Data Brief

The U.S. Aerial Drone Market

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Executive Summary

The importance of unmanned aerial vehicles (UAVs), or drones, is growing rapidly in national defense and security efforts. While the United States has historically led in military drone development, the global commercial market is now dominated by lower-cost, dual-use platforms, many produced by Chinese companies. In response to concerns over supply chain dependencies and Chinese export controls, the U.S. government is prioritizing the growth of a self-sufficient domestic drone industry, exemplified by the Trump administration's executive order "Unleashing American Drone Dominance" and the Department of Defense's Replicator initiative.

This report assesses the current state of the U.S. drone industry, focusing on the types of platforms marketed in the United States and the financial health of U.S.-headquartered UAV companies. Using data from the Association for Uncrewed Vehicle Systems International's (AUVSI) Uncrewed Systems & Robotics Database (USRD) and PitchBook, the analysis finds that most U.S. drone companies focus on small UAVs (Groups 1-3), and only a handful of larger defense firms develop more complex military systems (Groups 4-5).

Most U.S. drone companies are privately held, venture-backed companies, many of which were founded after 2010. Investment activity is concentrated in companies that produce smaller, commercial drones, while venture interest is limited in developers of larger military systems. However, significant gaps remain in publicly available data, particularly regarding manufacturing capacity and supply chain resilience, both of which are critical factors for determining the broader health of the U.S. UAV ecosystem.

This report provides a snapshot of the U.S. drone industry, but a deeper analysis of component supply chains and manufacturing capabilities would allow for a fuller assessment of the industry's ability to meet future national security needs. Greater data sharing between government and industry will be essential to identify supply chain vulnerabilities and guide future policy.

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Introduction

Unmanned aerial vehicles (UAVs) of all sizes are playing an increasingly important role in defense and national security. While the United States has long been one of the leading developers of military-grade drones, cheaper, multi-use commercial platforms developed in other countries have in recent years become more useful across a range of applications.[1] The mass production and deployment of small UAVs for military operations in the Russia-Ukraine war exemplifies this trend.[2]

Despite the United States' historical predominance in military drones, China has emerged as a leading producer of cheaper multi-use drones. One of the most prominent companies, Shenzhen-based DJI, reportedly controls around 90% of the global commercial market for small UAVs, and has been accused of flooding the market with government-subsidized drones to undermine American companies' competitiveness.[3]

Due to concerns about overreliance on Chinese companies for commercial UAVs and components, as well as recent Chinese export controls on various Chinese-origin drone parts, the U.S. government has signaled its interest in working more closely with domestic drone manufacturers.[4] This is exemplified by the recent executive order "Unleashing American Drone Dominance" and the Department of Defense's (DOD) Replicator initiative. The White House effort seeks to accelerate the integration of UAVs into the National Airspace System, scale U.S. drone commercialization, and strengthen the domestic industrial base.[5] The DOD initiative, overseen by the Defense Innovation Unit (DIU), aimed to field "multiple thousands" of cheaper, attritable drones by August 2025.[6] The DOD invested more than $500 million in fiscal year 2024 to begin procuring these systems at scale, and the Trump administration has indicated that it will continue to support further investments in the initiative.[7] Whether Replicator met these goals is unclear.

There are concerns, however, that the U.S. drone industry will be unable to provide the DOD with the platforms it will need in a future conflict. It is also unclear how many of these systems will be needed, as the U.S. military's procurement requirements will ultimately depend on several factors, including where, and for what purpose, the systems are intended to be deployed. On the one hand, Replicator has primarily catered to Indo-Pacific Command's needs, providing thousands of larger, longer-range, and higher-capacity drones for the Pacific theater.[8] On the other hand, if one considers the Russia-Ukraine war an appropriate benchmark (it was, after all, what spurred Replicator), the DOD would need to acquire hundreds of thousands or potentially

millions of smaller, shorter-range, and less sophisticated first-person-view (FPV) drones.[9]

Regardless of the types of platforms that will be acquired and the theaters to which they will be deployed, there is a clear demand signal for drone acquisition—but is the U.S. drone industry robust enough to provide the Pentagon with the systems it will need in future conflicts? This question is difficult to answer, largely due to the limited amount of relevant publicly available data on U.S. drone companies. Most, if not all, U.S. drone companies do not publicize their manufacturing capacity, and the majority of the firms are private and thus not required to disclose information on their finances and investments.

