



To get the full report, please contact Raphaël Brenier (r.brenier@aurfi.com)

AEROSPACE & DEFENSE

MARKET INTELLIGENCE

Q3 2026 – 14th Edition



Member of  Mergers Alliance

This quarter at a glance



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With more than 200 M&A transactions recorded in our database over the first nine months of 2026 (compared to 160 for all of 2025), the A&D market continues to prove attractive to financial investors and is following a general consolidation trend.

An analysis of Q3 2026 transactions highlights the following three observations:

- Major OEMs are securing their supply chains by acquiring their strategic suppliers
- Private equity funds are focusing on two targets: MRO and components critical to the defense and nuclear sectors
- This quarter was primarily marked by consolidation in three sectors: naval defense, aerospace engineering, and precision machining—particularly in France.



A wide range of topics covered



**Precision Machining
& Equipment
Manufacturing**



**Electronics &
Embedded
Systems**



**Engineering,
Intelligence &
Consulting**



**Cybersecurity,
AI & Software**



**Armament, Defense
Systems & Military
Equipment**



**Drones,
Unmanned
Systems & ISR**



**Aircrafts, Spacecrafts
& Defense Vehicles
OEMs**



**Airlines, Leasing
& Airport
Services**



**MRO, MOC, Aerial
Intervention &
Services**



Distribution



**New
Space**

Delivered every quarter to hundreds of seasoned professionals, offering dozens of appealing focuses every year, a constant follow-up of M&A operations (industrial, financial and fund-raising), an update of the indicators of major aerospace and defense players, our report aims at providing a market intelligence on the recent events of aerospace and defense market

This market report is a testimony to the daily work carried out by a dedicated team of 5 people. Focusing on Aerospace and Defense markets, our team with our international partners from Mergers Alliance are closely interacting on a very regular basis with investors and corporates at a global level. These interactions and our deep involvement within these sectors allow us to better understand the global trends of the industry and to provide high-end quality advisory services to our clients who are benefitting from this knowledge

What we do

M&A Sellside

- Transmission
- LBO / MBO / MBI
- Carve-outs

M&A Buyside

- Buy & Build
- Crossborder acquisition strategies

Fundraising

- Seed funding (min. €5m)
- Series A / B / C

For who we do it



Where we are



is the French office of



Aurignac Finance headquarters

Mergers Alliance offices



+25 countries
direct global coverage



+22 years
in business



10
dedicated professionals



€10 - 200m
enterprise value

Our French Aerospace & Defense team



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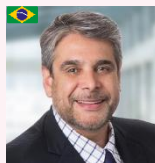
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Our references in Aerospace & Defense



Mergers Alliance strong experience in A&D and Industrials



Mergers Alliance **+330** industrial deals advised since 2015

Summary

Q3 2026 selected EU M&A transactions completed in Aerospace & Defense market	7
Q3 2026 selected VC transactions completed in Aerospace & Defense market	18
Airbus & Boeing – H1 26 key figures and Q3 26 headlines	24
Thales & Safran – H1 26 key figures and Q3 26 headlines	25
Rheinmetall & Hensoldt – H1 26 key figures and Q3 26 headlines	26
Aurfi A&D Valuation Index – EU & US Aerospace & Defense companies	27
In-depth #1 – Overview of private equity and private debt funds launched to finance the French DTIB	28
In-depth #2 – Overview of the valuations of listed Indian groups active in the A&D sector	30
In-depth #3 – French A&D precision machining: four acquirer models driving consolidation	31

