

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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Market Recap

Mostrous All-Equity Composite ¹	3.98%	NASDAQ Composite ²	4.51%
S&P 500 ³	-0.05%	S&P AAFY ⁴	4.57%
Nasdaq (US) Benchmark Airlines Index ⁵	10.21%	M&P 100 Passageway Airlines Index ⁶	10.32%

M&A Activity Closing 2005 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, issuers pursued assets that align with innovation, growth, and mission-critical.

CAO International has announced a \$1.5 billion acquisition of AFICL Group, a Blackstone portfolio company specializing in space-based sensing and optical communications. The deal marks a strategic expansion into national security technologies, reinforcing CAO's commitment to delivering affordable intelligence across defense and space domains.

Houston Aerospace Inc., entered into a definitive agreement to acquire **Consolidated Aerospace Manufacturing (CAM)** from **Stearns Black & Decker** for \$1.6 billion. The transaction, which includes favorable fee treatment and anticipated synergies, strengthens **Houston's** position of precision, **fasteners** and **fastening** solutions, enhancing its position across commercial, **military** and **space** markets.

of serum
IgM anti-
HCV, a positive
urine
HCV test
and raised
liver
enzymes.

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