

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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October 2025

Mesirow

Market Update: Aerospace & Defense

Market Recap

Mesirow All-D-Equity Composite ¹	0.24%	NASDAQ Composite ²	4.20%
S&P 500 ³	2.27%	S&P Aerospace ⁴	5.84%
Nasdaq US Benchmark Airlines Index ⁵	-1.35%	S&P 300 Passenger Airlines Index ⁶	-8.45%

Momentum in Aerospace IPOs

After years of retrenching 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

Recent Activity: Several firms are engaging with capital markets, high growth aerospace and defense businesses, particularly those that have government contracts, military capabilities, and future innovation.

Valuation Benchmarks: IPOs for the military and aerospace firms have become critical indicators for how markets are pricing innovation, execution risk, and long-term potential.

IPOs as a Visible Call: Recent findings underscore the IPOs' return as a visible call for aerospace firms, offering visibility for future growth and market valuation. This behavior can continue and put pressure on analysts to revalue companies with high-growth potential.

Looking Ahead: With additional firms from the aerospace sector – including possible defense conglomerates – in 2025, look for the beginning of a marketwide acceleration in aerospace IPOs.

INDUSTRY HIGHLIGHTS

SpaceX Launch: In August 2025, SpaceX's 50th Starlink satellite launch at 35,786 km, reaching nearly 500,000 miles. This offering reduced the company's value by nearly \$6.2 billion.

The most delayed satellite launch: After nearly 14 years of planning, the first satellite was launched on September 20, 2025.

White House, accelerated afterward: This will mark the beginning of space travel off the coast of Florida, a signal of global expansion.

YOUNGER TECHNOLOGIES & WARFARE HOLDINGS

Younger Technologies: In 2025, the company will be 100% owned by the market with a valuation near \$100 billion, with its stock soaring at roughly 30% YTD, well above the prior year's 10%.

Warfare Holdings: In 2025, the company will be 100% owned by the market with a valuation approaching \$10 billion.

¹ Mesirow All-D-Equity Composite: A broad-based index of the U.S. equity market, including stocks of companies in all sectors of the economy. The index is composed of approximately 1,000 stocks, selected from the NYSE, AMEX, and Nasdaq. The index is rebalanced annually. The index is not a diversified portfolio and is not intended to represent the performance of any particular investment. The value of the index is not a measure of the value of an investment. Mesirow All-D-Equity Composite is a service mark of Mesirow Financial, Inc.

² NASDAQ Composite: A broad-based index of the Nasdaq market, including stocks of companies in all sectors of the economy. The index is composed of approximately 3,000 stocks, selected from the Nasdaq. The index is rebalanced annually. The index is not a diversified portfolio and is not intended to represent the performance of any particular investment. The value of the index is not a measure of the value of an investment. Mesirow All-D-Equity Composite is a service mark of Mesirow Financial, Inc.

³ S&P 500: A broad-based index of the U.S. equity market, including stocks of companies in all sectors of the economy. The index is composed of approximately 500 stocks, selected from the NYSE, AMEX, and Nasdaq. The index is rebalanced annually. The index is not a diversified portfolio and is not intended to represent the performance of any particular investment. The value of the index is not a measure of the value of an investment. Mesirow All-D-Equity Composite is a service mark of Mesirow Financial, Inc.

⁴ S&P Aerospace: A specialized index of the U.S. equity market, including stocks of companies in the aerospace and defense sectors. The index is composed of approximately 20 stocks, selected from the NYSE, AMEX, and Nasdaq. The index is rebalanced annually. The index is not a diversified portfolio and is not intended to represent the performance of any particular investment. The value of the index is not a measure of the value of an investment. Mesirow All-D-Equity Composite is a service mark of Mesirow Financial, Inc.

⁵ Nasdaq US Benchmark Airlines Index: A specialized index of the Nasdaq market, including stocks of companies in the airline industry. The index is composed of approximately 10 stocks, selected from the Nasdaq. The index is rebalanced annually. The index is not a diversified portfolio and is not intended to represent the performance of any particular investment. The value of the index is not a measure of the value of an investment. Mesirow All-D-Equity Composite is a service mark of Mesirow Financial, Inc.

⁶ S&P 300 Passenger Airlines Index: A specialized index of the S&P 500, including stocks of companies in the airline industry. The index is composed of approximately 300 stocks, selected from the S&P 500. The index is rebalanced annually. The index is not a diversified portfolio and is not intended to represent the performance of any particular investment. The value of the index is not a measure of the value of an investment. Mesirow All-D-Equity Composite is a service mark of Mesirow Financial, Inc.