However, using the data that is available, this report provides: (1) a snapshot of the platforms marketed in the United States; (2) a high-level examination of the U.S.-based drone developers' finances. To do this, the U.S. drone industry is first divided into subcategories; given the diversity of drone types and unique manufacturing challenges, the industry is examined through unmanned aerial system (UAS) classification levels and applications. The DOD categorizes drones into five "UAS groups" based on weight, operating altitude, and speed.[*] This taxonomy is used here, allowing for a better categorization of drones that various companies manufacture. Second, the financial data of U.S. UAV companies is analyzed, including information on ownership status and financial backers.[†]

This approach provides insights into a significant portion of the U.S. drone industry. But more granular elements of the industry such as drone manufacturing capacity or supply chains of drone components are not investigated here. Bottlenecks in supply chains for components such as batteries, motors, and sensors can significantly influence industry's ability to scale manufacturing as well as the DOD's ability to boost acquisition. A more comprehensive assessment would include analysis of drone components and the companies that develop them, as well as the upstream supply chains of the components themselves. This is discussed further in the section of this report titled "Future Work."

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[*] Note this report's focus on weight and operating altitude to designate platforms with UAS groups. Speed is omitted because USRD lacks that data for many platforms.

[†] This classification scheme allows for breaking the drone industry down into more coherent segments that can be assessed individually (e.g., how many companies developed large military UAVs versus small, commercial FPVs). Moreover, it contextualizes the financial data of the companies developing different types of platforms (e.g., newer FPV manufacturers being more likely to receive venture capital funding than high-revenue defense primes that exclusively develop military drones).

Methodology

To overview the U.S. drone market and gauge the financial health of the domestic drone industry, data from AUVSI's Uncrewed Systems & Robotics Database (USRD) is used as a starting point.[10] This database includes a comprehensive list of UAVs actively marketed in the United States, the companies that develop them, and their technical specifications. The data is primarily sourced from the companies' websites, as well as news releases or other open-source information if the companies do not detail this information. The analysis proceeds in two parts. First, a platform-level analysis of UAVs actively marketed in the United States is conducted. This is followed by a company-level analysis, looking only at firms that are headquartered in the country. See Appendix A for more information on the methodology.

Platform-Level Analysis

The technical specifications provided in the USRD dataset include information necessary to assign each UAV to its appropriate UAS group, as classified by the DOD. There are likely instances where multiple companies are involved in the development of a single platform, but the focus here is on the single primary developer for each platform, as designated by USRD. Data from USRD used in this analysis was last updated in January 2025, and it does not include platforms developed or companies established since then.

The five UAS groups in which platforms are categorized are summarized as follows: Groups 1 and 2 drones are generally considered "small," as their respective maximum ground takeoff weights are 0-20 and 21-55 pounds, and their respective normal operating altitudes are below 1,200 and 3,500 feet. Group 3 drones weigh below 1,320 pounds and normally operate at altitudes below 18,000 feet; they are generally considered a middle ground between smaller, dual-use platforms and larger, military platforms. Lastly, UAS Groups 4 and 5 generally consist of military platforms; they both weigh more than 1,320 pounds, with the primary difference being that the former normally operates below 18,000 feet and the latter above that altitude. UAVs missing the necessary fields are omitted from this analysis, but some of the fields for larger platforms have been added manually.

U.S. Company-Level Analysis

Next, an analysis of the U.S.-headquartered companies that market UAVs in the United States is conducted. The drone companies listed in USRD are matched to PitchBook, a

platform that provides private and public market financial data.[11] Matching the companies in the two datasets allows for analysis of the financial information of UAV developers, including company ownership status, investor histories, and capital raised. The process involves searching for the production companies' exact names or variants, followed by a manual review of each company's name, location, website, and history in order to confirm a successful match.

Of the 187 companies in the USRD dataset that actively market UAVs and are designated as being headquartered in the United States, 123 (66%) were matched successfully to PitchBook (see Table 5 in Appendix A).[*] Therefore, the data provides insights into the historical and current interest from private capital in a subset of U.S.-headquartered UAV companies.

PitchBook tends to capture companies with some investment presence (either providing or receiving funding), so it is not surprising that a portion of the USRD companies could not be matched. These unmatched companies tend to be smaller and/or younger, and either receive government funding or have not yet raised private capital. Therefore, this paper analyzes an important subset of the U.S. drone industry and provides insights into the finances and market presence of many U.S.-based UAV developers. It does not capture all companies, and the conclusions drawn from the data should be considered indicative of broader trends rather than an exhaustive representation of the industry as a whole. For more information on the methodology, see Appendix A.

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[*] Note that some companies in USRD designated as being headquartered in the United States may be subsidiaries of parent companies not headquartered in the country. When matching USRD companies to PitchBook, two out-of-business companies (Top Flight Technologies and Flirtey/SkyDrop) were identified that were incorrectly labeled in USRD as being active. These companies were manually removed from the USRD data, along with the two platforms they produce (the Airborg H8 10K from Top Flight Technologies and the Eagle from Flirtey/SkyDrop).

U.S.-Marketed UAVs by Market Type and Application

According to USRD, 222 UAV developers collectively market 593 unique platforms in the United States. There is public data on 456 platforms' weight and altitude, allowing the platforms to be categorized into UAS groups (the remaining 137 platforms that cannot be categorized are omitted). As displayed in Table 1, the vast majority of these UAVs are in UAS Groups 1-3; only 33 are in Groups 4 and 5. This distribution is to be expected, given the higher costs and greater technical complexity associated with developing military-grade drones in UAS Groups 4 and 5.

