

# Market Update: Aerospace & Defense

## Market Recap

Mesirow A&D Equity Composite <sup>1</sup>	-2.33%	NASDAQ Composite <sup>4</sup>	-1.51%
S&P 500 <sup>2</sup>	0.13%	S&P A&D <sup>5</sup>	-7.39%
Nasdaq US Benchmark Airlines Index <sup>3</sup>	9.74%	S&P 500 Passenger Airlines Index <sup>6</sup>	11.12%

## M&A Activity Accelerates

November saw three major aerospace and defense transactions, signaling strong confidence in the sector and continued portfolio realignment.

**TriMas Corporation** agreed to sell its aerospace fasteners and components division for \$1.45 billion to an affiliate of Tinicum L.P., with Blackstone funds as minority investor. The deal, valued at ~18x EBITDA, follows activist pressure from Barington and reflects TriMas’ strategy to focus on its core packaging business.

**Arcline Investment Management** will acquire Novaria Group from KKR for \$2.2 billion. Novaria, which tripled in size under KKR through ~13 add-ons, specializes in aerospace fasteners and components. This move, along with Arcline’s \$1.8 billion purchase of Kaman’s aerospace unit in 2024, underscores private equity’s confidence in aerospace supply chains.

**Parker-Hannifin Corporation** announced a \$9.25 billion acquisition of Filtration Group Corporation (a Madison Industries company), gaining a business with \$2 billion in sales—85% from high-margin aftermarket revenues. At ~19.6x EBITDA (~13.4x adjusted), the deal highlights strategic buyers’ willingness to pay premiums for proprietary technology and recurring revenue streams.

### COMMON THREAD

Each deal reflects a reshaping of portfolios in pursuit of long-term growth. Corporates are refocusing on core businesses, private equity is scaling niche platforms, and strategics are targeting high-recurring-revenue segments. The result: a robust middle-market A&D M&A environment fueled by secular aerospace growth and strong valuations.

All data as of 11.30.2025. | Data sources: S&P Capital IQ, NASDAQ exchange, S&P 500 Indices and company press releases. | 1. Mesirow A&D Equity Composite tracks 64 aerospace and defense companies across 7 sub-sectors. The percentage change is calculated by comparing the sum of the equal-weighted closing stock prices on the final trading day of each month. | 2. The S&P 500 includes 500 of the largest publicly traded companies in the U.S. | 3. The NASDAQ US Benchmark Airlines Index measures the performance of US-based airline companies. | 4. NASDAQ Composite includes all stocks traded on the NASDAQ exchange. | 5. The S&P Aerospace & Defense Select Industry Index comprises stocks from the S&P Total Market Index that are classified in the GICS Aerospace & Defense sub-industry. | 6. The S&P 500 Passenger Airlines Index measures the performance of US-based passenger airlines.

## M&A Market Recap

TABLE 1: NUMBER OF TRANSACTIONS BY STATUS

	October	November
Announced Mergers/Acquisitions	8	7
Closed/Effective/Expired	11	14
Total Number of Transactions	19	21

TABLE 2: M&A STATS

Valuation Summary	October	November
Total Deal Value (\$mm)	\$2,179	\$13,946
Average Deal Value (\$mm)	\$435	\$1,549
Average EV/Revenue	3.30x	1.27x

TABLE 3: NUMBER OF M&A DEALS BY RANGE OF VALUE

Valuation Summary	October	November
Greater than \$1 billion	1	3
\$500 – \$999.9mm	1	1
\$100 – \$499.9mm	1	0
Less than \$100mm	2	5
Undisclosed	14	12

TABLE 4: ACTIVE BUYERS/INVESTORS BY TOTAL TRANSACTION SIZE (FOR MONTH ENDED 11.30.2025)

Company name	Total transaction size (\$mm)
Parker-Hannifin Corporation (NYSE:PH)	\$9,250
Arcline Investment Management LP	\$2,200
Blackstone Inc. (NYSE:BX); Takeoff Buyer, Inc.	\$1,451
Intuitive Machines, Inc. (NasdaqGM:LUNR)	\$800
Ondas Autonomous Systems Inc.	\$80
AAR Corp. (NYSE:AIR)	\$78
Palladyne AI Corp. (NasdaqGM:PDYN)	\$45
FOSS A/S	\$38



1. Source: S&P Capital IQ.

## Public Sector Valuations

### Public Company Trading Statistics

	% of 52 week high	Enterprise value as a multiple of:				LTM gross margin	LTM EBITDA margin	LTM – NTM revenue growth	Net debt / LTM EBITDA
		Revenue		EBITDA					
		LTM	NTM	LTM	NTM				
Government services	84.6%	1.11x	1.14x	10.5x	10.5x	19.8%	10.1%	0.2%	2.5x
Aircraft OEMs	92.9%	2.32x	2.10x	19.0x	13.2x	19.0%	11.9%	6.9%	1.6x
Aviation Supply Chain	92.6%	4.59x	4.13x	22.8x	18.4x	29.9%	18.5%	9.7%	1.9x
Multi-Platform	87.9%	2.64x	2.50x	16.1x	15.3x	19.8%	15.1%	5.3%	2.3x
Defense technology	80.7%	4.24x	4.06x	17.8x	14.9x	28.5%	8.6%	4.7%	1.3x
Diversified IT	75.0%	1.92x	1.83x	10.8x	9.2x	30.9%	17.9%	4.8%	1.2x
MRO	89.1%	1.91x	1.79x	16.3x	12.3x	19.0%	11.7%	8.2%	3.1x
3rd Quartile	93.5%	4.57x	4.37x	20.91x	17.77x	34.8%	19.9%	11.8%	3.1x
Median	86.3%	2.30x	2.18x	16.42x	13.67x	25.8%	13.1%	5.7%	2.1x
1st Quartile	77.8%	1.58x	1.51x	14.16x	11.27x	18.9%	10.4%	4.2%	1.2x

Source: S&P Capital IQ as of November 30, 2025. Median stats from each index.



