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EMERGING TECH RESEARCH

# Defense Tech Report

VC retreats, defense advances



Q3
2026

Institutional Research Group



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# Quarterly analysis

## Key developments

- Defense tech VC hit a record $37.9 billion across 269 deals in Q3 2026, up 117.5% QoQ. Excluding Blue Origin's $10 billion round, value was still a record $27.9 billion, up 60.2%, while global VC fell 23.9%. That lifted defense tech to 15.2% of global VC value, excluding Blue Origin, more than double Q2's 7.2%.

- The defense-specific segment set records for value ($2.5 billion) and count (16), led by missiles, munitions, and hypersonics. Exits cooled to 20, worth $8.3 billion, though public listings accounted for 25% of the exit count.

Missile production and industrial-base expansion emerged as central priorities across Five Eyes defense procurement in Q3 2026.

- The US Navy awarded a $22.9 billion Tomahawk contract, while seven-year production frameworks targeted a tripling of PAC-3 Missile Segment Enhancement output and a quadrupling of Terminal High Altitude Area Defense production.[1, 2]

- The US also introduced new suppliers through its Hydra-70 and affordable cruise missile initiatives, including Anduril and Zone 5.[3, 4] The 2027 budget request roughly doubles research & development funding for the Family of Affordable Mass Missiles to $576.2 million from $285 million enacted in 2026, and requests $355 million in procurement, including $300 million in mandatory funding to buy 1,000 missiles.[5, 6, 7, 8, 9]



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- Meanwhile, the UK funded feasibility studies supporting at least six new energetics facilities.[10] These developments reinforce rising investment in munitions while highlighting opportunities for alternative suppliers, advanced manufacturing, and production technologies.

Q3 revealed a growing disconnect between venture investment patterns and government procurement priorities.

- Counter-unmanned aircraft systems (UAS) companies raised just $122.2 million across 13 deals in Q3. In September, the US Army awarded 10 counter-UAS Indefinite Delivery/Indefinite Quantity contracts with a combined ceiling of $4.15 billion, but initial obligations totaled only about $50 million.[11, 12, 13, 14]

- The clearer demand signal sits in the budget: The Army requests $994.1 million for counter-small UAS procurement in 2027, up about two-thirds from the $596 million enacted in 2026, including reconciliation funding.[15, 16, 17, 18]

- Unmanned aerial vehicle financing also weakened to $599 million, even as the UK awarded Tekever a surveillance-drone contract worth up to £400 million and Canada expanded drone procurement pathways.[19, 20]

- Conversely, strong venture investment in missiles and munitions coincided with a $22.9 billion Tomahawk award and major interceptor-production expansion initiatives.[21, 22]

## Data standouts

- Billion-dollar rounds are reshaping the market. Defense tech recorded 10 rounds of roughly $1 billion or more in Q3 alone (excluding Blue Origin), matching all of 2025 and up from one in 2024. These rounds now account for 43.2% of 2026 deal value.

- The barbell is widening at both ends: pre-seed/seed count rose to 76, the most since Q3 2021, while early-stage count fell 11.3% QoQ to 63 and its share of value slipped to 13.1%, excluding Blue Origin.

## AI developments and insights

- AI infrastructure absorbed a large share of Q3 capital. Crusoe, SambaNova Systems, Together AI, and Snorkel AI raised $6.1 billion, 21.8% of quarterly value excluding Blue Origin. Led by Groq, Positron AI, and Ayar Labs, semiconductors set a $2.7 billion record.

- Physical AI followed: Autonomous manufacturing drew $2.8 billion, led by Hadrian ($1.7 billion) and Generalist ($600 million).


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## Notable deal

- Castelion's $1.1 billion Series C is the largest defense-specific round on record. It priced at a $12.2 billion pre-money valuation, a 4.4x step-up from its November 2025 round, with Andreessen Horowitz, General Catalyst, Lightspeed, Carlyle, and T. Rowe Price participating. The round shows crossover and growth investors underwriting hypersonic weapons production at venture-growth prices, which tests whether procurement can keep pace with private valuations. The Navy has begun responding. In September, it awarded Castelion a $200 million production order for its air-launched Blackbeard hypersonic missile, and its 2027 budget request includes $156 million to buy 353 missiles under that program.[23]

## VC deal sourcing

- Low-cost interceptors and counter-drone systems are forming quickly at seed prices. Furientis raised a $25 million seed round at a $125 million post-money valuation, and Skapion raised a $36 million seed round at an $82.3 million post-money valuation. Both sit in subsegments where record deal counts have come with small checks against funded demand, which gives seed investors meaningful ownership.

## Where we are most bullish

- **Counter-UAS and low-cost interceptors:** Missiles & munitions systems drew a record eight deals ($1.2 billion) in Q3, and counter-UAS logged a record 13 deals for only $122.2 million. Budgeted demand is outpacing small checks. The Army's 2027 counter-small UAS procurement request is $994.1 million, up about two-thirds from 2026 enacted levels.[24, 25, 26, 27] Entry prices remain attractive for investors that can underwrite production.

- **AI-enabled defense manufacturing:** Hadrian's $1.7 billion Series D at a 4.1x step-up and Maven's $100 million Series A show investors paying for production capacity rather than platforms. Government capital is moving the same way. The 2027 budget requests $20.2 billion for the Office of Strategic Capital's credit program, up from $1.5 billion in 2026, although $20 billion of the request depends on a new reconciliation bill.[28, 29] Autonomous manufacturing's 2026 YTD total, 434% of 2025, also includes robot foundation-model rounds, so we anchor this call on defense production companies.


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# Defense tech landscape

1. Autonomous systems
2. Advanced materials & manufacturing
3. Quantum sciences
4. Sensing, connectivity & security
5. Human-machine interfaces
6. Semiconductors & microelectronics
7. Advanced computing & software
8. Space tech
9. Defense-specific
10. Renewable energy generation & storage
11. Biotechnology

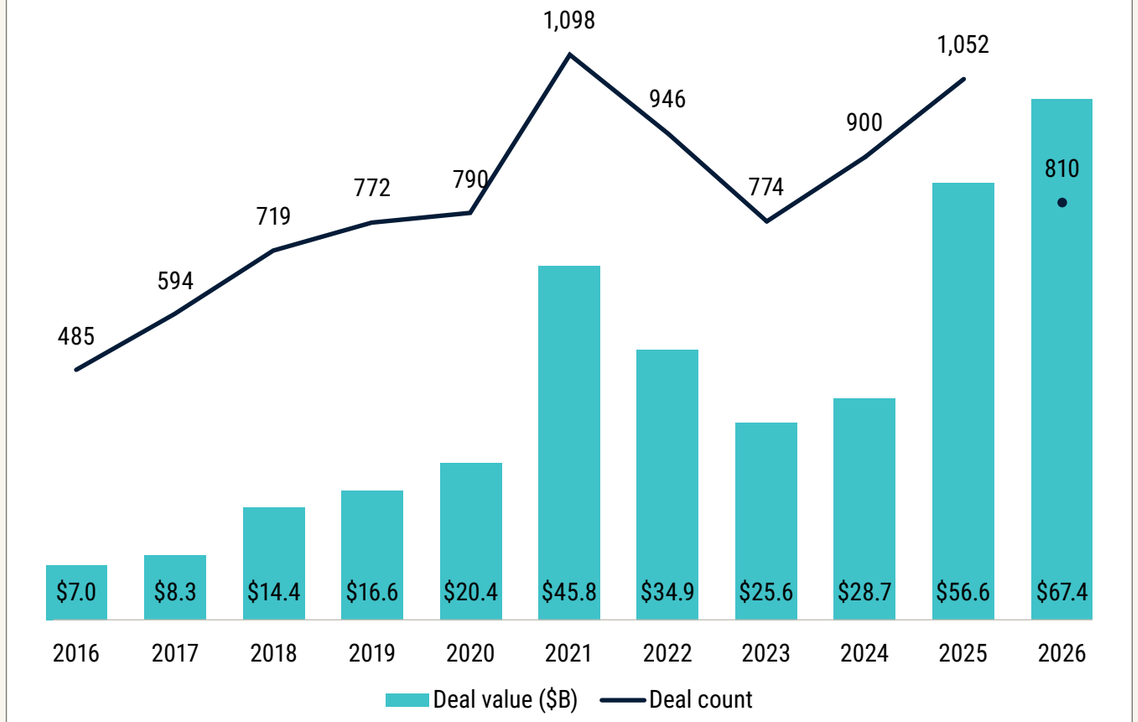



For the complete defense tech taxonomy and company list, click here to see the market map on the PitchBook Platform.

# VC activity

Excluding Blue Origin, defense tech deal value reached $67.4 billion through Q3, already 19.2% above all of 2025. Excluding SpaceX, the 2026 exit value of $98.6 billion is 3.5x the 2025 total.

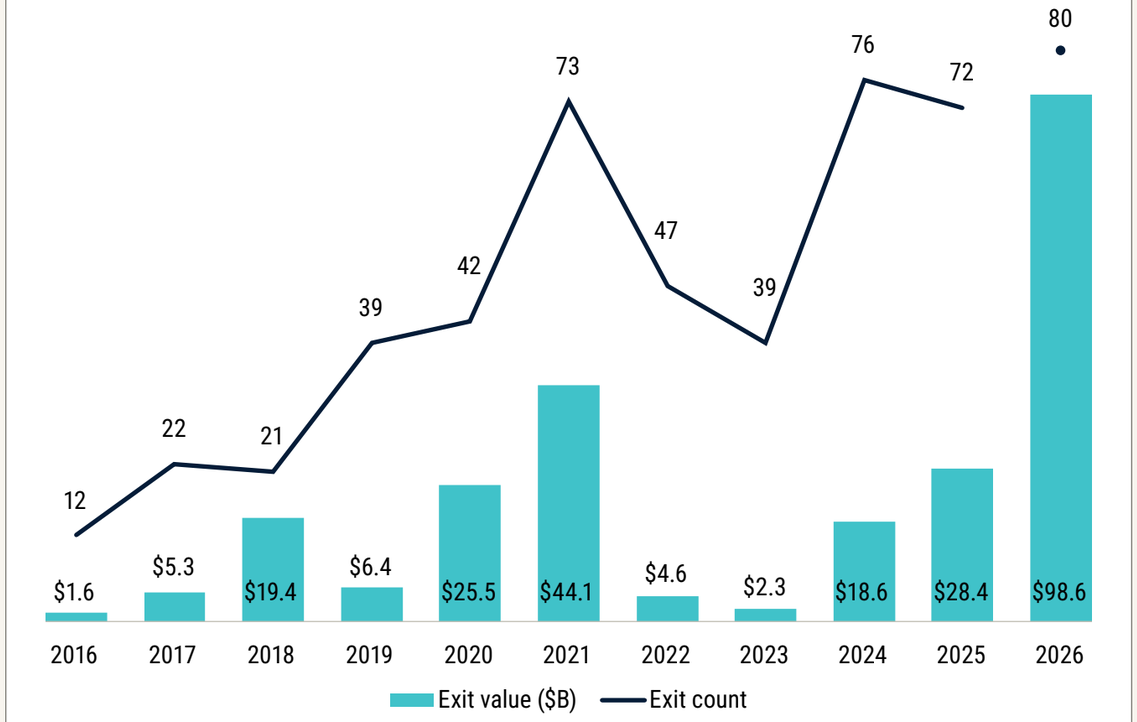
## Defense tech VC deal activity




Source: PitchBook • Geography: Global • As of September 30, 2026

*Note: Excludes Blue Origin's $10 billion Q3 2026 round and SpaceX's Q2 2026 IPO.*

## Defense tech VC exit activity




Source: PitchBook • Geography: Global • As of September 30, 2026

*Note: Excludes Blue Origin's $10 billion Q3 2026 round and SpaceX's Q2 2026 IPO.*



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# Autonomous systems leads 2020-2026 deal value at $52 billion, ahead of computing and sensing.

