



Aerospace, Defense, & Space

Q4 2025 M&A MARKET UPDATE



Meridian Capital's Aerospace, Defense & Space Practice

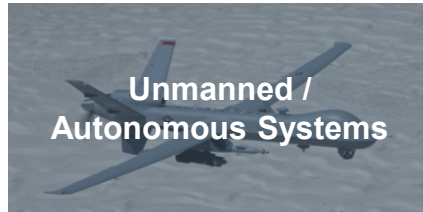
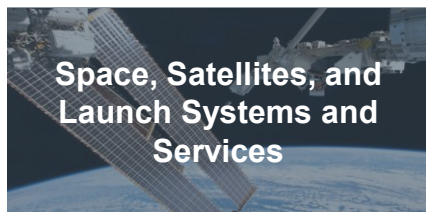
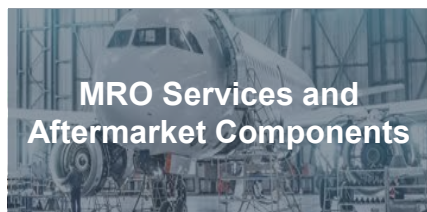
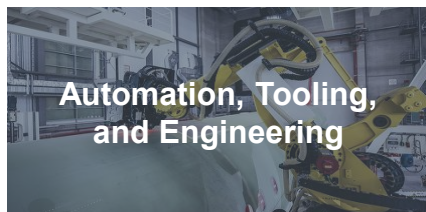
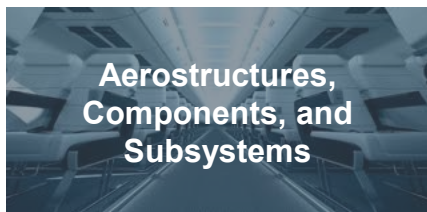
Overview

Meridian Capital's Aerospace, Defense & Space team has extensive experience within the sector having completed 25+ transactions in the industry.

The coverage team possesses deep industry relationships with leading acquirers in the space and is up-to-date on the latest sector trends, value drivers and considerations.

Meridian Capital is pleased to present its **Q4 2025 Aerospace, Defense & Space M&A Market Update**.

Notable Areas of Focus and Expertise



Dedicated AD&S Advisory Team



Team Lead

Aaron Franzheim

Director

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Team Lead

Brian Murphy

CEO & Managing Director

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Randy Moe

Managing Director

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Our Services

SELL-SIDE ADVISORY

Strategic Sales

Minority Sales

Subsidiary Divestitures

RECAPITALIZATION

Mergers

Growth Equity

Shareholder Liquidity

Management Buyouts

BUY-SIDE ADVISORY

Targeted Buy-side Execution

Add-on Acquisitions

Vertical and Horizontal

Acquisitions

STRATEGIC ADVISORY

Exit Strategy Assessment

Exit Planning and

Preparations

Corporate Finance

Consulting



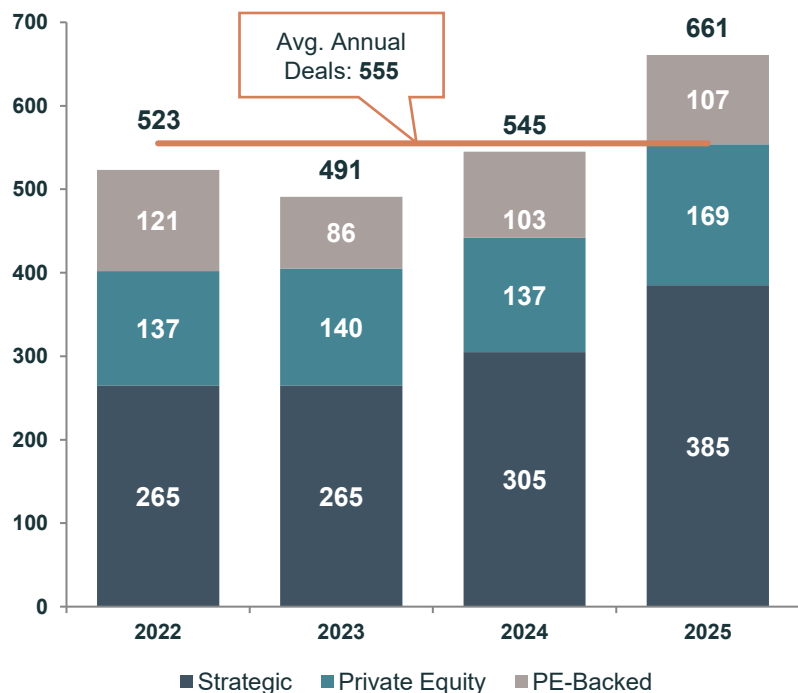
Section 01. M&A Market Update



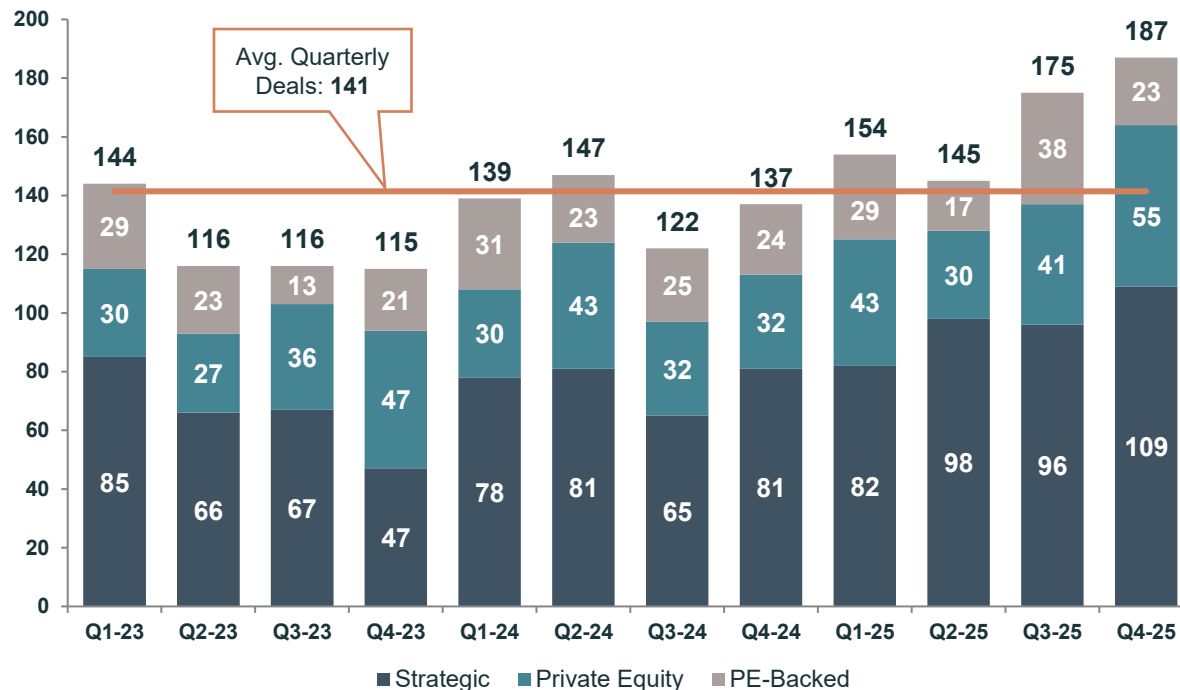
Robust M&A Activity Driven by Converging Sector Tailwinds

