G-SIDE CAPITAL ADVISORS

Aerospace & Defense M&A Update

March 2026

Aerospace & Defense Industry Update

Industry Trends

- After a modest start to 2025, Aerospace & Defense M&A rebounded sharply in the second half, delivering the strongest quarterly deal volumes in years. Renewed clarity and strong bipartisan support for U.S. defense spending, strengthening backlog levels for A&D manufacturers amid global geopolitical conflicts, and outperforming defense-focused public equity indices increased buyer conviction and drove increased competition for mission-critical assets.
- Commercial aircraft production is set to jump in 2026 after years of supply chain and production disruptions as major OEMs such as Boeing and Airbus ramp up output to address substantial order backlogs. This output growth is expanding M&A appetite, with A&D manufacturing and service businesses commanding premium valuations that reflect both scarcity and strategic importance, with several recent deals closing at record EBITDA multiples.
- The U.S. conflict with Iran is likely to further strain munitions stockpiles and fuel the need for rapid rearmament through increased defense expenditures. To meet this demand, defense contractors will rely on M&A to maximize efficiencies, streamline supply chains, and acquire new technologies and capabilities.

Executive Sentiment

- "The fact that even with this historically high backlog, airlines are still ordering new aircraft underscores how much demand there is for these new aircraft that incorporate more lightweight material, are more fuel efficient and require less maintenance than the older aircraft they will replace…we continue to focus on developing advanced material solutions for next generation aircraft as lightweight composite materials increasingly replace metals and aircraft structures make them lighter, stronger and more fuel efficient." – **Thomas C. Gentile, CEO of Hexcel**
- "Now with regard to the defense market, which has been heavily influenced by the current geopolitical environment, European nations have increased their military spending for the highest percentage of GDP in decades. In the U.S., there is stock of a $1.5 trillion defense budget. Combined, these trends will lead to greater opportunities for us to provide more products and solutions." – **Dirkson Charles, CEO of Loar**
- "Our missile defense manufacturing business is also experiencing very significant growth, fueled by rising demand from the United States and our allies, we have substantial orders and backlog to support the continued expansion of this business, and we are committed to providing cost-effective solutions and industry-leading quality to our U.S. military and our foreign allies." – **Eric Mendelson, President of HEICO**
- "With missile production expected to ramp up very meaningfully over the next few years, we expect this to be a big driver for growth, supported by demand to replenish stockpiles in the United States and also support FMS activity." **– Stephen Oswald, CEO of Ducommun**

Key M&A Themes

- Ongoing Geopolitical Conflicts: Rising global instability and expanding conflicts are driving increases in defense spending, driving acquirors to expand capacity through acquisition.
- Air Travel Demand: As global passenger traffic continues to rise, consolidation among businesses supplying parts and services to OEMs and Tier 1 suppliers is ramping up.
- Advanced Technologies: Investors are leveraging M&A to gain access to scalable platforms and proprietary capabilities in AI, quantum computing, and autonomous systems.
- U.S. Based Manufacturing: Tariffs and increased trade tensions around the world make U.S.-based manufacturers attractive M&A targets.
- Aging Aircraft Fleets: Investors are aggressively pursuing well-positioned aftermarket assets to capitalize on demand tailwinds.

