOSDAQ:A065510)	Manufactures dentistry innovative technologies solutions.	Public Strategic
06/30/25	ImmersiveTouch	Healthpoint Capital	Develops medical VR for surgical procedures.	PE Platform
06/04/25	H2Safety Services	SGS (SWX:SGSN)	Provides emergency management training.	Public Strategic
04/21/25	Orlando Medical	Compu-med	Offers real-world emergency medical simulations.	Private Strategic

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners



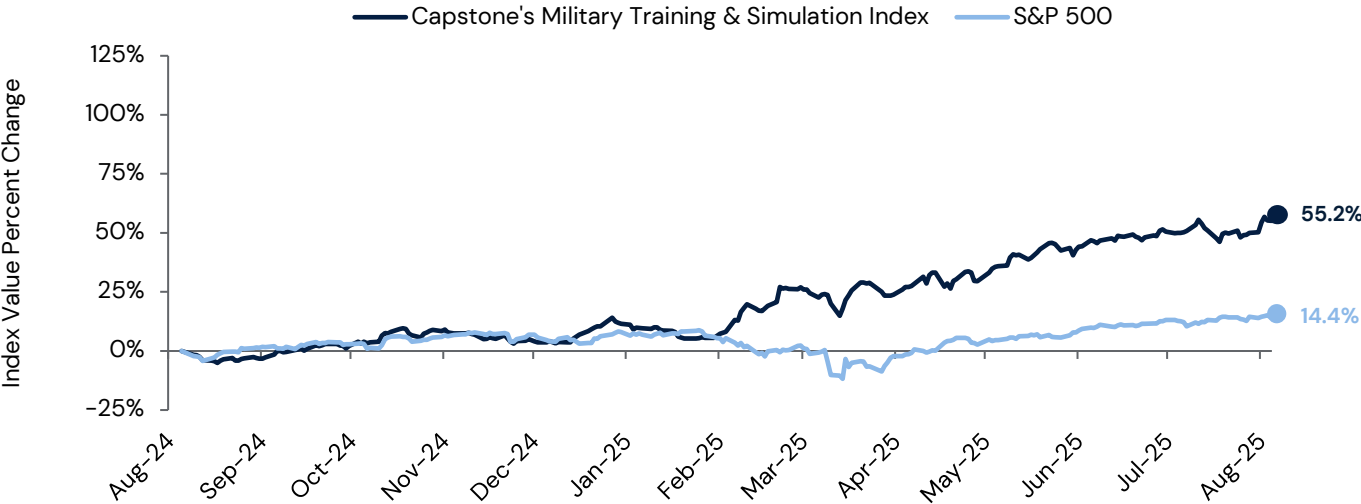


# PUBLIC EQUITY MARKET POINTS TO STRONG REVENUE BACKDROP

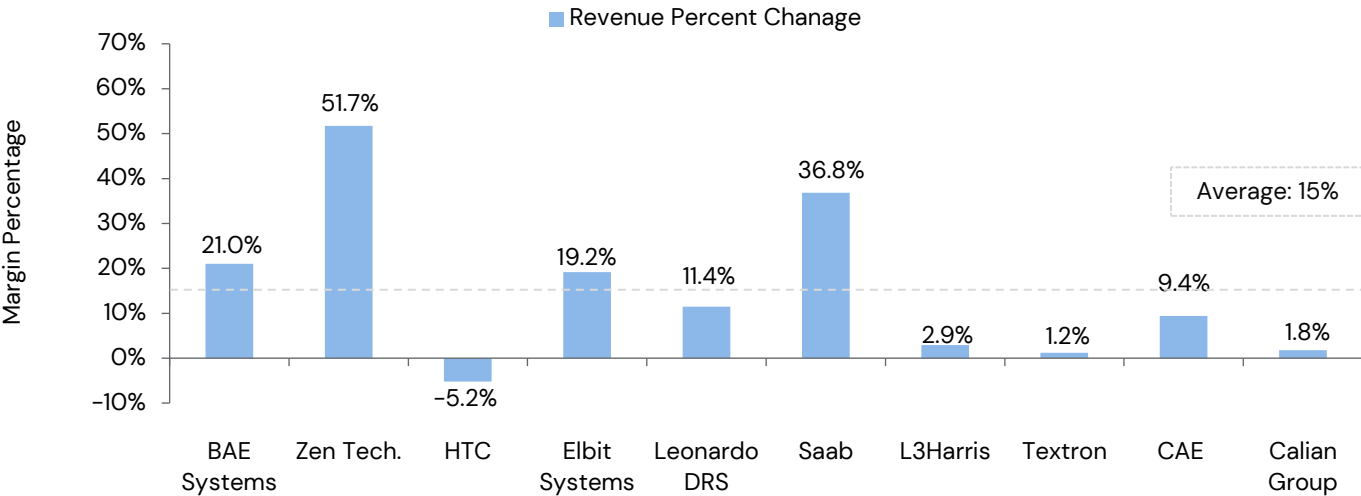
## Public Equity Market Takeaways

- 1. The public equity markets have generated robust share appreciation through YTD as defense spending and contract backlogs have created significant momentum.
- 2. Majority of public companies in the Military segment have experienced positive revenue accretion YOY as demand for innovative solutions has continued to rise.
- 3. Zen Technologies (BSE:533339) and Saab (OTC:SAABY): have lead Military segment public companies in revenue growth due to record turnover and profit, stemming from operational execution and demand.

## Capstone’s Training & Simulation Military Segment Index Outperforms S&P 500



## Military-Focused Public Companies See Strong Revenue Performance



Capstone Training & Simulation Index: 2498, 533339, BA., CAE, CGY, DRS, ESLT, LHX, SAABY, TXT  
Source: Capital IQ and Capstone Partners



## PUBLIC COMPANY DATA BY SEGMENT

### MILITARY

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	08/26/25	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
BAE Systems plc	\$23.88	88.6%	\$71,302.8	\$81,346.0	\$37,547.6	\$5,221.3	13.9%	2.2x	15.6x
Zen Technologies Limited	\$17.18	57.3%	\$1,550.8	\$1,453.4	\$102.3	\$37.8	36.9%	NM	NM
HTC Corporation	\$1.93	91.5%	\$1,610.2	\$1,236.0	\$106.8	NM	NM	NM	NM
