

# Market Update: Aerospace & Defense

## Market Recap

Mesirow A&D Equity Composite<sup>1</sup> **0.24%**

NASDAQ Composite<sup>4</sup> **4.70%**

S&P 500<sup>2</sup> **2.27%**

S&P A&D<sup>5</sup> **5.84%**

Nasdaq US Benchmark Airlines Index<sup>3</sup> **-1.15%**

S&P 500 Passenger Airlines Index<sup>6</sup> **-1.45%**

## 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 (see below) 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.

### FIREFLY AEROSPACE

- Launched its IPO in August 2025, pricing \$19.3 million shares at \$45 each, raising roughly \$868 million. The offering valued the company at around \$6.3 billion.
- The stock debuted spectacularly, surging about 34% to close near \$60.35, sending its valuation above \$8 billion on opening day.
- While gains moderated afterward, this still marked the largest US space tech IPO of the year, a clear signal of growing investor enthusiasm.

### VOYAGER TECHNOLOGIES & KARMAN HOLDINGS

- Voyager Technologies went public in June 2025, entering the market with a valuation near \$3.8 billion, with its stock opening at roughly \$69.75, well above the offer price of ~\$31.
- Earlier in the year, Karman Holdings, supported by Trive Capital, debuted with a valuation approaching \$4 billion.

All data as of 10.31.2025. | Data sources: S&P Capital IQ, NASDAQ exchange, S&P 500 Indices. | 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

	September	October
Announced Mergers/Acquisitions	5	8
Closed/Effective/Expired	11	11
Total Number of Transactions	16	19

TABLE 2: M&A STATS

Valuation Summary	September	October
Total Deal Value (\$mm)	\$29,364	\$2,179
Average Deal Value (\$mm)	\$7,341	\$435
Average EV/Revenue	5.70x	3.30x

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

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

TABLE 4: ACTIVE BUYERS/INVESTORS BY TOTAL TRANSACTION SIZE (FOR MONTH ENDED 10.31.2025)

Company name	Total transaction size (\$mm)
Legrand SA (ENXTPA:LR)	\$1,125
Firefly Aerospace Inc. (NasdaqGM:FLY)	\$604
VSE Corporation (NasdaqGS:VSEC)	\$350
Karman Holdings Inc. (NYSE:KRMN)	\$88
Trusted Aerospace Engineering Pvt. Ltd.	\$11