Table 1. U.S.-Marketed UAVs by UAS Group

UAS Group	Number of Platforms	Maximum Gross Takeoff Weight (lbs)	Normal Operating Altitude (ft)	Airspeed (knots)
1	174	0 – 20	<1,200 AGL*	<100
2	125	21 – 55	<3,500	<250
3	124	<1,320	<18,000 MSL**	<250
4	9	>1,320	<18,000 MSL	Any airspeed
5	24	>1,320	>18,000	Any airspeed
Unknown	137	N/A	N/A	N/A

* Above ground level (AGL).

** Mean sea level (MSL).

Note: USRD often does not specify whether normal operating altitude is AGL or MSL.

Sources: (1) CSET analysis of AUVSI USRD; (2) "Classification of the Unmanned Aerial Systems," e-education, Pennsylvania State University, accessed July 15, 2024, https://www.e-education.psu.edu/geog892/node/5.

USRD also provides the sector(s) for which platforms are marketed based on the companies' websites and platform descriptions. The majority of UAS Group 4–5 drones are marketed to military customers, primarily due to the fact that larger drones generally have explicitly military uses, and possibly because the Federal Aviation Administration has more stringent regulations around domestic use of larger platforms within the National Airspace System.[12] Notably, 12 of them are advertised for commercial markets; this includes platforms such as the Volodrone and R550X, which are marketed for logistics and precision agriculture applications. Moreover, only one Group 5 platform is not marketed to the military. The Mercy platform, which was designed by Avius Air Delivery (the Yates Electrospace Corporation's civilian

subsidiary), is marketed solely for disaster response and logistics in the civil sector.[13] The majority of platforms in UAS Groups 1-2, on the other hand, are marketed to the commercial and civil sectors, though a sizable portion is also marketed for military uses.

That said, most drones, regardless of UAS group, can be used or repurposed for a variety of applications, which allows them to be advertised for a range of sectors. This diversity is a natural byproduct of UAV characteristics and components: they are flying packages of hardware, software, sensors, communications, and (at times) munitions. These dual- and multi-use characteristics are reflected in Figure 1, which displays the sectors for which the platforms are marketed.

Figure 1. Number of U.S.-Marketed UAVs by Market Type and UAS Group
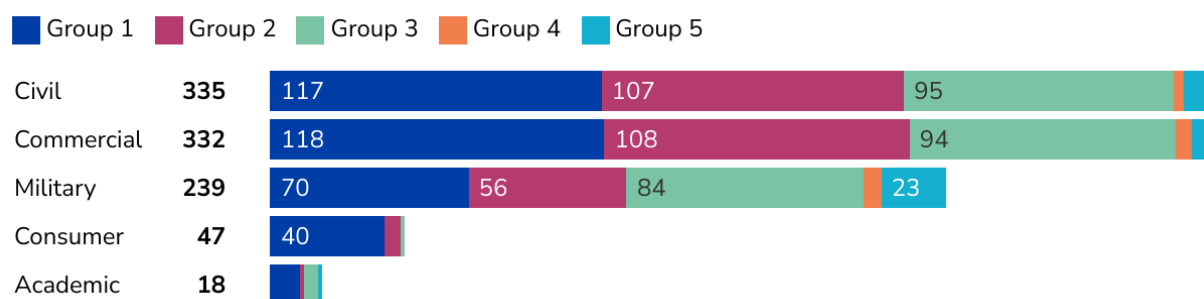
Note: According to AUVSI, USRD primarily focuses on platforms marketed for commercial, civil, and military uses, which is one of the reasons why fewer platforms that are marketed for the consumer and academic sectors are seen in the dataset. Of the platforms in USRD, 137 could not be categorized into a UAS group, and they are therefore not reflected in this figure.

Source: CSET analysis of AUVSI USRD.

USRD also provides information about the applications for which the platforms are marketed, representing how the primary manufacturer intends its platform to be used. Platforms from each UAS group can be used for intelligence, surveillance, and reconnaissance; imaging; and surveying, because they possess the requisite cameras and sensors. However, different groups tend to be marketed for particular applications, as shown in Figure 2, which displays the top applications for which each UAS group is marketed. For example, Group 1 drones are rarely marketed for logistics or communications because they have extremely limited payload capacity, while only Group 4 and 5 drones have attack and weapons delivery in their top 10 marketed applications, because they can handle larger munitions and payloads.

Notably, although smaller drones have increasingly been used for attack and weapons delivery in conflicts such as Ukraine, these are not within the top 10 applications of Group 1 drones (as marketed by the developers). This may be due to the fact that much of the data in USRD was populated before the proliferation of weaponized FPVs in conflicts such as Ukraine; therefore, Group 1 drones were not frequently marketed for weapons delivery, even though they have been used to carry small quantities of munitions.