Elbit Systems Ltd.	\$483.84	95.4%	\$22,424.0	\$22,815.9	\$7,516.2	\$899.9	12.0%	3.0x	25.4x
Leonardo DRS, Inc.	\$41.93	85.0%	\$11,158.6	\$11,352.6	\$3,421.0	\$442.0	12.9%	3.3x	25.7x
Saab AB	\$56.37	95.5%	\$30,249.5	\$30,489.7	\$7,358.4	\$908.6	12.3%	4.1x	NM
L3Harris Technologies, Inc.	\$277.66	99.0%	\$51,948.7	\$63,568.7	\$21,373.0	\$4,211.0	19.7%	3.0x	15.1x
Textron Inc.	\$81.38	89.0%	\$14,502.3	\$17,237.3	\$14,062.0	\$1,582.0	11.3%	1.2x	10.9x
CAE Inc.	\$27.09	90.9%	\$8,685.0	\$11,085.6	\$3,471.0	\$805.7	23.2%	3.2x	13.8x
Calian Group Ltd.	\$34.58	89.6%	\$392.3	\$483.9	\$551.4	\$50.2	9.1%	0.9x	9.6x
Mean							16.8%	2.6x	16.6x
Median							12.9%	3.0x	15.1x
Harmonic Mean							14.7%	2.0x	14.7x

EV = enterprise value; LTM = last twelve months  
\$ in millions, except per share data  
NM = Not Meaningful

### CIVILIAN

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	08/26/25	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Surgical Science Sweden AB	\$10.72	53.3%	\$547.2	\$483.5	\$99.2	\$20.2	20.4%	4.9x	23.9x
RELX PLC	\$47.70	84.1%	\$87,173.3	\$97,066.8	\$13,062.1	\$4,358.1	33.4%	NM	22.3x
Wolters Kluwer N.V.	\$129.56	61.3%	\$29,840.0	\$34,858.0	\$7,136.8	\$2,364.1	33.1%	4.9x	14.7x
HealthStream, Inc.	\$28.00	81.8%	\$830.0	\$755.2	\$295.2	\$43.4	14.7%	2.6x	17.4x
Clarivate Plc	\$4.47	62.5%	\$3,004.8	\$7,243.7	\$2,500.3	\$980.0	39.2%	2.9x	7.4x
M3, Inc.	\$15.41	93.4%	\$10,452.8	\$10,119.3	\$2,127.1	\$559.0	26.3%	4.8x	18.1x
Danaher Corporation	\$206.25	73.7%	\$147,685.6	\$163,291.6	\$24,013.0	\$7,832.5	32.6%	NM	20.8x
Siemens Limited	\$34.79	37.5%	\$12,390.2	\$11,711.2	\$2,659.4	\$339.6	12.8%	4.4x	NM
Dassault Systèmes SE	\$30.83	64.2%	\$40,700.1	\$38,958.3	\$7,413.6	\$1,778.2	24.0%	NM	21.9x
Bentley Systems, Incorporated	\$53.79	90.8%	\$16,919.6	\$18,112.8	\$1,419.6	\$419.2	29.5%	NM	NM
Mean							26.6%	4.1x	18.3x
Median							27.9%	4.6x	19.5x
Harmonic Mean							23.5%	3.8x	16.1x