Public Company Metrics

Aerospace & Defense: Large-Cap Aerospace Suppliers

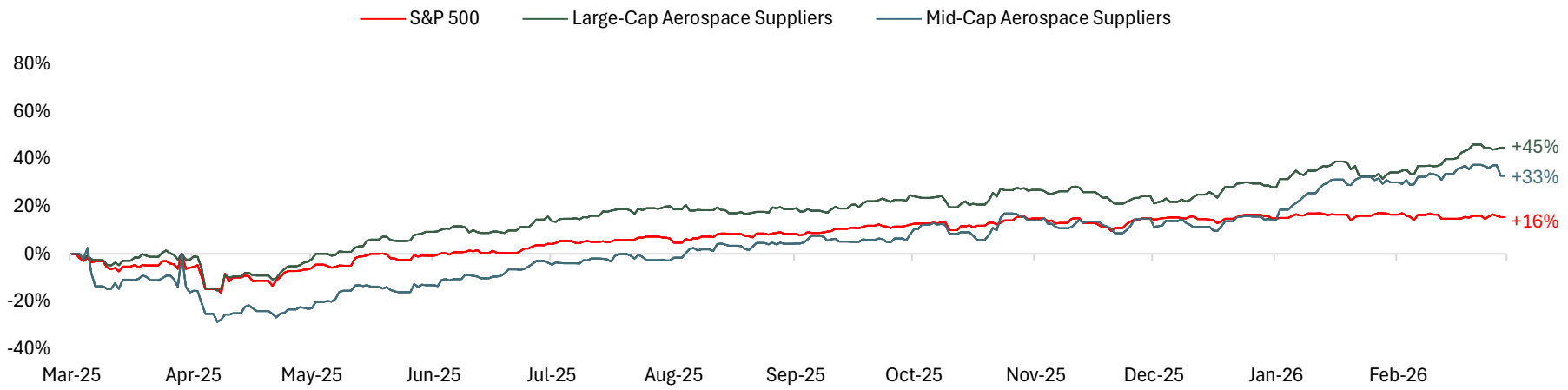
USD Millions, except per share data	Stock	% of							Enterprise Value		Enterprise Value	
	Price	52 Week	Market	Enterprise	LTM	LTM	Gross	EBITDA	LTM	LTM	2026	2026
Company	2/28/26	High	Cap	Value	Revenue	EBITDA	Margin	Margin	Revenue	EBITDA	Revenue	EBITDA
General Electric Company	342.26	98.2%	358,967	368,753	45,855	11,304	31.5%	24.7%	8.0x	32.6x	7.7x	31.9x
HEICO Corporation	319.46	88.3%	37,876	40,666	4,633	1,307	39.6%	28.2%	8.8x	31.1x	7.8x	28.8x
Honeywell International Inc.	243.59	99.0%	154,844	178,603	37,442	8,759	36.9%	23.4%	4.8x	20.4x	4.5x	17.7x
Howmet Aerospace Inc.	262.53	100.0%	105,259	107,730	8,252	2,461	34.2%	29.8%	13.1x	43.8x	11.7x	38.2x
Parker-Hannifin Corporation	1,009.18	97.5%	127,375	136,827	20,461	5,651	37.4%	27.6%	6.7x	24.2x	6.2x	22.7x
Rolls-Royce Holdings plc	17.95	93.9%	149,872	147,369	27,973	6,516	27.9%	23.3%	5.3x	22.6x	5.0x	23.1x
RTX Corporation	202.62	98.0%	271,974	306,388	88,603	15,230	20.1%	17.2%	3.5x	20.1x	3.3x	19.4x
Safran SA	401.75	96.9%	166,913	165,850	35,262	7,054	48.0%	20.0%	4.7x	23.5x	3.9x	18.1x
TransDigm Group Incorporated	1,302.79	80.2%	73,573	101,096	9,110	4,644	59.7%	51.0%	11.1x	21.8x	9.9x	18.8x
Mean		94.7%	160,739	172,587	30,844	6,992	37.3%	27.2%	7.3x	26.7x	6.7x	24.3x
Median		97.5%	149,872	147,369	27,973	6,516	36.9%	24.7%	6.7x	23.5x	6.2x	22.7x