- The aerospace, defense & space M&A market experienced robust deal activity in 2025 with 660+ transactions, representing 21% year-over-year growth.
- Deal activity accelerated in Q4 and witnessed several multi-billion-dollar transactions and a total of \$20B+ of total announced enterprise value.
- Heightened M&A appetite is being driven by a 'perfect storm' of demand signals: the rebound in commercial aerospace, sustained defense budget growth with ongoing geopolitical tensions, and the continued acceleration of the satellite and space market.
- Meridian expects deal activity to continue at a solid pace as privately-held businesses seek to capitalize on elevated valuations, financial sponsors look to exit portfolio companies that are in extended hold periods, and strategics continue to reshape portfolios.

Global Deal Volume (Annually)



Global Deal Volume (Quarterly)



Source: Pitchbook as of 12/31/2025



M&A Spotlight: Component Manufacturing

Renewed investor appetite for component manufacturers across aerospace, defense, and space markets

Demand for component manufacturers is being driven by three strong market tailwinds: the current ramp-up in commercial aircraft build rates, enduring global requirements for defense modernization, and the rapid industrialization of the space and satellite market. This environment is creating substantial opportunities for both high-volume precision-machined parts providers and manufacturers of complex, highly-engineered components.

- Several large divestitures and PE-exits in Q4 demonstrated that premium valuations remain achievable for scaled and strategically diversified assets.
- The return of attractive exit valuations, coinciding with sustained market growth, is expected to drive increased M&A activity of existing PE platforms, particularly those with extended holding periods, and in continued portfolio rationalization by strategic buyers.
- Financial sponsors are actively capitalizing on the convergence of these compelling growth tailwinds, resulting in renewed PE presence within the AD&S component sector.
- Meridian Capital anticipates a sustained period of both new platform acquisitions and subsequent strategic add-ons as investors pursue a strategy to diversify their exposure across customers and programs while building scale and to position these assets for a premium exit.

Notable Transactions

November 2025


- Acquired By -

TINICUM

\$1.45B EV

17.3x EV/ EBITDA

Divestiture of Trimas' Aerospace division

November 2025


- Acquired By -

ARCLINE
INVESTMENT MANAGEMENT

\$2.2B EV

17.7x EV/ EBITDA

Novaria was acquired from KKR

December 2025


- Acquired By -


HOWMET AEROSPACE

\$1.8B EV

13.0x EV / EBITDA

Divestiture by Stanley Black & Decker

November 2025


- Acquired By -


Viking

December 2025


the foundry of the future®
- Acquired By -

ARCLINE
INVESTMENT MANAGEMENT

December 2025

 
- Combined to form -


APPLIED AEROSPACE & DEFENSE

GREENBRIAR

Source: Pitchbook, MergerMarket, Press Releases, Meridian Research




M&A Spotlight: Solid Rocket Motors and Energetics

The demand for solid rocket motors ("SRMs") and energetics is experiencing significant growth, driven by a confluence of geopolitical and technological factors.

- Geopolitical tensions and the imperative to modernize and replenish military stockpiles have exposed a critical capacity shortage within the legacy SRM industrial base, forcing a need for expansion. Simultaneously, technological advancements in defense are creating new demand, specifically from the emphasis on hypersonic missiles, which requires innovative propulsion and energetic materials capable of withstanding extreme temperatures and pressures.
- Complementing the defense-driven demand is the rapid expansion of the commercial and defense space sectors, where the proliferation of LEO and small satellite constellations requires smaller, more affordable SRMs for launch vehicles and in-space propulsion / kick motors for crucial orbital maneuvering.
- Supported by long-term revenue visibility from defense and space programs, strategics and private equity investors are looking to capitalize on the market demand and acquire next-gen technologies, R&D teams, and advanced manufacturing capabilities.


Recent Transactions



December 2025

JGA is a manufacturer of advanced specialty composites and assemblies for SRM propulsion systems

- Acquired By -





November 2025

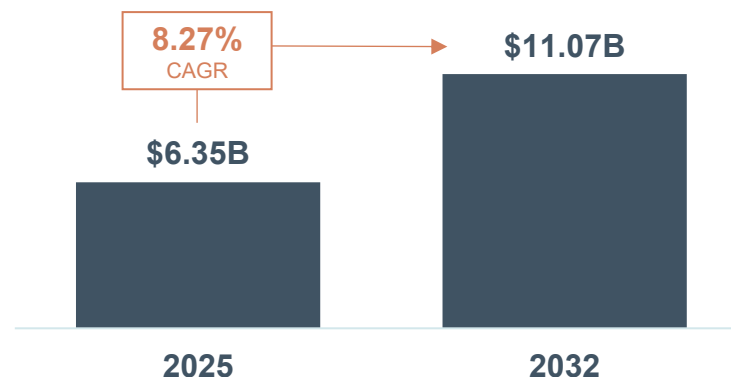
Estes is a manufacturer of energetics, propulsion materials, and critical chemicals supporting missile defense and tactical munitions