## Defense tech segments by VC deal value

| 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Q1 2026 | Q2 2026 | Q3 2026 | 2020-2026 |
|---|---|---|---|---|---|---|---|---|---|
| Advanced computing & software $3.9B | Sensing, connectivity & security $11.2B | Biotechnology $7.8B | Space technology $4.4B | Autonomous systems $6.1B | Autonomous systems $12.3B | Autonomous systems $8.3B | Autonomous systems $7.3B | Advanced computing & software $6.6B | Autonomous systems $52.0B |
| Sensing, connectivity & security $3.9B | Advanced computing & software $9.2B | Sensing, connectivity & security $6.6B | Advanced computing & software $4.1B | Sensing, connectivity & security $5.4B | Advanced computing & software $10.0B | Space technology $2.9B | Advanced computing & software $4.0B | Renewable energy generation & storage $4.9B | Advanced computing & software $51.1B |
| Biotechnology $3.9B | Space technology $6.0B | Advanced computing & software $6.4B | Autonomous systems $3.9B | Advanced computing & software $5.2B | Sensing, connectivity & security $7.8B | Sensing, connectivity & security $2.7B | Space technology $2.0B | Autonomous systems $4.6B | Sensing, connectivity & security $43.6B |
| Space technology $3.4B | Biotechnology $5.6B | Renewable energy generation & storage $4.0B | Biotechnology $3.7B | Renewable energy generation & storage $3.9B | Space technology $6.9B | Advanced materials & manufacturing $1.7B | Advanced materials & manufacturing $1.3B | Space technology $4.2B | Space technology $34.9B |
| Autonomous systems $1.9B | Renewable energy generation & storage $5.1B | Autonomous systems $3.5B | Sensing, connectivity & security $3.6B | Space technology $2.3B | Renewable energy generation & storage $6.4B | Semiconductors & microelectronics $1.5B | Sensing, connectivity & security $0.9B | Semiconductors & microelectronics $2.7B | Renewable energy generation & storage $29.1B |
| Advanced materials & manufacturing $1.1B | Autonomous systems $4.2B | Space technology $2.9B | Renewable energy generation & storage $2.5B | Semiconductors & microelectronics $1.9B | Semiconductors & microelectronics $4.2B | Advanced computing & software $1.5B | Semiconductors & microelectronics $0.6B | Defense-specific $2.5B | Biotechnology $26.6B |
| Human-machine interfaces $0.9B | Advanced materials & manufacturing $1.5B | Advanced materials & manufacturing $1.3B | Advanced materials & manufacturing $1.7B | Biotechnology $1.8B | Biotechnology $2.1B | Biotechnology $1.4B | Defense-specific $0.6B | Sensing, connectivity & security $1.4B | Semiconductors & microelectronics $13.8B |
| Renewable energy generation & storage $0.7B | Human-machine interfaces $1.3B | Quantum sciences $0.9B | Semiconductors & microelectronics $0.8B | Advanced materials & manufacturing $1.0B | Advanced materials & manufacturing $2.1B | Renewable energy generation & storage $1.3B | Renewable energy generation & storage $0.4B | Advanced materials & manufacturing $0.6B | Advanced materials & manufacturing $12.1B |
| Quantum sciences $0.3B | Semiconductors & microelectronics $1.0B | Semiconductors & microelectronics $0.8B | Human-machine interfaces $0.5B | Human-machine interfaces $0.6B | Quantum sciences $1.9B | Human-machine interfaces $0.6B | Quantum sciences $0.1B | Quantum sciences $0.4B | Human-machine interfaces $6.1B |
| Semiconductors & microelectronics $0.2B | Quantum sciences $0.7B | Human-machine interfaces $0.5B | Defense-specific $0.2B | Quantum sciences $0.3B | Human-machine interfaces $1.6B | Quantum sciences $0.2B | Biotechnology $0.1B | Biotechnology $0.2B | Defense-specific $5.2B |
| Defense-specific $0.1B | Defense-specific $0.0B | Defense-specific $0.3B | Quantum sciences $0.2B | Defense-specific $0.2B | Defense-specific $1.2B | Defense-specific $0.0B | Human-machine interfaces $0.1B | Human-machine interfaces $0.0B | Quantum sciences $4.9B |

Source: PitchBook • Geography: Global • As of September 30, 2026

*Note: Excludes Blue Origin's $10 billion Q3 2026 round.*



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# Sensing, connectivity & security leads cumulative deal count; autonomy has led every 2026 quarter.

## Defense tech segments by VC deal count

| 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Q1 2026 | Q2 2026 | Q3 2026 | 2020-2026 |
|---|---|---|---|---|---|---|---|---|---|
| Sensing, connectivity & security 182 | Sensing, connectivity & security 225 | Sensing, connectivity & security 188 | Sensing, connectivity & security 134 | Autonomous systems 173 | Autonomous systems 230 | Autonomous systems 66 | Autonomous systems 71 | Autonomous systems 71 | Sensing, connectivity & security 1,145 |
| Advanced computing & software 132 | Advanced computing & software 189 | Advanced computing & software 152 | Advanced computing & software 109 | Sensing, connectivity & security 154 | Sensing, connectivity & security 162 | Space technology 42 | Space technology 40 | Space technology 46 | Autonomous systems 1,115 |
| Biotechnology 116 | Biotechnology 147 | Autonomous systems 144 | Autonomous systems 108 | Space technology 117 | Advanced computing & software 142 | Renewable energy generation & storage 34 | Sensing, connectivity & security 33 | Sensing, connectivity & security 34 | Advanced computing & software 915 |
| Autonomous systems 109 | Autonomous systems 143 | Biotechnology 123 | Space technology 99 | Advanced computing & software 116 | Space technology 127 | Sensing, connectivity & security 33 | Advanced computing & software 29 | Advanced materials & manufacturing 29 | Space technology 714 |
| Renewable energy generation & storage 60 | Space technology 105 | Space technology 87 | Biotechnology 95 | Renewable energy generation & storage 82 | Advanced materials & manufacturing 86 | Advanced materials & manufacturing 28 | Advanced materials & manufacturing 22 | Advanced computing & software 20 | Biotechnology 677 |
| Advanced materials & manufacturing 59 | Renewable energy generation & storage 97 | Renewable energy generation & storage 76 | Renewable energy generation & storage 75 | Advanced materials & manufacturing 80 | Renewable energy generation & storage 84 | Advanced computing & software 26 | Semiconductors & microelectronics 15 | Renewable energy generation & storage 18 | Renewable energy generation & storage 534 |
| Space technology 51 | Advanced materials & manufacturing 89 | Advanced materials & manufacturing 61 | Advanced materials & manufacturing 68 | Biotechnology 72 | Biotechnology 82 | Biotechnology 18 | Biotechnology 13 | Defense-specific 16 | Advanced materials & manufacturing 522 |
| Human-machine interfaces 32 | Human-machine interfaces 39 | Human-machine interfaces 42 | Semiconductors & microelectronics 29 | Semiconductors & microelectronics 39 | Semiconductors & microelectronics 42 | Semiconductors & microelectronics 16 | Quantum sciences 12 | Semiconductors & microelectronics 12 | Semiconductors & microelectronics 248 |
| Semiconductors & microelectronics 22 | Semiconductors & microelectronics 34 | Semiconductors & microelectronics 39 | Human-machine interfaces 22 | Quantum sciences 26 | Defense-specific 40 | Quantum sciences 12 | Renewable energy generation & storage 8 | Biotechnology 11 | Human-machine interfaces 194 |
| Quantum sciences 20 | Quantum sciences 20 | Quantum sciences 22 | Quantum sciences 19 | Defense-specific 23 | Quantum sciences 30 | Defense-specific 6 | Defense-specific 7 | Quantum sciences 8 | Quantum sciences 169 |
| Defense-specific 7 | Defense-specific 10 | Defense-specific 12 | Defense-specific 16 | Human-machine interfaces 18 | Human-machine interfaces 27 | Human-machine interfaces 4 | Human-machine interfaces 7 | Human-machine interfaces 3 | Defense-specific 137 |

Source: PitchBook • Geography: Global • As of September 30, 2026

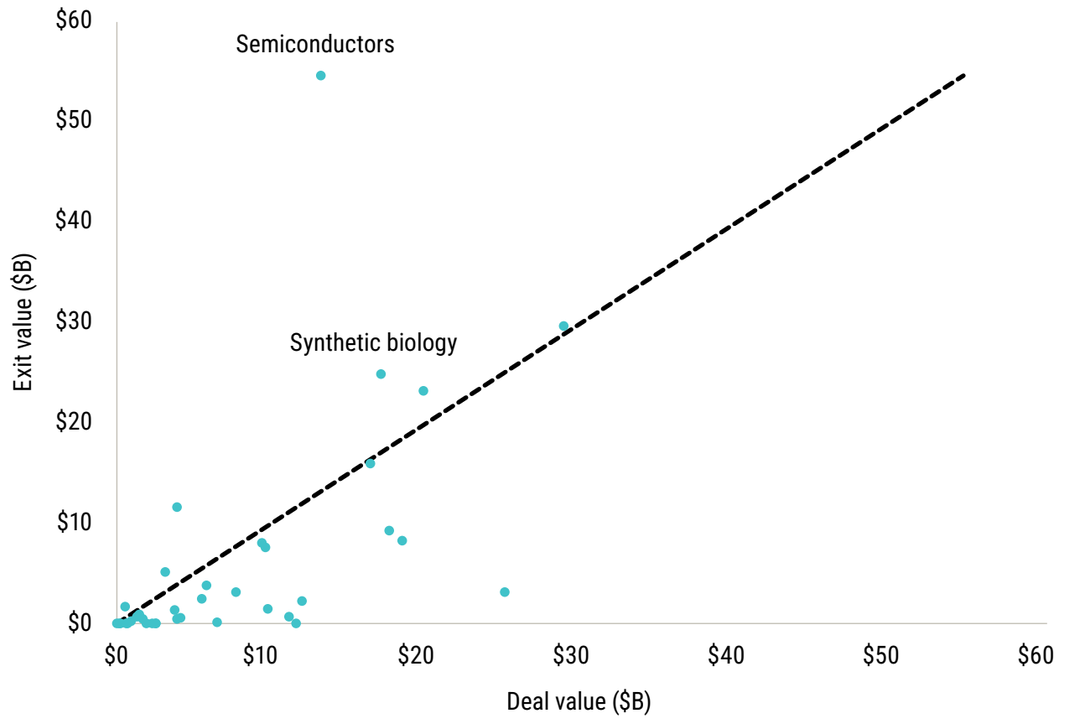
*Note: Excludes Blue Origin's $10 billion Q3 2026 round.*



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Excluding SpaceX, only seven of 37 categories returned more in exits than they raised, led by semiconductors at a 4.2x exit/deal value ratio. Defense-specific categories have yet to return any exit value.