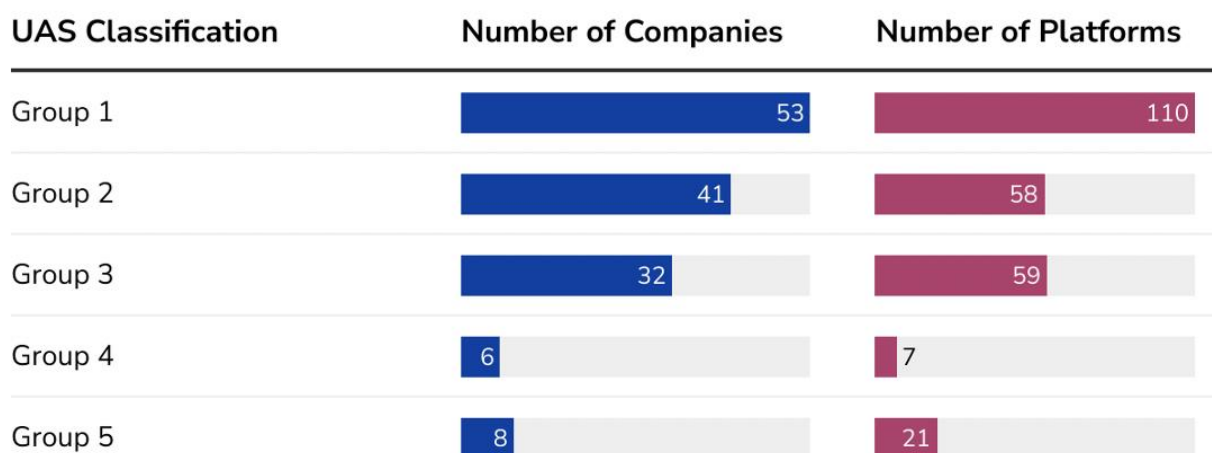Figure 2. Number of U.S.-Marketed UAVs for Top 10 U.S.-Marketed UAV Applications by UAS Group
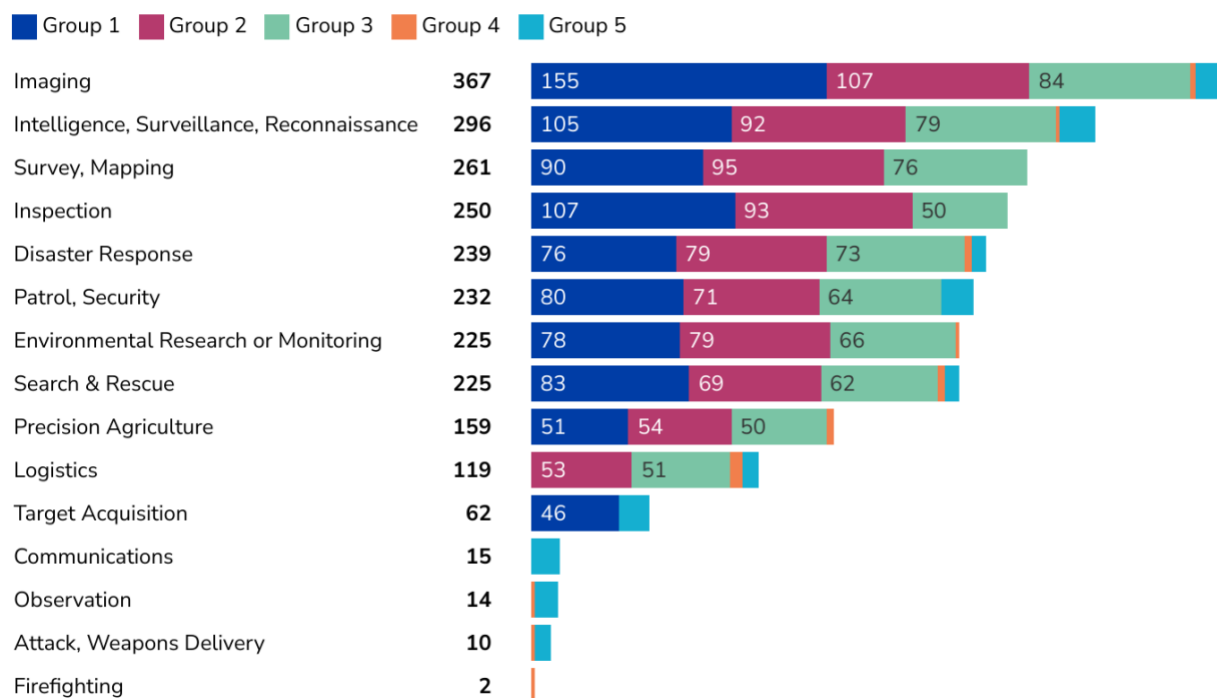
Note: Of the platforms in USRD, 137 could not be categorized into a UAS Group, and they are therefore not reflected in this figure.