- Acquired By -



SRM Market Size and Growth⁽¹⁾

Rapid capacity expansion and the acquisition of next-generation technology, fueling the current market growth for SRM



Key Market Players

Primes have pursued vertical integration M&A to secure mission-critical production capacity and de-risk supply chain

June 2018	June 2023	Jul 2023	Feb 2025
 - Acquired By - 	 - Acquired By - 	 - Acquired By - 	  Joint Venture 

1: Fortune Business Insights

Source: Pitchbook, MergerMarket, Press Releases, Meridian Research



Select Q4-25 M&A Transactions

Date	Target	Acquirer	Target Description
Dec-25	Evans Alloys	AeroFlow Technologies	Manufacturer of precision engineered metal components
Dec-25	Stellant Systems	TransDigm Group (NYS: TDG)	Manufacturer of electron devices and spectrum-related products
Dec-25	G&L Manufacturing	AeroFlow Technologies	Manufacturer of wall tubing
Dec-25	Ethos A&C	HEICO (NYS: HEI.A)	Provider of rotating equipment services
Dec-25	LMB Fans & Motors	Loar Holdings (NYS: LOAR)	Manufacturer of fans and electric motors
Dec-25	Aero 3	VSE (Aerospace and Defense) (NAS: VSEC)	Provider of maintenance services for aircraft
Dec-25	Consolidated Aerospace Manufacturing	Howmet Aerospace (NYS: HWM)	Manufacturer of fitting systems and supplying components
Dec-25	ARKA Group	CACI International	Developer of a space technology platform
Dec-25	Airforce Turbine Service	McNally Capital	Provider of PT6A engine parts and accessories
Dec-25	Innovative Signal Analysis	HawkEye 360	Manufacturer of real-time signal and image processing systems
Dec-25	Swift Aerospace	Clarendon Specialty Fasteners	Distributor and stockist of approved fasteners and hardware
Dec-25	Aircraft Reconfig Technologies	AAR (NYS: AIR)	Manufacturer of aircraft reconfiguration and interior refit products
Dec-25	Roboteam	Ondas Holdings (NAS: ONDS)	Developer of human-driven robot technology
Dec-25	EthosEnergy	Wencor Group	Provider of maintenance, repair, and overhaul services
Dec-25	Nextpoint Group	Godspeed Capital	Provider of technology and mission enablement services
Dec-25	GAM Enterprises	Union Park Capital	Manufacturer of mechanical drive solutions used in automation technology
Dec-25	Aerospace Control Products	Advanced Manufacturing Company of America	Manufacturer of pressure and liquid level switches
Dec-25	Indestructible Paint	Seaforth Holding	Manufacturer of specialist coatings
Dec-25	Safran Passenger Innovations	Kingswood Capital Management	Provider of in-flight entertainment and connectivity systems
Dec-25	Parker Precision	Brookhouse Aerospace	Manufacture of precision engineering products
Dec-25	Applied Aerospace & Defense	Greenbriar Equity Group	Manufacturer and supplier of complex composite and metal-bonded structural assemblies
Dec-25	Comrod Communication	Bridgepoint Group (UK) (LON: BPT)	Manufacturer of tactical radio frequency communication products
Dec-25	American Casting Company	Arcline	Provider of casting products and services
Dec-25	Iacobucci HF Aerospace	Jamco (Bain Capital)	Manufacturer of galley inserts, trolleys and seating products
Dec-25	JGA Space & Defense	Torque Capital Group	Developer of solid rocket motor components
Dec-25	Lamar Technologies	Hartzell Aviation	Manufacturer of electrical controls and components
Dec-25	Precision Aerospace & Defense	FACT II Acquisition (NAS: FACT)	Provider of aerospace services
Nov-25	Immaculate Flight	PrimeFlight Aviation Services (The Sterling Group)	Operator of aircraft cleaning and detailing services
Nov-25	Topcast	Warburg Pincus	Distributor of independent aircraft parts and provider of MRO services

Source: Pitchbook and MergerMarket as of 12/31/2025; Meridian Research



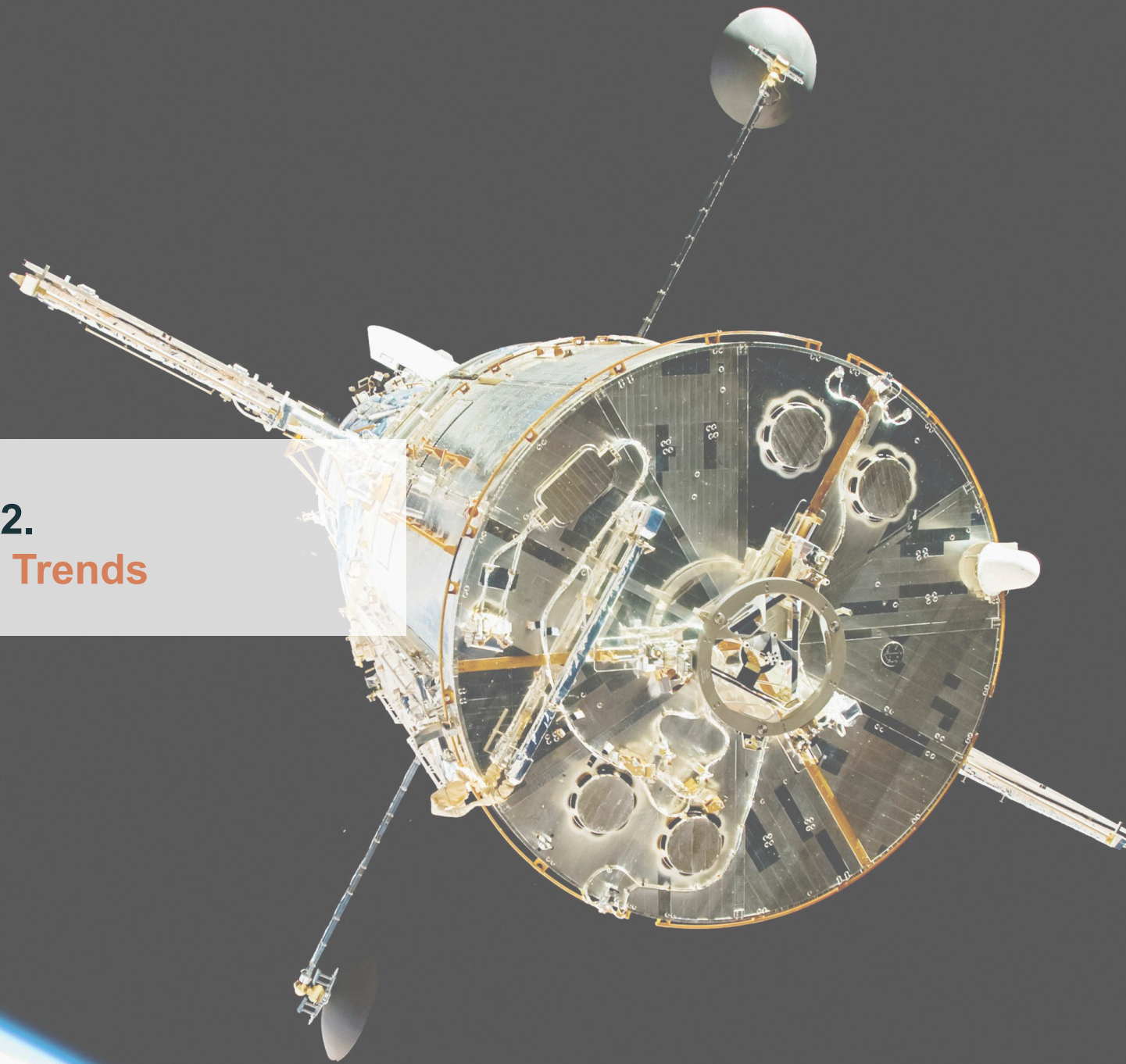
Select Q4-25 M&A Transactions (cont.)