Aerospace & Defense: Mid-Cap Aerospace Suppliers

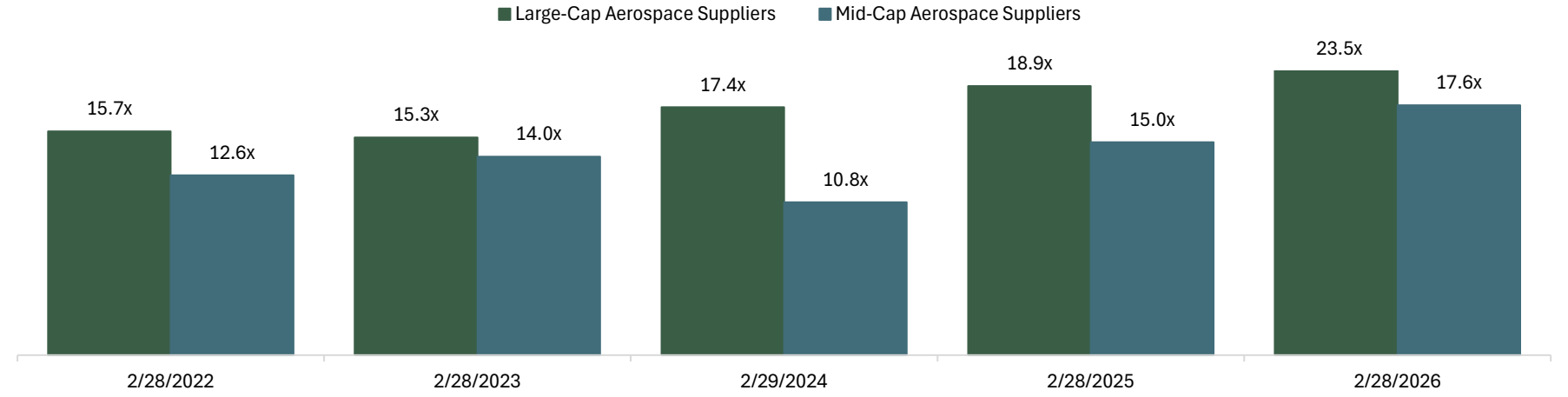
USD Millions, except per share data	Stock	% of							Enterprise Value		Enterprise Value	
	Price	52 Week	Market	Enterprise	LTM	LTM	Gross	EBITDA	LTM	LTM	2026	2026
Company	2/28/26	High	Cap	Value	Revenue	EBITDA	Margin	Margin	Revenue	EBITDA	Revenue	EBITDA
Astronics Corporation	80.62	98.4%	2,860	3,220	862	125	30.6%	14.5%	3.7x	25.8x	3.3x	18.3x
Ducommun Incorporated	123.59	96.4%	1,852	2,152	825	122	26.9%	14.8%	2.6x	17.6x	2.5x	14.3x
Hexcel Corporation	92.69	98.1%	7,032	7,980	1,894	343	23.0%	18.1%	4.2x	23.3x	3.9x	20.2x
Loar Holdings Inc.	70.79	71.0%	6,628	7,268	496	170	52.7%	34.2%	14.6x	42.8x	11.4x	28.7x
Magellan Aerospace Corporation	17.97	100.0%	1,025	1,044	720	81	13.1%	11.3%	1.4x	12.8x	1.4x	11.8x
Melrose Industries PLC	7.61	80.0%	9,537	11,875	4,734	1,257	26.6%	26.6%	2.5x	9.4x	2.3x	9.9x
Senior plc	4.15	97.2%	1,696	1,964	974	122	23.3%	12.5%	2.0x	16.1x	2.0x	15.8x
Mean		91.6%	4,376	5,072	1,501	317	28.0%	18.9%	4.5x	21.1x	3.8x	17.0x
Median		97.2%	2,860	3,220	862	125	26.6%	14.8%	2.6x	17.6x	2.5x	15.8x