Source: CSET analysis of AUVSI USRD.

U.S.-Headquartered Companies in the U.S. UAV Market

Of the 222 companies in USRD that actively market UAVs in the United States, 123 are headquartered in the country, develop platforms that can be designated into UAS groups, and can be linked to financial data in PitchBook. The remainder of this report focuses on these 123 companies.* U.S.-headquartered companies market 342 platforms, representing approximately 58% of the total platforms in USRD. As displayed in Figure 3, most of these companies develop smaller platforms, and there is a drop in the number of companies as platforms become larger and more complex. For example, roughly half of the companies manufacture at least one Group 1 platform, while only six and eight companies develop platforms in UAS Groups 4 and 5, respectively. This makes sense, given that there are fewer platforms in larger UAS groups.

Figure 3: Number of U.S. Companies and U.S.-Marketed UAVs per UAS Group

| UAS Classification	Number of Companies	Number of Platforms
Group 1	53	110
Group 2	41	58
Group 3	32	59
Group 4	6	7
Group 5	8	21

Note: Some companies develop platforms across multiple UAS groups; therefore, the total count of companies is greater than the total number of U.S.-based companies linked to PitchBook. There are 87 platforms developed by 49 U.S.-headquartered companies in USRD that could not be categorized into a UAS group, and they are therefore not reflected in this figure.

Source: CSET analysis of AUVSI USRD and PitchBook data.

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* The 123 U.S.-headquartered companies in USRD correspond to 122 companies in PitchBook, because different (actively marketed) platforms are listed for both FLIR Systems and Teledyne FLIR; FLIR Systems was renamed to Teledyne FLIR when the company was acquired by Teledyne Technologies. Therefore, analysis of PitchBook data (in the sections titled "Ownership Status of U.S. UAV Companies" and "Investors") assesses only 122 unique companies.

A focus on U.S. companies that market five or more platforms reveals that some companies offer a range of platforms across UAS groups, while others specialize more in particular groups. For example, Challenger Aerospace Systems, which produces the most platforms overall (alongside AeroVironment), manufactures at least two platforms in each UAS group, while Skydio and UAV Solutions market almost exclusively small Group 1 drones. Among these companies, Group 1 platforms remain the most common offering, likely because smaller systems are cheaper and easier to prototype, test, and manufacture, especially for smaller companies. Figure 4 breaks down the platforms offered by U.S. companies that market five or more platforms.

Figure 4. Number of U.S.-Marketed UAVs by Companies Marketing Five or More Platforms
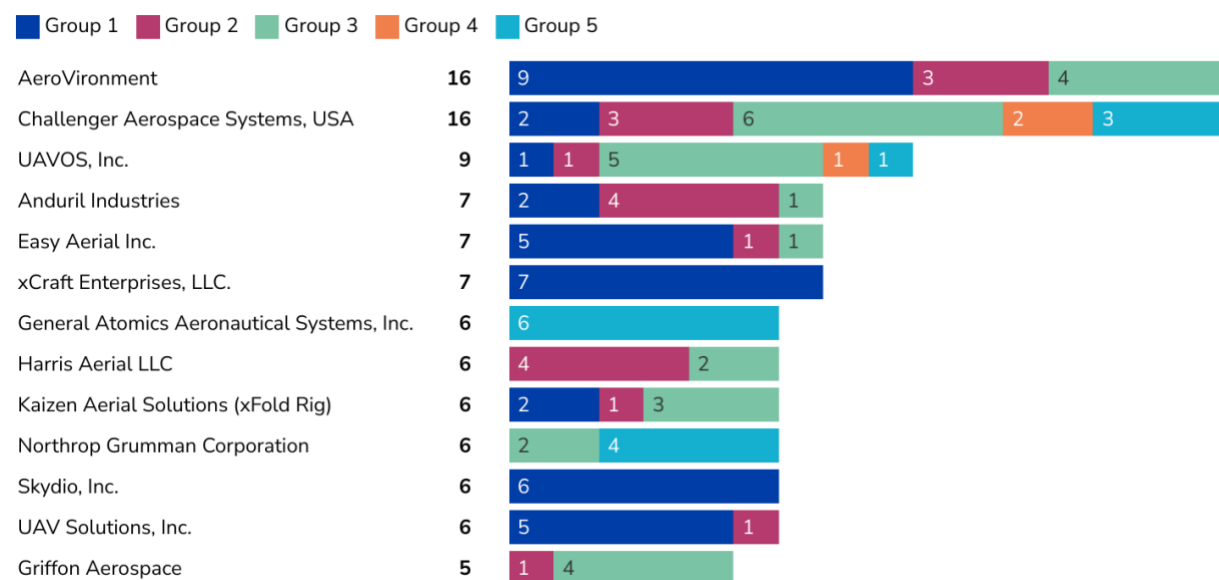
Note: Of the platforms developed by U.S.-headquartered companies in USRD, 87 could not be categorized into a UAS group, and they are therefore not reflected in this figure.

