THIS MONTH AT A GLANCE

PUBLIC VALUATIONS
S&P A&D EV/EBITDA
17.2x
↓ -2.2x MoM
Top mover: Defense Electronics

M&A / DEAL ACTIVITY
Industry Deals
23
↑ +11 MoM
Aggregate Deal Value: $11,830.9M

US DEFENSE TECH VENTURE
LTM Disclosed Funding
$12.7B
↓ -14% MoM
Monthly Funding: $453M

MID MARKET DEFENSE-FOCUSED PRIVATE EQUITY
Current Dry Powder
~22.3B
Firms monitored: 26
Total AUM: $82.6B

TOP TAKEAWAYS

- Valuations: Pullback After Multi-Month Run-Up.
Public A&D EV/EBITDA declined to 17.2x (-2.2x MoM), marking the first meaningful pullback after an extended rally. Defense Electronics remained the strongest-performing subsector despite broader multiple compression.
- M&A: Deal Flow Accelerates Despite Larger Transactions.
Industry activity increased to 23 announced deals with $11.8B of aggregate disclosed value (+11 MoM), reflecting improving transaction momentum across defense, government services, and aerospace assets.
- Venture: Funding Normalizes While Long-Term Capital Remains Strong.
Monthly disclosed venture funding declined to $453M (-14% MoM) as activity normalized following May's Anduril-driven mega-round. Despite the slowdown, LTM disclosed funding remained robust at $12.7B, underscoring sustained investor commitment to defense technology.

ARTICLES TO CONSIDER

Defense Startup Funding Hits an All-Time Record as VCs Begin to Eye Exits
"More than $14.6 billion in venture investment has gone into defense-tech startups this year…blowing past the sector's previous annual record of $9.6 billion raised in all of 2025."

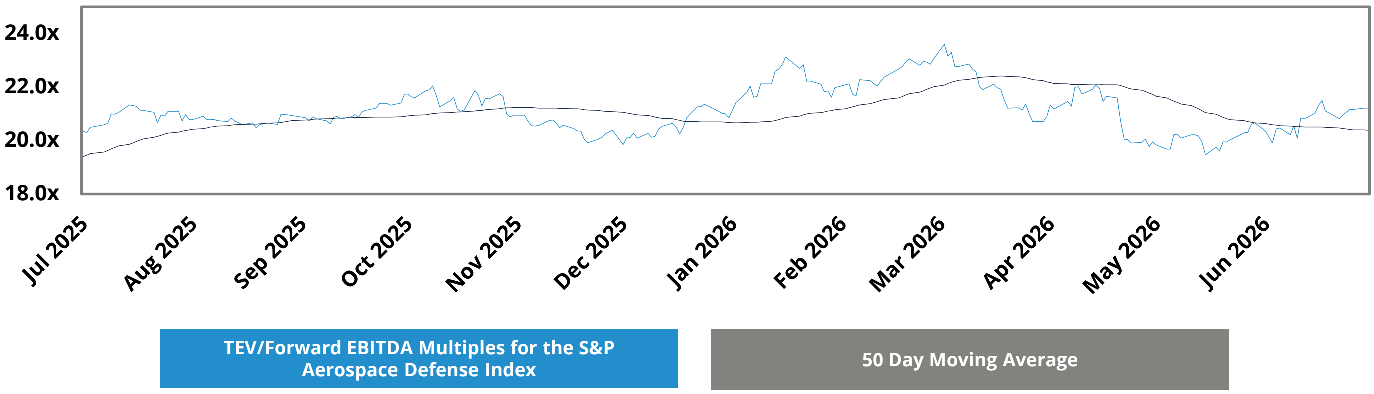
A&D Dealmaking Reprices Around Capability, Backlog and Production Certainty
"The five largest defense primes closed fiscal 2025 with $1.36 trillion in combined backlog, a 23.7% increase."

Golden Dome Expands With $4.16 Billion Contract and New Interceptor Partnership
"[The Space Force] issued a $4.16 billion contract for a satellite constellation that could 'track and target airborne threats globally.'"

