

THIS MONTH AT A GLANCE

PUBLIC VALUATIONS *S&P A&D EV/EBITDA*

19.9x

↑ +0.0x MoM

Top mover: Defense Electronics

M&A / DEAL ACTIVITY *Industry Deals (February)*

26

↓ -4 MoM

Aggregate Deal Value: 774M.

US DEFENSE TECH VENTURE *LTM Disclosed Funding*

\$9.2B

↑ +53% MoM

Monthly Funding: \$3.8B

MID MARKET DEFENSE-FOCUSED PRIVATE EQUITY *Current Dry Powder*

~13.6B

Firms monitored: 26

Total AUM(\$B): 52

TOP TAKEAWAYS

- Valuations stabilizing with selective upside. Public A&D multiples remain resilient (~high-teens EV/EBITDA), with continued strength in electronics and mission systems, signaling steady demand on high-tech defense capabilities.
- M&A remains disciplined but active for high-quality assets. Deal volume is moderate (~26 deals / ~\$774M), with capital concentrated in platforms offering differentiated capabilities and strong contract visibility — indicating a more selective, not weaker, market.
- Defense tech venture is entering a breakout phase. LTM funding has surged to ~\$9.2B (+~53% MoM), driven by mega-rounds (e.g., Shield AI, Saronic), reinforcing the sector's transition from niche to institutional-scale opportunity.

ARTICLES TO CONSIDER

[Details of Trump's \\$1.5T Defense Budget Request](#)

"...OMB broadly laid out plans to hike defense spending by budgeting \$1.15 trillion in the base budget request and an additional \$350 billion from a forthcoming reconciliation bill. ."

[Defense Technology Startup Shield AI Valued at \\$12.7B in Latest Funding Round](#)

"Shield AI plans to use a portion of the funds to buy simulation software maker Aechelon Technology from Sagewind Capital..."

[U.S. Implements Unprecedented Capital Controls on Defense Giants](#)

"...the defense industry must prepare for a future where "alpha" is generated through engineering excellence rather than financial engineering.."

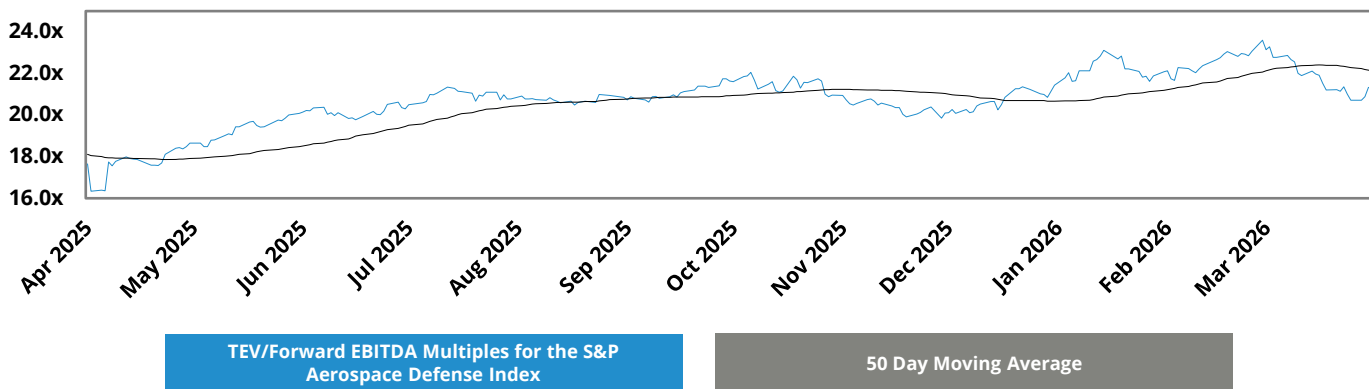
[Investment in Defense Tech Surges While M&A Activity Slows](#)

"Major funding rounds are expected to continue in 2026..."