Public Company Performance & Multiples

1-Year Weighted Performance vs. S&P 500



5-Year Historical Median EV/EBITDA Multiples



Recent Transactions

USD millions

Target	Target Description	Acquiror	Date Announced	Enterprise Value	Enterprise Value	
					Revenue	EBITDA
Air Industries Group (NYSE:AIRI)	Designs, manufactures, and sells precision components and assemblies for the defense and aerospace industries.	Tenax Aerospace Acquisition, LLC	Feb-26	$331	-	-
Victor Sierra Aviation Holdings LLC / Jet Parts Engineering, LLC	Both Jet Parts and Victor Sierra design and manufacture aerospace aftermarket solutions.	TransDigm Group Incorporated (NYSE:TDG)	Jan-26	$2,200	7.9x	-
Precision Aviation Group, Inc.	Provider of maintenance, repair, and overhaul services, as well as supply chain solutions for the aerospace and defense industries.	VSE Corporation (NASDAQGS:VSEC)	Jan-26	$2,025	3.3x	13.0x
Harper Engineering Company LLC	Manufacturer of mechanical engineering devices for aircraft interiors and diverse engineering products.	Loar Holdings Inc. (NYSE:LOAR)	Jan-26	$250	-	-
Seemann Composites, Inc.	Manufactures and supplies advanced composite structures and components for marine, defense, aerospace, and industrial applications.	Karman Holdings Inc. (NYSE:KRMN)	Jan-26	$220	-	-
Stellant Systems, Inc.	Manufactures electronic devices, including satellite RF amplifiers, microwave electron devices, traveling wave tubes, linearizers, and channelizers.	TransDigm Group Incorporated (NYSE:TDG)	Dec-25	$960	3.2x	-
L.M.B SA	Designs and manufactures high performance fans, blowers, AC and DC brushless motors, and specialized rotating machines for aerospace, naval, and defense markets.	Loar Holdings Inc. (NYSE:LOAR)	Dec-25	$432	7.2x	14.4x
ARKA Group, LP	Provides space and defense capabilities for national security, space sciences, and human exploration space missions.	CACI, Inc. - Federal	Dec-25	$2,600	4.0x	17.9x
Consolidated Aerospace Manufacturing, LLC	Designs and manufactures components and assemblies for aerospace and other critical industries.	Howmet Aerospace Inc. (NYSE:HWM)	Dec-25	$1,800	3.7x	13.0x
Aircraft Reconfig Technologies LLC	Operates as an aircraft interiors engineering company that offers aircraft reconfiguration and refit solutions.	AAR Aircraft Services, Inc.	Dec-25	$35	-	-
Novaria Holdings LLC	Manufacturer of specialty components and hardware for the aerospace and defense industries.	Arcline Investment Management LP	Nov-25	$2,200	-	-
Lanteris Space LLC	Operates as an aerospace and defense company that designs and manufactures satellites, spacecrafts, and infrastructure for government and commercial customers.	Intuitive Machines, Inc. (NASDAQGM:LUNR)	Nov-25	$800	1.3x	-
Orbit Technologies Ltd (TASE:ORBI)	Manufactures and sells communication products in Israel, Europe, North and South America, and Southeast Asia.	Kratos Defense & Security Solutions, Inc. (NASDAQGS:KTOS)	Nov-25	$356	4.4x	18.3x
TriMas Aerospace	Designs and manufactures aerospace specialty products.	Blackstone Inc. (NYSE:BX); Takeoff Buyer, Inc.	Nov-25	$1,451	-	18.0x
Aero 3, Inc.	Offers aircraft maintenance and repair services.	VSE Corporation (NASDAQGS:VSEC)	Oct-25	$350	2.9x	-
SciTec, Inc.	Specializes in advanced solutions such as remote sensing, missile defense, and command and control systems.	Firefly Aerospace Inc. (NASDAQGM:FLY)	Oct-25	$855	5.2x	-

