

Commercial Aerospace

Aerospace, Defense & Space

Q2 2025 M&A MARKET UPDATE

Defense



Space



Meridian's Aerospace, Defense & Space Practice

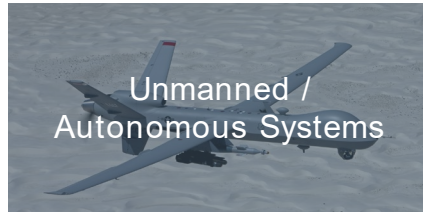
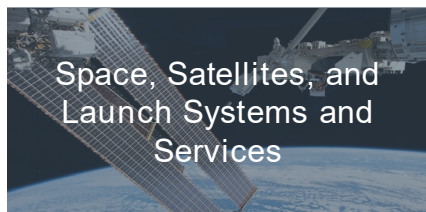
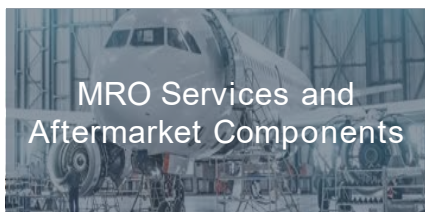
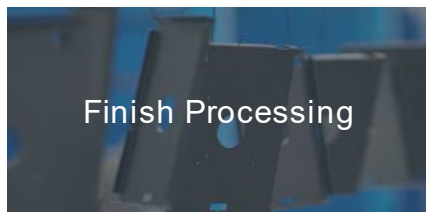
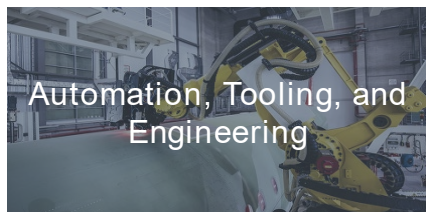
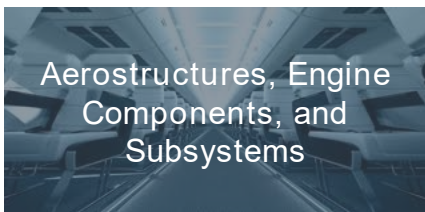
Overview

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 and considerations.

Meridian Capital is pleased to present its **Q2 2025 Aerospace, Defense & Space M&A Market Update**.

Sub-Sector Coverage



Meet the Team



Team Lead

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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 Update



Notable Trends from Q2 M&A Activity

AD&S M&A activity remained strong with 138 announced transactions in Q2-2025, outperforming the three-year average of 128 transactions. Strong industry tailwinds continue to attract interest from both strategic and private equity investors with strategics and PE-backed strategics accounting for ~80% of deal activity. Q2 began to see several notable PE platform exits, highlighting the strength of the overall market.



Continued Activity in the MRO / Aftermarket Sector

- 15+ transaction in the sector during Q2 with activity anchored by the acquisitions of two PE-backed MRO services businesses: West Star Aviation was acquired by Greenbriar Equity from The Sterling Group and Air Transport Components was acquired by AE Industrial Partners
- Other notable transactions include Vance Street's continued add-on acquisitions for both Jet Parts Engineering and McFarlane Aviation as well as VSE's acquisition of Turbine Weld Industries



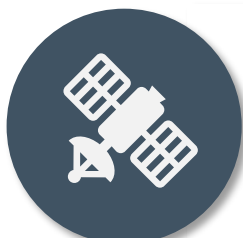
Transformative Strategic Acquisitions of Defense Technologies

- Q2 witnessed several blockbuster transactions in the defense sector as strategics seek to expand capabilities to become comprehensive, multi-domain technology providers
- Notable transactions include AeroVironment's acquisition of BlueHalo from Arlington Capital Partners for \$4.1B and Redwire's acquisition Edge Autonomy from AE Industrial Partners for \$925M



Maritime Sector Beginning to Draw Investor Interest

- Fleet and industrial base modernization initiatives combined with supply chain fragmentation has created attractive investment dynamics
- Investors are particularly interested in companies with content on the Columbia-class and Virginia-class submarine programs as well as unmanned maritime systems
- In April, Esco Technologies acquired the signature management and power business of Ultra Maritime for \$550M, which provides systems for submarines and other naval ships



Growth in the Satellite Market Driving Demand for Space-Qualified Components

- Growth driven by the Space Development Agency's PWSA program, Space Systems Command's Epoch program, combined with the continued acceleration of commercial satellite production including Amazon's Kuiper and Space-X's Starlink
- Recent acquisitions of Geost by RocketLab for \$325M and Optical Physics by Voyager highlight the demand for optics and sensors, among other high-reliability components

