



INTRODUCING THE
LEADER IN DEFENSE
TRADE

6 JUNE 2023

WELCOME

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UNTAPPED INVESTMENT

GLOBAL TRADE MANAGEMENT INVESTMENT COVERAGE

ACHIEVE A **SAFER** WORLD THROUGH INTERNATIONAL TRADE

Defense Trade Solutions (DTS) is the leading provider of professional services to the U.S. Defense Industry on Security Cooperation, Technology Security & Foreign Disclosure (TSFD), International Traffic in Arms Regulations (ITAR), and Global Trade Managed Services to eliminate friction in your business. Drawing on our wealth of specialized expertise, we bring opportunities to life.



THE PROBLEM

Small and Medium Sized Aerospace & Defense (A&D) companies are not making the right internal investment choices to maximize value and decrease cost from global trade.

MISSING GROWTH OPPORTUNITIES IN THE INTERNATIONAL MARKET

- Increased global demand for defense exports due to geopolitical instability and firms are not investing in the opportunity due to short-term global trade management costs.
- Technology growth is raising the bar on what is allowed to be exported internationally and companies are not making short-term investments to mitigate stumbling blocks.

FOCUSING ON US DOD SALES WITH LOWER MARGINS LIMITS COMPANY PROFITABILITY

- Capped profit margins of U.S. government contracts hinder company profitability unless there is diversity from international contracts having 3-5X margin multiples.
- Companies are not making the short-term investment in global trade management resources to diversify and achieve greater profitability from international sales.

VIEWING GLOBAL TRADE MANAGEMENT AS AN AFTERTHOUGHT INSTEAD OF A COMPETITIVE ADVANTAGE

- Small-Mid Sized Companies are absorbing the risk of \$M in fines, export debarment, contract debarment and reputation loss with a “it will never happen to me” attitude, despite USG settlement agreements on the rise in number and scope.
- Small-Mid Sized Companies can increase speed to market with a streamlined and agile global trade process, leading to a multi-year head start over competitors.
- Large Defense Companies view compliance with trade regulations as a requirement and value-add competitive advantage when making acquisitions.

PARTNER WITH A FIRM DEDICATED TO A&D GLOBAL TRADE MANAGEMENT

Low-cost risk mitigation and value creation for PE portfolio properties:

- Mitigate Successor Liability with Pre-Acquisition Global Trade Due Diligence
 - Ensure global trade compliance risks are manageable, equitable with purchase price, and viable exportability for the international pipeline.
- Grow Your Investment and Mitigate Fines with Ongoing Global Trade Managed Services
 - Protect investment health from fines and penalties (\$1.2M per violation)
 - Shift decision-making from outside counsel to experienced dedicated practitioners.
 - Increase profitability through international Direct Commercial Sales viability.
 - Increase in valuation due to diverse revenue from international and domestic sales.
 - Asset operating cost savings due to “behind the wall” PE Investment covering the service.
 - Overall cost savings due to variable costs of an external partner instead of in-house.
- Get the Best Sale Price with A Pre- Sale Global Trade Management Optimization
 - Mitigate risk of low offers due to perceived successor liability & lack of global trade maturity.
 - Establish an infrastructure hardened for due diligence success.
 - Position for a smooth integration into an acquiring company’s trade compliance program.
 - Decrease cost redundancies when the acquiring company already has global trade compliance resources.

THE SOLUTION

Partner with DTS as part of your portfolio investment strategy as an alternative to increasing Property operating costs. DTS has past performance success in the areas of Pre-Acquisition Global Trade Due Diligence, Global Trade Managed Services, and Pre-Sale Global Trade Management Optimization.




CASE STUDIES




DTS PRIVATE EQUITY PAST PERFORMANCE

PORTFOLIO COMPANIES CAN MAKE THE RIGHT INVESTMENT CHOICES TO MAXIMIZE VALUE AND DECREASE COSTS IN GLOBAL TRADE

- Portfolio company focus is not specialized in Global Trade, so they utilized external DTS subject matter expert support by:
 - Conducting Global Trade Management infrastructure development supporting a \$200M acquisition of a UAS company by a major defense prime.
 - Mitigating up to \$28.8M in fines from Global Trade Violations for defense hardware manufacturers and system integrator service companies.
 - Managing Global Trade Merger & Acquisition requirements for pre-transaction due-diligence, corporate transaction implementation and post-transaction integration affording a systems integrator & service property to increase from \$1B to \$3B in size within 18 months - one acquisition followed by one merger.
 - Acquiring U.S. Government approval to offer an advanced mission management system via Direct Commercial Sales in previously inaccessible foreign markets.
 - Negotiating U.S. Government approval for restricted technology offerings internationally, giving the systems integrator Property access to greater market share than their competition and increase profitability.



ABOUT US



ABOUT DTS

We enable the U.S. Defense Industry in keeping the country safe and the national security and foreign policy interests of the U.S. Government at the forefront.

OUR MISSION

- Protect the technical predominance of the U.S. military and global allies.
- Coach a holistic approach to international defense business.
- Simplify and enable access to responsible and effective trade.

OUR VISION

A safer world through international trade.

