AEROSPACE AND DEFENCE

M&A INSIGHTS

AUGUST 2026

COOPER PARRY DEALS × REACH

THE A&D MARKET IS CONSTANTLY EVOLVING AS THE GLOBAL POLITICAL ENVIRONMENT AND DEFENCE SPENDING HAS BECOME A KEY TOPIC FOR GOVERNMENTS ACROSS THE WORLD.

- The Aerospace & Defence sector has continued to benefit as conflicts between major nations have increased in frequency and intensity which is expected to increase defence spending significantly over the medium term.
- The UK aerospace industry is the second largest in the world (after the United States) and the largest in Europe by turnover, with a global market share of approximately 17%.
- Increased deal activity and investments are increasing as trade and private equity look to capitalise on the fresh demand by acquiring new capabilities and capacity.
- The strongest multiples typically go to businesses with clear defence exposure, multi-year contracts and defensible niche capability with strong prime or direct MOD relationships.
- Trade buyers remain the majority acquirer type, though PE platform activity is expected to keep increasing as A&D spending rises across the EU and the US.

RECENT M&A ACTIVITY – SELECTED TIER 1 & GOVERNMENT FACING DEALS

LEONARDO S.P.A ACQUIRED IVECO DEFENCE VEHICLES (MAR-26)

Leonardo, major global aerospace and defence company has agreed to acquire Iveco Defence Vehicles, manufacturer of military and protection vehicles, for €1.6bn. The acquisition is expected to strengthen Leonardo's status as a fully integrated OEM in land defence.

TRANSDIGM GROUP ACQUIRED SIMMONDS PRECISION PRODUCTS (JUL-25)

Transdigm Group, manufacturer of highly engineered niche aircraft components, acquired Simmonds Precision Products, designer and manufacturer of measurement and monitoring systems for aircraft. The transaction broadens TransDigm's exposure to sensing and aircraft monitoring technologies while adding positions on defence and commercial platforms.

SIGMA ADVANCED SYSTEMS ACQUIRED BROMFORD PRECISION SYSTEMS (JUL-26)

Sigma, parent of Naysmth, acquired UK manufacturer Bromford Precision Solutions for £11.9m, expanding Nasmyth's engine manufacturing capability and creating a broader platform for aerospace OEMs and Tier 1 suppliers. Bromford makes engine rings, compressor casings, ducts, brackets and lock plates for the aerospace & defence industry.

FORDHOUSE ACQUIRED AUTOMATIC INDUSTRIAL MACHINES (APR-26)

Fordhouse acquired Somerset based Automatic Industrial Machines, a Tier 1 aerospace and defence supplier, as a platform investment supporting a wider UK consolidation strategy. AIM holds ISO9001 and AS9100 accreditation, with long term relationships including Airbus, BAE Systems and GKN Aerospace.

£41.5bn
UK aerospace turnover (2025)

£36.5bn
UK defence turnover (2025)

130,000
UK aerospace employees

189,500
UK defence employees

40,000+
New commercial aircraft forecast globally over the next 20 years

Long-term production demand supports requirements for tooling, fixtures, assembly equipment and supplier capacity with the Group demonstrating an enviable track record in the space.

KEY MARKET THEMES

CAPACITY IS THE DEAL THESIS: Production bottlenecks across aircraft, engines, shipbuilding, and the broader Tier 2/3 supplier base are making M&A a practical fix for capacity that organic investment cannot close quickly enough.

PRIVATE EQUITY IS MOVING DOWNSTREAM: Private Equity interest is increasingly migrating into historically overlooked components and subsystems suppliers which are seen as critical manufacturing with recurring program exposure and fragmented ownership.

CARVE-OUTS DOMINATE DEAL FLOW: Portfolio reshaping by primes and Tier 1 suppliers are fuelling fast paced carve-out transactions, with buyers increasingly underwriting forward EBITDA over historic averages.

SUPPLY CHAIN TRACEABILITY HELPS TO DRIVE VALUE: A high level of traceability and compliance readiness directly impact deal outcomes, with Chinese component dependencies in electronics, magnets, and robotics flagged as potential detractors from value.

REARMARMENT IS BECOMING STRUCTURAL: NATO commitments to defence spending is aiming for 5% of GDP by 2035, locking in long term budgets and record backlogs. US defence budgets have also increased 13%+ pushing up valuations for Tier 1 suppliers with robust government contracts.

CONTACT US

Our aerospace & defence team advises business owners, investors, and strategic acquirers across the sector, supporting transactions and growth opportunities both in the UK and internationally. with deep sector knowledge and a strong global network, we help clients navigate an evolving market and identify opportunities for value creation.

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Peter is head of Corporate Finance in the North and is renowned for his hands-on partner led approach to transactions. He has extensive transactional experience, and in advising clients in the industrial markets sector, including working with clients within Aerospace & Defence.

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Maria is an Associate Director based in Manchester and specialises in the industrials sector and previously advised the shareholders of a specialist in single-use and reusable surgical instruments manufacturer on its sale. Prior to joining Cooper Parry, Maria gained experience at another top 10 firm.

