



2025 Paris Air Show — Top 10 Takeaways

The D.A. Davidson | MCF International Aerospace & Defense team (Toby Albright, Christoph Stoecker, and Bobby Micsak) attended the 2025 Paris Air Show at Le Bourget, covering over 40 meetings and events with key industry executives and companies. The following represents our Top 10 takeaways from our visit.

SEARCHING FOR SMOOTH AIR AMIDST GEOPOLITICAL AND MARKET TURBULENCE:

Despite intensifying geopolitical tensions and dark shadow following the recent India Air tragedy, the world's biggest aviation trade show felt healthy and vibrant — the exhibit halls, chalets, and cafes were crowded and buzzing with activity, attracting nearly 400,000 visitors and 2,500 exhibitors representing 48 countries.

ISRAEL / IRAN CONFLICT FELT ON THE SHOW FLOOR: The conflict that started when Israel engaged in direct attacks against Iran on June 13, 2025, wasn't just a topic of conversations, but was very much present on the Hall floor at Le Bourget. In a move that sparked much controversy throughout the conference, the French government shut down the Elbit Systems, Rafael, IAI, and Uvision exhibits for "refusing to remove attack weapons from display."

EUROPEAN DEFENSE RESURGENCE: According to the Air Show organizers, ~45% of the show was dedicated to Defense and Security, a record for the Paris Air Show. This heightened presence clearly demonstrates the renewed emphasis on increasing Defense budgets across Europe as new harsh realities set in: regional conflicts encroaching on their borders and economies (e.g., Ukraine / Russia, Red Sea disputes, Israel / Iran), doubts about U.S. commitment to NATO (further compounded by Trump tariffs), and an atrophied European defense industrial base following decades of underinvestment and deferred maintenance. U.S. defense firms are eager to capitalize on this growing Defense pie, while many European leaders are hoping to prioritize investment in their local defense businesses and avoid further reliance on the U.S.

BOEING KEEPING A LOW PROFILE FOR A SECOND STRAIGHT YEAR: After sitting out the 2024 Farnborough Air Show following a series of setbacks for the OEM, there was some anticipation and optimism heading into Paris. Unfortunately, the hits keep on coming for Boeing, and following the tragic Air India crash on June 12th, both CEO, Kelly Ortberg, and Commercial Airplanes President, Stephanie Pope, canceled their trips to Paris to focus on the investigation in India. Boeing only announced 41 firm orders and four options, with no additional commercial orders announced after the first day of the show. This represents the lowest order total for Boeing at an air show in over 12 years (Paris or Farnborough). However, it should be noted that Boeing had previously secured significant new orders during President Trump's trip to the Middle East in May, including a 210-jet deal with Qatar Airways.

COMMERCIAL DEMAND REMAINS HIGH: Despite Boeing's ongoing troubles and low profile in Paris, the commercial aerospace market continues to experience record demand with airlines anxious for new aircraft as they endure what feels like never-ending delays for delivery of aircraft they ordered years ago. With aircraft backlogs of 5,000+ and 8,000+ for Boeing and Airbus, respectively, both OEMs are sold out until at least 2031. With Boeing largely out-of-sight during the week, Airbus took advantage of the spotlight, announcing 250 firm orders and 156 options worth nearly \$21 billion, a bulk of which came from Saudi Arabia. While the 2025 total was an increase from the 447 at the 2024 Farnborough Air Show, it was well-below the 1,338 announced at the 2023 Paris Air Show.

DRONE & EVTOL PROLIFERATION OVERSHADOWS TRADITIONAL ROTORCRAFT: Drones seemed to be *everywhere*—not a niche exhibit but a dominant thread in defense deployments, procurement, and industry strategy. From being a showcase at previous shows, eVTOLs transitioned from prototypes to viable aircraft and, on the back of military deployment in the Ukraine as well as Israel’s Gaza and Iran conflicts, drones skyrocketed from background tech to *core components* of modern military strategy. This was further highlighted at a reception we attended in Paris: [Axios’ Future of Defense, during which Dan Magy, CEO of Firestorm Labs](#), discussed how “we have to really rethink how we’re going to use autonomous systems in combat. Ukraine and Russia are showing us the way. They build and use a couple hundred thousand a month...[and] China has just ordered 1 million loitering munitions.” Both eVTOLs and drones, as well as associated technologies, will become more and more prominent at air shows to come.

AERIAL DISPLAYS – MORE OF THE SAME AS LEGACY PLATFORMS SHINE: The aerial displays always make us stop in our tracks to look up in the sky at the amazing acrobatic aerial maneuvers for both military and commercial aircraft. The F-35 is a must see, and it was the star of the aerial display — again. However, the industry seems to be longing for a new shiny object as it felt like we have seen many of the same major aircraft displayed for the past decade. With supply chain issues and budget dynamics constraining deliveries and development of next-gen aircraft, the A&D industry cannot afford to wait, and it is embracing legacy platforms and finding innovative ways to sustain, adapt, and modify them to serve future missions. A few notable examples that were highlighted in Paris: (i) Honeywell and Near Earth Autonomy revealed they completed the first autonomous test flight of a Leonardo AW139 helicopter, and (ii) Sikorsky promoted conceptual integration of its Black Hawk helicopter with unmanned systems and autonomous missions.

CREATING A NEW “SPACE” FOR SPACE: The newly constructed Paris Space Hub created by GIFAS (Groupement des Industries Françaises Aéronautiques et Spatiales) has established Space as an official new mainstay at the Air Show. The Space Hub was dominated by the European Space Agency (“ESA”) and Centre national d’études spatiales (“CNES”) – the French national space agency. Notable Space announcements during the show included ESA and OHB System AG sealing an agreement to build ESA’s Laser Interferometer Space Antenna (“LISA”), and an MoU signed with ESA, Thales Alenia Space (a JV between Thales and Leonardo), and Blue Origin “to foster and facilitate commercial and industrial advancements in the area of space exploration in low Earth orbit.”

HURRY UP AND WAIT: Uncertainties surrounding the Trump tariffs, U.S. DoD budgets (DOGE and a full year continuing resolution), and geopolitical dynamics have wreaked havoc on the A&D M&A markets during the first half 2025, with many deals pulled, broken, or still waiting to launch. It has left many buyers on the sidelines, while others have looked to be opportunistic. Good companies are still receiving outsized valuations and attention, as there appear to be limited quality assets in market given the unsettled macro environment. European M&A is picking up pace, but it may take more time to mature as production ramps and new defense technology develops to create attractive M&A targets with scale.

THE BAR HAS BEEN RAISED: Given the current market environment and uncertainties, the bar has become even higher for viable acquisition targets for both strategic and private equity buyers. Buyer M&A priorities continue to be focused on targets that check ALL the boxes (vs. just some of them) with an emphasis on companies with defensible IP, strong aftermarket potential, established positions on key platforms / programs of record, and a non-dilutive margin profile.

Keep flying,
Aerospace, Defense and Government Services Team

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