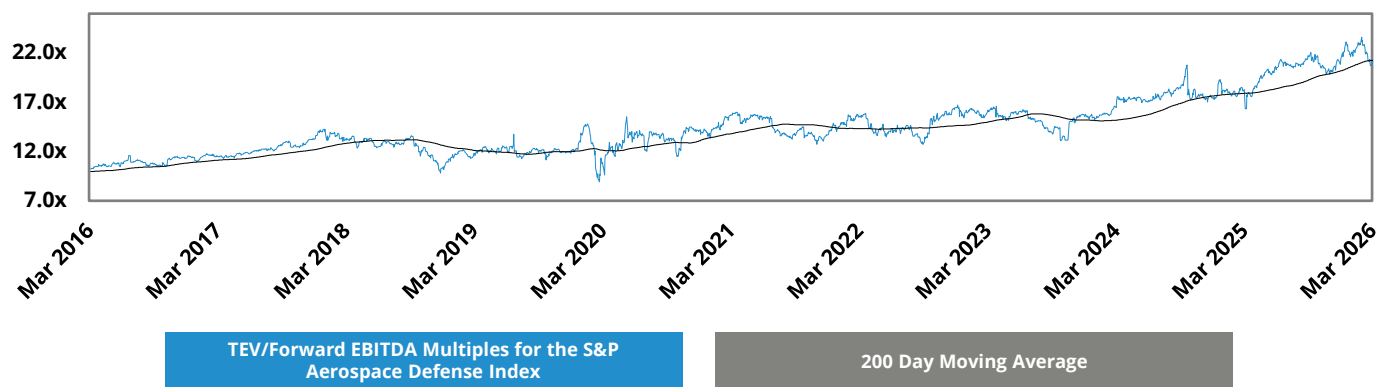
[2026 Perspectives in Private Equity: Defense & National Security](#)

"For private equity, this new backdrop creates plenty of investment opportunities around the globe but calls for careful navigation."

1-Yr Historical EBITDA Multiples*



10-Yr Historical EBITDA Multiples*



SUBSECTOR VALUATION SUMMARY

Subsector	EV/EBITDA LTM	EV/EBITDA Forward	Δ MoM	EV/Rev LTM	Δ MoM
Primes	17.6x	18.7x	↑	2.3x	↓
Gov't Intel Services	11.2x	11.0x	↓	1.3x	↓
Gov't Technical Services	10.6x	9.0x	↓	0.9x	↓
Defense Electronics	33.3x	28.5x	↑	6.7x	↓
Space - Launch & Access	NM	NM	↑	70.3x	↓
Space - Systems & Mfg	NM	NM	↑	6.9x	↓
Space - Satcom	26.8x	21.6x	↑	4.6x	↑
Space - Data & Analytics	NM	32.3x	↑	20.0x	↑
National Security Software	NM	NM	↑	13.0x	↓

* Source: S&P Capital IQ as of March 3rd.

EXECUTIVE SNAPSHOT

3

 Monthly Deals
March 2026

\$3,782M

 Monthly Funding
March 2026

\$9,198M

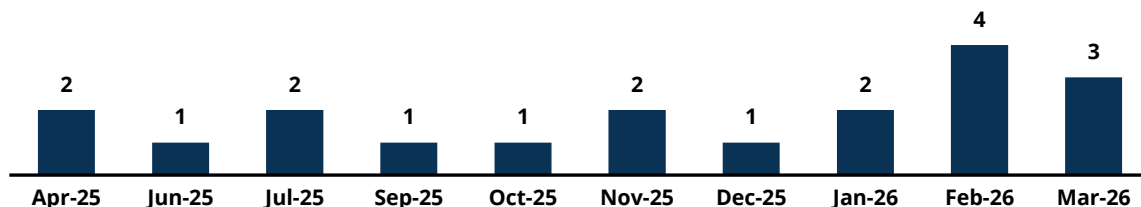
LTM Funding (\$M)

VENTURE FUNDING ROUNDS (2026)