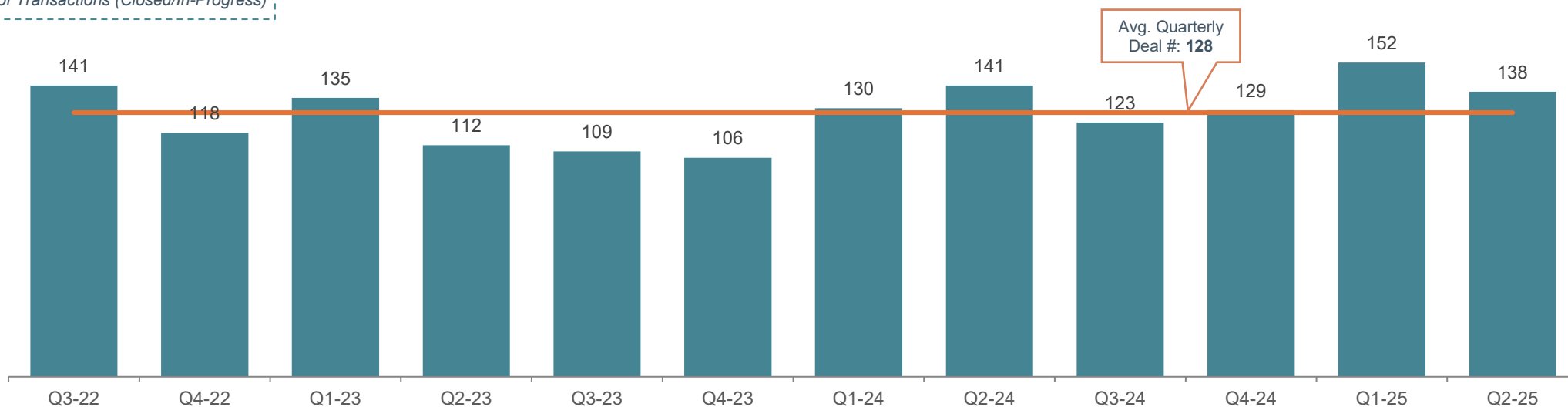
Source: Pitchbook, MergerMarket, Press Releases, Meridian Research



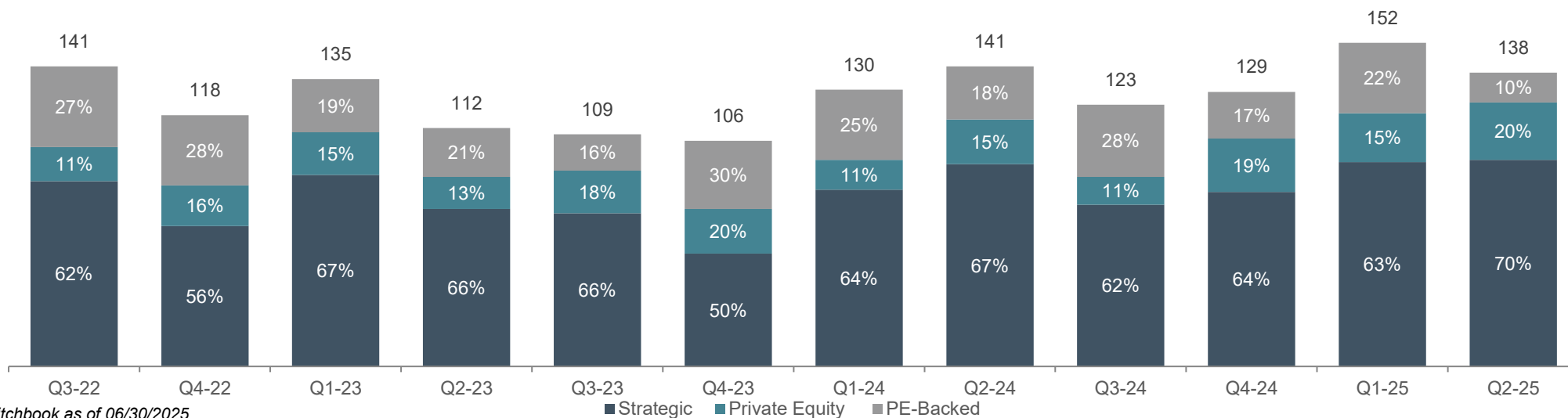
M&A Activity Update

Global Deal Count by Quarters (3Q-22 – Q2-25)

of Transactions (Closed/In-Progress)



Global Deal Count by Investor Type (3Q-22 – Q2-25)