EUROSATORY 2026

EUROSATORY
PROTECT YOUR FUTURE

Cooper Parry Advisory and our colleagues at the REACH M&A Network, IOM Advisory, Largillière Finance and SAGA Corproate Finance were pleased to attend Eurosatory 2026 in Paris this year.

The conference brought together innovators, investors, and industry leaders from across the globe. As a premier global gathering for the defence and security industry, the event provided an excellent platform to connect with innovators, investors, business owners, and industry leaders from around the world. Throughout the conference, the team engaged in discussions around cross-border M&A opportunities and exchanged views on the market trends influencing the future of the sector.

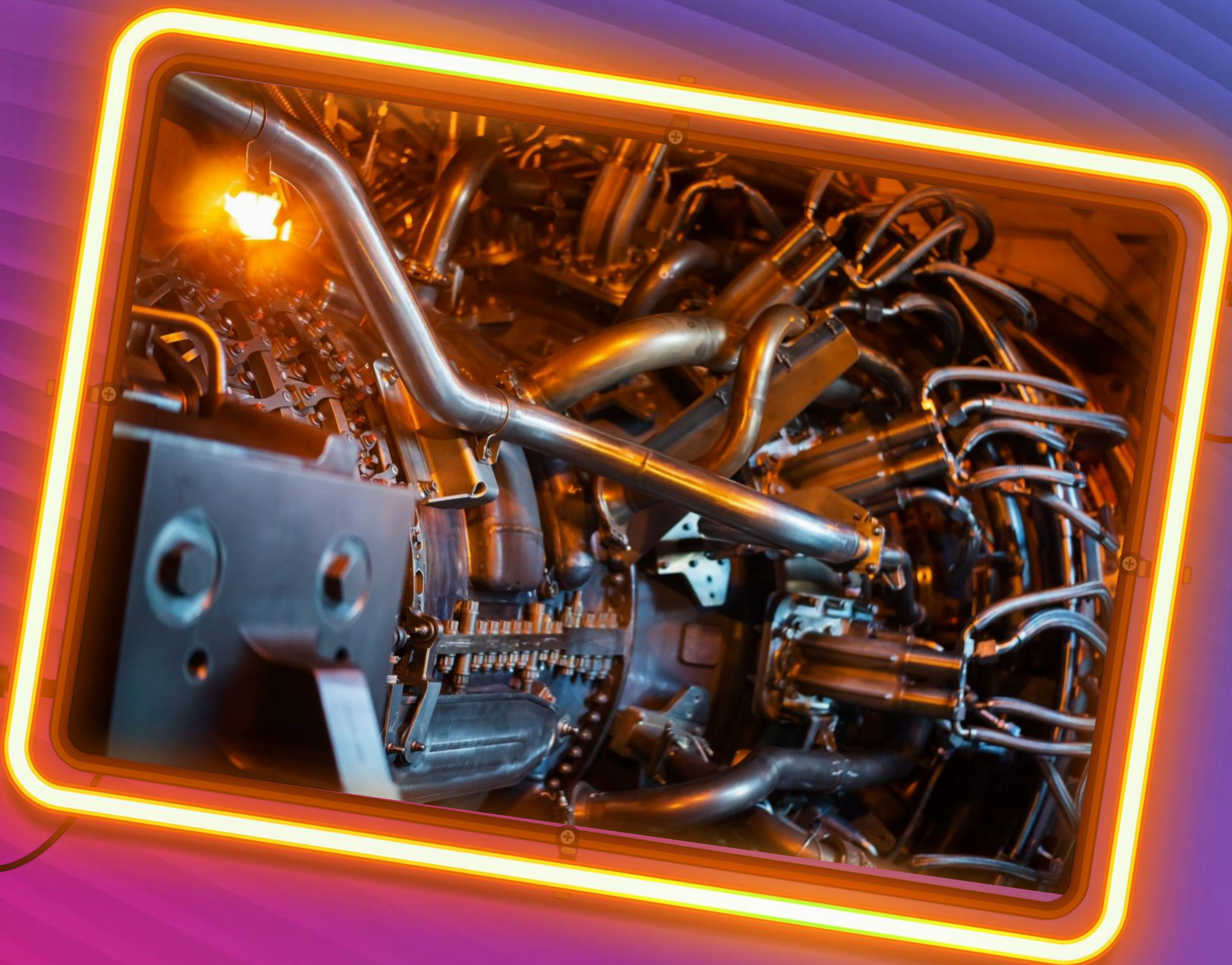
Deal processes can be complex. We know how to navigate the complexities and we provide clear and effective advice throughout…

Executing deals can be stressful. We manage processes proactively and diligently to minimize stress on you and your business…

We are passionate about what we do. We thrive on delivering for Shareholders and Management teams!

THANKS FOR READING

HERE'S TO WHAT'S NEXT



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Our teams of talent operate right across the UK.
Our international community of likeminded firms also covers every key global market.

Certified B Corporation

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