Source: Capital IQ and Capstone Partners as of August 26, 2025



## TRAINING & SIMULATION REPORT CONTRIBUTORS

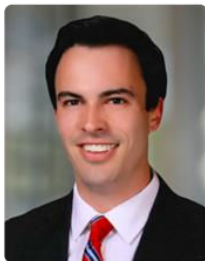
**Ted Polk**

Managing Director

tpolk@capstonepartners.com | 708-921-8961

Ted is a Managing Director at Capstone Partners. Prior to joining Capstone in 2010, Ted ran the corporate finance practice in the Central region for Morgan Stanley Smith Barney's Capital Strategies Group and its predecessor, Citi Capital Strategies. He has over 25 years of experience working with businesses across a variety of industrial and technology-enabled markets and has focused interest in working with HVAC and energy management related businesses. Early in his career, Mr. Polk also provided valuation advisory services for an entity now owned by Duff & Phelps and was a lender to the Utility industry in the Corporate Banking Group at The Bank of New York and its predecessor Irving Trust Co.

Ted is an active public speaker on the topic of business exits and recapitalizations of privately owned businesses and is a frequent recipient of industry awards for his advisory services. Ted was recognized by the Global M&A Network for his participation in both the Canadian Deal of the Year in 2022 and the Aerospace and Defense Deals of the Year in 2024 and 2021. He was similarly recognized in 2018 for his involvement in the USA Recapitalization Deal of the Year, in 2017 for his participation in the U.S. Corporate M&A Deal of the Year and in 2015 for USA Recapitalization Deal of The Year. Previously, he was also recognized by the M&A Advisor in 2016 for his role on the Professional Services Deal of the year and was also previously recognized by this organization for his role on transactions awarded the Middle-Market M&A Deal of the Year, the Middle-Market M&A Financing Deal of the Year, and the Cross-Border Middle-Market Deal of the Year.

**Brian Gerner**

Director

bgerner@capstonepartners.com | 847-861-7992

Brian is a Director within Capstone's Industrials Investment Banking Group with nearly 10 years of experience advising middle market businesses across the Simulation, Training, and ADGS sectors. He possesses deep domain knowledge within the space and has closed transactions in high-growth markets, including flight training, medical simulation, virtual reality, and government technology.

Prior to joining Capstone Partners, Brian worked at a boutique investment bank, where he focused on transactions in the enterprise software, SaaS, and cybersecurity sectors.

**Matthew Milone**

Market Intelligence Analyst

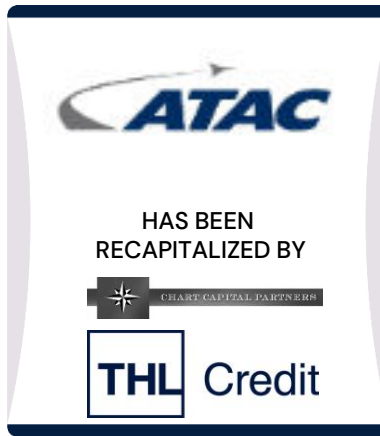
mmilone@capstonepartners.com | 860-798-5180

Matthew serves as a Market Intelligence Analyst at Capstone Partners covering the Consumer and Industrials industries. Prior to joining Capstone, Matthew was an intern at Ategenos Capital and Connecticut Wealth Management. Matthew graduated with a Bachelor of Science degree in Business Administration with a concentration in Finance from Babson College.



## FIRM TRACK RECORD

Capstone has represented numerous companies in the [ADGS industry](#), including those that serve the Training & Simulation sector needs of federal, state, local, municipal or foreign governments, as well as the needs of civilian and defense-related agencies. Sample recent engagements include the following.