Q3 2026 selected EU M&A transactions completed in Aerospace & Defense market



Date	Sector	Target	Buyer	Seller	Description
May 2026	Aerospace 	drotek 	RE-SOURCES CAPITAL ENTREPRENEUR 	Management	- Re-Sources Capital acquired Drotek (€7.6m of sales, 45 employees), a manufacturer of light-show drones, ground control stations and software for drone shows at sporting events, brand marketing activations and other live events - The deal includes an undisclosed amount of development capital and aims at completing Re-Sources Capital's portfolio
June 2026	Aerospace & defense 	CENTUM T&S 	MBDA 	CENTUM TEAM WORK TECHNOLOGY TRUST 	- MBDA acquired bankrupted Centum T&S (€34.5m in sales and 200 employees) which provides electronic engineering and embedded systems development for aerospace, defense, transportation, energy and industrial clients - The deal allows MBDA to offer a wider range of engineering services to sovereign clients designing complex electronic products and subsystems
June 2026	Aerospace 	CRYSTAL AEROSOLUTIONS 	CMA CGM 	Management	- CMA CGM will acquire Crystal Aero Solutions (80 employees), the Company provides aircraft maintenance services: line maintenance, light maintenance and international engine support, enabling airlines and third-party operators to maintain fleet availability - The deal's goal is to internalize aircraft maintenance for CMA CGM growing air-cargo fleet as part of its strategy to expand its air freight operations
June 2026	Aerospace 	LEMAN industrie 	bpi france 	n.a.	- Bpifrance provided €150m of development capital to Leman Industrie (€300m of sales, 2,000 employees) which manufactures metal, plastic and mechatronic components and subassemblies for automotive, aerospace, energy and industrial markets, across sites in Europe, Asia and North AmericaFCilas - The deal supports the group's growth and its after doubling in size through the Adduxi and Metalis acquisitions, while financing the intergenerational transfer to the family's third generation
June 2026	Aerospace 	EXOLAUNCH 	IEQT 	Management	- EQT acquired the Exolaunch through for \$339m LBO, the Company provides satellite launch services for small satellites: separation systems, modular cubesat deployers, multi-satellite adapters, deployment sequencers and integration services for commercial and government operators - The deal is expected to fund Exolaunch growth from a satellite launch aggregator into a global, full-service space logistics provider

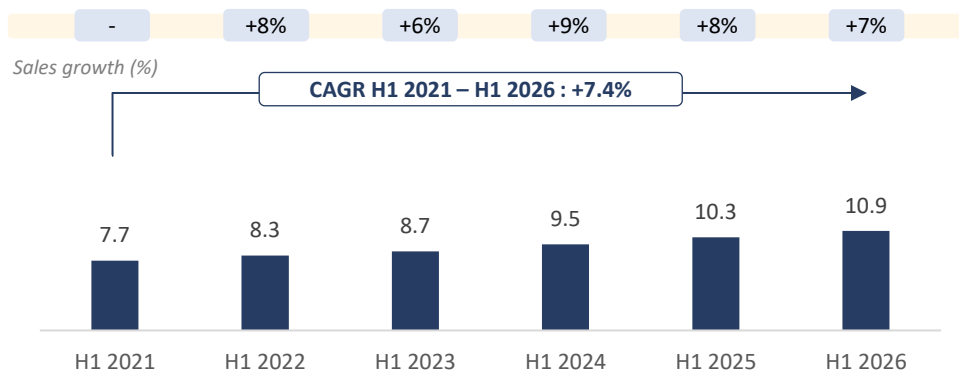
Q3 2026 selected VC transactions completed in Aerospace & Defense market