Date	Target	Acquirer	Target Description
Nov-25	Estes Energetics	Voyager (NYS: VOYG)	Operator of a defense and industrial company
Nov-25	Axillon Fuel Containment	HEICO (NYS: HEI.A)	Manufacturer of fuel containers
Nov-25	Novaria Group	Arcline	Operator of a family of precision component companies
Nov-25	Unical Aviation	Satair	Manufacturer of aircraft parts and components
Nov-25	Mercury Systems (NAS: MRCY)	Advent International	Commercial technology company
Nov-25	TriMas Aerospace	Tinicum	Manufacturer of precision-engineered aerospace specialty products
Nov-25	Aimtek	Source Engineering & Manufacturing	Manufacturer of precision-engineered components
Nov-25	Foresight Finishing	Valence Surface Technologies (ATL Partners)	Provider of precision metal finishing services
Nov-25	Haeco Americas	AAR (NYS: AIR)	Operator of airframe maintenance, repair, and overhaul services
Oct-25	Saab TransponderTech	Teledyne FLIR	Developer of commercial radio products and software solutions
Oct-25	Tyr Tactical	Cadre Holdings (NYS: CDRE)	Manufacturer of tactical gear and equipment
Oct-25	Five Axis Industries	Karman Holdings (NYS: KRMN)	Manufacturer of advanced engine subsystems
Oct-25	Indarg Engineering	AGA Precision Systems	Manufacturer of precision-machined components
Oct-25	ExoTerra	Voyager (NYS: VOYG)	Developer of aerospace technology products
Oct-25	Nasmyth Group	Sigma Advanced Systems UK Ltd	Manufacturer of precision engineering components
Oct-25	Machine Sciences	Viking Global Investors	Manufacturer of precision-machined parts
Oct-25	A.L.A. (MIL: ALA)	H.I.G. Capital	Distributor and supply chain solutions provider
Oct-25	American Infrared Solutions	Anduril Industries	Developer and manufacturer of performance-cooled infrared cameras
Oct-25	Avioparts	Proponent	Distributor of aviation-related products
Oct-25	J & F Machine	Threadlock Precision (The D. E. Shaw Group)	Manufacturer of precision-machined components
Oct-25	Reheat Aero	SK AeroSafety Group (Bridgepoint Group)	Provider of maintenance and repair services
Oct-25	Joined Alloys	Trusted Aerospace Engineering	Manufacturer of precision components and sub-assemblies
Oct-25	Aries Defense	Sigma Defense Systems (Sagewind Capital)	Developer of defense and tactical software
Oct-25	Aeronautical & General Instruments	DC Capital Partners	Manufacturer of instruments and systems
Oct-25	Simmonds Precision Products	TransDigm Group (NYS: TDG)	Manufacturer of fuel and proximity sensing and structural health monitoring solutions
Oct-25	Aciturri Aerostructures	Sonaca	Manufacturer of aerostructures intended for original equipment manufacturers
Oct-25	Canyon Composites	Advanced Cooling Technologies	Manufacturer of advanced composite and metallic components
Oct-25	KinetX Aerospace	Intuitive Machines (NAS: LUNR)	Developer of aerospace systems
Oct-25	Third Stone	Aero Products Company	Manufacturer of industrial fabric products