Source: CSET analysis of AUVSI USRD and PitchBook data.

Only four of the top firms produce Group 4 or 5 platforms, two of which are defense primes (Northrop Grumman and General Atomics). This aligns with broader trends in the defense industry, where larger, established companies are more likely to have the expertise and capital to produce expensive and complex military systems. General Atomics, which is the manufacturer of military drones such as the MQ-1 Predator and MQ-9 Reaper (and their variants such as the MQ-1C and MQ-9B SkyGuardian), exclusively develops Group 5 platforms. Northrop Grumman, the developer of the Global Hawk, develops both Group 3 and 5 platforms. Notably absent from the list is Lockheed Martin, a defense prime that develops Group 1 and 2 drones such as the

Condor XEP and Desert Hawk III; Lockheed only marketed three platforms that could be categorized into a UAS group.[14]

Ownership Status of U.S. UAV Companies

The subset of the U.S. drone industry analyzed in this paper consists primarily of privately held companies (62%), more than 90% of which have received financial backing. The preponderance of recently founded, privately owned companies that have received early stage or seed financial backing indicates that the U.S. drone market consists of many relatively small startups.

The data also includes mergers and acquisitions: 29% of the companies have been acquired or merged, and now either operate as subsidiaries (77%) or have been absorbed into their parent companies (23%). In a notable example of this activity, one of the most active drone manufacturers, Challenger Aerospace Systems, was acquired in 2024 and is now a subsidiary of Resilient Energy.[15]

Table 2: Number of U.S. UAV Companies by Ownership Status

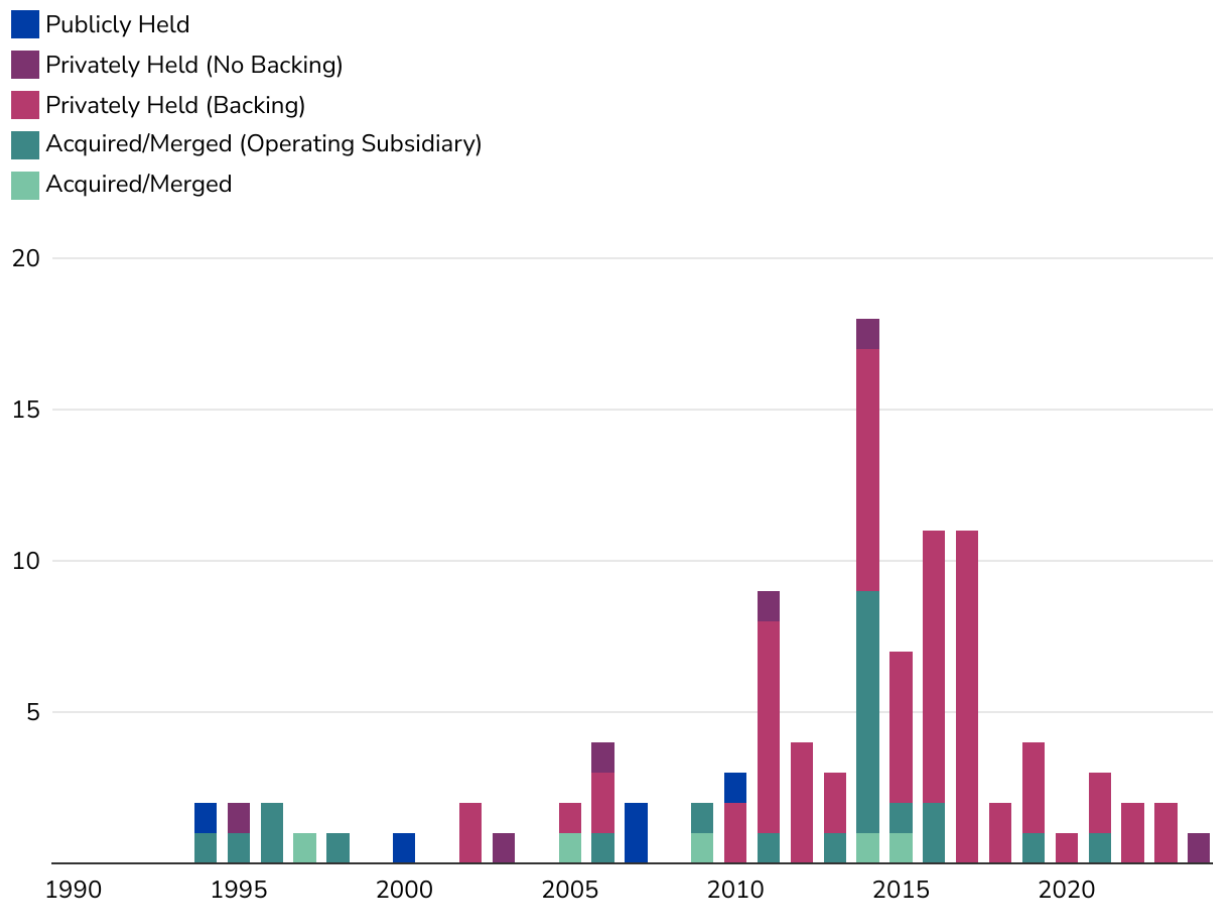| Ownership Status		Number of Companies
Acquired/Merged	Absorbed	8
	Operating Subsidiary	27
Privately Held	Backing	70
	No Backing	6
Publicly Held		11
Total		122

Note: A successful match was made of 123 U.S. companies from USRD to PitchBook. However, two of those companies matched to the same Pitchbook entity, so the total number of companies in the PitchBook data is 122.

