

# Market Update: Aerospace & Defense

## Market Recap

Mesirow A&D Equity Composite<sup>1</sup> **-0.8%**

NASDAQ Composite<sup>3</sup> **1.58%**

S&P 500<sup>2</sup> **1.91%**

S&P A&D<sup>4</sup> **0.5%**

## 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.

## M&A Market Recap

TABLE 1: NUMBER OF TRANSACTIONS BY STATUS

	July	August
Announced	1	2
Closed/Effective/Expired	22	11
Total Number of Transactions	23	13

TABLE 2: NUMBER OF TRANSACTIONS BY TYPE

	July	August
Merger/Acquisition	23	13
Total Number of Transactions	23	13

TABLE 3: M&A STATS

Valuation Summary	July	August
Total Deal Value (\$mm)	\$1,481.6	\$50.0
Average Deal Value (\$mm)	\$493.9	\$25.0
Average EV/Revenue	-	-
Average EV/EBITDA	-	-

TABLE 4: NUMBER OF M&A DEALS BY RANGE OF VALUE

Valuation Summary	July	August
Greater than \$1 billion	1	0
\$500 – \$999.9mm	0	0
\$100 – \$499.9mm	0	0
Less than \$100mm	2	2
Undisclosed	20	11

TABLE 5: ACTIVE BUYERS/INVESTORS BY TOTAL TRANSACTION SIZE (FOR MONTH ENDED 8.31.2025)

Company name	Total transaction size (\$mm)
Intuitive Machines, Inc. (NasdaqGM:LUNR)	\$30
AAR Corp. (NYSE:AIR)	\$20



## 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	80.7%	0.48x	0.78x	7.8x	7.3x	8.3%	4.7%	7.2%	1.6x
Aircraft OEMs	81.0%	1.03x	0.99x	10.2x	7.9x	39.0%	11.2%	4.2%	2.8x
Aviation Supply Chain	85.9%	2.93x	2.83x	14.9x	13.6x	43.1%	18.2%	5.8%	3.2x
Multi-Platform	67.8%	1.52x	1.97x	13.8x	12.5x	27.6%	8.2%	10.6%	3.2x
Defense technology	75.7%	0.52x	0.50x	11.1x	12.8x	5.1%	1.1%	(1.4%)	5.2x
Diversified IT	71.1%	1.43x	1.92x	14.5x	12.3x	34.8%	12.3%	2.8%	1.6x
MRO	66.7%	1.45x	1.21x	31.6x	8.0x	42.2%	(3.1%)	5.1%	19.3x
3rd Quartile	90.0%	2.55x	2.48x	16.5x	14.6x	37.6%	17.4%	9.1%	4.3x
Median	81.0%	1.41x	1.38x	11.8x	10.8x	28.7%	10.3%	4.1%	2.7x
1st Quartile	63.0%	0.71x	0.75x	8.7x	7.8x	18.3%	5.1%	1.0%	1.8x

Source: S&P Capital IQ as of August 31, 2025.



## Market Performance

CHART 1: S&P 500 PERFORMANCE (LTM)



Source: S&P Capital IQ.

CHART 2: NASDAQ (LTM)



Source: S&P Capital IQ.

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



Source: S&P Capital IQ.

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



Source: Bureau of Transportation Statistics

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



Source: Bureau of Transportation Statistics

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



Source: Transportation Security Administration.



# 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

BOARD ADVISORY



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HAS BEEN ACQUIRED BY



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HAS BEEN ACQUIRED BY



a portfolio company of



SELL-SIDE ADVISOR



HAS SOLD

East Hartford Operations

to



SELL-SIDE ADVISOR



a portfolio company of



HAS BEEN ACQUIRED BY



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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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