

November 2025 Market Update: Aerospace & Defense

M&A Activity Accelerates

November saw three major aerospace and defense transactions, signaling strong confidence in the sector and continued portfolio realignment.

TriMas Corporation agreed to sell its aerospace fasteners and components division for \$1.45 billion to an affiliate of Tinicum L.P., with Blackstone funds as minority investor. The deal, valued at ~18x EBITDA, follows activist pressure from Barington and reflects TriMas' strategy to focus on its core packaging business.

Arcline Investment Management will acquire Novaria Group from KKR for \$2.2 billion. Novaria, which tripled in size under KKR through ~13 add-ons, specializes in aerospace fasteners and components. This move, along with Arcline's \$1.8 billion purchase of Kaman's aerospace unit in 2024, underscores private equity's confidence in aerospace supply chains.

Parker-Hannifin Corporation announced a \$9.25 billion acquisition of Filtration Group Corporation (a Madison Industries company), gaining a business with \$2 billion in sales—85% from high-margin aftermarket revenues. At ~19.6x EBITDA (~13.4x adjusted), the deal highlights strategic buyers' willingness to pay premiums for proprietary technology and recurring revenue streams.

Common Thread

Each deal reflects a reshaping of portfolios in pursuit of long-term growth. Corporates are refocusing on core businesses, private equity is scaling niche platforms, and strategics are targeting high-recurring-revenue segments. The result: a robust middle-market A&D M&A environment fueled by secular aerospace growth and strong valuations.

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Market Recap

Mesirow All-Equity Composite ¹	-2.33%	NASDAQ Composite ²	-1.51%
S&P 500 ³	0.11%	S&P M&P ⁴	-7.39%
Nasdaq U.S. Benchmark Airlines Index ⁵	9.74%	S&P 500 Passenger Airlines Index ⁶	11.12%

M&A Activity Accelerates

November saw three major aerospace and defense transactions, signaling strong confidence in the sector and continued portfolio management.

SAIC Corporation agreed to sell its aerospace, defense, and commercial space units to a consortium of private equity firms, L3, with Blackstone funds as minority investor. The deal, valued at \$2.4 billion, is subject to regulatory approvals from Washington and reflects SAIC's message to focus on its core packaging business.

Aerospace Investments Management will acquire Northrop Grumman's \$10 billion space and defense business, which is in use under \$10 billion in backlog, specializes in aerospace, fisheries, and environmental monitoring, and is aligned with Northrop's \$3 billion purchase of Harris' aerospace unit in 2024. The transaction is subject to shareholder and regulatory approvals.

Parker Hannifin Corporation announced a \$4.25 billion acquisition of the aerospace and defense business of Madison Industries Company, gaining a business with \$2 billion in sales, 35% of which is in the aerospace and defense market. The transaction is subject to shareholder and regulatory approvals.

COMMON THREADS

Each transaction reflects a rethinking of portfolios in pursuit of long-term growth. Corporates are refocusing on core businesses, private equity is scaling niche platforms, and strategics are targeting high-returning revenue segments. The result: a robust middle-market M&A/MR&I environment fueled by sector aerospace growth and strong valuations.

¹ Mesirow All-Equity Composite: Mesirow All-Equity Composite is a market capitalization-weighted index of approximately 100 equities in aerospace, defense, and related industries. The index is rebalanced annually. ² The Nasdaq Composite: The Nasdaq Composite is a market capitalization-weighted index of approximately 3,000 equities in a broad range of industries. ³ The S&P 500: The S&P 500 is a market capitalization-weighted index of 500 equities in a broad range of industries. ⁴ The S&P M&P: The S&P M&P is a market capitalization-weighted index of 400 equities in a broad range of industries. ⁵ Nasdaq U.S. Benchmark Airlines Index: The Nasdaq U.S. Benchmark Airlines Index is a market capitalization-weighted index of 15 U.S. passenger airline companies.