## Defense tech VC deal value versus VC exit value by category (2020-2026)




Source: PitchBook • Geography: Global • As of September 30, 2026

*Note: Excludes Blue Origin's $10 billion Q3 2026 round and SpaceX's Q2 2026 IPO.*

## Top and bottom 10 defense tech categories by VC exit/deal value ratio (2020-2026)

| | Deal value ($B) | Exit value ($B) | Exit/deal value ratio |
|---|---|---|---|
| Semiconductors | $13.1 | $54.6 | 4.2x |
| Quantum sensing & networking | $0.5 | $1.7 | 3.1x |
| Development, security & operations | $3.9 | $11.6 | 3.0x |
| Quantum computing | $3.1 | $5.1 | 1.6x |
| Synthetic biology | $17.0 | $24.8 | 1.5x |
| Defense systems integration & optimization | $19.8 | $23.3 | 1.2x |
| Information security | $28.8 | $29.7 | 1.0x |
| Alternative energy generation | $16.3 | $16.0 | 1.0x |
| Unmanned aerial vehicles | $9.4 | $8.1 | 0.9x |
| Biodefense | $9.6 | $7.6 | 0.8x |
| Autonomous manufacturing | $11.5 | $0.0 | 0.0x |
| Wearable technology | $2.3 | $0.0 | 0.01x |
| Advanced critical & structural materials | $6.5 | $0.2 | 0.03x |
| Advanced sensors | $11.1 | $0.7 | 0.06x |
| Supply chain management | $3.8 | $0.5 | 0.12x |
| Data management & analysis | $25.0 | $3.2 | 0.13x |
| In-space services | $9.7 | $1.4 | 0.15x |
| Unmanned maritime systems | $4.1 | $0.7 | 0.16x |
| Advanced energy storage | $11.9 | $2.2 | 0.19x |
| Power systems | $0.9 | $0.3 | 0.28x |

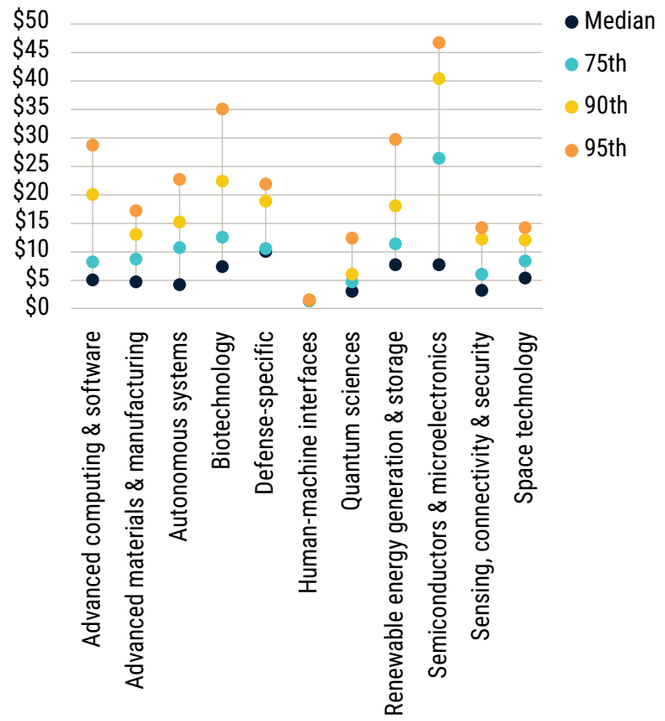
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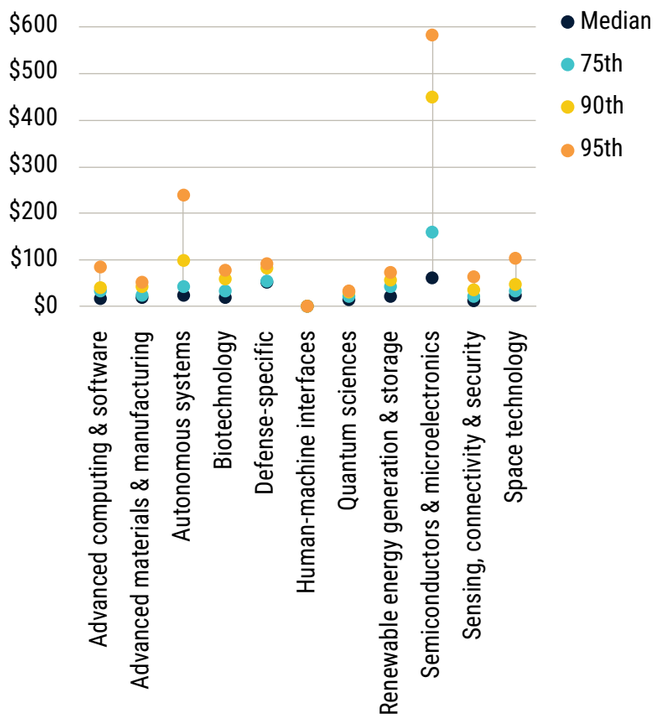
Defense-specific seed rounds carry the highest median, $10 million. Semiconductor seed pre-money valuations lead at a $60.7 million median. Defense-specific seed step-ups lead at 3.7x, on two data points.

## Defense tech seed deal value ($M) by segment



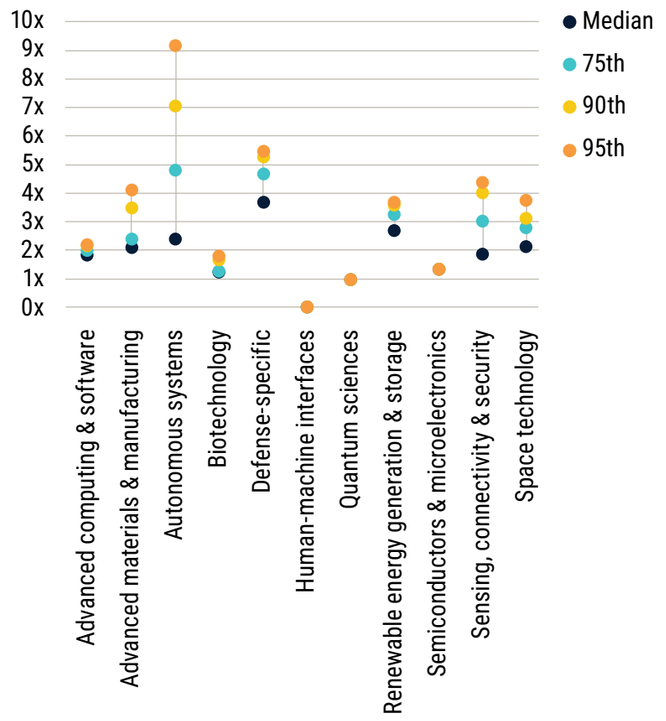

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## Defense tech seed pre-money valuation ($M) by segment




Source: PitchBook • Geography: Global • As of September 30, 2026

## Defense tech seed step-up by segment



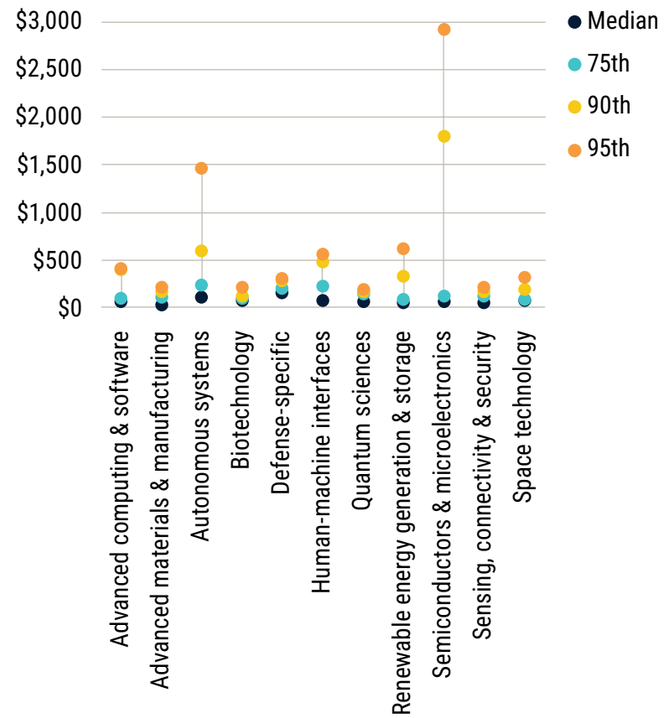

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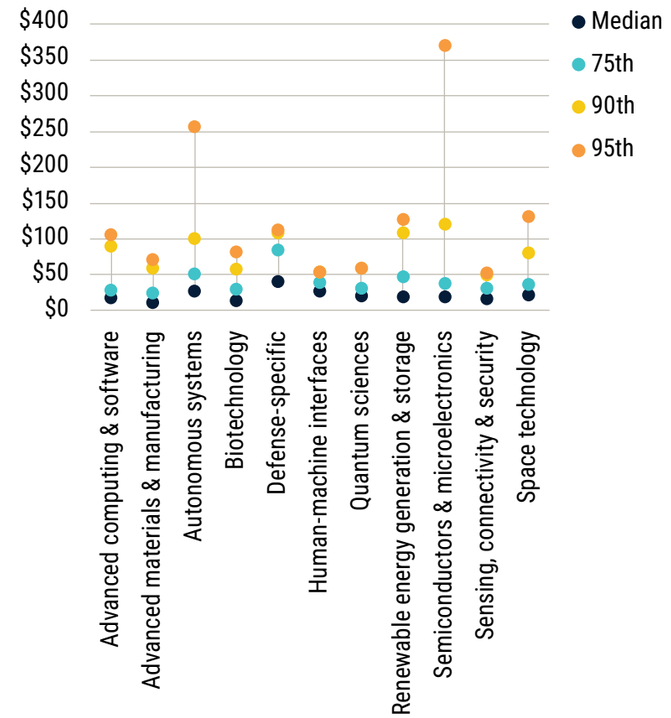
Defense-specific leads Series A deal size at a $40 million median. Series A pre-money peaks in defense-specific at $160.1 million. Autonomous systems leads Series A step-ups at a 2.8x median.