Source: Pitchbook as of 06/30/2025



Select M&A Transactions

Date	Target	Acquirer	Target Description
Jun-25	Simmonds Precision Products	TransDigm Group (NYS: TDG)	Designer and manufacturer of sensing and structural monitoring systems for aerospace and defense platforms.
Jun-25	Northstar Aerospace	GE Aerospace (NYS: GE)	Manufacturer of flight-critical gears and transmissions for global aerospace applications.
Jun-25	Mecaer Aviation Group	Simest	Provider of landing gear systems, aircraft interiors, and MRO services for business and military aviation.
Jun-25	Support Air	Broward Aviation Services	Supplier of aircraft materials to Boeing, Airbus, and other commercial OEMs worldwide.
Jun-25	TISA Aerospace	Zen Technologies (BOM: 533339)(Ashok Atluri)	Manufacturer of loitering munitions and UAVs for defense sector clients.
Jun-25	Edgewing	BAE Systems (LON: BA.)	Designer and developer of next-generation combat aircraft based in the United Kingdom.
Jun-25	Setroson	GSE Composystem	Manufacturer of testing equipment for maintaining aeronautical systems.
Jun-25	NE-XT Technologies	Colt CZ Group North America	Manufacturer of precision-machined components for aerospace, defense, and industrial OEMs.
Jun-25	Ultra PCS	Eaton (NYS: ETN)	Manufacturer of onboard gas compressors for global defense customers.
Jun-25	Milworks	Mootor Group	Provider of lifecycle support services for armored military vehicles and defense systems.
Jun-25	Air Transport Components	AE Industrial Partners	Provider of aircraft component repair services for global commercial and military fleets.
Jun-25	Lauak	Wipro Infrastructure Engineering	Manufacturer of structural aerospace assemblies with global sheet metal and welding operations.
Jun-25	Edge Autonomy	Redwire (Jacksonville) (NYS: RDW)	Manufacturer of unmanned aircraft vehicles for defense, naval, and private aerospace clients.
Jun-25	Rotor Lab	Unusual Machines (ASE: UMAC)	Manufacturer of electric motors and propulsion systems for commercial and defense use.
Jun-25	RIM Enterprises	Alliance Air Parts	Supplier of aviation parts and support services for the aerospace industry.
Jun-25	Guide GNSS	Emitech	Provider of testing and certification for global navigation satellite systems and autonomous tech.
Jun-25	Precision Sensors & Instrumentation	Crane	Developer of sensor-based systems for aerospace, nuclear, and process control markets.
Jun-25	Sentry Aerospares	Acorn Capital Management	Distributor of rotatable parts intended for the commercial aircraft market.
Jun-25	Astra Aviation Services	FCG OPS	Provider of aviation and logistics support services for African markets.
Jun-25	AIReps (United States)	Aeromed Group	Distributor of aerospace hardware and certified components for aircraft operators.
Jun-25	Drayton Aerospace	Lion Capital	Manufacturer of aerospace components and assemblies for commercial and defense aircraft.
Jun-25	Spirit Air Cargo Handling Norway	Menzies Aviation	Provider of air cargo ground handling and warehousing services for the aviation logistics sector.

Source: Pitchbook and MergerMarket as of 06/30/2025; Meridian Research



Select M&A Transactions (Cont.)

Date	Target	Acquirer	Target Description
Jun-25	e.sigma Systems	Diehl Stiftung	Provider of simulation and training systems for military, security, and industrial clients.
May-25	Geost	Rocket Lab USA (NAS: RKLB)	Provider of space-based optical payload systems for surveillance and analytics.
May-25	Abelo	Cerberus Capital Management	Provider of aircraft leasing services for regional airline companies.
May-25	Royal Aircraft Services	Mountain Air Cargo	Provider of aircraft maintenance and painting services for general and military aviation clients in the Mid-Atlantic U.S.
May-25	West Star Aviation	Greenbriar Equity Group	Provider of full-service airframe, engine, and avionics maintenance and repair solutions.
May-25	VACCO	RBC Bearings	Supplier of technical mission-critical components for defense and aerospace clients.
May-25	Maxcraft Avionics	Maverick Aviation Group	Provider of avionics installation, upgrade, and repair services for commercial and private aircraft.
May-25	Global Photonics	Gooch & Housego	Developer of optical and mechanical systems for military ground-based applications.
May-25	Basin Aviation	DV Aviation	Provider of aviation charter and maintenance services for clients across West Texas.
May-25	HiLight Tactical	Clover Acquisition	Manufacturer of tactical gear and firearm accessories for defense, law enforcement, and civilian users.
May-25	Metal Technology	Karman Space & Defense (NYS:KRMN)	Manufacturer of specialty alloy components used in strategic missile systems.
May-25	Alfa Meccanica	La Finanziaria Trentina, LMA	Manufacturer of precision mechanical components and assemblies for aerospace and defense platforms.
May-25	Cima	Jet Parts Engineering (Vance Street)	Provider of MRO services focused on fuel and hydraulic system repairs.
May-25	Industrial Solid Propulsion	Karman Space & Defense (NYS:KRMN)	Manufacturer of solid propulsion cartridges and systems intended to support aerospace and defense missions.
May-25	Columbia Manufacturing	Collective Manufacturing (Elmore Companies)	OEM hardware and turbine engine MRO provider for global aerospace and defense clients.
May-25	Capella Space	IonQ (NYS: IONQ)	Developer of synthetic aperture radar imaging systems for defense and disaster relief applications.
May-25	Albers Aerospace	Cyprium Partners	Manufacturer of precision-machined parts and aviation support systems based in Texas.
May-25	Klas	Andurill Industries	Developer of tactical communication power systems for military and industrial field operations.
May-25	IDL Explosives	Apollo Defence Industries	Manufacturer of industrial explosives and bonded materials for mining, defense, and infrastructure sectors.
May-25	Optical Physics	Voyager (NYS: VOYG)	Designer and manufacturer of advanced optical systems intended for aerospace, defense, and scientific applications.
May-25	Turbine Weld Industries	VSE Corporation	Provider of MRO services for complex engines used in business and general aviation platforms.
May-25	BlueHalo (Government)	AeroVironment (NAS: AVAV)	Manufacturer of advanced defense technologies including autonomous systems, laser weapons, and simulation platforms for national security clients.