# Market Performance

CHART 1: S&P 500 PERFORMANCE (LTM)



Source: S&P Capital IQ as of November 30, 2025. Past performance is not indicative of future results.

CHART 2: NASDAQ (LTM)



Source: S&P Capital IQ as of November 30, 2025. Past performance is not indicative of future results.

CHART 3: S&P SELECT INDUSTRY: AEROSPACE & DEFENSE (LTM)



Source: S&P Capital IQ as of November 30, 2025. Past performance is not indicative of future results.

CHART 4: REVENUE PASSENGER-MILES (LAST 5 YEARS; ALL CARRIERS)



Source: Bureau of Transportation Statistics as of November 30, 2025. Past performance is not indicative of future results.

CHART 5: LOAD FACTOR (LAST 5 YEARS; ALL CARRIERS)



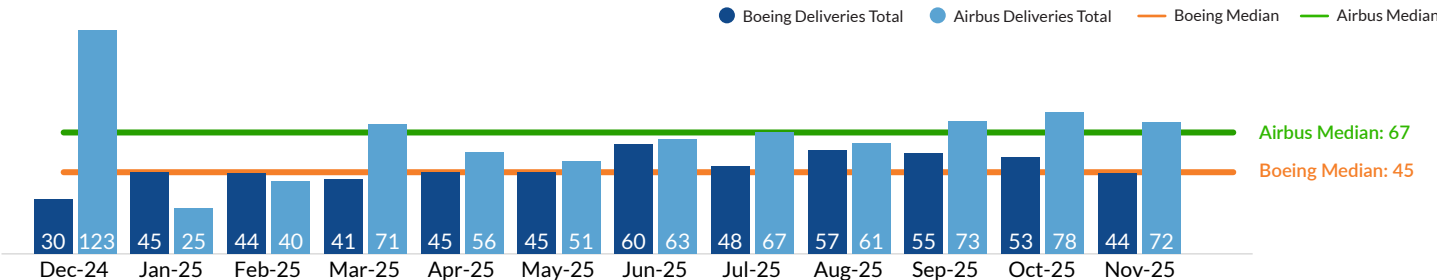
Source: Bureau of Transportation Statistics as of November 30, 2025. Past performance is not indicative of future results.

CHART 6: US TSA CHECKPOINT DATA (IN MILLIONS) (LTM)



Source: Transportation Security Administration as of November 30, 2025. Past performance is not indicative of future results.

CHART 7: BOEING AND AIRBUS DELIVERIES (LTM)



Source: Boeing and Airbus reporting as of November 30, 2025. Past performance is not indicative of future results.

# Featured Transaction

## Precise Flight

**Sector:** Electrical Systems & Sensors

**Client / Target company:** Precise Flight

**Buyer / Investor:** Signia Aerospace, a Portfolio Company of Arcline Investment Management

Headquartered in Bend, Oregon, Precise Flight designs and manufactures advanced safety and performance systems for the aviation industry. Its core products include aviation oxygen systems, speedbrakes, precision lighting (Pulselite System®), and custom tube fabrication for OEM and aftermarket clients. Serving both general aviation and commercial sectors, the Company is known for its engineering quality, regulatory expertise, and commitment to enhancing flight safety.

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# Recent Aerospace & Defense Transactions

BOARD ADVISORY



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HAS SOLD

East Hartford Operations

to



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Mesirow's exclusive focus on the middle market means we understand and relate to entrepreneurial business owners and their management teams. We take a long-term approach to client relationships and combine long-standing relationships with expert advisory services to provide custom solutions for leading aerospace & defense companies. With years of relevant transaction experience and a global network, our senior bankers devote a high level of attention to every transaction and ensure we meet the unique needs of our clients.

## Sector focus

### C4ISR

- Electronic warfare systems & components
- Radio & communication systems
- Detection system & components

### Electrical systems & sensors

- Proximity sensors & systems
- Power supply, distribution & conversion
- Lighting

### Engineered systems & components

- Avionics
- Cabin interiors
- Composites
- Metal fabrication & assemblies
- Actuation & motion control
- Ingredients & flavors

### MRO and design & engineering services

- MRO Services
- Product development
- Software & digital solutions
- Systems engineering & integration

### Mobility, autonomy & robotics

- Electrification
- Manned & unmanned systems
- Vehicle dynamics

### Space & satellite systems

- Guidance & stabilization
- Communications components
- Composite & metallic structures
- Propulsion systems

## Other industry concentrations

In addition to Aerospace & Defense we are a dedicated advisor to a wide array of middle-market companies and have developed an in-depth expertise in a range of industries, including:

- Business Services
- Food, Beverage & Agribusiness
- Industrial Technology
- Consumer & eCommerce
- Healthcare
- Packaging
- Distribution & Supply Chain
- Industrials
- Technology & Services

## About Mesirow

Mesirow is an independent, employee-owned financial services firm founded in 1937. Headquartered in Chicago, with offices around the world, we serve clients through a personal, custom approach to reaching financial goals and acting as a force for social good. With capabilities spanning Private Capital & Currency, Capital Markets & Investment Banking, and Advisory Services, we invest in what matters: our clients, our communities and our culture. To learn more, visit [mesrow.com](https://mesrow.com), follow us on [LinkedIn](#) and subscribe to [Spark](#), our quarterly newsletter.

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