



(Aero)space & defense transformation spills over into all layers of society

© Iceye

OPPORTUNITIES FOR (AERO)SPACE, DEFENCE AND TECHNOLOGY



Defense spending is cascading through a broad range of sectors, creating new opportunities, with investor money flowing in quickly and M&A on the rise



Record defense budgets unlock a once-in-a-generation industrial investment cycle



Investor interest in defense (related) models is spiking



European strategics drive continental consolidation



“Amid rising global geopolitical unrest and growing government budgets, we see extraordinary interest in the broader defense sector. This results in a surge in M&A activity, with both private equity and strategic players stepping up their involvement. The strong interest in a high-end player such as S&T, which recently attracted a majority investment, underscores that momentum.

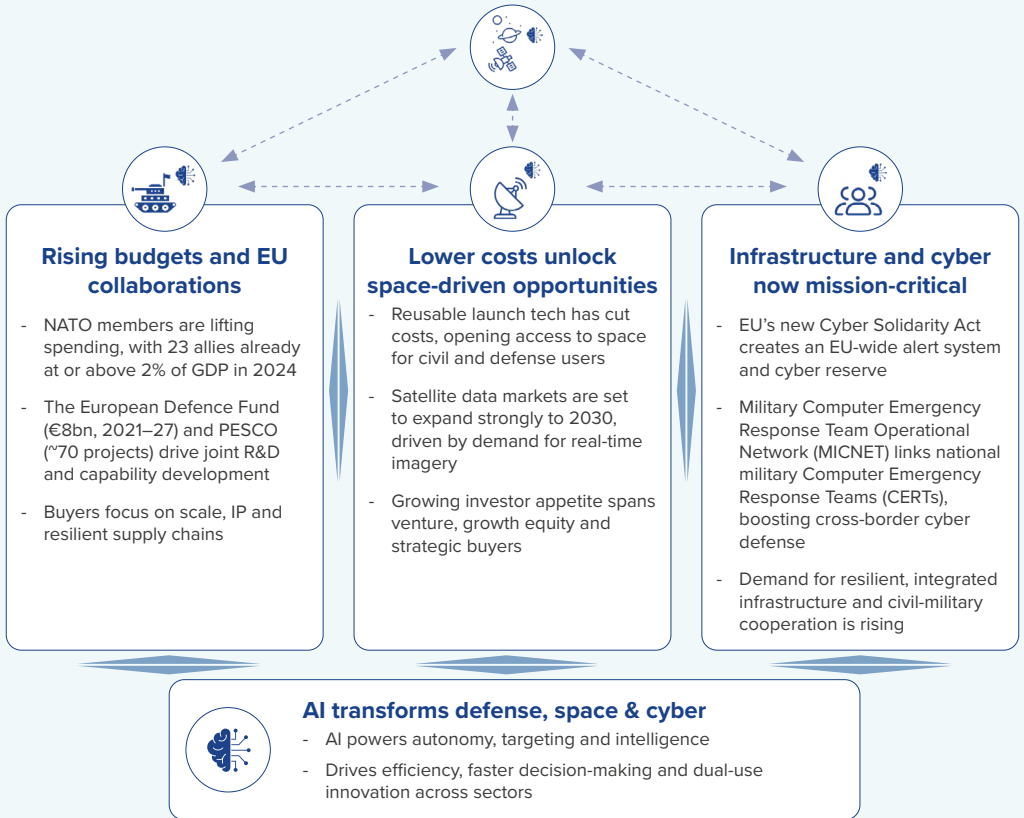
As defense priorities shift and innovation and local technical expertise become more essential, we see growing demand for highly-specialized and top-notch tech companies with deep domain knowledge and mission-critical capabilities.”

Jan-Pieter van Doorn

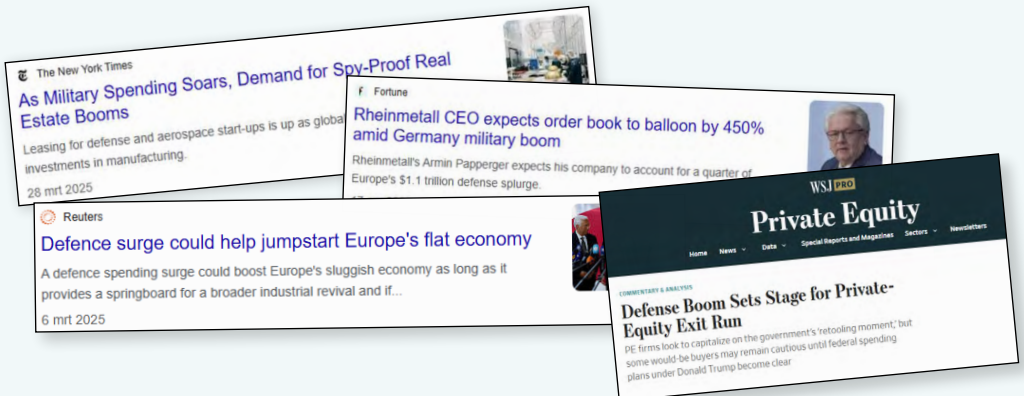
Director M&A

(Aero)space, Defense and Technology Sector Specialist
at Oaklins Netherlands

DEFENSE IS NO LONGER AN ISOLATED SECTOR, IT IS SHAPING THE FUTURE OF TECHNOLOGY, INFRASTRUCTURE, INDUSTRY AND SOCIETY AT LARGE...