Source: Pitchbook and MergerMarket as of 06/30/2025; Meridian Research



Select M&A Transactions (Cont.)

Date	Target	Acquirer	Target Description
May-25	Studelec	Sotrem SEO	Developer of electronics and embedded systems for aerospace, defense, and healthcare applications.
May-25	Trig Avionics	Dynon Avionics	Developer of certified avionics equipment for aircraft operators, compliant with EASA and FAA standards.
Apr-25	Spirit Aerosystems France	Airbus Group (PAR: AIR)	Manufacturer of commercial aerostructures including fuselages, pylons, nacelles, and wing components.
Apr-25	Atomos Space	Katalyst Space Technologies	Developer of orbital transfer vehicles for satellite operators seeking flexible and affordable orbital access.
Apr-25	3P Processing	Littlejohn Capital	Provider of metal finishing and inspection services for aerospace and defense manufacturers.
Apr-25	AerData Group	Thoma Bravo	Developer of aviation software for maintenance recordkeeping and operational planning.
Apr-25	ForeFlight	Thoma Bravo	Developer of digital flight planning software for pilots and aviation departments across all segments.
Apr-25	Rosen Aviation	Mid Continent Controls	Operator of a company specializing in cabin electronics and inflight entertainment systems for commercial aircraft.
Apr-25	Redbird Aero	Skyports Drone Service	Provider of drone-enabled aeromedical and emergency supply delivery solutions for remote and rural areas.
Apr-25	FMI Aerostuctures	Avem Partners, True West Capital Partners	Manufacturer of complex structural components and assemblies for military and commercial aircraft.
Apr-25	sigma wireless	Day Wireless Systems	Provider of integrated communication systems for aviation, maritime, and defense sectors.
Apr-25	Ultra Maritime (Signature Management & Power Business)	ESCO Technologies (NYS: ESE)	Provider of signature & power management solutions for submarines and surface ships.
Apr-25	Space Vector	Fisica, Kandors & Company	Manufacturer of aerospace systems and launch components for defense and space research programs.
Apr-25	Gutmar	Hyperion Fund FCR, Lauria Partners	Manufacturer of high-complexity precision-machined components for aerospace and robotics industries.
Apr-25	Av8 Group	McFarlane Aviation, Vance Street	Provider of MRO services and FAA-certified components for business and military aviation.
Apr-25	Approved Turbo Components	Quality Aircraft Accessories	Manufacturer of turbocharger components and overhaul kits for general aviation aircraft.
Apr-25	Colinear Machine & Design	The PDI Group	Provider of precision-machined components for aerospace and defense applications.
Apr-25	AeroMaritime Mediterranean	Balance Point Capital	Provider of aircraft engine MRO services for civil and military operators, based in Malta.
Apr-25	Leggett & Platt	Tinicum	Manufacturer of specialty tubing and joint components for aerospace industry applications.
Apr-25	Fleet Canada	De Havilland Aircraft of Canada	Manufacturer of aerospace structures and assemblies for military and commercial aircraft platforms.
Apr-25	IOMAX USA	Albers Aerospace, Cyprium Partners	Provider of aerospace and defense technology systems for intelligence and mission-readiness operations.
Apr-25	Metron Aviation	Stratify Aerospace	Developer of software for optimizing air traffic management for airports, airlines, and government agencies.