## Defense tech Series A pre-money valuation ($M) by segment



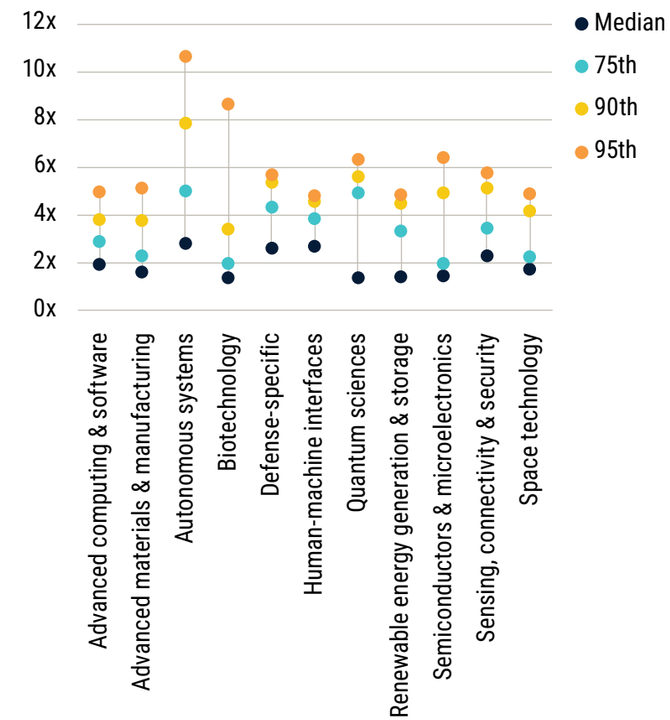

Source: PitchBook • Geography: Global • As of September 30, 2026

## Defense tech Series A deal value ($M) by segment




Source: PitchBook • Geography: Global • As of September 30, 2026

## Defense tech Series A step-up by segment



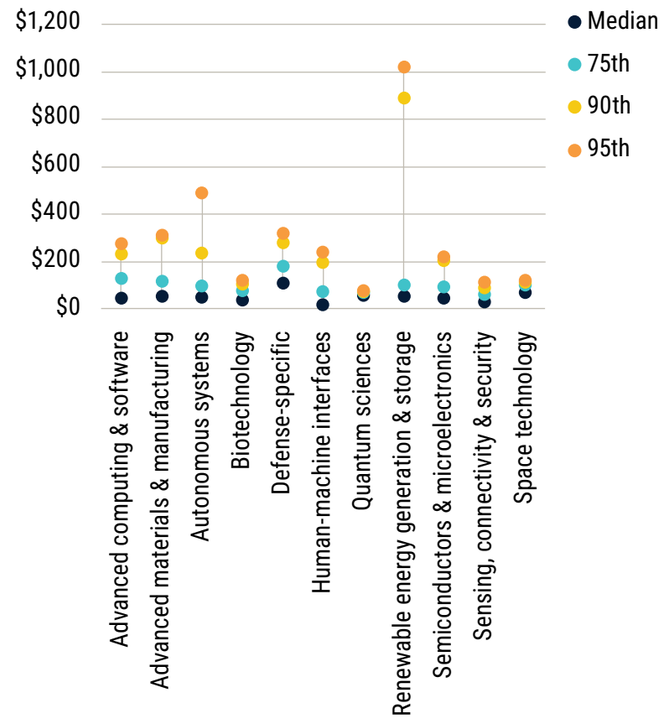

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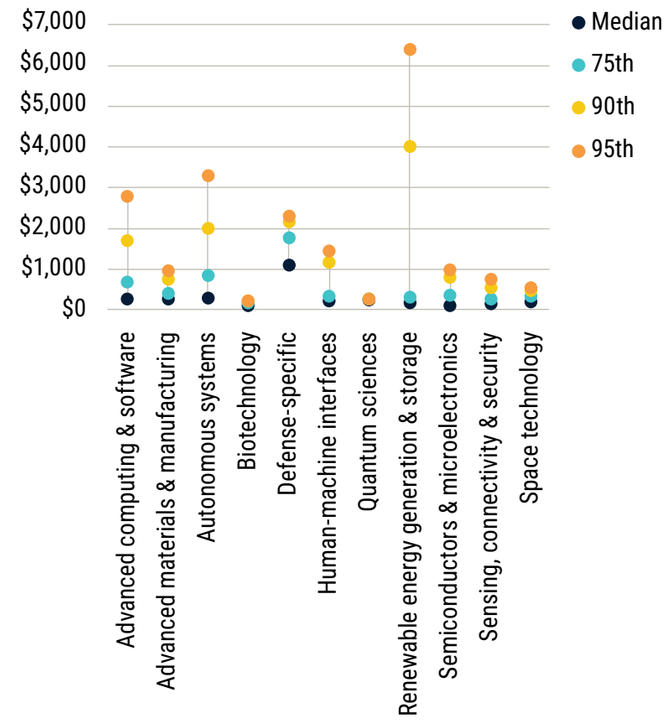
# Defense-specific Series B rounds lead at a $111 million median. Defense-specific Series B pre-money median tops $1.1 billion. Defense-specific Series B step-ups lead at 4x; space follows at 2.6x.

## Defense tech Series B deal value ($M) by segment



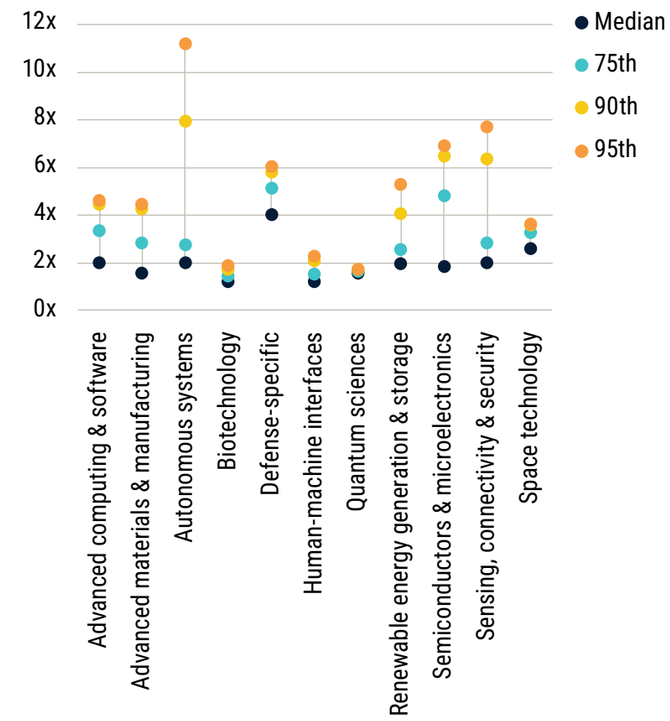

Source: PitchBook • Geography: Global • As of September 30, 2026

## Defense tech Series B pre-money valuation ($M) by segment




Source: PitchBook • Geography: Global • As of September 30, 2026

## Defense tech Series B step-up by segment



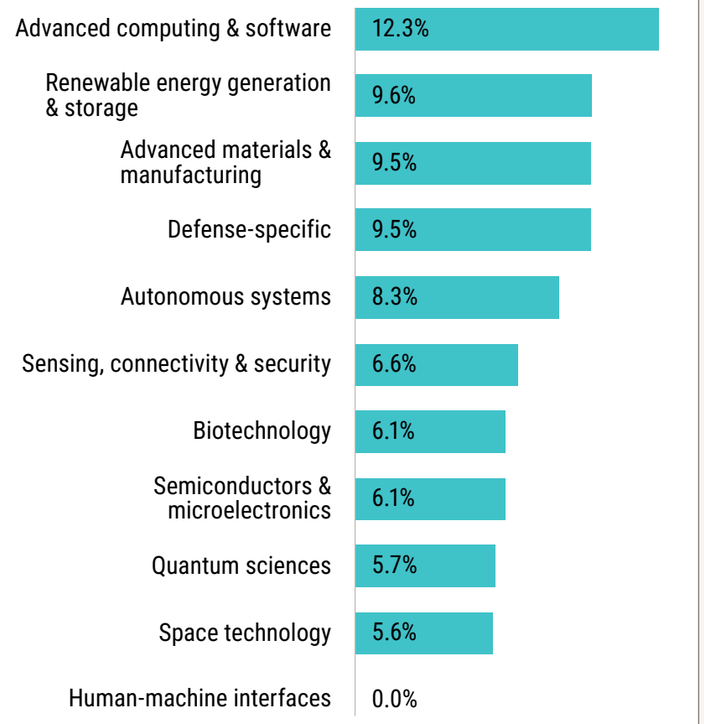

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Computing has the highest share of companies reaching a $250 million valuation since 2022, at 12.3%. Defense-specific and space 2026 cohorts already beat their 2024-2025 rates of reaching $250 million.

## Defense tech segments by share of companies that have achieved a $250 million valuation (2022-2026)




Source: PitchBook • Geography: Global • As of September 30, 2026

## Share of defense tech companies that have achieved a $250 million valuation by segment

| | 2016-2017 | 2018-2019 | 2020-2021 | 2022-2023 | 2024-2025 | 2026 | 2022-2026 | Total |
|---|---|---|---|---|---|---|---|---|
| Advanced computing & software | 30.2% | 25.4% | 22.7% | 23.1% | 5.2% | 5.0% | 12.3% | 20.6% |
| Advanced materials & manufacturing | 15.2% | 15.9% | 6.3% | 14.3% | 11.1% | 0.0% | 9.5% | 11.7% |
| Autonomous systems | 21.4% | 22.7% | 17.6% | 12.3% | 9.5% | 2.6% | 8.3% | 13.7% |
| Biotechnology | 14.5% | 20.6% | 8.6% | 8.8% | 0.0% | 0.0% | 6.1% | 12.8% |
| Defense-specific | 0.0% | 0.0% | 30.0% | 20.0% | 4.5% | 10.0% | 9.5% | 12.1% |
| Human-machine interfaces | 16.0% | 8.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 7.1% |
| Quantum sciences | 50.0% | 12.5% | 9.1% | 9.1% | 6.7% | 0.0% | 5.7% | 12.9% |
| Renewable energy generation & storage | 12.5% | 11.1% | 22.0% | 10.8% | 12.0% | 0.0% | 9.6% | 13.7% |
| Semiconductors & microelectronics | 50.0% | 15.4% | 0.0% | 5.0% | 11.8% | 0.0% | 6.1% | 13.2% |
| Sensing, connectivity & security | 25.2% | 22.0% | 14.9% | 7.7% | 6.5% | 4.5% | 6.6% | 16.4% |
| Space technology | 31.3% | 13.0% | 22.2% | 10.9% | 1.5% | 4.9% | 5.6% | 12.6% |

