



EQUITY RESEARCH

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Helsing

TEAM

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Helsing

AI software to enhance defense systems, improving battlefield decision-making and weapon capabilities

#defense

[Visit Website](#)

Details

HEADQUARTERS

Munich, BY

CEO

Torsten Reil and
Gundbert Scherf



VALUATION

\$5,600,000,000

2025

FUNDING

\$937,000,000

2025

Valuation

Helsing is valued at €4.95 billion following its €450 million Series C round in July 2024, led by General Catalyst. The company has raised approximately €762 million in total funding through three major rounds.

Initial funding began with a €102.5 million Series A in November 2021 led by Prima Materia, Spotify co-founder Daniel Ek's investment firm, who contributed €100 million personally. The Series B in September 2023 brought in €209 million, led again by General Catalyst with strategic investment from Swedish defense company Saab AB. The Series C expanded the investor base to include Accel, Lightspeed Venture Partners, Elad Gil, Plural, and Greenoaks, alongside returning investors.

Product

Helsing builds AI-powered defense systems that integrate data from battlefield sensors to enable faster, more accurate military decision-making. At its core is Altra, a battlefield management platform that connects various sensors (cameras, radar, infrared) from drones, vehicles, and soldiers, using AI to identify threats and present a unified tactical picture.

Military personnel access this information through an intuitive interface resembling a video game, where AI algorithms highlight enemy positions, suggest tactical options, and coordinate responses. When a suspicious object appears, Altra can automatically track it using available cameras, identify it as a threat (like an enemy drone), and recommend appropriate countermeasures.

This capability extends across domains. For air combat, Helsing's Cirra system helps fighter jets detect and analyze radar threats in real-time, even those deliberately changing their signature to avoid detection. At sea, their Lura platform processes underwater sounds using a "large acoustic model" to detect submarines or threats to undersea infrastructure.

Helsing has expanded beyond software into hardware with the HX-2, a small autonomous attack drone weighing about 12kg. These AI-guided drones can operate at ranges up to 100km, identify targets autonomously, and continue missions even when communications are jammed. Multiple HX-2s can coordinate as swarms through the Altra platform, overwhelming defenses by approaching targets simultaneously from different angles.

Unlike traditional defense systems built around specific hardware, Helsing's products emphasize software adaptability and AI processing to make existing military platforms smarter. Their systems maintain human oversight while automating complex tasks like target recognition, threat assessment, and multi-system coordination.

Business Model

Helsing employs a B2G model, selling advanced AI defense capabilities to democratic nations' militaries. The company initially pursued a software-first approach, developing AI systems that could be integrated into existing military platforms through partnerships with established defense contractors. This allowed a young startup to secure major contracts like the Eurofighter electronic warfare upgrade (with Saab) and the Future Combat Air System AI backbone.

Rather than employing the traditional cost-plus contract model common in defense (where contractors are paid expenses plus a margin), Helsing front-loads R&D costs and offers fixed-price products. This approach, similar to that of American counterparts like Shield AI, targets margins of 40-50% rather than the typical 5-10% in traditional defense contracting.

The company evolved from pure software to vertical integration by 2023-2024, developing its own drone hardware and building "Resilience Factories" to produce them at scale. This shift was driven by urgent battlefield needs that existing suppliers couldn't meet. The first factory came online in late 2024 with capacity for 1,000 drones monthly.

Helsing's revenue comes primarily from long-term military contracts for both systems development and unit sales. The company takes an unusually hands-on approach for a tech firm, with staff deployed alongside military users in operational environments. This builds trust while providing direct feedback to improve their AI systems.

A key advantage in European markets is Helsing's status as a European company, addressing concerns about data sovereignty and strategic autonomy that might arise with American alternatives. This positioning has helped secure national-level backing, with the German government fast-tracking adoption of their technology.

Competition

American defense tech innovators

U.S. companies like Anduril, Palantir, and Shield AI represent direct competition in the defense AI space. Anduril builds an AI-powered battle network called Lattice alongside autonomous drones and surveillance systems, with 2024 revenue estimated at \$1 billion. Palantir provides intelligence and operational software for military decision-making, while Shield AI focuses on autonomous drones and AI pilots for aircraft.