Source: Pitchbook and MergerMarket as of 12/31/2025; Meridian Research



Section 02. Valuation Trends

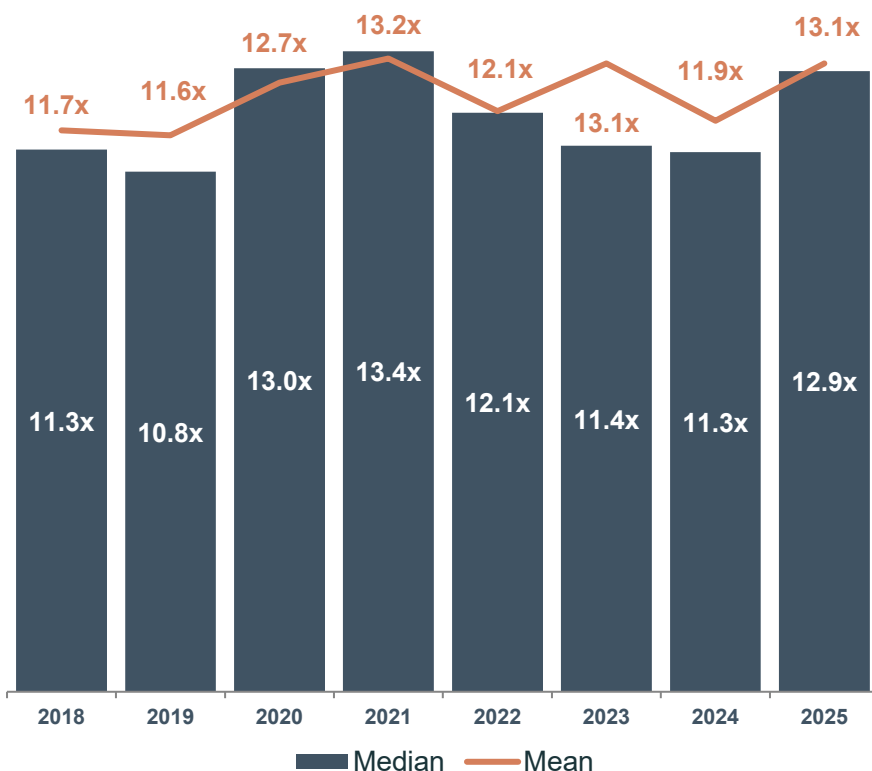




Premium Assets Sustain Resilient Valuations

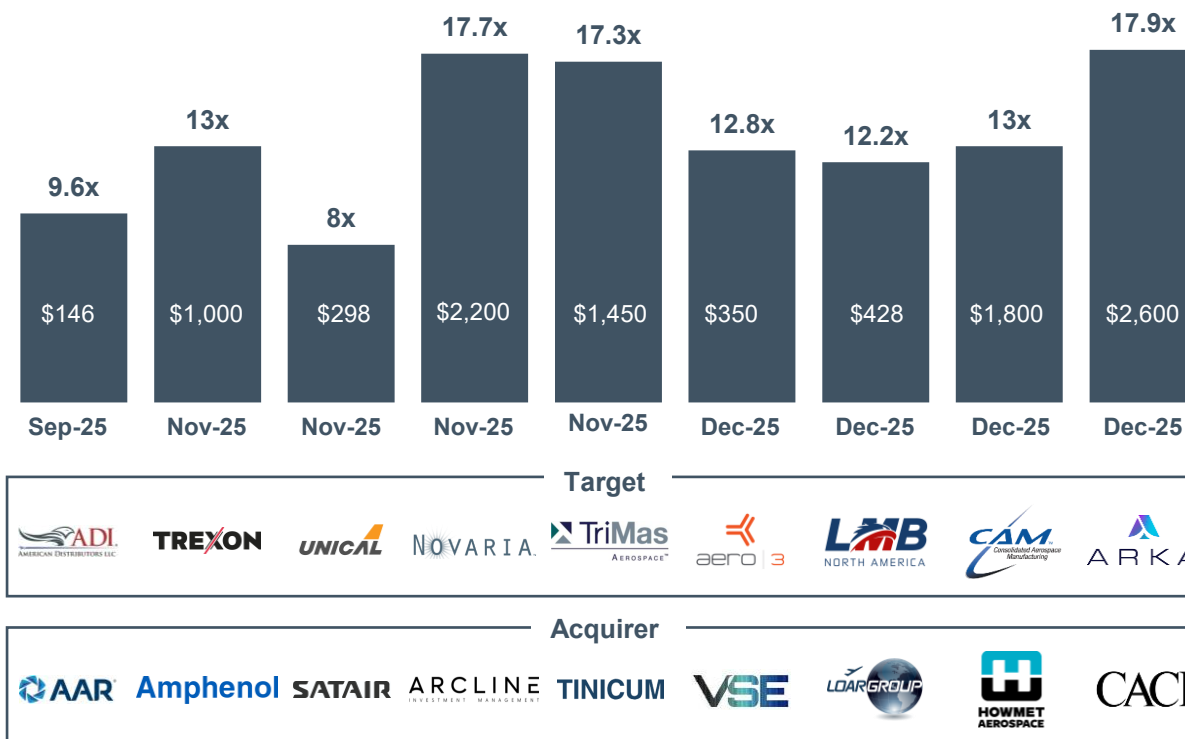
- Aerospace, defense, and space transaction multiples have remained resilient over the past several years, although experiencing a slight decline from record highs in 2021.
- In recent quarters, the limited inventory of premium, at-scale assets has concentrated buyer demand, driving robust competition and sustaining elevated valuation multiples.
- Notable sub-sectors commanding the strongest valuations include highly-engineered / proprietary products and systems, aftermarket services, and defense / space electronics.

Transaction Enterprise Value / EBITDA Multiples



Select, Recent AD&S Transactions

EV/EBITDA Multiple and Total Enterprise Value (\$ in millions)