Source: Pitchbook and MergerMarket as of 06/30/2025; Meridian Research

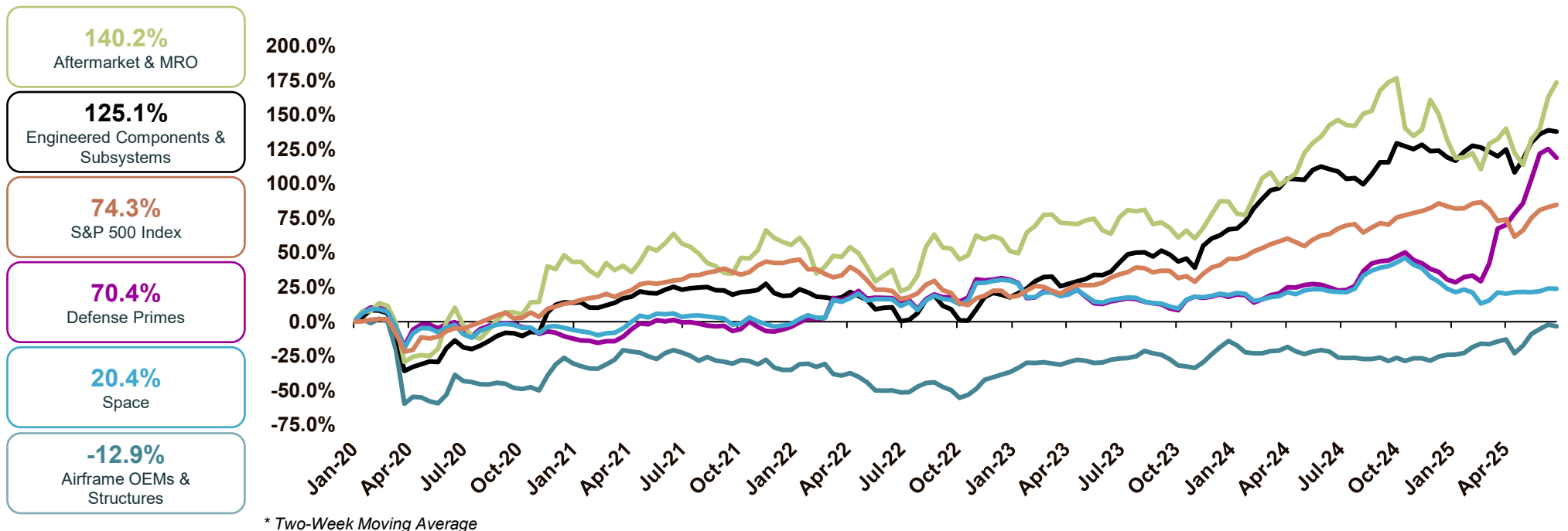


Section 02. Valuation Trends

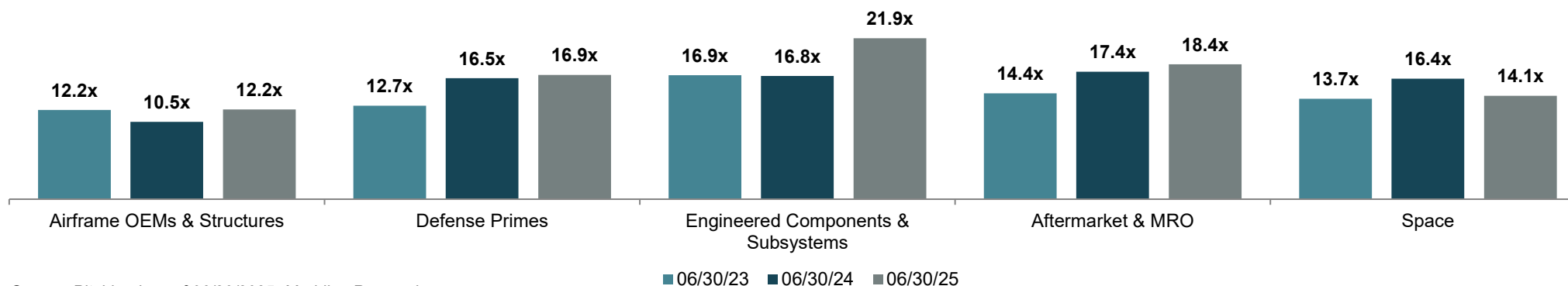


Public Market Valuation Trends

5-Year Index Growth (Jan-20 – Jun-25)