Date	Target	Country ⁽¹⁾	Amount (m)	Currency	Business	Investors	Business description / deal rationale
July 2026	Arqus		n.d.	n.d.		tholus capital.	Arqus, which develops a directed-energy suite combining autonomous AI tracking, precision laser effectors and on-board autonomy for critical infrastructure and space defence, raised an early-stage round from Atlantic and Tholus Capital
July 2026	Arsenals AI		n.d.	n.d.		expeditions kima ventures OVNI CAPITAL	Arsenals AI, which develops affordable autonomous naval systems for armed forces, raised an early-stage round from Expeditions Fund, Kima Ventures and OVNI Capital
July 2026	BeCOVER		n.d.	n.d.		SFPI	BeCOVER, the test centre for compressors of next-generation civil and military aircraft engines owned by Wallonia, Safran Aero Boosters and SFPI, received new funding from SFPI
July 2026	HELLION TECH		n.d.	n.d.		SUNFISH PARTNERS	Hellion Tech, which builds interceptors against one-way attack drones and FPV systems so that air defence costs less than the attack, raised an early-stage round from Sunfish Partners
July 2026	ORIZIO		n.d.	n.d.		SFPI	Orizio Group, the aerospace group behind Sabca aerostructures and Sabena Engineering maintenance, active in commercial aviation, defence and space, received new funding from its shareholder SFPI
July 2026	SFDY STARFLIGHT DYNAMICS		n.d.	n.d.		ACCENT CAPITAL	Starflight Dynamics, which develops high-thrust electric propulsion with modular, scalable power options to improve spacecraft manoeuvrability and efficiency, raised a seed round from Accent Capital
July 2026	STIRLINGX		17.4	€		VENTURA CAPITAL GALLOS RCM	StirlingX, which designs drones and autonomous systems to capture, secure, fuse and analyse data for defence and critical infrastructure clients, raised a €17.4m Series A led by Ventura Capital
July 2026	ARCA DYNAMICS		n.d.	n.d.		DTA DISTRETTO TECNOLOGICO AEROSPAZIALE	Arca Dynamics, which tracks objects in low Earth orbit with space-based optical and RF sensors for satellite operators, government agencies and defence institutions, joined the Distretto Tecnologico Aerospaziale accelerator
July 2026	ASTRADYNE		n.d.	n.d.		DTA DISTRETTO TECNOLOGICO AEROSPAZIALE Q CAPITAL	Astradyne, which develops origami-inspired deployable structures and photovoltaic solutions such as its SolarCube satellite solar arrays, joined the Distretto Tecnologico Aerospaziale and Q Station accelerator programmes
July 2026	Elixir Aircraft		45.0	€		bpifrance Odyssee Venture INNOVACOM CLIPPER The Alta Group	Elixir Aircraft, maker of a carbon-fibre two-seat training aircraft, raised €45m led by Bpifrance to reach five aircraft a month, grow in the US and launch Equinox, a new aircraft programme for flight schools
July 2026	QUANTUM SYSTEMS		1,044.2	€		Balderton. A.P.-MØLLER AIRBUS Blackstone bond CAPITAL HV CAPITAL Noteus Partners	Quantum Systems, which builds interoperable autonomous systems across air, land and sea, raised a €1.04bn Series D at a €6.96bn valuation, co-led by Blackstone, Noteus, Airbus and Advent, to scale production

THALES

H1 21 – H1 26 Revenues - €bn



FY26 objectives

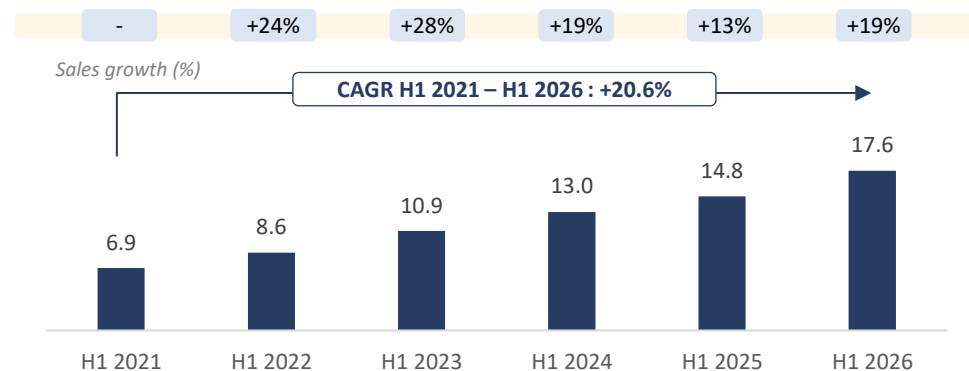


Q3 2026 main headlines

- 14.09.2026:** Nigeria's NIGCOMSAT signed a contract with Thales Alenia Space to build NigComSat-2A, a nearly four-tonne geostationary telecommunications satellite on the Spacebus B2 platform, to expand digital connectivity across Africa
- 10.09.2026:** Thales Alenia Space signed a letter of agreement with Eutelsat to provide the governmental payloads for all 330 LEO satellites of the EU's sovereign IRIS² constellation, with Airbus supplying the platforms for the first layer. The deal represents €500m of a €3b global contract.
- 21.07.2026:** Thales signed a major frame contract under the Rheinmetall-led IdZ-ES Bundeswehr program to supply optronics in the mid-four-figure range, mainly new-generation night vision systems, with deliveries from 2027 and investment in German capacity
- 06.07.2026:** The NATO NCIA selected the Thales-Leonardo consortium to deliver six deployable secure communication and information headquarters (DPOP SOCC) for the Allied Special Operations Forces Command, the first project of a larger NATO SOFCOM programme