## FIRM AWARDS & ACCOLADES



## CAPSTONE'S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The stage and initiatives of a business often dictate which financial services are in demand. As the bulk of CEOs polled in Capstone's 2024 Middle Market Business Owners Survey indicated growth strategies are a priority for 2025, the lion's share (40.7%) of owners anticipate a need for growth strategy support services. Similarly, 38.1% of CEOs require equity capital advisory services to support operational initiatives and business expansion. Nearly one-third of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, 30.2% of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company's lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed specialty advisory practices to provide financial performance, buy-side, employee stock ownership plan (ESOP), and equity and debt services. All of these capabilities are supported by 12 industry banking groups, an active sponsor coverage group, and a dedicated Market Intelligence Team.

### Top Financial Services Required by Business Owners in 2025



**40.7%**

Instituting a growth strategy



**38.1%**

Raising equity capital



**32.4%**

Accounting & audit support



**30.2%**

Accessing relevant industry research



**20.2%**

Raising debt capital



**19.8%**

Corporate restructuring

*Question: Have you ever had, or do you anticipate having, a need for any of the following services?  
Source: Capstone Partners' Middle Market Business Owner Survey, Rebased Sample Size (N): 278*



## ENDNOTES

1. European Defense Agency, "Defense Data 2024-2025," <https://eda.europa.eu/publications-and-data/thematic-policy-reports/eda-defence-data-2024-2025>, accessed September 11, 2025.
2. North Atlantic Treaty Organization, "Defense Expenditure of NATO Countries (2014-2025)," [https://www.nato.int/cps/en/natohq/news\\_237171.htm](https://www.nato.int/cps/en/natohq/news_237171.htm), accessed September 11, 2025.
3. Reuters, "NATO commits to spending hike sought by Trump, and to mutual defence," <https://www.reuters.com/business/aerospace-defense/nato-leaders-set-back-trump-defence-spending-goal-hague-summit-2025-06-24/#>, accessed September 11, 2025.
4. CAE Inc., "First Quarter Financial Results FY26," <https://www.cae.com/investors/>, accessed October 20, 2025.
5. PR Newswire, "Cardio Partners Announces the Acquisition of RescueStat," <https://www.prnewswire.com/news-releases/cardio-partners-announces-the-acquisition-of-rescuestat-302524972.html>, accessed October 17, 2025.
6. ECOTECH, "ECOTECH Acquires VK Integrated Systems, Expands into Tactical Networking and Battlefield Sensor Integration," <https://www.eotechinc.com/news/post/eotech-acquires-vk-integrated-systems-expands-into-tactical-networking-and-battlefield-sensor-integr>, accessed September 10, 2025.
7. EINPresswire, "Visionary Training Resources and Reaction Simulation Announce Merger to Transform Pilot Training," <https://www.wjbf.com/business/press-releases/ein-presswire/800923560/visionary-training-resources-and-reaction-simulation-announce-merger-to-transform-pilot-training/>, accessed September 10, 2025.
8. PRNewswire, "REPKON USA Announces Acquisition of McCormick Stevenson Corporation," <https://www.prnewswire.com/news-releases/repkon-usa-announces-acquisition-of-mccormick-stevenson-corporation-302403309.html>, accessed September 22, 2025.
9. FAAC, "Albion River Acquires Arotech Corporation," <https://www.faac.com/blog/2025/02/26/albion-river-acquires-arotech-corporation/>, accessed September 22, 2025.



**CAPSTONE  
PARTNERS**

Common Goals. Uncommon Results.

### Disclosure

This report is a periodic compilation of certain economic and corporate information, as well as completed and announced merger and acquisition activity. Information contained in this report should not be construed as a recommendation to sell or buy any security. Any reference to or omission of any reference to any company in this report should not be construed as a recommendation to buy, sell or take any other action with respect to any security of any such company. We are not soliciting any action with respect to any security or company based on this report. The report is published solely for the general information of clients and friends of Capstone Partners. It does not take into account the particular investment objectives, financial situation or needs of individual recipients. Certain transactions, including those involving early-stage companies, give rise to substantial risk and are not suitable for all investors. This report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Prediction of future events is inherently subject to both known and unknown risks and other factors that may cause actual results to vary materially. We are under no obligation to update the information contained in this report. Opinions expressed are our present opinions only and are subject to change without notice. Additional information is available upon request. The companies mentioned in this report may be clients of Capstone Partners. The decisions to include any company in this report is unrelated in all respects to any service that Capstone Partners may provide to such company. This report may not be copied or reproduced in any form or redistributed without the prior written consent of Capstone Partners. The information contained herein should not be construed as legal advice.





## Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 51 countries.