EV / EBITDA Single-Day Trading Snapshot



Source: Pitchbook as of 06/30/2025; Meridian Research



Public Company Sub-Sector Valuation Metrics

(\$US in millions)	Market		LTM		EV/LTM		LTM Margin	52-Week
Company Name	Cap	EV	Rev	EBITDA	Rev	EBITDA	EBITDA	Change
Airframe OEMs & Structures								
Airbus SE	\$163,655	\$156,431	\$75,083	\$9,458	2.1x	16.5x	12.6 %	47.1 %
Boeing Co.	\$157,987	\$187,937	\$69,444	(\$6,554)	2.7x	nm	(9.4)%	12.2 %
Safran SA	\$135,382	\$134,329	\$29,991	\$5,862	4.5x	22.9x	19.5 %	49.1 %
Howmet Aerospace Inc.	\$75,136	\$78,138	\$7,548	\$2,106	10.4x	37.1x	27.9 %	140.8 %
Leonardo SpA	\$32,297	\$33,565	\$19,600	\$2,854	1.7x	11.8x	14.6 %	139.2 %
Dassault Aviation SA	\$27,536	\$18,954	\$6,752	\$1,334	2.8x	14.2x	19.8 %	91.6 %
Textron Inc.	\$14,495	\$16,984	\$13,873	\$1,505	1.2x	11.3x	10.8 %	(6.0)%
Ducommun, Inc.	\$1,229	\$1,469	\$790	\$120	1.9x	12.2x	15.2 %	45.1 %
Magellan Aerospace Limited	\$806	\$825	\$695	\$73	1.2x	11.3x	10.5 %	137.4 %
	Median	\$33,565	\$13,873	\$1,505	2.1x	13.2x	14.6%	49.1%
	Mean	\$69,848	\$24,864	\$1,862	3.2x	17.2x	13.5%	73.0%
Defense Primes								
RTX Corporation	\$195,076	\$234,693	\$81,739	\$13,089	2.9x	17.9x	16.0 %	46.7 %
Lockheed Martin Corporation	\$108,512	\$127,013	\$71,811	\$9,351	1.8x	13.6x	13.0 %	(0.7)%
Northrop Grumman Corporation	\$91,624	\$92,797	\$11,245	\$2,084	8.3x	44.5x	18.5 %	294.5 %
General Dynamics Corporation	\$78,280	\$88,545	\$49,208	\$6,184	1.8x	14.3x	12.6 %	1.3 %
Rheinmetall AG	\$75,848	\$84,551	\$33,620	\$4,990	2.5x	16.9x	14.8 %	60.9 %
BAE Systems Plc	\$71,961	\$86,297	\$40,368	\$6,603	2.1x	13.1x	16.4 %	14.9 %
Thales SA	\$60,124	\$63,348	\$22,266	\$3,354	2.8x	18.9x	15.1 %	79.4 %
L3Harris Technologies, Inc.	\$46,893	\$58,627	\$21,246	\$4,230	2.8x	13.9x	19.9 %	13.0 %
Huntington Ingalls Industries, Inc.	\$12,992	\$13,015	\$821	\$146	15.9x	88.9x	17.8 %	62.2 %
Kratos Defense & Security Solutions, Inc.	\$9,475	\$12,714	\$11,464	\$1,089	1.1x	11.7x	9.5 %	(2.2)%
AeroVironment, Inc.	\$7,821	\$7,841	\$1,162	\$106	6.7x	73.7x	9.2 %	135.3 %
	Median	\$84,551	\$22,266	\$4,230	2.8x	16.9x	15.1%	46.7%
	Mean	\$79,040	\$31,359	\$4,657	4.4x	29.8x	14.8%	64.1%

Source: Pitchbook as of 06/30/2025; Meridian Research



Public Company Sub-Sector Valuation Metrics (Cont.)

(\$US in millions)	Market Cap	EV	LTM		EV/LTM		LTM Margin EBITDA	52-Week Change
Company Name			Rev	EBITDA	Rev	EBITDA		
Engineered Components & Subsystems								
Honeywell International Inc.	\$149,802	\$173,143	\$39,215	\$9,845	4.4x	17.6x	25.1%	10.4 %
Safran SA	\$139,690	\$148,541	\$25,312	\$5,804	5.9x	25.6x	22.9%	14.3 %
Eaton Corporation PLC	\$135,382	\$134,329	\$29,991	\$5,862	4.5x	22.9x	19.5%	49.1 %
Parker-Hannifin Corporation	\$89,249	\$98,222	\$19,794	\$5,002	5.0x	19.6x	25.3%	39.4 %
TransDigm Group, Inc.	\$85,410	\$108,040	\$8,388	\$4,464	12.9x	24.2x	53.2%	21.4 %
HEICO Corporation	\$39,805	\$42,345	\$4,134	\$1,117	10.2x	37.9x	27.0%	47.6 %
Teledyne Technologies Incorporated	\$24,007	\$26,516	\$5,770	\$1,414	4.6x	18.8x	24.5%	33.8 %
Curtiss-Wright Corp.	\$18,413	\$19,307	\$3,214	\$739	6.0x	26.1x	23.0%	80.3 %
Woodward, Inc.	\$14,583	\$15,151	\$3,359	\$606	4.5x	25.0x	18.1%	43.0 %
Loar Holdings Inc.	\$8,062	\$8,268	\$426	\$156	19.4x	52.9x	36.8%	61.6 %
Moog Inc.	\$5,696	\$6,800	\$3,667	\$487	1.9x	14.0x	13.3%	10.9 %
ESCO Technologies, Inc.	\$4,955	\$5,021	\$1,072	\$224	4.7x	22.4x	20.9%	87.9 %
Triumph Group, Inc.	\$2,001	\$2,711	\$1,262	\$199	2.1x	13.6x	15.8%	65.6 %
Ducommun, Inc.	\$1,229	\$1,469	\$790	\$120	1.9x	12.2x	15.2%	45.1 %
	Median	\$22,912	\$3,901	\$928	4.6x	22.6x	23.0%	44.1%
	Mean	\$56,419	\$10,457	\$2,574	6.3x	23.8x	24.3%	43.6%

Source: Pitchbook as of 06/30/2025; Meridian Research



Public Company Sub-Sector Valuation Metrics (Cont.)