SAFRAN

H1 21 – H1 26 Revenues - €bn



FY26 objectives



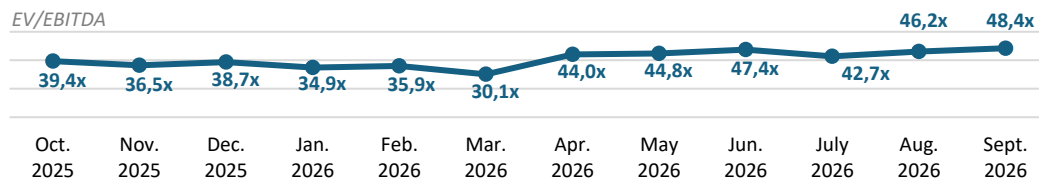
Q3 2026 main headlines

- 10.09.2026:** The DGA selected Safran Electronics & Defense and MBDA to supply THUNDART, the sovereign long-range land strike system replacing the French Army's LRU rocket launcher, the two groups creating a 50/50 joint venture to lead the program
- 03.09.2026:** As prime contractor of the Bundeswehr's Infanterist der Zukunft program, Rheinmetall Electronics ordered from Safran Electronics & Defense over a thousand MOSKITO and several hundred SHARPCROW optronic observation systems for German infantry forces, to be manufactured in Germany
- 24.07.2026:** At Farnborough, Safran Landing Systems and Lufthansa Technik signed a ten-year support and services agreement covering landing gear and hydraulic equipment for Airbus A320 family, A330, A340 and A350 aircraft
- 20.07.2026:** At Farnborough, IndiGo signed an agreement with CFM International (Safran / GE Aerospace JV) for over 1,000 LEAP-1A engines to power 510 A320neo Family aircraft, the largest single LEAP order ever, including MRO support and a long-term spare parts agreement

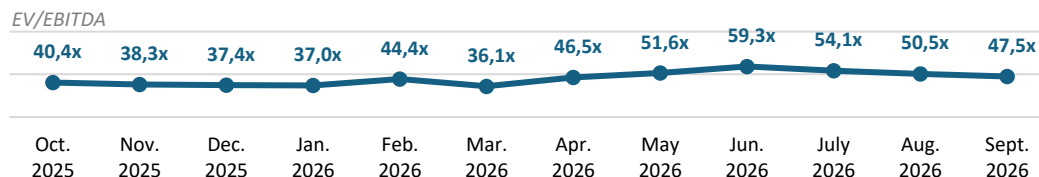
In-depth #2 – Overview of the valuations of Indian groups active in the A&D sector (non-exhaustive)