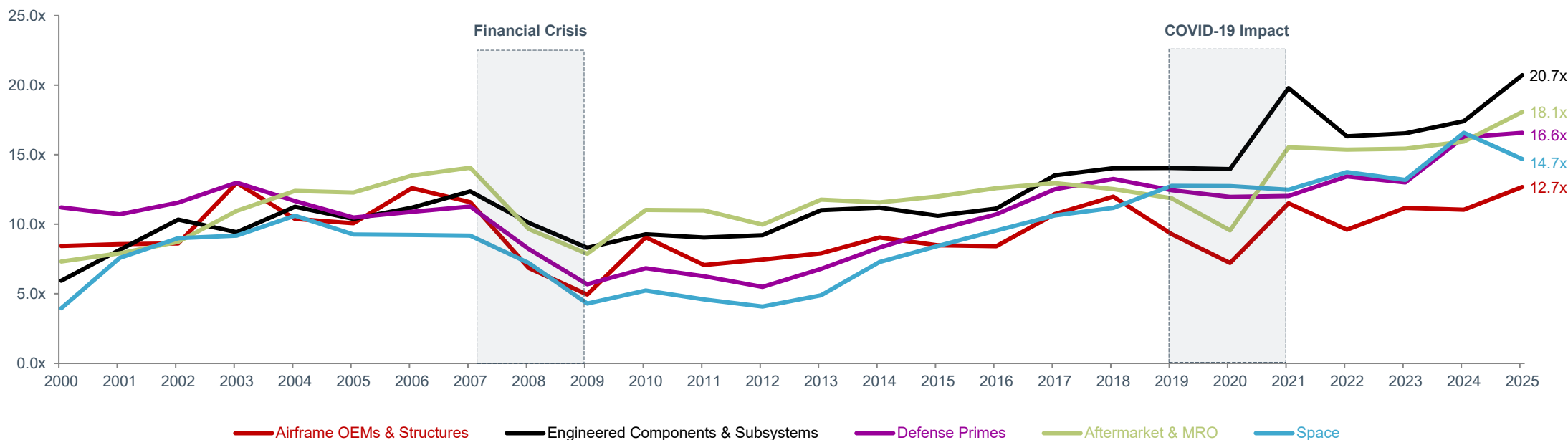


Source: Pitchbook as of 12/31/2025; Meridian Research

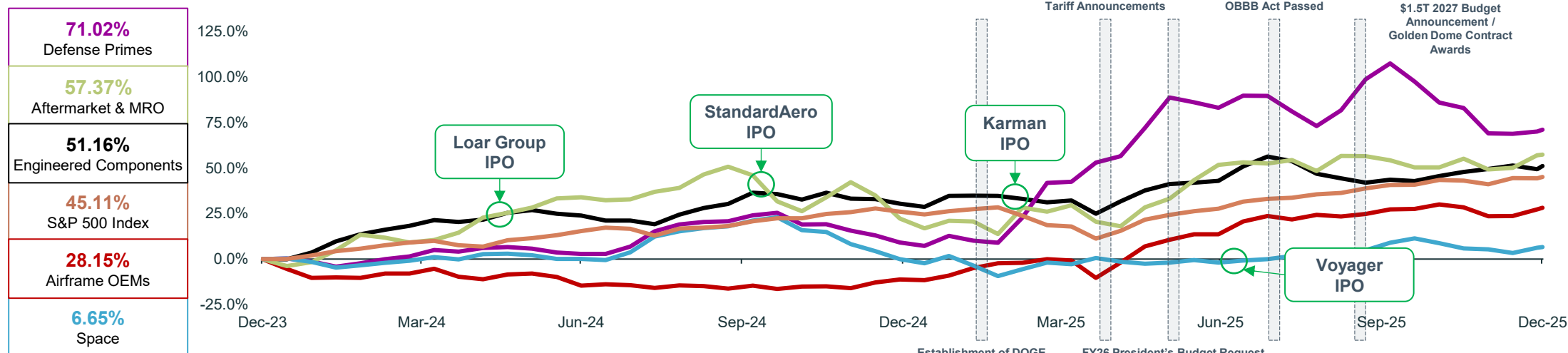


Strong Public Market Performance and Valuations

Segment Enterprise Value / EBITDA Multiples



2-Year Index Growth (Dec-23 – Dec-25) *Two-Week Moving Average



Source: Pitchbook as of 12/31/2025; Meridian Research



Public Company Sub-Sector Valuation Metrics

US\$ in Millions

Airframe OEMs & Structures	Market Cap	Enterprise Value	LTM		LTM Margin		EV / LTM		52-Week Change
			Rev	EBITDA	EBITDA	Rev	EBITDA		
Airbus SE	\$183,938	\$181,814	\$79,579		\$10,514	13.2%	2.3x	17.3x	45 %
Boeing Co.	\$170,020	\$200,392	\$80,757		\$1,661	nm	2.5x	NM	23 %
Safran SA	\$145,639	\$143,993	\$31,913		\$6,411	20.1%	4.5x	22.5x	58 %
How met Aerospace Inc.	\$82,521	\$85,269	\$7,975		\$2,337	29.3%	10.7x	36.5x	87 %
Leonardo SpA	\$33,387	\$34,730	\$21,100		\$2,604	12.3%	1.6x	13.3x	114 %
Dassault Aviation SA	\$24,981	\$13,996	\$7,121		\$1,215	17.1%	2.0x	11.5x	57 %
Textron Inc.	\$15,361	\$17,573	\$14,237		\$1,554	10.9%	1.2x	11.3x	14 %
Ducommun, Inc.	\$1,422	\$1,642	\$806		\$125	15.5%	2.0x	13.1x	49 %
Magellan Aerospace Limited	\$772	\$790	\$719		\$78	10.9%	1.1x	10.1x	93 %
Median	\$33,387	\$34,730	\$14,237		\$1,661	14.4%	2.0x	13.2x	57 %
Average	\$73,116	\$75,578	\$27,134		\$2,944	16.2%	3.1x	17.0x	60 %

Aftermarket & MRO	Market Cap	Enterprise Value	LTM		LTM Margin		EV / LTM		52-Week Change
			Rev	EBITDA	EBITDA	Rev	EBITDA		
HEICO Corporation	\$39,102	\$41,796	\$4,485	\$1,254	28.0%	9.3x	33.3x	36 %	
Singapore Technologies Engineering Ltd	\$20,429	\$24,730	\$8,804	\$1,316	14.9%	2.8x	18.8x	91 %	
StandardAero Aviation Holdings, Inc.	\$9,593	\$12,056	\$5,872	\$802	13.7%	2.1x	15.0x	16 %	
VSE Corporation	\$4,041	\$4,426	\$1,332	\$171	12.8%	3.3x	25.9x	82 %	
AAR Corp.	\$3,275	\$4,295	\$2,858	\$337	11.8%	1.5x	12.7x	35 %	
SIA Engineering Company Limited.	\$3,136	\$2,776	\$1,062	\$84	7.9%	2.6x	33.2x	61 %	
AerSale Corp	\$335	\$488	\$339	\$44	13.0%	1.4x	11.1x	13 %	
Median	\$4,041	\$4,426	\$2,858	\$337	13.0%	2.6x	18.8x	36 %	
Average	\$11,416	\$12,938	\$3,536	\$572	14.6%	3.3x	21.4x	48 %	