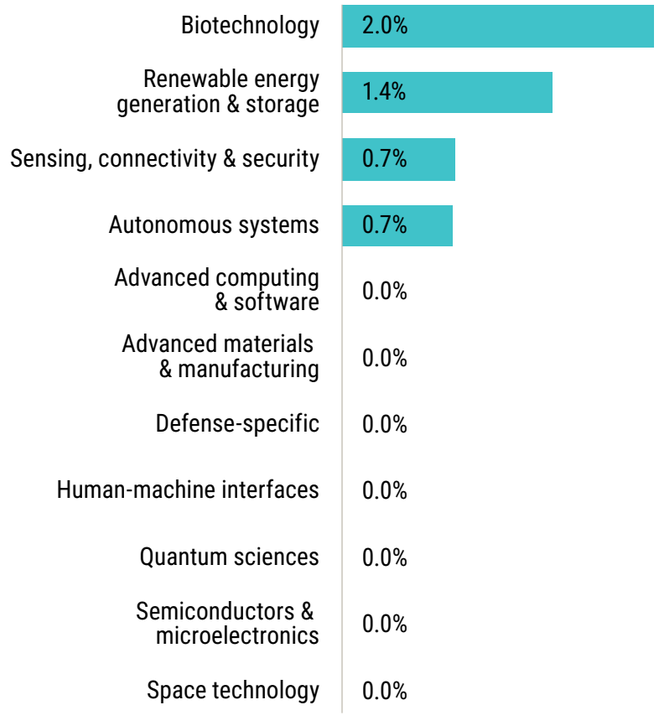
Source: PitchBook • Geography: Global • As of September 30, 2026



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# Only four segments have a $200 million exit among companies first funded since 2022. No defense-specific company has reached a $200 million exit in any cohort since 2016.

## Defense tech segments by share of companies that have achieved a $200 million exit (2022-2026)




Source: PitchBook • Geography: Global • As of September 30, 2026

## Share of defense tech companies that have achieved a $200 million exit by segment

| | 2016-2017 | 2018-2019 | 2020-2021 | 2022-2023 | 2024-2025 | 2026 | 2022-2026 | Total |
|---|---|---|---|---|---|---|---|---|
| Advanced computing & software | 4.8% | 4.2% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 2.4% |
| Advanced materials & manufacturing | 2.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.5% |
| Autonomous systems | 2.9% | 1.3% | 2.7% | 1.5% | 0.7% | 0.0% | 0.7% | 1.4% |
| Biotechnology | 3.6% | 4.4% | 1.4% | 2.9% | 0.0% | 0.0% | 2.0% | 2.9% |
| Defense-specific | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Human-machine interfaces | 4.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.2% |
| Quantum sciences | 37.5% | 12.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 7.1% |
| Renewable energy generation & storage | 3.1% | 3.7% | 4.0% | 0.0% | 4.0% | 0.0% | 1.4% | 2.7% |
| Semiconductors & microelectronics | 14.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 2.2% |
| Sensing, connectivity & security | 4.9% | 0.0% | 6.4% | 1.9% | 0.0% | 0.0% | 0.7% | 2.8% |
| Space technology | 6.3% | 0.0% | 1.9% | 0.0% | 0.0% | 0.0% | 0.0% | 1.1% |

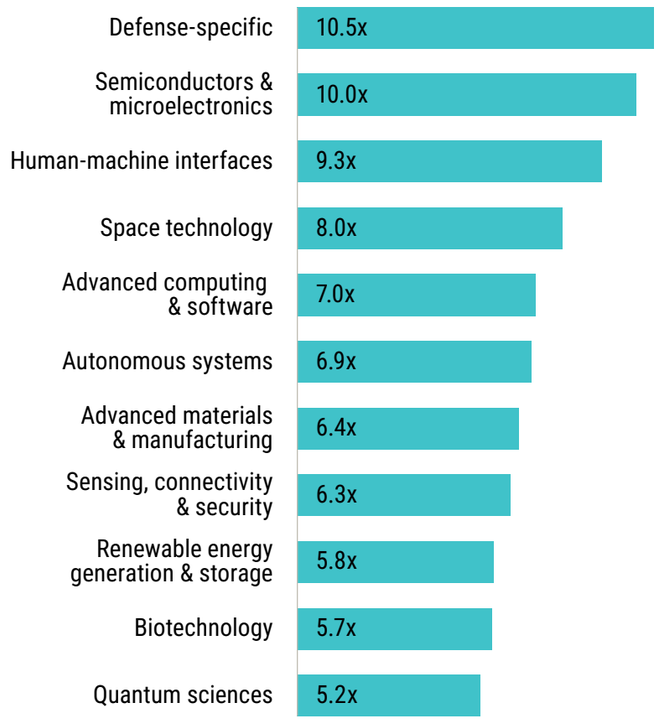
Source: PitchBook • Geography: Global • As of September 30, 2026



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# Defense-specific leads 90th-percentile VC efficiency at 10.5x, ahead of semiconductors at 10x. Defense-specific VC efficiency has held above 9x in every period since 2020.

## Defense tech segments by 90th percentile of VC efficiency (2022-2026)




Source: PitchBook • Geography: Global • As of September 30, 2026

## Defense tech 90th percentile of VC efficiency by segment

| | 2016-2017 | 2018-2019 | 2020-2021 | 2022-2023 | 2024-2025 | 2026 | 2022-2026 | Total |
|---|---|---|---|---|---|---|---|---|
| Advanced computing & software | 5.0x | 5.9x | 6.9x | 6.7x | 7.1x | 8.7x | 7.0x | 6.6x |
| Advanced materials & manufacturing | 7.6x | 5.9x | 5.8x | 6.3x | 5.9x | 6.9x | 6.4x | 6.3x |
| Autonomous systems | 6.6x | 5.6x | 6.9x | 6.6x | 6.7x | 8.4x | 6.9x | 6.7x |
| Biotechnology | 7.0x | 6.1x | 5.3x | 5.7x | 5.9x | 5.1x | 5.7x | 6.0x |
| Defense-specific | 2.6x | 4.6x | 10.6x | 9.4x | 12.6x | 11.7x | 10.5x | 10.0x |
| Human-machine interfaces | 7.8x | 6.1x | 7.5x | 8.6x | 8.5x | 7.9x | 9.3x | 8.3x |
| Quantum sciences | 3.6x | 8.6x | 5.9x | 4.3x | 6.0x | 5.7x | 5.2x | 6.0x |
| Renewable energy generation & storage | 6.1x | 4.6x | 5.5x | 5.8x | 5.6x | 5.2x | 5.8x | 5.8x |
| Semiconductors & microelectronics | 6.7x | 5.7x | 6.3x | 8.1x | 17.7x | 6.3x | 10.0x | 7.8x |
| Sensing, connectivity & security | 4.7x | 5.0x | 6.5x | 6.1x | 6.3x | 6.8x | 6.3x | 6.1x |
| Space technology | 9.3x | 10.6x | 10.8x | 9.0x | 7.2x | 10.2x | 8.0x | 9.4x |

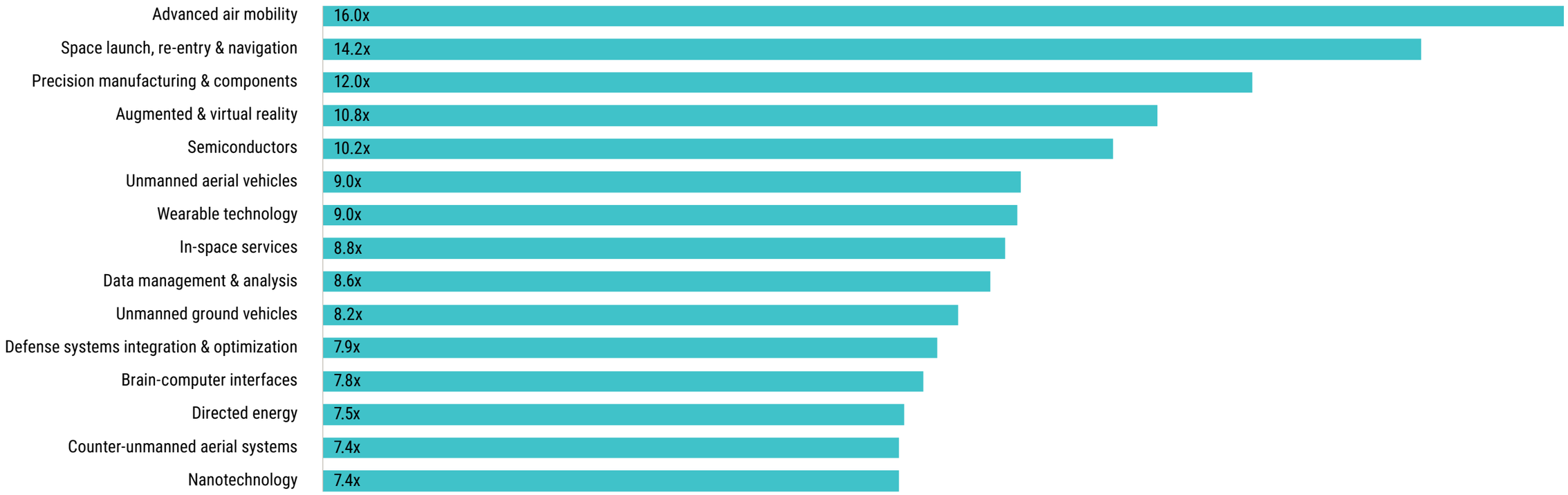
Source: PitchBook • Geography: Global • As of September 30, 2026



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# Advanced air mobility and space launch top category efficiency at 16x and 14.2x, respectively.

## Defense tech categories by 90th percentile of VC efficiency (2022-2026)




Source: PitchBook • Geography: Global • As of September 30, 2026



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# Missiles & munitions, quantum, and synthetic biology sit near the bottom of category efficiency.