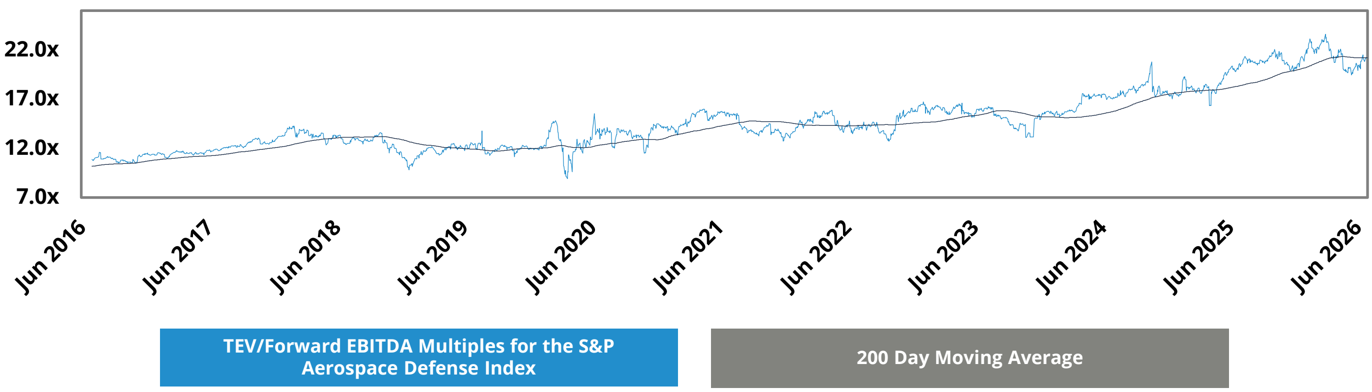
Munitions Production Must Look 'Radically Different' After Iran War
"The Defense Department needs 'radically different outcomes' from industry to rebuild its stockpiles."

Rocket Lab to Acquire Iridium, Creating a Vertically Integrated Space Powerhouse
"Iridium's L-band spectrum and LEO satellite network provide a secure, resilient foundation for satellite communications and PNT services across government, defense, aviation, maritime, and commercial markets."

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	15.8x	15.3x	↑	2.1x	↓
Gov't Intel Services	9.8x	9.8x	↓	1.1x	↓
Gov't Technical Services	9.3x	8.9x	↑	0.7x	↓
Defense Electronics	33.8x	27.7x	↑	6.2x	↓
Space - Launch & Access	NM	NM	↑	86.3x	↓
Space - Systems & Mfg	NM	NM	↑	9.5x	↓
Space - Satcom	17.0x	15.4x	↓	6.2x	↓
Space - Data & Analytics	NM	16.8x	↑	24.8x	↓
National Security Software	NM	NM	↑	11.3x	↓

* Source: S&P Capital IQ as of July 1st.

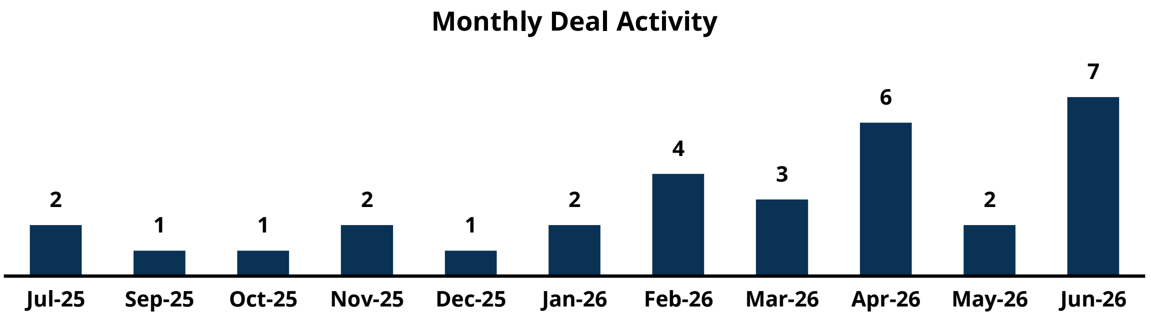
EXECUTIVE SNAPSHOT

7 Monthly Deals June 2026	**$453.0M** Monthly Funding June 2026	**$12,684M** LTM Funding ($M)

VENTURE FUNDING ROUNDS

Date	Company	Funding Round	Amount	Lead Investors	Strategic Investors
Jun 25	Askari	Seed	$9M	Builders VC	Sovereign's Capital, Swell VC
Jun 22	Scout Space	Series A (2nd close)	ND	VTC Ventures, Long Knife, 100KM	Washington Harbour Partners (initial lead)
Jun 17	Twenty	Series B	$100M	Accel	Point72 Ventures, Friends & Family Capital
Jun 17	HighGround	Seed	$6.5M	Next Frontier Capital	Tandem Ventures, Fulcrum Capital
Jun 16	Traysar	Seed	$25M	Silent Ventures	Lux Capital, Ora Global, Steve Blank
Jun 9	Volund Manufacturing	Seed	$12M	Root Ventures, Squadra Ventures	Marlinspike, Output Ventures
Jun 1	Mach Industries	Series C	$300M	Infinite Capital, Ribbit Capital	Sequoia Capital, Bedrock Capital

MONTHLY ACTIVITY



STRATEGIC FOCUS

- **Capital Deployment Broadens Beyond Mega-Rounds.** Following May's outsized financing activity, June reflected a return to normalized venture markets with 7 disclosed rounds totaling $453M. Capital deployment expanded across multiple companies and funding stages, signaling sustained investor engagement despite lower aggregate dollars.
- **Scaling the Defense Industrial Base.** Investors continue prioritizing technologies that strengthen defense manufacturing capacity, autonomous platforms, and resilient supply chains. The combination of Mach Industries' $300M Series C, Twenty's $100M Series B, and several early-stage financings highlights continued conviction in companies transitioning from innovation to scalable production.