OUR VALUES

INTEGRITY



PASSION



SIMPLICITY



TRUST



CURIOSITY



STEWARDSHIP



| | |
|--------------------------------|-------------------------|
| NUMBER OF CUSTOMERS: | 52 |
| CUSTOMER SIZE: | \$5M-\$15B |
| CUSTOMER MARKETS: | A&D, SPACE & HIGH TECH. |
| PENALTIES MIGITAGED: | \$1B+ |
| EXPORT MARKETS OPENED: | \$2B+ |
| DTS STAFF YEARS OF EXPERIENCE: | 100+ |
| TYPICAL ENGAGEMENT PRICE: | \$60K-\$1M PER YEAR |

PORTFOLIO AT A GLANCE

We listen and are responsive to our customers, provide leadership, and deliver on our promises. Success is enabling our customers’ support of U.S. allies in the interests of U.S. national security & foreign policy.

WE LOVE WHAT WE DO



2022 WASHINGTON BEST PLACE TO WORK

Recognized companies consistently go beyond the norm to foster an enjoyable and meaningful work environment for their employees. BPTW honors the area's leading employers known for recruiting and retaining the best and brightest employees.

2022 TOP AEROSPACE & DEFENSE CONSULTANT

The Top 10 Aerospace and Defense Consultants comprises prominent organizations in the industry that address issues pertinent to the aerospace and defense sector by implementing current trends.

CMMC 2.0 LEVEL 2 COMPLIANCE

CMMC (Cybersecurity Maturity Model Certification) is a system of compliance levels that helps the government, specifically the Department of Defense, determine whether an organization has the security necessary to work with Controlled Unclassified Information (CUI).

DOD ACTIVE SECURITY CLEARANCE

As a partner with the U.S. Government, DTS maintains an active Facility Clearance.

CONTACT

WEBSITE

www.defense-trade.com

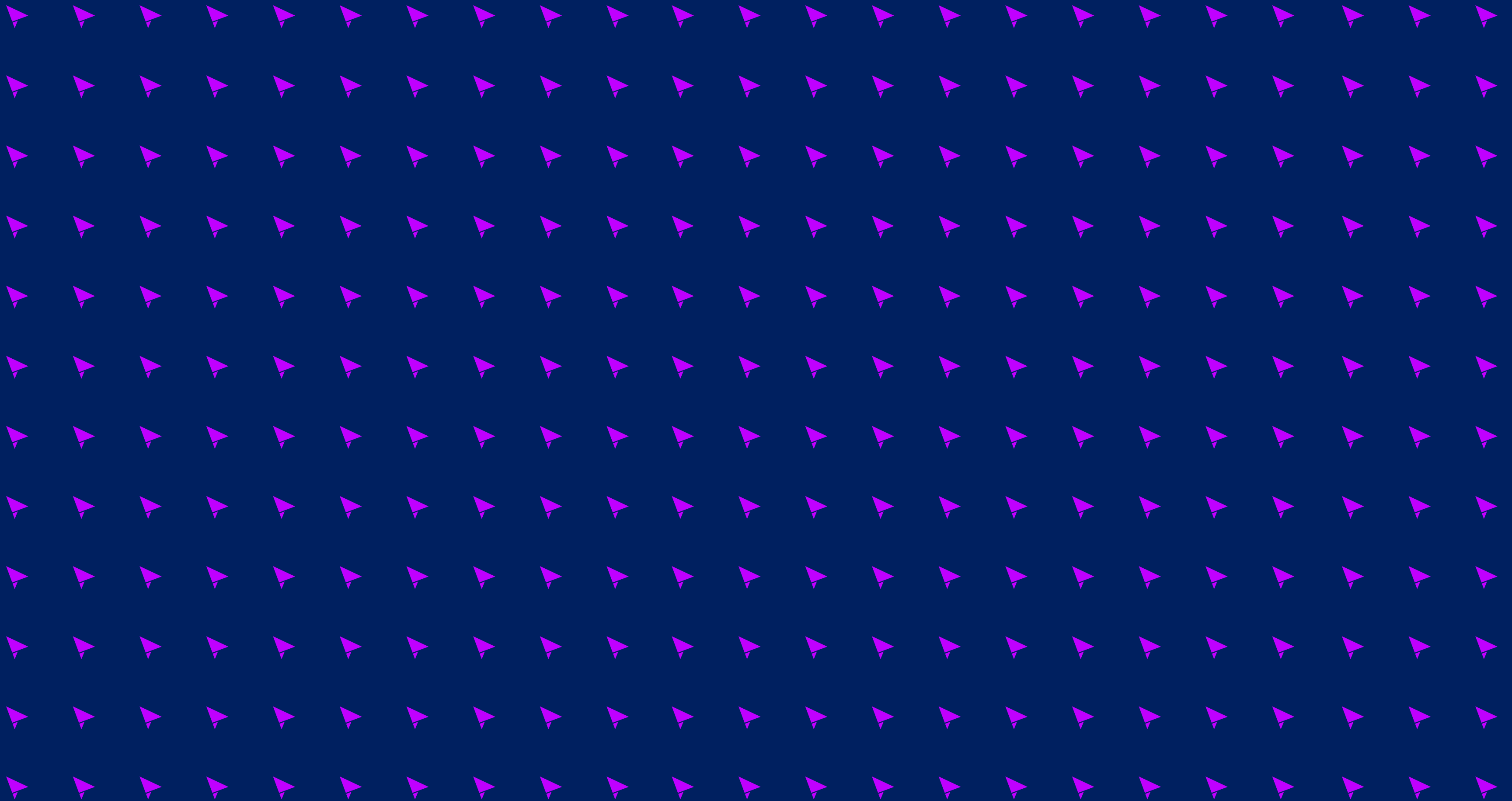
EMAIL

scasazza@defense-trade.com

PHONE NUMBER

908.256.6404





WWW.DEFENSE-TRADE.COM