## Defense tech 90th percentile of VC efficiency by category

| | | 2022-2026 |
|---|---|---|
| Defense-specific | Advanced air mobility | 16.0x |
| Space technology | Space launch, re-entry & navigation | 14.2x |
| Advanced materials & manufacturing | Precision manufacturing & components | 12.0x |
| Human-machine interfaces | Augmented & virtual reality | 10.8x |
| Semiconductors & microelectronics | Semiconductors | 10.2x |
| Autonomous systems | Unmanned aerial vehicles | 9.0x |
| Human-machine interfaces | Wearable technology | 9.0x |
| Human-machine interfaces | Space technology | 8.8x |
| Advanced computing & software | Data management & analysis | 8.6x |
| Autonomous systems | Unmanned ground vehicles | 8.2x |

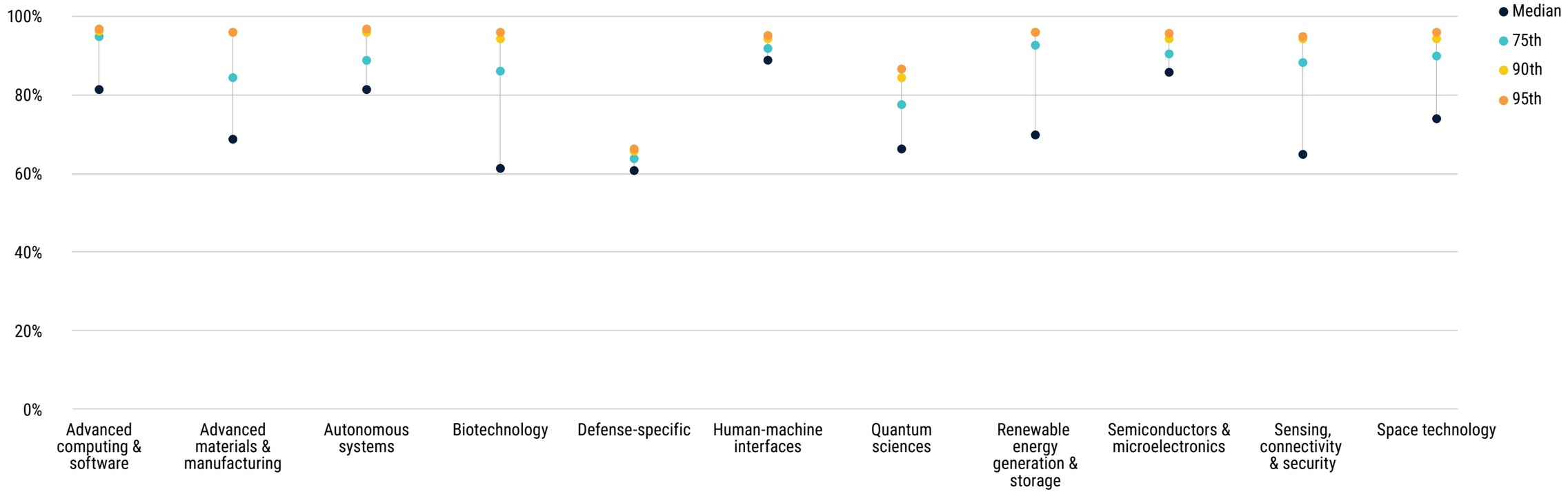
Source: PitchBook • Geography: Global • As of September 30, 2026



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Among startups that raised more than $150 million, human-machine interfaces and semiconductors post the highest median IPO odds (90% and 86%, respectively); defense-specific trails at 61% on three companies.

## IPO probability of defense tech startups that have raised more than $150 million by segment



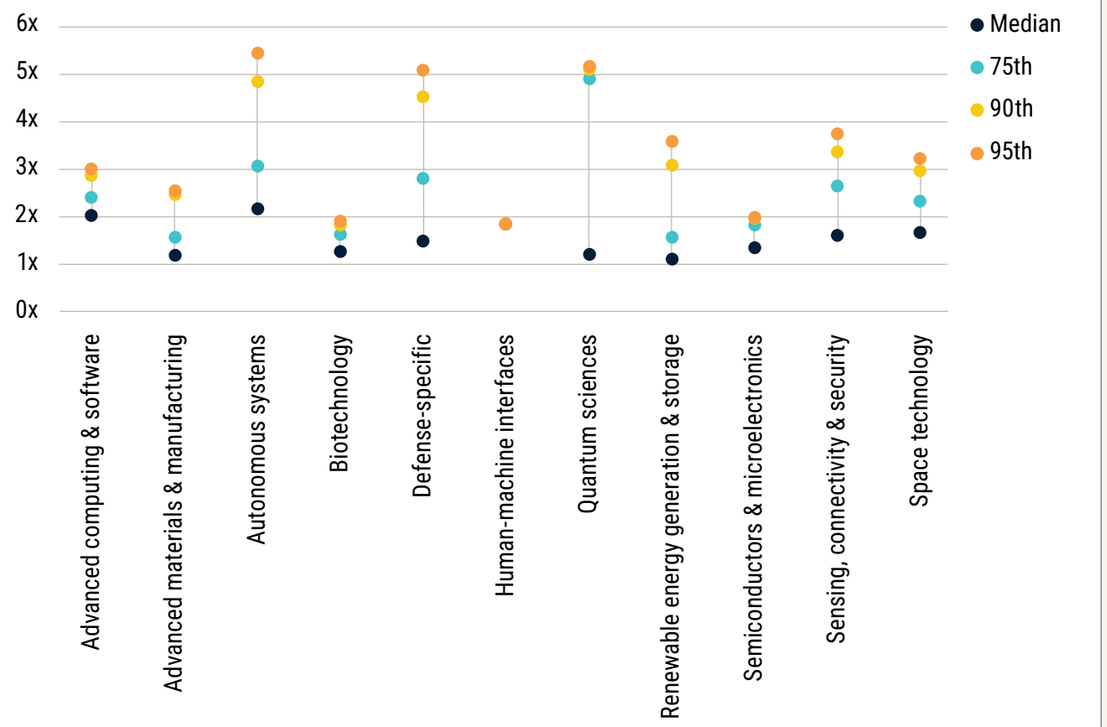

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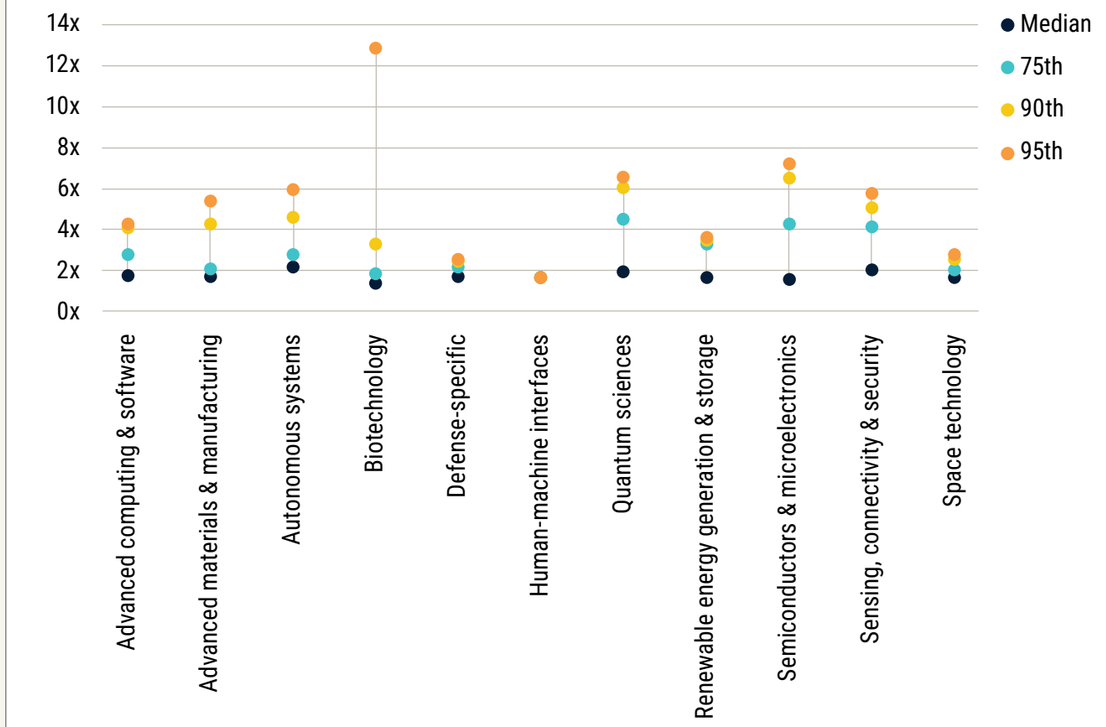
At $10 million-$25 million raised, autonomous systems leads median step-ups at 2.2x. At $25 million to $50 million raised, autonomy and cyber lead median step-ups at 2.2x and 2x, respectively.

