IOM
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M&A Market Study:
Trends & Drivers in Metal Processing for the Defense Industry

DECEMBER 2025

M&A Trends – Key takeaway #1

Record spending drives growth:

German defense spending will rise to a record level of €117 billion in 2026 (2.8% of GDP) due to several special funds, making Germany the world's fourth-largest defense spender and triggering strong industry growth.

M&A Trends – Key takeaway #2

High capacity utilization and supply chain bottlenecks:

The significant increase in orders from OEMs, partly due to the planned production of 3,000 - 5,000 Boxer vehicles by 2037, is leading to high capacity utilization and bottlenecks along the entire value chain.

M&A Trends – Key takeaway #3

Structural barriers to growth in small and medium-sized enterprises:

Long payment terms, high pre-financing requirements, and limited production capacities make it difficult for medium-sized suppliers to finance the necessary growth in the defense market.

M&A Trends – Key takeaway #4

Certifications as a key barrier to entry:

Access requirements are increasingly becoming a decisive criterion for welding and manufacturing work in defense technology and are significantly limiting the pool of suppliers.

M&A Trends – Key takeaway #5

OEMs are restructuring their supplier base:

To ensure delivery capability, OEMs are consolidating their supplier base, increasing their own vertical integration, and favoring certified, scalable partners.

TRANSACTION OVERVIEW

Financial investors and strategic buyers consolidate the market

EXTRACT

Country V/K		Date	Target company	Brief description	Buyer		Type
		Nov 25	Drehteile Herbig GmbH	Manufacturer of precision components for the automotive and industrial sectors	Borromin Capital Management	IOM Advisory GmbH	FI
		Sep	Coraxes	Manufacturer of precision components for the defense industry	CITA Invest	IOM Advisory GmbH	FI
		Mar	MTS Knobloch GmbH	Contract manufacturer for precision components and ready-to-assemble modules	Abacus alpha GmbH	IOM Advisory GmbH	FI
		Feb	SCHUMAG AG	Manufacturer of precision components for the automotive and industrial sectors	Active Capital Co BV	IOM Advisory GmbH	FI
		Dec	Dipl.-Ing. Brecht GmbH	Manufacturing partner for complex precision parts from prototype to series production	Brecht Feinmechanik GmbH		SK
		Aug	GMW Prämab GmbH	Specialist in large-part machining for mechanical and plant engineering	MEY Capital Matrix GmbH	IOM Advisory GmbH	FI
		Jul	FREMA GmbH & Co KG	System supplier for mechanical components, including material procurement and quality assurance	Private investor		FI
		Mar	Hailtec GmbH	Manufacturer of precision parts for the aerospace industry	Aussafer Due Srl	IOM Advisory GmbH	SK
		Jan 24	GTMB Metallteilfertigung GmbH	Full-service provider in the fields of CNC turning and CNC milling	Palero capital GmbH	IOM	FI

Transaction overviews for the subsectors machining, welding and forming are listed in the full report.

EXTRACT

SELECTED TRANSACTIONS

Relevant transactions

Sale of Coraxes, a provider of precision manufacturing in the defense industry, to CITA Invest

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Sale of Midalloy, a precision manufacturing provider in the defense industry, to Crest Rock Partners

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Sale of Shields Manufacturing, a provider of precision manufacturing in the defense industry, to Precinmac

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Sale of ASAP Logistics, a logistic service provider for critical components, to Auctus Capital Partners

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Sale of Warne Scope Mounts, a supplier of weapon-specific equipment, to Maple Hill Capital

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Sale of Microrectif, a specialist in precision metalworking, to Tikehau Capital

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Sale of Stahlhammer Bommer GmbH, a metal processing company, to Columbus McKinnion

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Sale of PCI, a supplier of precision components, to HD Industries

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Sale of Texys Group, a provider of high-tech sensors, to Fogale Sensors

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Sale of MTM Robotics, a manufacturer of special components, to Airbus

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Please contact us to receive the full report.

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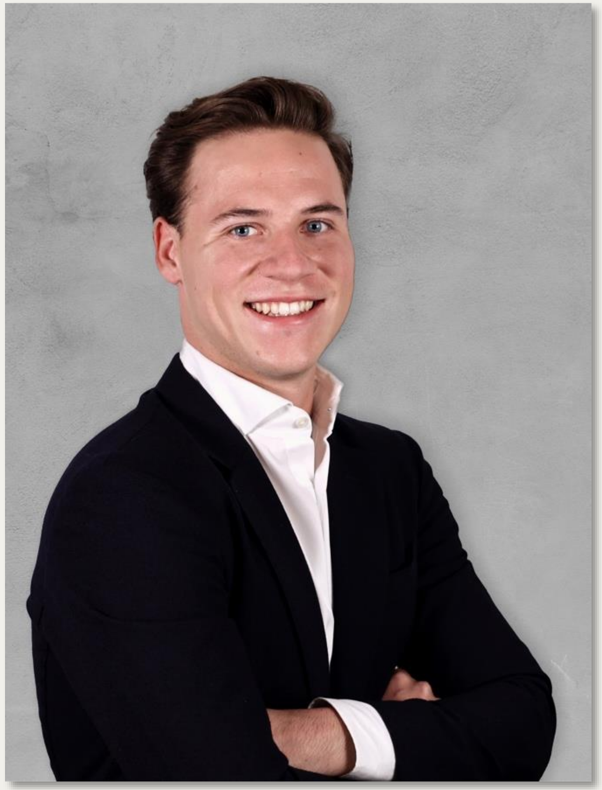

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