

Insights

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 A&D Equity Composite ¹	-2.33%	NASDAQ Composite ²	-1.51%
S&P 500 ³	0.11%	S&P A&D ⁴	-7.39%
Headline O&B Benchmark Returns Index ⁵	9.74%	S&P 500 Percentage Returns 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 realignment.

Boeing Corporation

Boeing Corporation agreed to sell its aerospace business and components division for \$1.45 billion to an affiliate of TPG Capital LP, with Boeing to retain an minority interest. The deal, valued at ~\$1.45 billion, follows a period of pressure from Boeing and reflects Boeing's strategy to focus on its core packaging business.

Aviation Business Management

Aviation Business Management will acquire Navstar Group from A&D for \$2.2 billion. Navstar, which traded at a price-earnings ratio of ~10, offers specialization in aerospace business and components. The move, along with recent \$2.8 billion purchase of Kaman's aerospace unit in 2024, underscores private equity's confidence in aerospace's growth chart.

Parker Hannifin Corporation

Parker Hannifin Corporation announced a \$1.2 billion acquisition of Filtration Group Corporation, a leading industrial company, gaining a business with \$2 billion in sales, 60% from high-margin aftermarket services. At ~\$1.2 billion, the deal highlights strategic focus on engineering technology and securing service chains.

COMMON THEMES

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

¹ Mesirow A&D Equity Composite is a performance index of Mesirow's aerospace and defense portfolio. ² NASDAQ Composite is a performance index of the NASDAQ stock market. ³ S&P 500 is a performance index of the S&P 500 stock market. ⁴ S&P A&D is a performance index of the S&P 500 stock market, focusing on aerospace and defense. ⁵ Headline O&B Benchmark Returns Index is a performance index of the O&B Benchmark Returns Index. ⁶ S&P 500 Percentage Returns Index is a performance index of the S&P 500 stock market, focusing on percentage returns.