Defense Primes	Market Cap	Enterprise Value	LTM		LTM Margin		EV / LTM		52-Week Change
			Rev	EBITDA	EBITDA	Rev	EBITDA		
RTX Corporation	\$245,898	\$282,520	\$85,988	\$15,296	17.8%	3.3x	18.5x	58 %	
Lockheed Martin Corporation	\$111,920	\$130,639	\$73,349	\$8,014	10.9%	1.8x	16.3x	(0)%	
General Dynamics Corporation	\$90,939	\$98,295	\$51,509	\$6,503	12.6%	1.9x	15.1x	28 %	
Rheinmetall AG	\$82,000	\$84,760	\$12,130	\$2,198	18.1%	7.0x	38.6x	187 %	
Northrop Grumman Corporation	\$81,380	\$96,381	\$40,928	\$6,872	16.8%	2.4x	14.0x	22 %	
BAE Systems Plc	\$67,352	\$77,172	\$35,427	\$5,474	15.5%	2.2x	14.1x	60 %	
Thales SA	\$55,466	\$59,518	\$23,192	\$3,543	15.3%	2.6x	16.8x	87 %	
L3Harris Technologies, Inc.	\$54,913	\$66,296	\$21,740	\$4,337	19.9%	3.0x	15.3x	40 %	
Elbit Systems Ltd.	\$26,831	\$27,169	\$7,720	\$812	10.5%	3.5x	33.4x	124 %	
Huntington Ingalls Industries, Inc.	\$13,345	\$15,959	\$12,012	\$1,165	9.7%	1.3x	13.7x	80 %	
Kratos Defense & Security Solutions, Inc.	\$12,817	\$12,385	\$1,285	\$111	8.6%	9.6x	NM	188 %	
AeroVironment, Inc.	\$12,077	\$12,314	\$1,370	\$185	13.5%	9.0x	66.6x	57 %	
Karman Holdings Inc	\$9,682	\$10,147	\$428	\$130	30.3%	23.7x	78.2x	143 %	
Median	\$55,466	\$66,296	\$21,740	\$3,543	15 %	3.0x	16.6x	60 %	
Average	\$66,509	\$74,889	\$28,237	\$4,203	15.4%	5.5x	28.4x	82.5%	

Source: Pitchbook as of 12/31/2025; Meridian Research



Public Company Sub-Sector Valuation Metrics (Cont.)

US\$ in Millions

Engineered Components & Subsystems	Market Cap	Enterprise Value	LTM		LTM Margin	EV / LTM		52-Week Change
			Rev	EBITDA	EBITDA	Rev	EBITDA	
Safran SA	\$145,639	\$143,993	\$31,913	\$6,411	20.1%	4.5x	22.5x	58 %
Honeywell International Inc.	\$123,860	\$148,510	\$40,670	\$10,773	26.5%	3.7x	13.8x	(8)%
Eaton Corporation PLC	\$123,709	\$134,407	\$26,633	\$6,002	22.5%	5.0x	22.4x	(4)%
Parker-Hannifin Corporation	\$110,913	\$120,782	\$20,030	\$5,214	26.0%	6.0x	23.2x	38 %
TransDigm Group, Inc.	\$74,895	\$102,124	\$8,831	\$4,760	53.9%	11.6x	21.5x	5 %
HEICO Corporation	\$39,102	\$41,796	\$4,485	\$1,254	28.0%	9.3x	33.3x	36 %
Teledyne Technologies Incorporated	\$23,979	\$25,984	\$6,005	\$1,480	24.6%	4.3x	17.6x	10 %
Curtiss-Wright Corp.	\$20,328	\$21,236	\$3,376	\$791	23.4%	6.3x	26.9x	55 %
Woodward, Inc.	\$18,138	\$18,533	\$3,567	\$670	18.8%	5.2x	27.7x	82 %
Moog Inc.	\$8,175	\$9,058	\$3,861	\$529	13.7%	2.3x	17.1x	24 %
Loar Holdings Inc.	\$6,366	\$6,556	\$475	\$180	37.8%	13.8x	36.5x	(8)%
ESCO Technologies, Inc.	\$5,056	\$5,185	\$1,095	\$256	23.4%	4.7x	20.2x	47 %
Ducommun, Inc.	\$1,422	\$1,642	\$806	\$125	15.5%	2.0x	13.1x	49 %
Median	\$23,979	\$25,984	\$4,485	\$1,254	23.4%	5.0x	22.4x	36 %
Average	\$53,968	\$59,985	\$11,673	\$2,957	25.7%	6.1x	22.7x	29.5%

Space	Market Cap	Enterprise Value	LTM		LTM Margin	EV / LTM		52-Week Change
			Rev	EBITDA	EBITDA	Rev	EBITDA	
RTX Corporation	\$245,898	\$282,520	\$85,988	\$15,296	17.8%	3.3x	18.5x	58 %
Lockheed Martin Corporation	\$111,920	\$130,639	\$73,349	\$8,014	10.9%	1.8x	16.3x	(0)%
General Dynamics Corporation	\$90,939	\$98,295	\$51,509	\$6,503	12.6%	1.9x	15.1x	28 %
Northrop Grumman Corporation	\$81,380	\$96,381	\$40,928	\$6,872	16.8%	2.4x	14.0x	22 %
L3Harris Technologies, Inc.	\$54,913	\$66,296	\$21,740	\$4,337	19.9%	3.0x	15.3x	40 %
Rocket Lab USA, Inc.	\$37,263	\$36,803	\$555	(\$107)	-19.3%	66.4x	NM	174 %
Karman Holdings Inc	\$9,682	\$10,147	\$428	\$130	30.3%	23.7x	78.2x	143 %
Firefly Aerospace Inc.	\$3,562	\$2,612	\$108	(\$200)	-185.2%	24.2x	NM	(63)%
Voyager Technologies, Inc	\$1,526	\$1,151	\$157	(\$42)	-26.5%	7.3x	NM	(54)%
Redwire Corporation	\$1,255	\$1,535	\$296	(\$41)	-14.0%	5.2x	NM	(54)%
Median	\$46,088	\$51,549	\$11,147	\$2,233	11.8%	4.2x	15.8x	25 %
Average	\$63,834	\$72,638	\$27,506	\$4,076	-13.7%	13.9x	26.2x	29 %