Recent Transactions Continued

USD millions

Target	Target Description	Acquiror	Date Announced	Enterprise Value	Enterprise Value	
					Revenue	EBITDA
TPC Engineering Holdings, LLC	TPC Holdings, LLC, doing business as Trexon, manufactures and supplies wires and cables for industrial, exacting, and mission-critical applications.	Amphenol Corporation (NYSE:APH)	Aug-25	$1,000	3.4x	13.3x
Aerospace and Defense Business of Coherent Corp. (NYSE:COHR)	Designs and manufactures optical and laser systems for defense applications.	Advent International, L.P.	Aug-25	$400	-	-
Ultra PCS Limited	Designs and supplies safety and mission-critical solutions for military and commercial aerospace.	Eaton Corporation plc (NYSE:ETN)	Jun-25	$1,550	6.5x	-
Simmonds Precision Products, Inc.	Simmonds Precision Products, Inc., doing business as Goodrich Sensors and Integrated Systems, designs, manufactures, and supplies fuel and proximity sensing and structural health monitoring solutions.	TransDigm Group Incorporated (NYSE:TDG)	Jun-25	$765	2.2x	-
Turbine Weld Industries, LLC	Offers maintenance, repair, and overhaul services to airlines, overhaul facilities, hot section shops, parts distributors, and owner/operators.	VSE Corporation (NASDAQGS:VSEC)	May-25	$50	-	-
VACCO Industries, Inc.	Manufactures specialty valves, filters, and advanced fluid control products for defense, space, and commercial markets.	Roller Bearing Company of America, Inc.	May-25	$275	2.3x	-
RCS RMC, Inc.	Operates as a small, high-technology company specializing in the design and manufacturing of rocket motors and solid rockets.	Karman Holdings Inc. (NYSE:KRMN)	May-25	$60	-	-
GEOST, LLC	Designs and integrates small-to-medium-sized electro-optical infrared sensors for national security space missions.	Rocket Lab Corporation (NASDAQCM:RKLB)	May-25	$253	3.3x	-
Aerospace Products Group of Leggett & Platt, Incorporated (NYSE:LEG)	Supplier of complex, highly engineered tube and duct assemblies for commercial and military aircraft platforms and space launch vehicles.	Tinicum Incorporated	Apr-25	$285	0.6x	-
Acron Aviation	Provides pilot training, flight data analytics, avionics, and advanced air mobility products and services.	TJC LP; Resolute Fund VI, L.P.	Mar-25	$800	1.0x	-
Basmat, Inc.	Basmat, Inc., doing business as McStarlite Company, manufactures complex sheet metal aerospace components.	Standex International Corporation (NYSE:SXI)	Feb-25	$57	1.7x	-
Optical Systems and Advanced Electronic Systems Business of Excelitas	Provides advanced optics for heads-up and helmet-mounted displays, dismounted tactical night vision systems, and proprietary glass used in space and satellite applications.	Teledyne Technologies Incorporated (NYSE:TDY)	Feb-25	$710	-	-
Triumph Group, Inc. (NYSE:TGI)	Designs, engineers, manufactures, repairs, overhauls, and distributes aircrafts, aircraft components, accessories, subassemblies, and systems worldwide.	Warburg Pincus LLC; Berkshire Partners LLC	Feb-25	$2,901	2.4x	16.6x
Edge Autonomy Operations LLC	Designs and manufactures fixed-wing unmanned aerial vehicles (UAVs), UAV subsystems, stabilized EO/IR camera payloads, and accessories for the unmanned and manned defense and aircraft industry.	Redwire Corporation (NYSE:RDW)	Jan-25	$925	4.2x	12.8x
JAMCO Corporation	Develops and manufactures aircraft interiors and seats as well as engine parts and other components.	Bain Capital, LP	Jan-25	$634	-	-
				Mean	3.5x	15.3x
				Median	**3.3x**	**14.4x**

Highlighted Recent Transactions

TransDigm Group acquired Jet Parts Engineering and Victor Sierra Aviation for $2.2 billion. “We are excited to have an agreement to acquire Jet Parts Engineering and Victor Sierra, two well run, profitable businesses that will fit well within TransDigm…These businesses offer a unique value proposition to their airline, business, and general aviation end user customers as an alternative to OEM parts and are each growing nicely.” **– Mike Lisman, CEO of TransDigm Group**