Source: CSET analysis of PitchBook data.

As shown in Figure 5, most of the companies were formed in or after 2010, which aligns with the broader growth of investments in the drone industry, as well as the development and proliferation of commercial drone technology.[16] From January 1, 2010, through June 30, 2025, 81 U.S. UAV companies were founded; of those, 63 companies are privately held, 17 were merged or acquired, and one is publicly held.

During this period, Red Cat Holdings and TCOM were involved in the most mergers and acquisitions.

Figure 5. Number of U.S.-Headquartered UAV Companies by Founding Year and Current Ownership Status

Note: Colors indicate the companies' current ownership status, not the year in which ownership status changed. For example, nine companies founded in 2014 have since been acquired or merged; for all nine companies, the acquisition or merger took place in 2020 or later. There is also a notable drop in founding activity after 2021, likely due to a time lag in updating PitchBook data.

Source: CSET analysis of PitchBook data.

Investment in U.S. UAV Companies

PitchBook data likely provides the best available snapshot of U.S. drone company financing, but it comes with limitations that constrain the ability to estimate the total amount of investment. While the database provides estimates of deal values, these numbers are not reliable for several reasons, including the lack of public disclosures by the companies involved.[*] This also limits the ability to track trends and forecast potential growth in the wider U.S. drone market. Therefore, to indicate companies' interest in the U.S. drone market, this report uses the number of deals in which funders have participated and the number of companies in which they have invested.

Using PitchBook, 283 investment deals were identified involving U.S. UAV companies from January 1, 2010, through June 30, 2025. As displayed in Table 3, developers of UAS Groups 1 and 2 were involved in the most deals. This aligns with the fact that most companies develop these types of platforms, and many of them are private and were founded after 2010, making them more likely to seek funding. Conversely, notably fewer deals are found for companies developing Group 4 and 5 drones, likely because there are far fewer companies, and they are older and more established, meaning they likely do not require additional outside investment. However, a more even frequency of deals is found when controlling for the number of companies per UAS group. Companies developing Group 2 and Group 5 platforms had the most (2.6) and least (1.6) average deals per company, respectively, while developers of UAS Group 1, 3, and 4 platforms were involved in 2.1, 2.2, and 2.0 average deals per company, respectively.

The disparity in deals for companies developing smaller and larger drones could be explained by several factors. Group 5 drones are generally marketed toward governments and/or militaries, which may make them less attractive investments because of the limited customer pool and challenges in establishing contracts with governments. Moreover, they are typically far more expensive, complex, and technologically advanced, requiring greater injections of capital, longer production timelines, and more testing and evaluation. Perhaps most important, the companies

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[*] For example, private companies are not required to disclose details about their finances. Even when deals are reported, their values are often not publicly disclosed. The database may update information well after a deal closes, which could lead to discrepancies over time. Therefore, it is challenging to ascertain how much money is being invested in U.S. drone companies. This is a key blind spot that limits the ability to track the growth of the U.S. drone market over time.

that produce these platforms are generally more established and may not need or solicit venture backing.

Table 3. Number of Investment Deals Involving U.S. UAV Companies by UAS Group

UAS Group	Number of Deals	Number of Companies	Average Deals per Company
1	113	53	2.1
2	107	41	2.6
3	69	32	2.2
4	12	6	2.0
5	13	8	1.6

Source: CSET analysis of AUVSI USRD and PitchBook data. Data last pulled from PitchBook Aug. 24, 2025.

An assessment of the top investors by deal count, as displayed in Table 4, shows that Andreessen Horowitz, Founders Fund, and Y Combinator have been the most active backers of identified U.S. drone companies. All three of these funders, which together executed 34 unique deals involving firms in the dataset used for this report, backed companies making platforms in UAS Groups 1-4, but predominantly Groups 1-3. The top investor, Andreessen Horowitz, made 20 deals with five companies, including six deals each with Shield AI, Skydio, and Anduril. Most of these deals consisted of later stage venture capital (VC) funding. The prominence of Andreessen Horowitz may be partly due to the fact that it has more assets under management than the other top investors.[*] Founders Fund made a total of 10 deals, nine of which were with Anduril, and one with Zenith Aerospace for seed round funding. Lastly, Y Combinator made a total of 10 deals with five companies, including four with Volansi and three with Pyka Inc. These deals were mostly accelerator/incubator funding as well as some early and later stage VC funding.