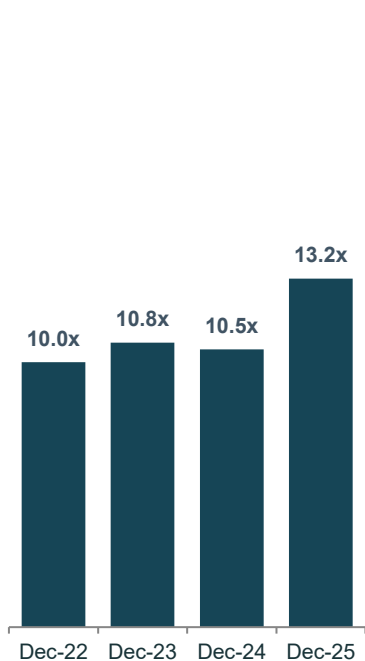
Source: Pitchbook as of 12/31/2025; Meridian Research



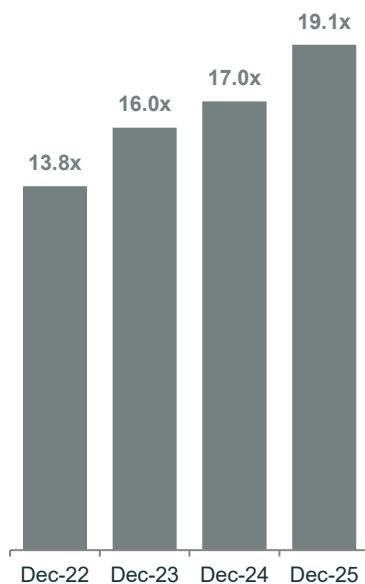
Public Company Sub-Sector Valuation Metrics (Cont.)

Three Month Rolling Average Median EV / EBITDA Multiples

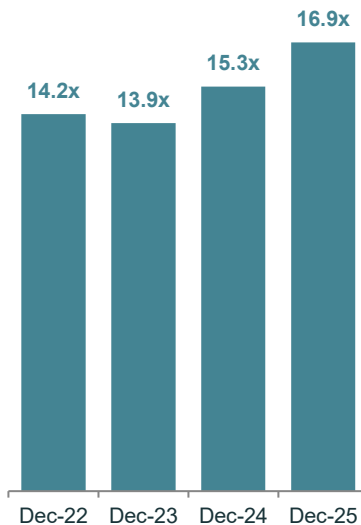
Airframe OEMs & Structures



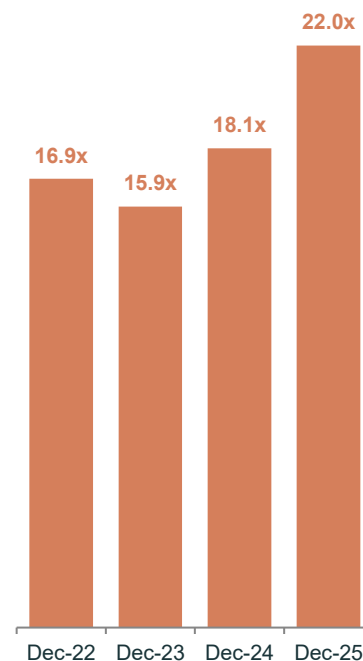
Aftermarket & MRO



Defense Primes



Engineered Components & Subsystems



Space



Source: Pitchbook as of 12/31/2025; Meridian Research



Thank you

CONTACT INFORMATION

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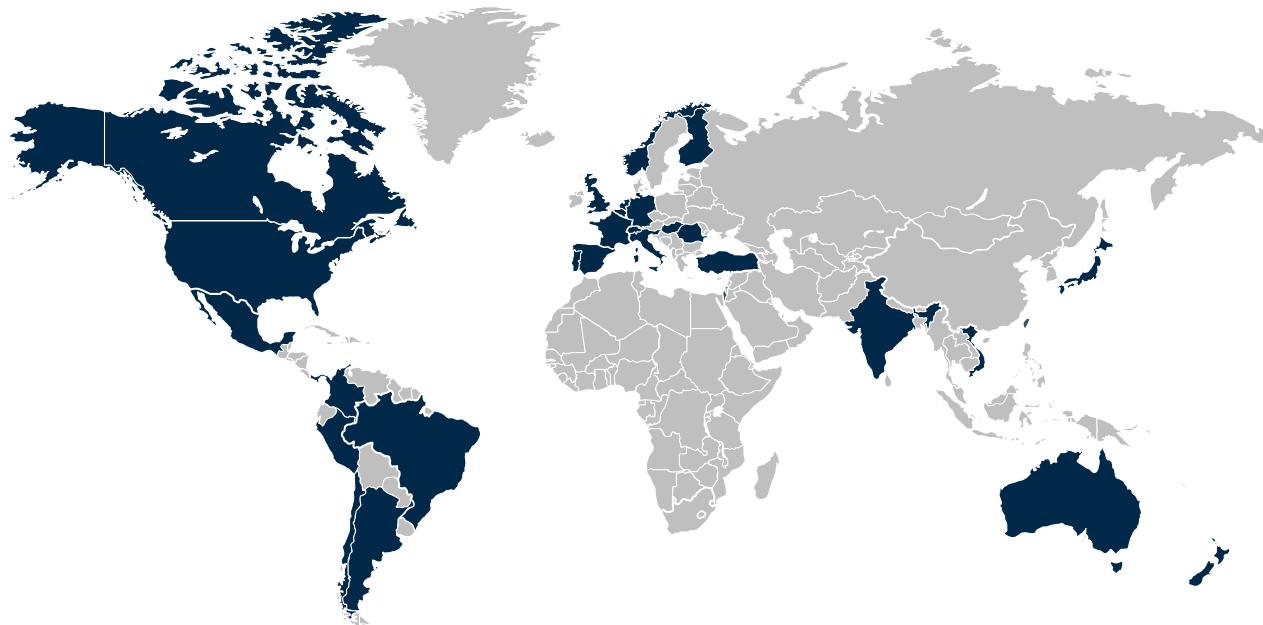
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