VSE Corporation acquired Precision Aviation Group, a provider of aviation MRO services, for approximately $2 billion. "This acquisition represents a pivotal moment for VSE and a major milestone in our strategy to build a scaled, differentiated, higher-margin aviation aftermarket platform. We have long admired PAG and view it as an exceptional strategic fit within the VSE portfolio. ” **– John Cuomo, CEO of VSE Corporation**

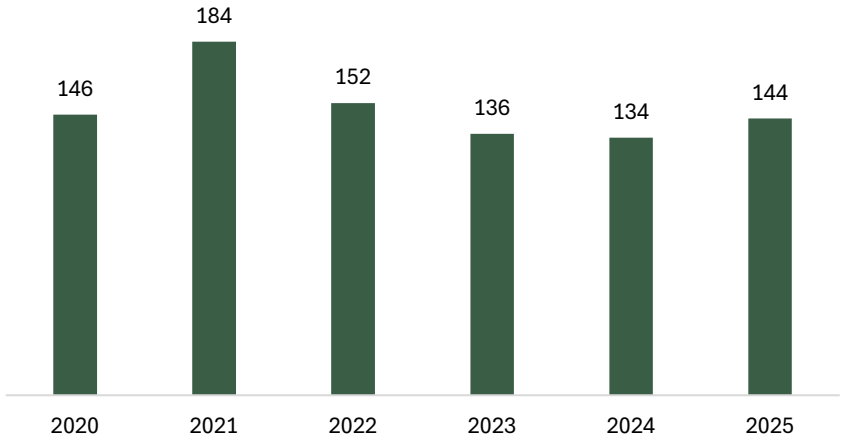
CACI International acquired ARKA Group, a provider of space and defense capabilities, for $2.6 billion. “The acquisition of ARKA represents a significant step forward in our space strategy. They bring deep experience and proven performance as a best-in-class provider of national security space and defense capabilities, which has been enhanced by Blackstone’s constructive stewardship of the business during their ownership.” **– John Mengucci, CEO of CACI International**

Karman acquired Seemann Composites, a manufacturer of composite structures and components for defense applications, for $220 million. “Entering the strategic maritime defense market, which is a critical element of near-peer nation state deterrence, has been on our strategic roadmap for years. The acquisitions of Seemann and MSC represent the natural expansion of the Karman platform into a compelling new market that is poised for decades of sustained growth.” **– Tony Koblinski, CEO of Karman**

Intuitive Machines acquired Lanteris Space Systems, a spacecraft manufacturer, for $800 million. “This strategic acquisition positions Intuitive Machines as a next generation space prime directly in the flow of multi-billion-dollar space programs…This marks the moment Intuitive Machines transitions from a lunar company to a multi-domain space prime, setting the pace for how the industry’s next generation will operate.” **– Steve Altemus, CEO of Intuitive Machines**

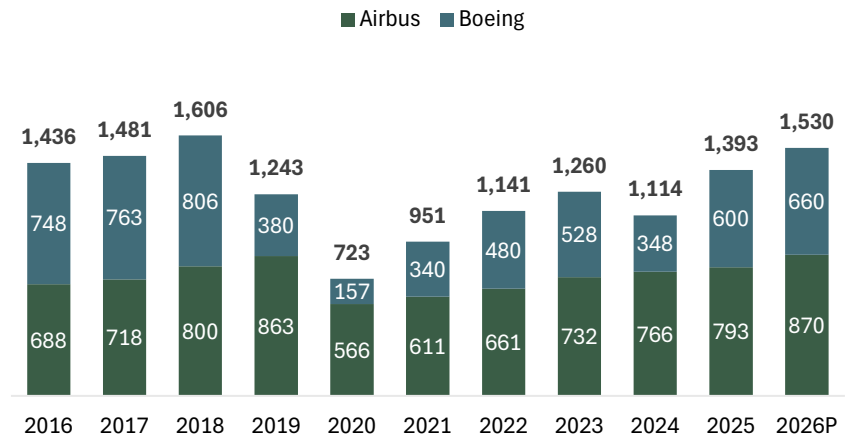
A&D Industry Metrics

Annual M&A Deal Volume – U.S.