Date	Company	Funding Round	Amount	Lead Investors	Strategic Investors
Mar 31	Saronic	Series D	\$1.75B	Kleiner Perkins	8VC, Advent, Bessemer, a16z
Mar 26	Shield AI	Series G	\$1.5B equity + \$500M preferred	Advent International	JPMorgan, Blackstone, Snowpoint
Mar 2	SMACK Technologies	Seed + Series A	\$32M	Geodesic Capital, Costanoa Ventures	JFN, MCWL (contracts)
Feb 26	NODA AI	Series A (closed)	\$25M	Bessemer Venture Partners	Booz Allen Ventures
Feb 26	Castelion	Series B (closed)	\$350M	Altimeter Capital, Lightspeed	a16z, General Catalyst
Feb 19	VulnCheck	Series B (closed)	\$25M	Sorenson Capital	In-Q-Tel, National Grid

MONTHLY ACTIVITY

Monthly Deal Activity



STRATEGIC FOCUS

- Capital Growth and Key Transactions.** March 2026 marks a massive acceleration in defense tech capital deployment, with LTM funding surging 52.9% MoM to \$9.2B. Two mega-rounds dominated: Saronic's \$1.75B Series D at \$9.25B valuation (led by Kleiner Perkins) for autonomous maritime platforms, and Shield AI's \$2B Series G at \$12.7B valuation (led by Advent International, with \$500M from Blackstone). Shield AI's valuation has leaped 140% in one year after winning the software contract for Anduril's Fury fighter jet program.
- Market expansion and structural changes.** Capital is expanding into maritime and ground autonomy, while institutional investors enter the space, signaling mainstream adoption. Defense-focused LLMs are emerging as a new category.

Source: Public filings, Pitchbook, Crunchbase, proprietary research. Figures reflect disclosed amounts only.

EXECUTIVE SNAPSHOT

\$129.0M

Avg. Deal Size (Disclosed)

\$774.0M

Aggregate Deal Value

26

Total Deals

KEY TRANSACTIONS (MARCH 2026)

#	Date	Target	Acquirer	Deal Size
1	Mar 2	Forged Solutions Group Limited	J.F. Lehman and Company, LLC Buyer Funds: JFL Equity Investors VI, L.P.	ND
2	Mar 3	XTec Incorporated	Veridos GmbH	ND
3	Mar 3	Shadow Systems LLC	NA	ND
4	Mar 3	DCJet Services, LLC	West Star Aviation, LLC	ND
5	Mar 3	NorcaTec LLC	AeroMed Group, LLC	ND
6	Mar 3	Kit Pack, LLC	AeroMed Group, LLC	ND
7	Mar 3	Ameriforge Group Inc.	Walworth de Mexico SA de CA	ND
8	Mar 5	Incodema3D LLC	AFM Capital Partners, Inc.	ND
9	Mar 5	Fuel Consulting Llc	Bcore	ND
10	Mar 9	Cubic Aerospace, LLC	Trident Systems Incorporated	ND
11	Mar 9	Jet Research Development, Inc.	Woodward, Inc. (NasdaqGS:WWD)	ND
12	Mar 9	Mistral, Inc.	Ondas Inc. (NasdaqCM:ONDS)	\$175.0M
13	Mar 10	Evolution Space, Inc.	X-Bow Launch Systems Inc.	ND
14	Mar 10	Orbion Space Technology, Inc.	York Space Systems, Inc. (NYSE:YSS)	ND
15	Mar 10	Jets MRO, LLC	FlyHouse Technology, LLC	ND
16	Mar 11	ExoAnalytic Solutions, Inc.	Anduril Industries, Inc.	ND
17	Mar 11	Advanced Air of West Palm Beach, LLC	AIM MRO, LLC	ND
18	Mar 12	Soldermask, Inc.	Mercury Systems, Inc. (NasdaqGS:MRCY)	ND
19	Mar 12	Exacom, Inc.	Motorola Solutions, Inc. (NYSE:MSI)	ND
20	Mar 16	Empirical Systems Aerospace, Inc.	AeroVironment, Inc. (NasdaqGS:AVAV)	\$200.0M
21	Mar 16	Twenty8 Technology, LLC	Redhawk Federal Solutions LLC	ND
22	Mar 18	Harry Kahn Associates, Inc.	Keen Labs, Inc.	\$0.1M
23	Mar 20	Eptec Defence	Arlington Management Employees, LLC	\$105.7M
24	Mar 23	World View Enterprises, Inc.	Ondas Inc. (NasdaqCM:ONDS)	\$150.0M
25	Mar 25	Sturm, Ruger & Company, Inc. (NYSE:RGR)	Beretta Holding S.A.	\$143.2M
26	Mar 26	Aechelon Technology, Inc.	Shield AI Inc.	ND

