

## Capital Markets Transactions & Stock Returns Increase for Emerging Defense Companies

*According to the Q1-2026 SSG Defense Industry Deal Tracker and Stock Index*

New York (April 30, 2026) The first quarter of 2026 was a notable period for the micro- and small-cap defense sector, with 27 M&A transactions, 16 equity capital raises and 2 debt financings, according to the Q1-2026 *Defense Industry Deal Tracker* from the Secure Strategy Group (SSG).

SSG monitors emerging growth public and private companies across seven subsectors: Aerospace Components, Defense Electronics & Sensors, Autonomy/Unmanned Systems, Rare Earth & Critical Resources, Space & ISR, Weapons & Munitions and Simulation & Training. The 76 public companies in SSG's *Defense Small-Cap Index* represent over \$31 billion in combined market capitalization (as of March 31, 2026).

These 76 micro- and small-cap companies posted an average Q1-2026 return of +14.1%, outperforming the "Big Five" prime contractors (Lockheed Martin, RTX Corporation, Northrop Grumman, General Dynamics and The Boeing Company) and their average YTD gain of +11.8%. The gap was even more pronounced over the last twelve months, with small-cap defense names returning +108.0%, versus +49.9% for the primes. (The *Index* is an SSG-created, equal-weighted, price-return monitor that excludes dividends and is not comparable to a total-return investable benchmark. Constituents -- most American companies with < \$1 billion market capitalizations -- are screened by market cap, defense revenue exposure, exchange listing, trading liquidity and public-data availability).

Total disclosed M&A transaction value exceeded \$3.5 billion, anchored by Leonardo's \$1.97 billion acquisition of Iveco's defense business and the \$800 million Merlin Labs de-SPAC. Equity capital raises totaled approximately \$565 million, including Harmattan AI's \$200 million Series B and several significant private placements across the autonomy and defense electronics subsectors. Debt activity remained modest at \$20.5 million in face value.

"We believe emerging growth companies in the defense sector are benefiting from the Pentagon's growing budget and its focus on innovation, responsiveness and speed of production," says Scott Greiper, CEO of SSG. "Institutional investors and strategic acquirers appear to be responding to these trends as well in their financing and M&A activities."

The SSG *Defense Small-Cap Index* and *Defense Deal Tracker*, and information on their methodology, can be found at [www.securesg.com](http://www.securesg.com). Access is provided at no cost upon registration with name and email.

*\*Important notice: The Small-Cap Index is for informational purposes, not an investable product, and its methodology and constituent list are available on [www.securesg.com](http://www.securesg.com). Small-cap securities may involve greater volatility and liquidity risk than larger-cap securities. The Index and press release do not constitute an offer or recommendation to buy or sell securities or investment advice. All data is derived from public sources. Investors should conduct their own due diligence and consult professional advisors. Past performance is not indicative of future results. Before acting on any information, you should consider whether it is suitable for your circumstances, consult all available material, and, if necessary, seek professional advice.*

### About the Secure Strategy Group (SSG)

SSG helps emerging defense and physical security companies achieve their growth and strategic objectives through capital raising, business and corporate development, market intelligence and M&A. SSG's team offers expertise forged by decades of experience in the defense industry, Wall Street and the US government. Broker-dealer services provided by [Bradley Woods & Co. Ltd.](#), member, [FINRA](#) and [SIPC](#). Secure Strategy Group and Bradley Woods & Co. Ltd. are independent entities. Officers of Secure Strategy Group are licensed registered representatives of Bradley Woods & Co. Ltd.

For more information, contact: [marketintelligence@securesg.com](mailto:marketintelligence@securesg.com)