These firms share Helsing's approach of front-loading R&D costs rather than using traditional cost-plus contracts. While they have greater revenue and longer track records, Helsing maintains an advantage in European markets where governments prefer locally-developed technologies that ensure data sovereignty and align with European regulatory frameworks.

Established defense primes

Traditional defense contractors like Airbus, BAE Systems, Thales, and Rheinmetall serve as both partners and potential competitors. These companies have decades-long relationships with European militaries and massive resources, but typically integrate AI incrementally rather than building AI-first solutions.

Helsing's strategy involves partnering with these primes on major programs while maintaining control of core AI technologies. This approach has secured integration into platforms like the Eurofighter, but the relationship remains complex. Bloomberg reported that Rheinmetall, initially a Helsing partner, later engaged Swiss-American company Auterion for some autonomous drone capabilities, indicating these established players might develop competing solutions if Helsing's influence grows too large.

European defense tech startups

While Helsing stands out as the dominant European defense AI startup, regional competitors include France's Preligens (focused on satellite image analysis), UK-based Adarga (intelligence knowledge graphs), and Swiss-American Auterion (open-source drone software). None match Helsing's comprehensive approach across multiple domains or its level of funding and government backing.

This relative lack of direct European competition has allowed Helsing to become the go-to AI provider for European defense modernization programs. The company's position as "Europe's only major defense AI startup of its kind" provides a significant competitive advantage when governments seek alternatives to U.S. technology.

TAM Expansion

European defense modernization

Helsing's immediate market opportunity lies in deeper penetration of European defense forces beyond its current footprint in Germany, France, and the UK. NATO allies like Poland, the Baltic states, and Scandinavian countries are increasing defense spending in response to regional tensions, creating demand for exactly the AI systems and autonomous platforms Helsing provides.

Europe's combined defense spending has increased sharply since 2022, with the EU proposing €800 billion in new military investment by 2027. Much of this funding targets modernization in areas where Helsing specializes: autonomous systems, sensor networks, and AI-enhanced command capabilities. The company's plans to build additional "Resilience Factories" across Europe indicate a strategy to serve multiple national markets with localized production.

Domain expansion beyond land combat

While Helsing began with battlefield management systems for land forces, the company has expanded into air and maritime domains, each representing substantial growth vectors. Their Cirra electronic warfare system for fighter jets secured a position in the German Eurofighter upgrade program, while Lura and SG-1 underwater drones address growing concerns about submarine threats and undersea infrastructure protection.

The space domain represents another frontier. Helsing has already deployed AI for signal processing on a Loft Orbital satellite, suggesting potential growth into space-based intelligence and communication systems. Cyber defense capabilities would complete their coverage across all military domains, providing integrated solutions that span the full spectrum of modern warfare.

Allied nation expansion

Though currently focused on European customers, Helsing's potential market includes all democratic allied nations. Countries in the Asia-Pacific region like Japan, South Korea, and Australia are actively seeking advanced defense technologies similar to those Helsing provides, particularly in response to regional security challenges.

Japan and the UK are merging their next-generation fighter programs (F-X and Tempest), creating an opportunity for Helsing to leverage its experience with the Franco-German FCAS to enter the Japanese market. Other NATO members outside Europe, particularly those already using European equipment, represent natural expansion targets as they seek to modernize their forces with AI capabilities.

Risks

Execution challenges: Recent reports have highlighted concerns about software reliability and hardware quality in Helsing's systems. The transition from small-scale development to mass production and battlefield deployment exposes potential weaknesses that competitors could exploit if not rapidly addressed.

Government dependency: Helsing's business relies entirely on government defense contracts, making it vulnerable to political shifts, budget cycles, and changing threat perceptions. A peace deal or policy change could dramatically impact procurement timelines, while war-driven urgency creates pressure to deliver capabilities faster than the company's scaling capacity might allow.

Talent competition: Building military-grade AI requires hiring top engineering talent that traditionally avoided defense work. While Helsing has attracted technical experts by emphasizing its mission to protect democracies, it faces intense competition from commercial tech companies offering higher compensation and potentially less ethically complex work environments.

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