Source: Capital IQ

DRY POWDER SNAPSHOT

~\$13,649

Total Est. Dry Powder (\$M)

\$51,997

Total AUM (\$M)

26

Total Firms

TOP 5 DRY POWDER

Firm	AUM (\$M)	# of Funds	Dry Powder (\$M)
Arlington Capital Partners	8,000	3	6,000.0
Gauge Capital	3,000	2	1,400.0
Clairvest	4,600	ND	1,200.0
Renovus Capital	2,422	2	875.0
Enlightenment Capital	2,300	1	825.0

TOP LTM ACTIVITY

Firm	# of Transactions	Total Deal Value (\$M)	Primary Sector Focus
CenterGate Capital	3	ND	Industrial Maintenance, Medical Compression Garments
Godspeed Capital Management	3	ND	Federal Tech/Mission Solutions, Engineering/Technology, Space Systems/Cybersecurity
Sagewind Capital	3	ND	Defense Tech/Simulation Software, Defense Digital R&D
Washington Harbour Partners	3	\$120M	Space Autonomy, Space/Satellite Tech
Albion River	2	\$300M equity raise	Defense/Security Products, Defense/Industrial

MONTHLY ACTIVITY (MARCH 2026)

Firm	Deal	Deal Value (\$M)	Primary Sector Focus
Blue Fire Equity	Jovian Concepts acquisition	ND	Defense / Intelligence Services
Sagewind Capital	Aechelon Technology (sale to Shield AI)	ND	Defense Simulation Technology
Arlington Capital Partners	Eptec Defence acquisition	ND	Naval Defense Services

Definitions

US-Based Defense Tech — Privately held or publicly traded companies headquartered in the United States that derive a material portion of revenue from defense, national security, intelligence, or dual-use technology applications across hardware, software, and services.

Dry Powder (Definition / Proxy Used) — Uncommitted capital available for deployment by private equity, venture capital, and growth equity funds focused on aerospace, defense, and government technology verticals. Figures are sourced from Preqin and PitchBook fund-level data where available; where direct data is unavailable, sector-adjusted estimates are applied as a proxy.

A&D Manufacturing / MRO — Companies engaged in the design, production, assembly, and maintenance, repair, and overhaul (MRO) of aerospace and defense platforms, subsystems, and components.

GovTech / IT Services — Firms providing information technology solutions, managed services, systems integration, and digital transformation capabilities primarily to U.S. federal, state, and local government agencies.

ISR / Cyber / Space — Companies operating across intelligence, surveillance, and reconnaissance (ISR); cybersecurity; electronic warfare; and space-based systems including satellite communications, launch services, and orbital infrastructure.

Mission Systems / Electronics — Providers of mission-critical electronics, avionics, embedded computing, sensors, and command-and-control systems supporting defense and intelligence platforms.

Data Sources

- **S&P Capital IQ** — Public company financials, valuation multiples, and transaction data
- **Crunchbase** — Early-stage venture funding rounds and startup ecosystem data
- **Company Filings** — SEC filings (10-K, 10-Q, 8-K, proxy statements) and investor presentations
- **Public Disclosures** — Press releases, earnings transcripts, and regulatory filings

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