(\$US in millions)

Company Name	Market Cap	EV	LTM		EV/LTM		LTM Margin EBITDA	52-Week Change
			Rev	EBITDA	Rev	EBITDA		
Aftermarket & MRO								
HEICO Corporation	\$39,805	\$42,345	\$4,134	\$1,117	10.2x	37.9x	27.0%	47.6 %
Singapore Technologies Engineering Ltd	\$19,059	\$23,231	\$8,437	\$1,263	2.8x	18.4x	15.0%	92.9 %
StandardAero Aviation Holdings, Inc.	\$10,586	\$12,961	\$5,437	\$741	2.4x	17.5x	13.6%	(3.4)%
VSE Corporation	\$2,760	\$2,345	\$930	\$151	2.5x	15.5x	16.3%	44.3 %
AAR Corp.	\$2,707	\$3,206	\$1,095	\$144	2.9x	22.2x	13.2%	53.0 %
SIA Engineering Company Limited.	\$2,484	\$3,489	\$2,683	\$310	1.3x	11.3x	11.5%	(2.4)%
AerSale Corp	\$282	\$446	\$320	\$28	1.4x	16.1x	8.6%	(7.7)%
	Median	\$3,489	\$2,683	\$310	2.5x	17.5x	13.6%	44.3%
	Mean	\$12,575	\$3,291	\$536	3.4x	19.8x	15.0%	32.1%

Space

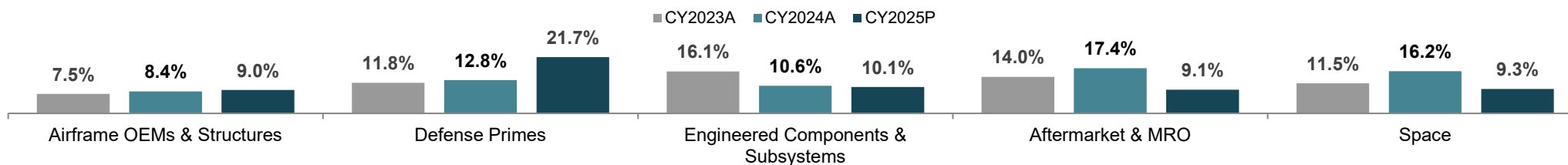
RTX Corporation	\$195,076	\$234,693	\$81,739	\$13,089	2.9x	17.9x	16.0 %	46.7 %
Honeywell International Inc.	\$149,802	\$173,143	\$39,215	\$9,845	4.4x	17.6x	25.1 %	10.4 %
Lockheed Martin Corporation	\$108,512	\$127,013	\$71,811	\$9,351	1.8x	13.6x	13.0 %	(0.7)%
Northrop Grumman Corporation	\$78,280	\$88,545	\$49,208	\$6,184	1.8x	14.3x	12.6 %	1.3 %
General Dynamics Corporation	\$71,961	\$86,297	\$40,368	\$6,603	2.1x	13.1x	16.4 %	14.9 %
L3Harris Technologies, Inc.	\$46,893	\$58,627	\$21,246	\$4,230	2.8x	13.9x	19.9 %	13.0 %
Leidos Holdings Inc	\$20,307	\$25,246	\$16,932	\$2,264	1.5x	11.2x	13.4 %	8.4 %
Trimble Inc.	\$18,128	\$19,229	\$3,571	\$962	5.4x	20.0x	26.9 %	36.4 %
Rocket Lab USA, Inc.	\$16,505	\$16,567	\$466	(\$105)	35.5x	nm	(22.6)%	687.9 %
Redwire Corporation	\$2,324	\$2,530	\$278	(\$7)	9.1x	nm	(2.6)%	134.9 %
	Median	\$72,462	\$30,231	\$5,207	2.8x	14.1x	14.7%	14.0%
	Mean	\$83,189	\$32,483	\$5,242	6.7x	15.2x	11.8%	95.3%

Source: Pitchbook as of 06/30/2025; Meridian Research

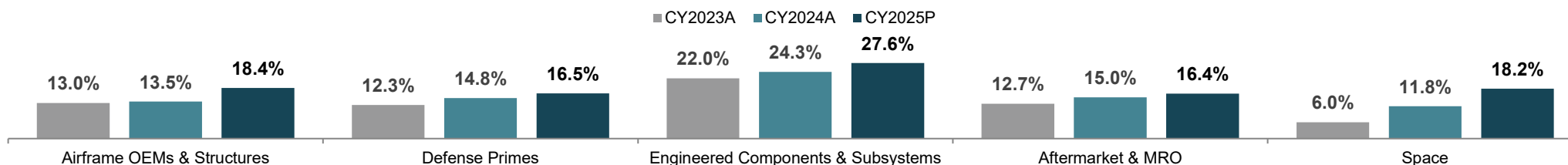


Public Company Sub-Sector Benchmarking

Revenue Growth (CY23A – CY25P)

