

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

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Market Recap

Mesirow A&D Equity Composite* 0.24%

S&P 500* 2.27%

Nasdaq US Benchmark A&D Index* -1.15%

NASDAQ Composite* 4.70%

S&P 500* 5.84%

S&P 500 Passenger Airlines Index* -1.45%

Moistens 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

Increased Appetite: Investors are engaging with capital intensive, high-growth aerospace and defense businesses, particularly those tied to government contracts, military capabilities, and technological innovation.

Valuation Benchmarks: IPOs for heavily regulated space-based products could indicate how markets are pricing innovation, intellectual property, 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 founders, growth capital, and market validation. The future will continue to feel upward pressure on valuations in highly 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.

Key Aerospace IPOs & Business Highlights

Key Aerospace IPOs

- SpaceX launched its first commercial satellite constellation, Starlink, in August 2025, pricing \$10.5 million shares at \$15 each, raising nearly \$150 million. The offering valued the company at around \$1.5 billion.
- The stock debuted spectacularly, ending the first day above \$20, signaling its valuation above \$1 billion on opening day.
- While gains moderated afterward, the stock marked the beginning of a broader IPO of the sector, indicating growing investor enthusiasm.

Key Aerospace & Defense Business Highlights

- Boeing's commercial aircraft division reported record quarterly revenue, driven by strong demand for the 737 MAX series, signaling a robust recovery in the commercial aviation market.
- Lockheed Martin's defense division secured a major contract for the F-35 fighter jet, reinforcing its position as a leading defense contractor.
- Northrop Grumman's autonomous systems division announced a partnership with a major defense contractor, highlighting its growing role in next-generation warfare capabilities.