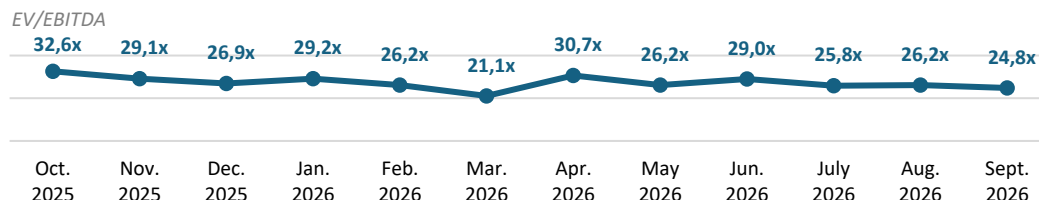
Aerospace



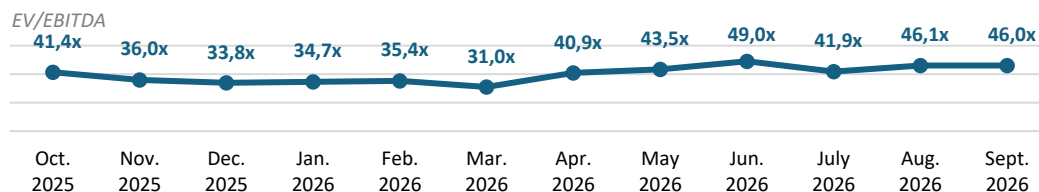
Land Systems & Weapons



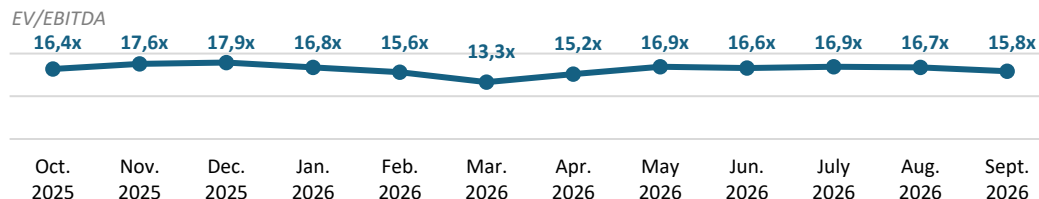
Naval & Maritime



Defense Electronics & Systems



Diversified Group with A&D activities



The Indian aerospace and defense market is experiencing strong expansion, driven by rising military spending, the country's indigenization policy, and the growth of exports, all of which are supporting the valuation of listed companies

In-depth #3 – French A&D precision machining: four acquirer models driving consolidation (non-exhaustive mapping)

- France is **Europe's #1** producer in industrial machining (€8.5bn, 21% of EU+UK output in 2024), yet the sector remains **highly atomized**: the **top 4 groups weigh only c. 25%** of revenue and c. 60% of companies have fewer than 10 employees
- Precision machining & equipment manufacturing was the most active A&D sub-segment in our 2025 tracking: 53 of 261 European deals, with **79% of targets active in defense**
- In France alone, we have listed 30+ transactions on A&D precision machining targets since 2023, with a **clear acceleration in 2025-2026**
- Four acquirer models now coexist, with distinct rationales, ticket sizes and risk profiles. In 2026, **OEMs themselves** (Airbus Atlantic, Safran) are moving to **internalize critical machining capacity**
- But buy-and-build is not an easy task: integration capacity and financial firepower make the difference between a platform and a fragile conglomerate

OEMs, industrial groups & Tier-1s

Secure critical capacity, internalize bottleneck suppliers, extend footprint

 **SAFRAN** → **Aero Sud Ouest**

2025

 → 
2025

 → 
2026

 → **AMM-42**
2026

 → 
2026

 → 
2026

Typical targets
€1-210m sales, incl. carve-outs and distressed assets

What it signals: OEMs now internalize key machining suppliers, while non-European groups buy French Tier-2s

PE-backed platforms

Build a scaled, multi-site platform and capture higher multiple

 → 
2024

 → 
2025

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2025

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2025

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2026

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2026

Typical targets
€10-60m sales, EV up to c.€100m

What it signals: Funds rotate the best assets and bolt on within months of entry

Mid-sized champions

Reach critical size to stay on OEM panels and widen the offer to adjacent processes

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2024-26

 → 
2025

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2025

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2026

 → 
2026

 → 
2026

Typical targets
€3-15m bolt-ons, €60-100m groups

What it signals: Combinations of €30-60m players are creating a new tier of €60-100m+ groups

Entrepreneurs, holdings & MBI

Take over founder-led SMEs facing succession, with small tickets and serial bolt-ons

 → 
2024 & 2026

 → 
2025

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2025

 → 
2025

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2026

Typical targets
€3-8m sales, EV below €5m

What it signals: Succession in founder-led SMEs feeds a steady flow of sub-€10m deals

Consolidation is no longer opportunistic. With demand secured for a decade, the scarce resource is qualified capacity, and four types of buyers, now including the OEMs themselves, compete for the same pool of certified SMEs

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