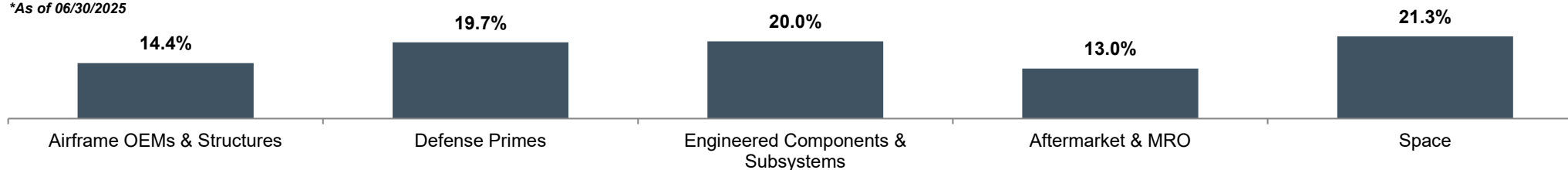


EBITDA Margin (CY23A – CY25P)



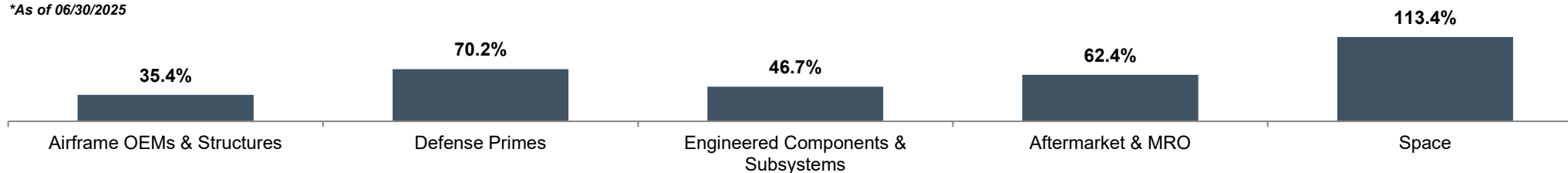
OPEX as % of Revenue

*As of 06/30/2025



Debt to Equity %

*As of 06/30/2025



Source: Pitchbook as of 06/30/2025; Meridian Research



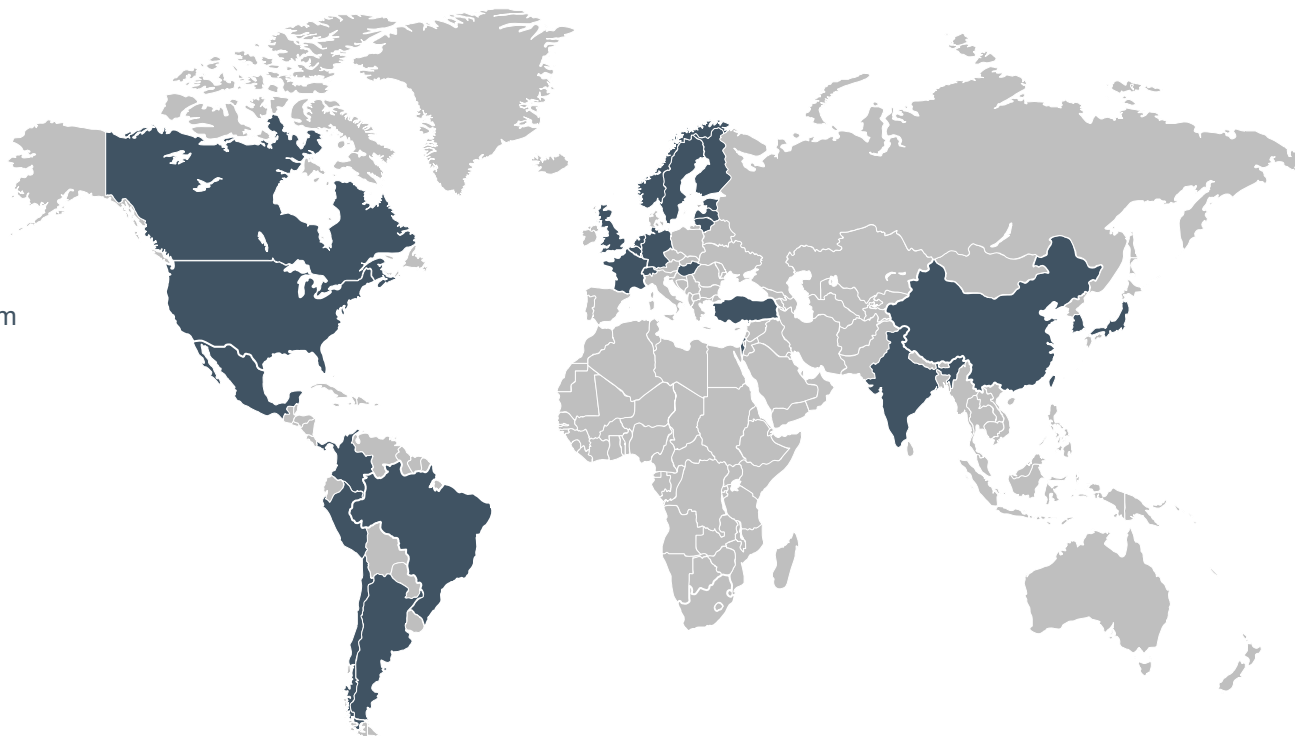
Thank you

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