## VC step-up for defense tech startups that have raised $10 million to $25 million by segment




Source: PitchBook • Geography: Global • As of September 30, 2026

## VC step-up for defense tech startups that have raised $25 million to $50 million by segment



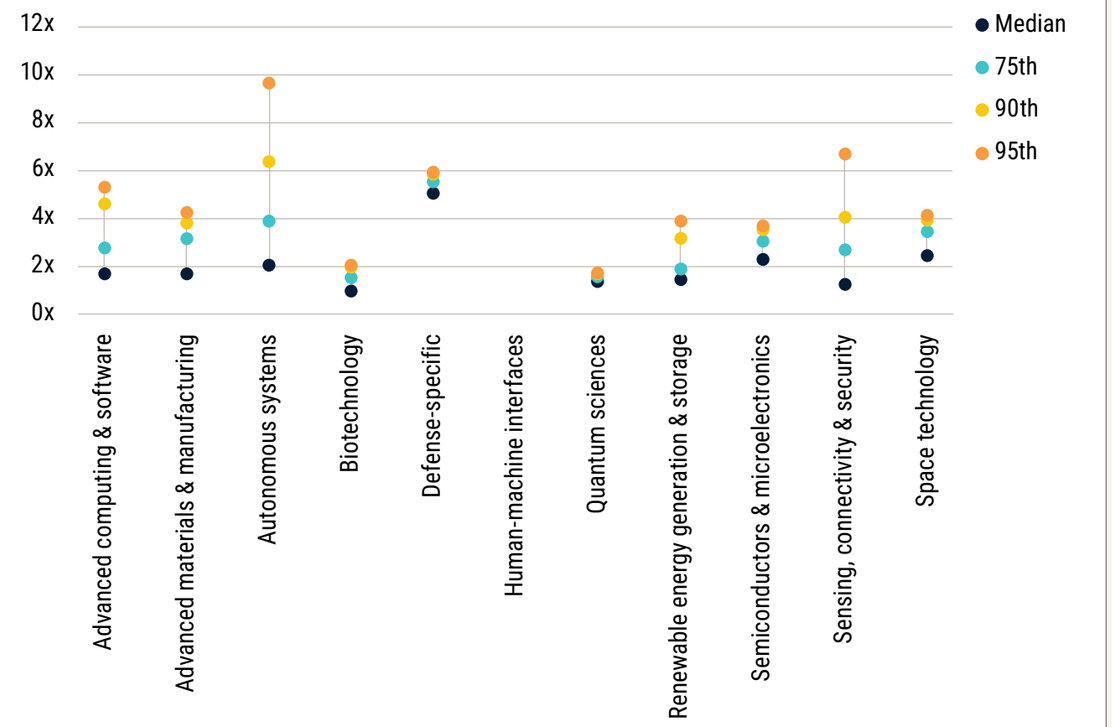

Source: PitchBook • Geography: Global • As of September 30, 2026



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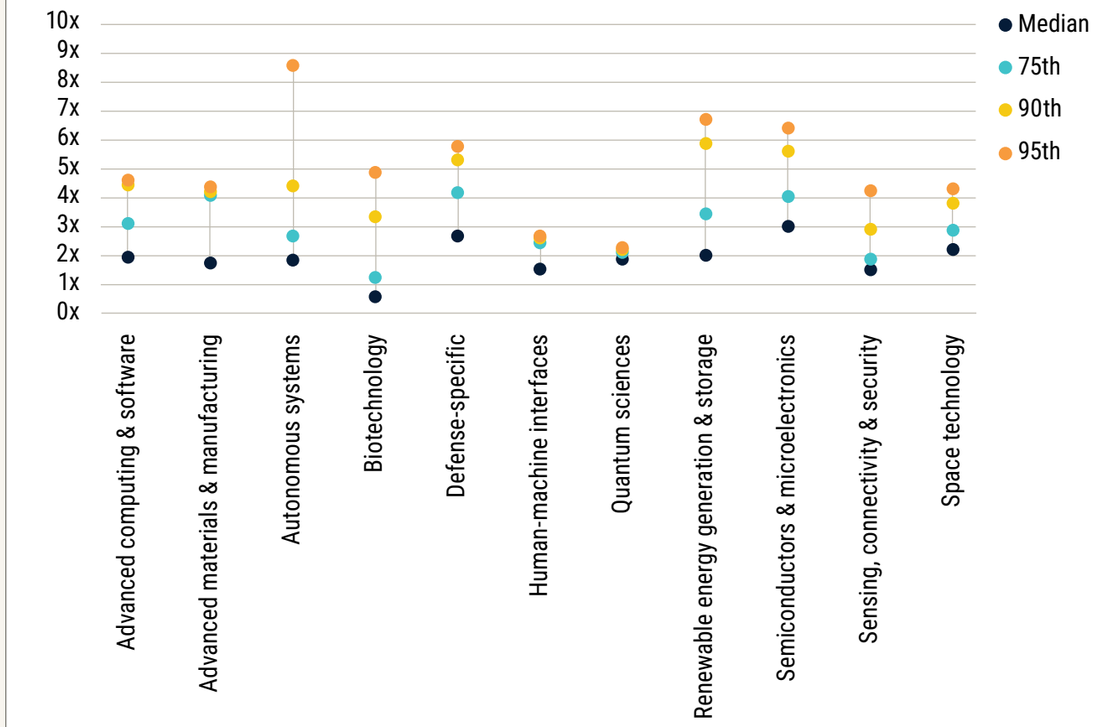
At $50 million to $150 million raised, defense-specific step-ups reach 5x on two deals. Above $150 million raised, semiconductors lead median step-ups at 3x; biotech falls below 1x.

## VC step-up for defense tech startups that have raised $50 million to $150 million by segment




Source: PitchBook • Geography: Global • As of September 30, 2026

## VC step-up for defense tech startups that have raised more than $150 million by segment




Source: PitchBook • Geography: Global • As of September 30, 2026



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## TTM top VC deals under $3.5 million by defense tech specialist investors

| Company | Deal value ($M) | Post-money valuation ($M) | Primary contact | LinkedIn |
|---|---|---|---|---|
| **AscendArc** | $3.5 | $43.0 | Christopher McLain | in |
| **Atalanta** | $2.7 | N/A | Anjana Rajan | in |
| **Mutable Tactics** | $2.2 | $6.9 | Colin MacLeod | in |

Source: PitchBook • Geography: Global • As of September 30, 2026



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## TTM top seed deals by defense tech specialist investors

| Company | Deal value ($M) | Post-money valuation ($M) | Primary contact | LinkedIn |
|---|---|---|---|---|
| **UFORCE** | $50.0 | $1,000.0 | Oleg Rogynskyy | in |
| **Agon** | $30.0 | N/A | Tristam Constant | in |
| **Traysar Industries** | $25.0 | N/A | Jackson Moses | in |
| **Gambit Defense** | $20.9 | $74.5 | Joshua Giegel | in |
| **Dominion Dynamics** | $15.2 | N/A | Mitchell Carkner | in |
| **Lux Aeterna** | $15.0 | N/A | Brian Taylor | in |
| **Uplift360** | $8.7 | N/A | Samantha Staincliffe | in |
| **LambdaVision** | $7.0 | N/A | Nicole Wagner | in |
| **Asymm** | $6.0 | $24.0 | Omar Kunbargi | in |
| **Eclipse Space** | $5.0 | $19.0 | Derek Huerta | in |

Source: PitchBook • Geography: Global • As of September 30, 2026



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## TTM top Series A deals by defense tech specialist investors

| Company | Deal value ($M) | Post-money valuation ($M) | Primary contact | LinkedIn |
|---|---|---|---|---|
| **Vast** | $500.0 | N/A | Max Haot | in |
| **HavocAI** | $187.5 | $784.0 | Paul Lwin | in |
| **Standard Nuclear** | $140.0 | $838.0 | Kurt Terrani | in |
| **Neurophos** | $109.2 | $310.0 | Patrick Bowen | in |
| **Scout AI** | $100.0 | N/A | Collin Otis | in |
| **Dominion Dynamics** | $100.0 | N/A | Mitchell Carkner | in |
| **Singularity** | $80.0 | $400.0 | Jack Oswald | in |
| **Star Catcher** | $65.0 | $205.0 | Andrew Rush | in |
| **Vatn Systems** | $60.0 | $255.0 | Nelson Mills | in |
| **Diraq** | $59.7 | $171.5 | Andrew Dzurak | in |

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## TTM top Series B deals by defense tech specialist investors

| Company | Deal value ($M) | Post-money valuation ($M) | Primary contact | LinkedIn |
|---|---|---|---|---|
| **Mariana Minerals** | $310.5 | $1,500.0 | Turner Caldwell | in |
| **Advanced Manufacturing Company of America** | $300.0 | $1,100.0 | Jai Malik | in |
| **Armada** | $230.0 | $2,340.0 | Dan Wright | in |
| **JetZero** | $200.0 | $705.0 | Sergey Kulyagin | in |
| **Kraken Technology Group** | $175.0 | $1,000.0 | Malcolm Crease | in |
| **Armada** | $131.0 | $1,384.0 | Dan Wright | in |
| **Code Metal** | $125.0 | $1,250.0 | Peter Morales | in |
| **Phoenix Tailings** | $116.6 | $395.0 | Nicholas Myers | in |
| **Starfish Space** | $115.0 | $460.2 | Ari Juster | in |
| **Northwood Space** | $100.0 | $450.0 | Griffin Cleverly | in |

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## Top VC-backed defense tech companies that have raised under $100 million by YoY IPO probability change

| Company | Website | VC ($M) raised to date | Post-money valuation ($M) | Current IPO probability | IPO probability one year ago | Primary contact | LinkedIn |
|---|---|---|---|---|---|---|---|
| **Vita Inclinata** | www.vitainclinata.com | $76.9 | $250.0 | 95% | 18% | Caleb Carr | in |
| **Optalysys** | www.optalysys.com | $76.2 | $97.8 | 77% | 9% | Stuart Mellis | in |
| **ANELLO** | www.anellophotonics.com | $73.9 | $180.0 | 62% | 3% | Mario Paniccia | in |
| **SeeQC** | www.seeqc.com | $59.2 | $193.2 | 61% | 3% | Oleg Mukhanov | in |
| **Dropzone AI** | www.dropzone.ai | $57.2 | $207.0 | 53% | 3% | Edward Wu | in |
| **Electra Vehicles** | www.electrabrain.ai | $27.2 | $91.7 | 47% | 1% | Fabrizio Martini | in |
| **Koloma** | www.koloma.com | $60.7 | $203.7 | 50% | 5% | Peter Johnson | in |
| **Performance Drone Works** | www.pdw.ai | $25.0 | $131.4 | 57% | 13% | Ryan Gury | in |
| **Kasada** | www.kasada.io | $75.0 | $159.5 | 49% | 7% | Sam Crowther | in |
| **Tamr** | www.tamr.com | $73.0 | $188.0 | 42% | 3% | Andrew Palmer | in |

Source: PitchBook • Geography: Global • As of September 30, 2026

*Note: Probability data is based on PitchBook VC Exit Predictor methodology.*



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## Top VC-backed defense tech companies by YoY IPO probability change

| Company | Website | VC ($M) raised to date | Post-money valuation ($M) | Current IPO probability | IPO probability one year ago | Primary contact | LinkedIn |
|---|---|---|---|---|---|---|---|
| **Valar Atomics** | www.valaratomics.com | $1,800.5 | $6,000.0 | 87% | 2% | Isaiah Taylor | in |
| **Blue Origin Enterprises** | www.blueorigin.com | $10,000.0 | $140,000.0 | 90% | 12% | David Limp | in |
| **Vita Inclinata** | www.vitainclinata.com | $76.9 | $250.0 | 95% | 18% | Caleb Carr | in |
| **JetZero** | www.jetzero.aero | $226.4 | $705.0 | 86% | 13% | Sergey Kulyagin | in |
| **Mythic** | www.mythic.ai | $302.4 | $470.0 | 86% | 13% | Taner Ozcelik | in |
| **Snorkel AI** | www.snorkel.ai | $588.2 | $3,500.0 | 81% | 10% | Alexander Ratner | in |
| **Gilmour Space Technologies** | www.gspace.com | $252.5 | $702.9 | 96% | 26% | Adam Gilmour | in |
| **Optalysys** | www.optalysys.com | $76.2 | $97.8 | 77% | 9% | Stuart Mellis | in |
| **K2 Space** | www.k2space.com | $925.9 | $6,800.0 | 72% | 7% | Karandev Kunjur | in |
| **Avalanche** | www.avalanchefusion.com | $194.1 | $130.0 | 71% | 7% | Robin Langtry | in |

Source: PitchBook • Geography: Global • As of September 30, 2026

*Note: Probability data is based on PitchBook VC Exit Predictor methodology.*



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## TTM top seed deals by leading VCs

| Company | Deal value ($M) | Post-money valuation ($M) | Primary contact | LinkedIn |
|---|---|---|---|---|
| **Unconventional AI** | $475.0 | $4,500.0 | Naveen Rao | in |
| **Skapion** | $36.0 | $82.3 | Ido Bar-on | in |
| **Ricursive Intelligence** | $35.0 | $750.0 | Anna Goldie | in |
| **Agon** | $30.0 | N/A | Tristam Constant | in |
| **Valthos** | $30.0 | N/A | Kathleen McMahon | in |
| **Furientis** | $25.0 | $125.0 | Brody Franzen | in |
| **Aslan Protects** | $20.8 | $53.0 | Chase Reid | in |
| **Foundry Robotics** | $19.0 | $110.0 | Adarsh Kulkarni | in |
| **BeyondMath** | $18.5 | N/A | Darren Garvey | in |
| **Dominion Dynamics** | $15.2 | N/A | Mitchell Carkner | in |

