

Insights

January 2026 Market Update: Aerospace & Defense

A New Era for Aerospace & Defense

January closed with strong momentum in Aerospace & Defense M&A, led by headline transactions and a sizable shift in U.S. defense policy. Strategic buyers and private equity firms continued to pursue high-value assets, while new federal directives introduced both tailwinds and complexity to the sector’s outlook.

TransDigm announced a \$2.2 billion acquisition of Victor Sierra Aviation Holdings LLC and Jet Parts Engineering, LLC from Vance Street Management. The all-cash transaction, valued at 7.86x LTM revenue, adds a portfolio of proprietary PMA and OEM-alternative aftermarket parts serving commercial, regional, and cargo airline customers. The deal follows TransDigm’s \$960 million acquisition of Stellant Systems in December 2025, a supplier of high-power RF and microwave components for defense and space applications. Together, the two transactions underscore TransDigm’s continued focus on acquiring niche, high-margin aerospace and defense assets with strong aftermarket exposure.

[CONTINUE READING](#)



The thumbnail shows the cover of the 'January 2026 Monthly Market Update: Aerospace & Defense' report. It features the Mesirow logo at the top right. Below the title, there is a 'Market Recap' section with a table of performance metrics:

Mesirow A&D Equity Composite*	11.95%	NASDAQ Composite*	0.95%
S&P 500*	1.17%	S&P 400*	13.14%
Nasdaq US Benchmark Airlines Index*	-2.84%	S&P 500 Passenger Airlines Index*	-2.10%

Below the table is the main article title 'A New Era for Aerospace & Defense' and a small image of a satellite in space. The text on the cover provides a brief overview of the market activity and key transactions.