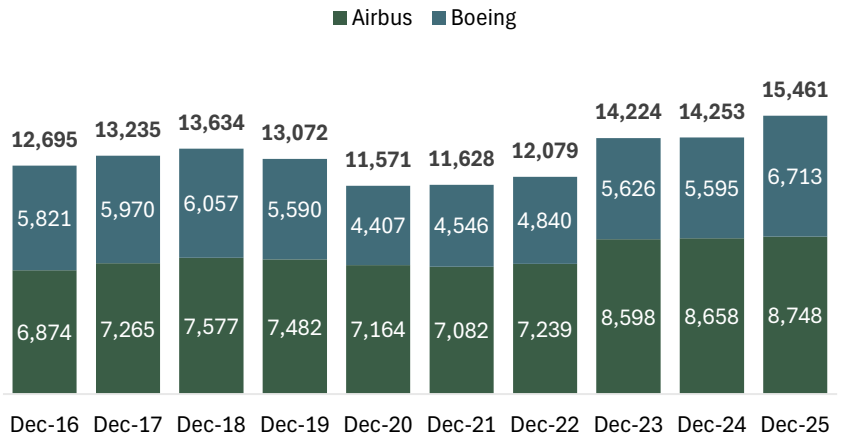
Source: S&P Capital IQ

Commercial Aircraft Deliveries



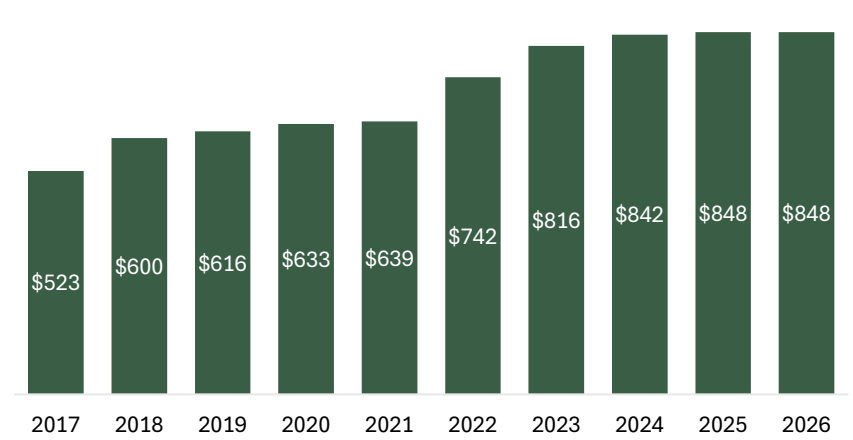
Source: Boeing and Airbus, DSM Forecast International

Commercial Aircraft Backlog



Source: Boeing and Airbus

DoD Discretionary Budget Funding (USD billions)



Source: Office of the Under Secretary of Defense; U.S. Department of Defense

Select G-Side Capital A&D Experience

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HARWOOD PRIVATE EQUITY

Decisive Analytics

HAS BEEN ACQUIRED BY

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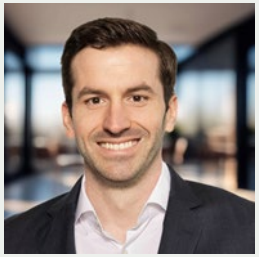
✓ Divestitures	✓ Courtship	✓ Strategic Alternatives	✓ Valuation Letters
✓ Leveraged Recapitalizations	✓ Due Diligence	✓ Fairness Opinions	✓ Fairness Opinions
✓ Sale of Minority Interests	✓ Valuation	✓ Dividend Recaps	
✓ ESOPs	✓ Structuring	✓ Situational Analysis	
✓ Mergers	✓ Negotiation	✓ Corporate Development	
✓ Privately Negotiated Sales	✓ Financing	✓ Market Intelligence	
✓ Carve-Outs		✓ Special Situations	
✓ 363 Sales			

KEY CONTACTS



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