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## TTM top Series A deals by leading VCs

| Company | Deal value ($M) | Post-money valuation ($M) | Primary contact | LinkedIn |
|---|---|---|---|---|
| **Rhoda AI** | $450.0 | $1,700.0 | Jagdeep Singh | in |
| **Starcloud** | $420.0 | $2,300.0 | Philip Johnston | in |
| **Ricursive Intelligence** | $300.0 | $4,000.0 | Anna Goldie | in |
| **Standard Nuclear** | $140.0 | $838.0 | Kurt Terrani | in |
| **Exowatt** | $120.0 | $695.0 | Hannan Happi | in |
| **Cambridge Aerospace** | $116.2 | $308.0 | Junaid Hussain | in |
| **Dominion Dynamics** | $100.0 | N/A | Mitchell Carkner | in |
| **Hydra Host** | $100.0 | $800.0 | Ariel Deschapell | in |
| **Overland AI** | $100.0 | N/A | Byron Boots | in |
| **Singularity** | $80.0 | $400.0 | Jack Oswald | in |

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## TTM top Series B deals by leading VCs

| Company | Deal value ($M) | Post-money valuation ($M) | Primary contact | LinkedIn |
|---|---|---|---|---|
| **Reflection AI** | $2,000.0 | $8,000.0 | Ioannis Antonoglou | in |
| **Valar Atomics** | $1,200.0 | $6,000.0 | Isaiah Taylor | in |
| **Generalist** | $600.0 | $3,000.0 | Peter Florence | in |
| **Physical Intelligence** | $600.0 | $5,400.0 | Karol Hausman | in |
| **Castelion** | $360.0 | $2,800.0 | Bryon Hargis | in |
| **Mariana Minerals** | $310.5 | $1,500.0 | Turner Caldwell | in |
| **Cowboy Space** | $305.0 | $2,029.0 | Baiju Bhatt | in |
| **Advanced Manufacturing Company of America** | $300.0 | $1,100.0 | Jai Malik | in |
| **REGENT Craft** | $240.0 | N/A | William Thalheimer | in |
| **Armada** | $230.0 | $2,340.0 | Dan Wright | in |

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## Top defense tech seed deals in Q3 2026

| Company | Deal value ($M) | Post-money valuation ($M) | Segment | Category |
|---|---|---|---|---|
| **Persona AI** | $65.4 | $782.1 | Autonomous systems | Autonomous manufacturing |
| **Arkenstone Defense** | $43.0 | $75.0 | Advanced computing & software | Development, security & operations |
| **Skapion** | $36.0 | $82.3 | Autonomous systems | Counter-unmanned aerial systems |
| **Apollo Atomics** | $31.0 | N/A | Renewable energy generation & storage | Alternative energy generation |
| **Agon** | $30.0 | N/A | Advanced computing & software | Development, security & operations |
| **Furientis** | $25.0 | $125.0 | Defense-specific | Missiles & munitions systems |
| **Gambit Defense** | $20.9 | $74.5 | Autonomous systems | Defense systems integration & optimization |
| **Aslan Protects** | $20.8 | $53.0 | Advanced computing & software | Data management & analysis |
| **CorePower Magnetics** | $14.4 | $34.0 | Renewable energy generation & storage | Power systems |
| **Reflection Robotics** | $12.0 | $50.0 | Autonomous systems | Autonomous manufacturing |

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## Top defense tech Series A deals in Q3 2026

| Company | Deal value ($M) | Post-money valuation ($M) | Segment | Category |
|---|---|---|---|---|
| **Groq** | $1,000.0 | $3,500.0 | Semiconductors & microelectronics | Semiconductors |
| **Starcloud** | $420.0 | $2,300.0 | Space technology | In-space services |
| **Maven** | $100.0 | $390.0 | Autonomous systems | Autonomous manufacturing |
| **ZaiNar** | $100.0 | $1,000.0 | Sensing, connectivity & security | Next-generation wireless networks |
| **Singularity** | $80.0 | $400.0 | Space technology | In-space services |
| **Watney Robotics** | $80.0 | $817.0 | Autonomous systems | Defense systems integration & optimization |
| **Poseidon Aerospace** | $60.0 | $350.0 | Autonomous systems | Unmanned aerial vehicles |
| **Rivet** | $57.5 | $565.8 | Autonomous systems | Defense systems integration & optimization |
| **AscendArc** | $45.0 | $124.0 | Space technology | Satellite systems |
| **Greenjets** | $40.0 | $200.2 | Defense-specific | Advanced air mobility |

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## Top defense tech Series B deals in Q3 2026

| Company | Deal value ($M) | Post-money valuation ($M) | Segment | Category |
|---|---|---|---|---|
| **Valar Atomics** | $1,200.0 | $6,000.0 | Renewable energy generation & storage | Alternative energy generation |
| **Commonwealth Fusion Systems** | $1,000.0 | $10,000.0 | Renewable energy generation & storage | Alternative energy generation |
| **Generalist** | $600.0 | $3,000.0 | Autonomous systems | Autonomous manufacturing |
| **Mariana Minerals** | $310.5 | $1,500.0 | Advanced materials & manufacturing | Advanced critical & structural materials |
| **REGENT Craft** | $240.0 | N/A | Autonomous systems | Unmanned maritime systems |
| **Kraken Technology Group** | $175.0 | $1,000.0 | Autonomous systems | Unmanned maritime systems |
| **Quartermaster** | $140.0 | N/A | Autonomous systems | Defense systems integration & optimization |
| **Venus Aerospace** | $91.0 | $801.2 | Defense-specific | Hypersonics |
| **Senra Systems** | $65.0 | $478.0 | Advanced materials & manufacturing | Advanced critical & structural materials |
| **Smack Technologies** | $61.0 | $410.0 | Advanced computing & software | Data management & analysis |

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## Key defense tech VC exits in Q3 2026

| Company | Close date (2026) | Exit value ($M) | Exit type | Segment | Category |
|---|---|---|---|---|---|
| **Dragos** | September 21 | $3,250.0 | M&A | Sensing, connectivity & security | Information security |
| **Standard Nuclear** | July 16 | $2,260.1 | IPO | Renewable energy generation & storage | Alternative energy generation |
| **DroneDeploy** | September 9 | $845.0 | M&A | Autonomous systems | Defense systems integration & optimization |
| **BlackSea Technologies** | September 8 | $650.0 | M&A | Autonomous systems | Unmanned maritime systems |
| **Freenome** | July 20 | $530.0 | Reverse merger | Biotechnology | Biodefense |
| **ALL.SPACE** | July 8 | $300.0 | M&A | Sensing, connectivity & security | Next-generation wireless networks |
| **Claros** | August 24 | $232.8 | M&A | Renewable energy generation & storage | Power systems |
| **Permiso** | August 26 | $200.0 | M&A | Sensing, connectivity & security | Information security |
| **Panther** | August 3 | N/A | M&A | Sensing, connectivity & security | Information security |
| **Alchemy Labs** | July 13 | N/A | IPO | Semiconductors & microelectronics | Nanotechnology |

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## Top strategic acquirers of defense tech companies in 2026

| Acquirer | Acquirer type | Count |
|---|---|---|
| **Accenture** | Corporation | 2 |
| **Advanced Micro Devices** | Corporation | 2 |
| **York Space Systems** | Corporation | 2 |
| **NVIDIA** | Corporation | 2 |
| **Infinite Orbits** | VC-backed company | 2 |
| **Lumen Technologies** | Corporation | 1 |
| **SAP** | Corporation | 1 |
| **Firefly Aerospace** | Corporation | 1 |
| **Leonardo DRS** | Corporation | 1 |
| **Navitas Semiconductor** | Corporation | 1 |

Source: PitchBook • Geography: Global • As of September 30, 2026

## Top VC investors in defense tech companies in 2026

| Investor | Investor type | Count |
|---|---|---|
| **Gaingels** | VC | 43 |
| **Alumni Ventures** | VC | 29 |
| **Mana Ventures** | VC | 25 |
| **In-Q-Tel** | Not-for-profit VC | 23 |
| **Andreessen Horowitz** | VC | 22 |
| **Transpose Platform Management** | VC | 22 |
| **Washington Harbour** | VC | 21 |
| **Founders Fund** | VC | 20 |
| **Lux Capital** | VC | 18 |
| **Valor Equity Partners** | Growth/expansion | 17 |

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## Top VC-backed defense tech companies by total VC raised to date

| Company | VC ($M) raised to date | Post-money valuation ($M) | Success Probability | IPO Probability | M&A Probability |
|---|---|---|---|---|---|
| **Anduril Industries** | $11,870.1 | $61,000.0 | 98% | 97% | 1% |
| **Blue Origin Enterprises** | $10,000.0 | $140,000.0 | 96% | 90% | 6% |
| **Crusoe** | $6,668.8 | $30,900.0 | 98% | 97% | 1% |
| **Reflection AI** | $4,655.0 | $27,500.0 | 91% | 27% | 64% |
| **Commonwealth Fusion Systems** | $3,862.0 | $10,000.0 | 98% | 96% | 2% |
| **Altos Labs** | $3,270.0 | $1,500.0 | 87% | 51% | 37% |
| **Shield AI** | $2,810.3 | $12,700.0 | 98% | 89% | 9% |
| **Cyera** | $2,671.5 | $12,000.0 | 98% | 94% | 4% |
| **Saronic** | $2,594.5 | $9,250.0 | 98% | 58% | 39% |
| **SambaNova Systems** | $2,481.5 | $11,000.0 | 98% | 97% | 1% |

Source: PitchBook • Geography: Global • As of September 30, 2026

*Note: Probability data is based on PitchBook VC Exit Predictor methodology.*



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# Defense tech VC deal summary

| | Quarterly activity | | | | | Trailing 12-month activity | |
|---|---|---|---|---|---|---|---|
| | Q3 2025 | Q4 2025 | Q1 2026 | Q2 2026 | Q3 2026 | Q4 2024-Q3 2025 | Q4 2025-Q3 2026 |
| **Deal count** | **276** | **267** | **285** | **257** | **269** | **991** | **1,078** |
| QoQ change | 14.0% | -3.3% | 6.7% | -9.8% | 4.7% | N/A | 8.8% |
| Share of total VC | 2.7% | 2.5% | 2.6% | 2.6% | 3.0% | 2.3% | 2.6% |
| **Deal value ($B)** | **$13.1** | **$15.3** | **$22.1** | **$17.4** | **$37.9** | **$49.9** | **$92.7** |
| QoQ change | -34.5% | 17.1% | 44.0% | -20.9% | 117.5% | N/A | 85.8% |
| Share of total VC | 10.9% | 11.8% | 6.9% | 7.2% | 20.6% | 9.7% | 10.6% |
| **Exit count** | **22** | **28** | **29** | **32** | **20** | **64** | **109** |
| Acquisitions | 14 | 17 | 20 | 17 | 14 | 43 | 68 |
| Buyouts | 5 | 8 | 5 | 3 | 1 | 12 | 17 |
| Public listings | 3 | 3 | 4 | 12 | 5 | 9 | 24 |

Source: PitchBook • Geography: Global • As of September 30, 2026



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