1. Source: S&P Capital IQ.

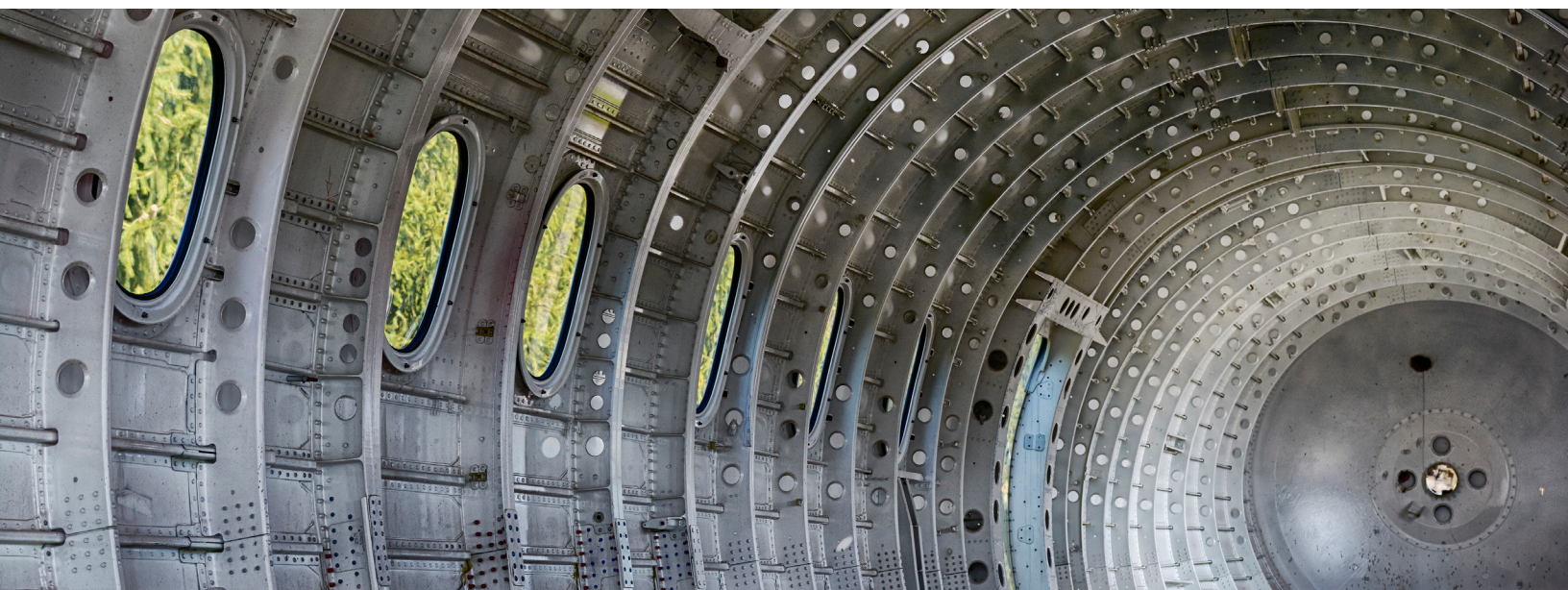


## Public Sector Valuations

### 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	68.8%	1.14x	1.17x	10.9x	10.8x	19.8%	10.1%	2.2%	2.5x
Aircraft OEMs	95.5%	2.31x	2.03x	17.7x	14.2x	19.2%	11.9%	7.5%	1.6x
Aviation Supply Chain	94.7%	4.25x	4.08x	21.0x	18.3x	29.8%	18.5%	7.6%	1.9x
Multi-Platform	92.4%	2.71x	2.56x	17.1x	15.6x	19.8%	15.1%	5.3%	2.3x
Defense technology	88.4%	4.45x	4.26x	19.0x	15.8x	28.5%	8.6%	3.2%	1.3x
Diversified IT	72.7%	1.88x	1.81x	10.6x	8.9x	30.9%	18.0%	4.4%	1.2x
MRO	90.4%	2.07x	1.92x	17.1x	12.6x	19.0%	11.7%	7.7%	3.1x
3rd Quartile	95.7%	4.67x	4.52x	20.90x	18.03x	34.8%	19.9%	8.9%	3.1x
Median	90.4%	2.32x	2.19x	17.06x	14.38x	25.8%	13.0%	5.5%	2.1x
1st Quartile	81.2%	1.64x	1.60x	14.54x	11.50x	18.9%	10.5%	3.5%	1.2x

Source: S&P Capital IQ as of October 31, 2025. Median stats from each index.



## Market Performance

CHART 1: S&P 500 PERFORMANCE (LTM)



Source: S&P Capital IQ as of October 31, 2025. Past performance is not indicative of future results.

CHART 2: NASDAQ (LTM)



Source: S&P Capital IQ as of October 31, 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 October 31, 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 October 31, 2025. Past performance is not indicative of future results.

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



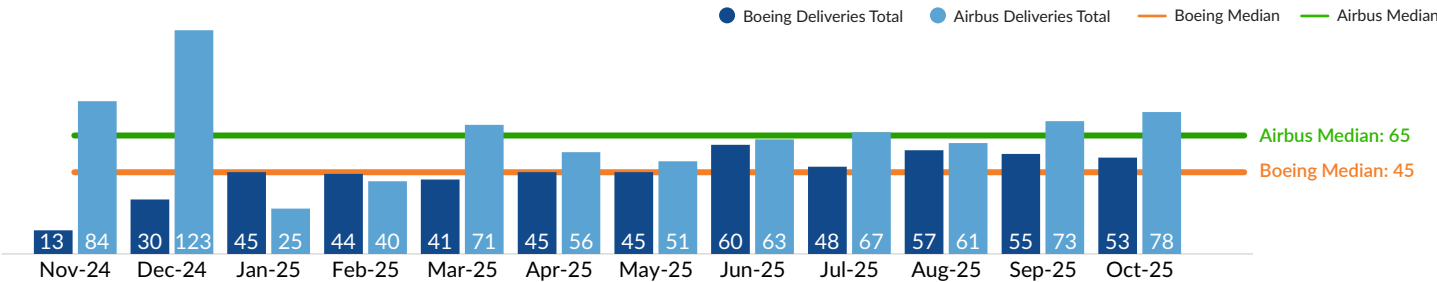
Source: Bureau of Transportation Statistics as of October 31, 2025. Past performance is not indicative of future results.

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



Source: Transportation Security Administration as of October 31, 2025. Past performance is not indicative of future results.

CHART 7: BOEING AND AIRBUS DELIVERIES (LTM)



Source: Boeing and Airbus reporting as of October 31, 2025. Past performance is not indicative of future results.

## Featured Transaction

### Beadlight, Ltd

**Sector:** Engineered Systems & Components

**Client / Target company:** Beadlight, Ltd

**Buyer / Investor:** Loar Holdings Inc.

Beadlight Ltd. is a UK-based, privately held engineering and manufacturing company headquartered in Witney, England. The Company specializes in designing and delivering custom-engineered illumination solutions and other products tailored to specific customer requirements. Beadlight is known industry-wide for its ability to deliver bespoke lighting solutions for the premium cabin. Through its "Beadlight diffusion," Beadlight enhances the passenger experience by providing unique light spread, color temperature and positioning. Nearly all Beadlight's revenue is derived from its portfolio of proprietary products, which are primarily delivered into the commercial aerospace end market. In recognition of its success, Beadlight was awarded the King's Award for Enterprise in 2025.

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## Recent Aerospace & Defense Transactions

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a portfolio company of



SELL-SIDE ADVISOR



HAS SOLD

East Hartford Operations

to



SELL-SIDE ADVISOR



a portfolio company of



HAS BEEN ACQUIRED BY



SELL-SIDE ADVISOR



HAS BEEN ACQUIRED BY



a portfolio company of



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