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

* Select US-based defense/dual-use venture investments. Data as announced/closed.

SOUTHWIND CAPITAL

EXECUTIVE SNAPSHOT

$1,075M Avg. Deal Size (Disclosed)

$11,830M Aggregate Deal Value

23 Total Deals

KEY TRANSACTIONS (JUNE 2026)

#	Date	Target	Acquirer	Deal Size
1	Jun 1	Savannah Energy PLC	ND	$11.8M
2	Jun 2	Astrobotic Technology, Inc.	Voyager Technologies, Inc.	$300.0M
3	Jun 2	BreakPoint Labs, LLC	Valiant Solutions, LLC	ND
4	Jun 4	Vanteon Corporation	PDW Holdings, Inc.	ND
5	Jun 8	Continental Aerospace Technologies, Inc.	Arcline Investment Management LP	$535.0M
6	Jun 8	Fastener Distribution Holdings, LLC	Bain Capital, LP	ND
7	Jun 9	Riverpoint Medical, LLC	Novanta Inc. (NasdaqGS:NOVT)	$1,450.0M
8	Jun 11	Futuramic Tool & Engineering LLC	Advanced Integration Technology	ND
9	Jun 11	Leading Edge Holdings, LLC	Equivu Capital, LLC	ND
10	Jun 11	Insignis, LLC	Woven Solutions, LLC	ND
11	Jun 15	North Star Scientific Corporation	Global Air Logistics and Training,	ND
12	Jun 16	Aerospace Contacts, LLC	ITT Inc. (NYSE:ITT)	$31.0M
13	Jun 17	AstroNova, Inc. (NasdaqGM:ALOT)	Arcline Investment Management	$280.0M
14	Jun 18	Blue Canyon Technologies LLC	MDA Space Ltd. (TSX:MDA)	$620.0M
15	Jun 22	Ultra Electronics Advanced Tactical Systems, Inc.	Booz Allen Hamilton Inc.	$720.0M
16	Jun 22	Genesys Industries, Inc	Greybull Stewardship LLC	ND
17	Jun 22	Iten Defense, LLC	NP Aerospace Limited	ND
18	Jun 22	Spirit's gates C4 & C6	Delta Air Lines, Inc. (NYSE:DAL)	$12.0M
19	Jun 23	Berry Aviation, Inc.	Bristow Group Inc. (NYSE:VTOL)	$105.0M
20	Jun 25	Space-ng Inc.	Firefly Aerospace Inc.	ND
21	Jun 26	Space Exploration Technologies	Quantum Cyber N.V.	ND
22	Jun 29	Iridium Communications Inc.	Rocket Lab Corporation	$7,766.1M
23	Jun 30	Rotorcraft Leasing Company, LLC	Voyager Interests, LLC	ND

Source: Capital IQ

DRY POWDER SNAPSHOT

~$22,271	$82,625	26
Total Est. Dry Powder ($M)	Total AUM ($M)	Total Firms

TOP 5 DRY POWDER

Firm	AUM ($M)	# of Funds	Dry Powder ($M)
Arlington Capital Partners	18,195	7	5,004
AE Industrial Partners	9,200	8	2,530
J.F. Lehmen & Co.	9,007	7	2,477
OceanSound Partners	8,200	3	2,255
Brightstar Capital Partners	5,000	4	1,375

TOP LTM ACTIVITY

Firm	# of Transactions	Total Deal Value ($M)	Primary Sector Focus
Godspeed Capital Management	6	ND	Federal Tech/Mission Solutions, Engineering/Technology, Space Systems/Cybersecurity
CenterGate Capital	5	ND	Industrial Maintenance, Medical Compression Garments
Falfurrias Management Partners	5	$557	Healthcare/Cyber/Food/Tech, Food & Beverage/Services, Packaged Foods/Protein
Renovus Capital	5	$200	Multiple Sectors, Federal IT/Cybersecurity
Washington Harbour Partners	5	$202	Space Autonomy, Space/Satellite Tech, Defense Tech/Drones

MONTHLY ACTIVITY (JUNE 2026)

Firm	Deal	Deal Value ($M)	Primary Sector Focus
Arlington Capital Partners	Riverpoint Medical – Sale of portfolio company	1,450	Healthcare / Medical Devices
Falfurrias Management Partners	Youth Athletes United – Investment	ND	Commercial Services / Youth Sports
J.F. Lehman & Co.	Custom Alloy	ND	Aerospace / Forgings

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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