

**Insights**

# October 2025 Market Update: Aerospace & Defense

**MOMENTUM IN AEROSPACE IPOs**

After years of relying on SPACs and private funding, the aerospace and space technology sectors are seeing a resurgence in traditional IPO activity. In 2025, several high-profile listings have signaled renewed investor appetite and confidence in the industry's long-term growth.

**WHAT THIS MEANS FOR THE MARKET**

**Renewed Appetite** | Investors are re-engaging with capital-intensive, high-growth aerospace and defense businesses, particularly those tied to government contracts, military capabilities, and lunar exploration.

**Valuation Benchmarks** | IPOs like Firefly and Voyager provide critical indicators for how markets are pricing innovation, execution risk, and long-term potential.

**IPO as a Viable Exit** | Recent listings underscore the IPO's return as a credible path for aerospace firms, offering liquidity for investors, growth capital, and market validation. We believe this will continue to put upward pressure on valuations in hotly contested M&A auction processes.

**Looking Ahead** | With additional firms eyeing the public markets – including possible defense conglomerates – 2025 could mark the beginning of a broader reawakening in aerospace IPOs.

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## Market Update: Aerospace &amp; Defense

## Market Recap

Morningstar A&D Equity Composite* -0.24%	NASDAQ Composite* 4.70%
S&P 500* 2.27%	S&P A&D* 5.84%
Nasdaq US Benchmark Airlines Index* -1.15%	S&P 500 Passenger Airlines Index* -1.45%

## Momentum in Aerospace IPOs

After years of relying on SPACs and private funding, the aerospace and space technology sectors are seeing a resurgence in traditional IPO activity. In 2025, several high-profile listings have signaled renewed investor appetite and confidence in the industry's long-term growth.

## What This Means for the Market

**Resurgent Appetite:** Investors are re-engaging with capital intensive, high-growth aerospace and defense businesses, particularly those with proven track records, robust capabilities, and clear monetization.

**Valuation Benchmarks:** IPOs like Firefly and Virgin Orbit have set initial public market valuations for new market entrants, pricing innovation, scalability, and long-term potential.

**IPO as a Viable Exit:** Recent listings underscore the IPO's return as a viable path for aerospace firms offering liquidity for founders, growth capital, and market validation. The sector's self-sufficiency to self-fund projects or acquisitions is likely to attract more IPO activity.

**Leading the Way:** With additional firms joining the public markets - including possible defense conglomerates - 2025 could mark the beginning of a broader renaissance in aerospace IPOs.

## Aerospace Roundup

- **Launch to IPO:** In August 2025, pricing \$15.5 million, shares at \$10 each, raising nearly \$160 million. The offering valued the company at around \$1.7 billion.
- **The stock advanced significantly,** rising about 30% above near \$40.25, ending its valuation above \$1 billion on opening day.
- **Virgin Orbit's IPO** followed, with the company's IPO valued at \$1.5 billion, with a valuation of \$1.5 billion.

## Aerospace Roundup &amp; Aerospace Roundup

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As the market continues to evolve, investors and analysts will closely monitor the performance of these IPOs and the broader aerospace and defense sectors. The market's response to these listings will be a key indicator of the industry's future growth potential.