

Insights

December 2025 Market Update: Aerospace & Defense

M&A Activity Closing 2025 Strong

December closed out calendar year 2025 with a surge in strategic dealmaking across the U.S. Aerospace & Defense sector, underscoring investor confidence in high-tech capabilities and resilient supply chains. From space-based sensing to proprietary fasteners and defense electronics, buyers pursued assets that align with long-term growth and strategic priorities.

CACI International Inc. announced a \$2.6 billion acquisition of ARKA Group, a Blackstone portfolio company specializing in space-based sensing and optical communications. The deal marks a strategic expansion into national security technologies, reinforcing CACI's commitment to delivering actionable intelligence across defense and space domains.

Howmet Aerospace Inc. entered into a definitive agreement to acquire Consolidated Aerospace Manufacturing (CAM) from Stanley Black & Decker for \$1.8 billion. The transaction, which includes favorable tax treatment and anticipated synergies, strengthens Howmet's portfolio of precision fasteners and fluid fittings, enhancing its position across commercial aerospace and defense platforms.

TransDigm Group Inc. will acquire Stellant Systems Inc. for \$960 million in an all-cash deal. Stellant, a provider of high-power RF and microwave components for defense and space applications, brings proprietary technologies and robust aftermarket revenue. The acquisition aligns with TransDigm's strategy of investing in niche, high-margin aerospace and defense businesses.

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Monthly Market Update: Aerospace & Defense

Market Recap

Midwest AirL-Equity Composite ¹	-1.98%	NKX200 Composite ²	-0.53%
S&P 500 ³	-0.05%	S&P 400 ⁴	4.57%
Nasdaq US Benchmark Airlines Index ⁵	10.21%	S&P 500 Passenger Airlines Index ⁶	10.82%

MBA Activity Closing 2005 Strong

December closed our calendar year 2025 with a surge in strategic dealmaking across the U.S. Aerospace & Defense sector, underscoring investor confidence in high-tech capabilities and resilient supply chains. From space-based sensing to proprietary facilities and defense electronics, buyers pursued assets that align with long-term growth and strategic priorities.

CACI International Inc. announced a \$2.6 billion acquisition of Eldec Group, a Blackstone portfolio company operating in space-based sensing and optical communications. The deal marks a strategic expansion into national security technologies, reinforcing CACI's commitment to delivering actionable intelligence across defense and space domains.

Moorman Aerospace Inc. entered into a definitive agreement to acquire Consolidated Aerospace Manufacturing Corp. from James Black & Decker Inc. The transaction, which includes favorable tax treatment and articulated synergies, strengthens Moorman's portfolio of precision Sciences and Fuel Filings, enhancing its position across commercial aerospace and defense portfolios.

NavalDigital Group/Inc. will acquire Corbett Systems Inc. The \$240-million acquisition of Corbett, a provider of high-power RF and microwave components for defense and space applications, brings proprietary technologies and robust operational expertise. The acquisition aligns with NavalDigital's strategy of investing in niche, high-margin aerospace and defense businesses.

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