REFLECTED IN THE BARRAGE OF NEWS AND DEVELOPMENTS...



AND DRIVING GROWTH AND DYNAMICS ACROSS MULTIPLE SECTORS...

Logistics, transport and facility

- Rapid military expansion drives demand for transportation, warehousing, facilities and enhancements in roads, ports, and railways, to enable rapid military deployment
- The defense logistics market is expected to grow at a CAGR of 11.6% between 2025 and 2034, driven by digitalization and strategic investment in military supply chains

Education, training simulation

- Growing need for advanced training, simulation, and upskilling of military personnel opens the door for training institutes and edtech
- The military simulation and training market is expected to grow at a CAGR of 7.8% between 2024 and 2030, fueled by VR/AR and edtech applications

Consultancy and advisory

- Defense modernization and complex procurement needs boost demand for strategic advisory, project management, and organizational transformation services
- The defense consultancy market is expected to grow at a CAGR of 9.1% between 2025 and 2033



Cybersecurity and IT

- Growing geopolitical instability significantly elevates cyber threats, driving contracts for network security, system hardening and critical infrastructure protection
- Defense cybersecurity spending is forecast to grow at a 14.1% CAGR between 2024 and 2032
- NATO classifies cyber as a fifth domain of warfare, driving prioritization and multi-billion funding

AI and autonomous systems

- Major investments in AI, robotics, and unmanned tech create opportunities for high-tech firms and innovative startups
- AI in defense is projected to grow significantly at a 12.9% CAGR between 2024 and 2034

Communication and data

- Expanding demand for secure coms, advanced sensors, and robust data infrastructure opens opportunities for electronics, telecom and software
- The military communication market is forecast at 7.9% CAGR between 2024 and 2030

INCREASING INTEREST FROM BUYERS INTO DEFENSE RELATED COMPANIES...



1

Financial sponsors are eyeing dual-use (civil and defense) opportunities, as defense offers strong returns, though face challenges when LPs originate from outside NATO



2

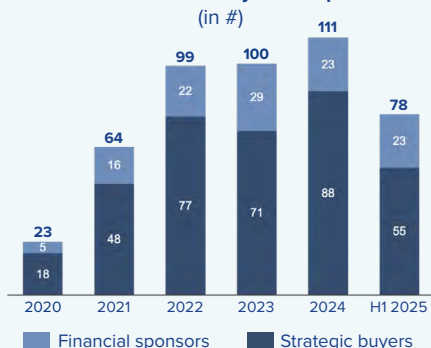
Strategic investors have to scale up very quickly on the back of boosted demand, catapulting (in)organic growth



3

Dutch Industriële Participatie (IP) rules force primes to channel 100% of large imports into domestic supply chains; scale-ups with sovereign tech are hot targets


Number of transactions in (aero)space and defense industry in Europe




Source: Mergemarket

WITH OAKLINS POSITIONED AS FRONTRUNNER FINANCIAL ADVISOR IN THE SECTOR

A SELECTION OF OUR RECENT TRACK RECORD




has received an investment from




M&A SELL-SIDE
Aerospace, Defense & Security/Private Equity/TMT




attracts investor



M&A SELL-SIDE
Private Equity/TMT




has sold a majority stake to




M&A SELL-SIDE
Aerospace, Defense & Security/Business Support Services/Private Equity/TMT




has been acquired by



M&A SELL-SIDE
Private Equity/TMT



has been acquired by




M&A SELL-SIDE
Private Equity/TMT




has been acquired by




M&A SELL-SIDE
Aerospace, Defense & Security/Business Support Services/TMT



has been acquired by



M&A SELL-SIDE
Aerospace, Defense & Security



has been acquired by



M&A SELL-SIDE
Business Support Services

LET'S GRAB A COFFEE TO EXPLORE YOUR STRATEGIC OPTIONS



Are you considering a sale, raising capital, or exploring strategic partnerships in the (aero)space, defense or technology industry? Let's discuss how Oaklins can position your company to benefit from current market dynamics.

✉ **JAN-PIETER VAN DOORN**

Director M&A

(Aero)space, Defense and Technology
Sector Specialist at Oaklins Netherlands

T: +31 20 416 1303

M: +31 6 4218 1647

Oaklins is the collective trade name of independent member firms affiliated with Oaklins International Inc. For details of the nature of affiliation, please refer to www.oaklins.com/legal.

CONFIDENTIAL INFORMATION: Do not copy, share, distribute or forward this document without prior written approval.
Disclaimer: The aim of this document is to succinctly present the company, whose name or code name appears in the title. Oaklins Midcap Advisory B.V. has been retained by this company as its advisor. This document was prepared by Oaklins Midcap Advisory B.V. in collaboration with the general management and shareholders of the company. The two parties decline any responsibility concerning any errors or omissions, insinuations or declarations in this document or in any other correspondence towards any potential partner or one of its unspecified representatives.