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[*] Assets under management means the current total market value of all the financial assets and investments entrusted to an investment company.

Table 4. Top Investors in U.S. UAV Companies by Number of Deals

Investor Name	Number of Deals	Value of Investor's Total Assets Under Management (mil USD)
Andreessen Horowitz	20	74,740
Founders Fund	10	12,000
Y Combinator	10	3,200
Lux Capital	7	5,000
Homebrew	7	210
Lockheed Martin Ventures	7	200

Note: Multiple investors often contribute to the same deal, which is why Andreessen Horowitz, Founders Fund, and Y Combinator collectively contributed to only 34 unique deals.

Source: CSET analysis of PitchBook data. Data last pulled from PitchBook, Aug. 24, 2025.

Future Work

This report provides high-level insights into the state of the U.S. drone industry at the platform- and company-levels but does not investigate drone components and their supply chains. Key components such as motors, batteries, sensors, and software are often developed by companies that do not themselves develop the platforms and are therefore not included in our platform-level data. Supply chain bottlenecks for such components can impact entire segments of the drone market, shaping the downstream costs of the platforms and the ability to scale manufacturing. For example, after Russia invaded Ukraine in 2022, and for much of the war that has followed, Ukrainian drone manufacturers relied heavily on Chinese suppliers for drone components. Due partly to Chinese export restrictions, however, Ukraine later prioritized localizing domestic drone component production.[17] In another example, in October 2024, China placed sanctions on the U.S. drone manufacturer Skydio, forcing the company to begin rationing batteries and constraining platform manufacturing.[18]

A more comprehensive assessment of the U.S. drone industry would analyze domestic drone companies' manufacturing capabilities and firms that produce drone components, as well as the upstream supply chains of the components themselves. This would require breaking down each individual platform into its subcomponents and assessing all of the companies involved in their development. Acquiring enough reliable data at this level is challenging, with limited public information on components for many of the drones assessed here (particularly those developed for military end users). Moreover, the sheer quantity of companies involved and the complexities of component-level supply chains further complicate such analysis. Finally, many component developers likely sell products to customers outside of the drone industry, so assessing their overall finances could include irrelevant data and paint an inaccurate picture of the market.

More research into drone components and their supply chains, as well as into the financial health of the companies involved, is necessary for a reliable assessment of the United States' drone manufacturing capacity.[19] To that end, increased data sharing among the DOD, platform manufacturers, and component manufacturers is essential. This is key to identifying potential bottlenecks and vulnerabilities, which could inform DOD policies and initiatives such as Replicator I and II, as well as aid the DOD in contracting with drone manufacturers and procuring platforms. The need for this data is echoed in the Defense Innovation Board's recent report on scaling unmanned weapon systems, which calls for the Pentagon to identify specific UAV components "where it sees critical national security supply chain risks."[20] The report briefly

discusses supply chain vulnerabilities such as critical minerals and batteries, and highlights the challenges in tracking a dynamic, largely commercial market. But, as with many reports on U.S. drone manufacturing, there is ultimately insufficient public data to gauge the manufacturing capacity and overall financial health of the industry.

Conclusion

The U.S. drone industry is characterized by many small companies focused on producing comparatively lightweight, commercially oriented platforms, and a smaller group of established defense firms producing larger, military-grade systems. Developers of smaller drones, particularly those in UAS Groups 1-3, received more investments in the time frame considered here, reflecting both the commercial market's broader appeal and the relative ease of entry compared with the more capital-intensive and specialized military drone sector. However, this investment pattern raises questions about the industry's ability to meet future defense needs, especially as the Trump administration seeks to "unleash American drone dominance" and the Replicator initiative seeks to rapidly procure large numbers of systems.

While this analysis provides a snapshot of U.S. drone developers and their financial backing, it also points to major blind spots. Chief among these are domestic drone company manufacturing capacity and the supply chains that underpin drone production. Critical components such as batteries, sensors, and software are often sourced from specialized suppliers that fall outside the scope of platform-focused analyses. These component-level dependencies pose serious risks to U.S. manufacturing resilience. Without more detailed data on the supply chains and production capacities of both platform manufacturers and component developers, it is difficult to fully assess the U.S. drone industry's ability to scale production and withstand external shocks. Greater data sharing between industry and government will be crucial for identifying bottlenecks, mitigating risks, and ensuring that U.S. drone production can meet the demands of future conflicts and national security priorities.

Appendix A: Methodology

This publication draws from two dimensions of analysis: an overview of the actively marketed UAVs and the financial status of the production companies. Financial status refers to the ownership and investor histories of, as well as the capital raised by, U.S.-based companies that produce UAVs. While these indicators provide insights into the historical and current interest from private capital into domestically active UAV companies, they do not benchmark the drone market relative to other industries.

Relying on USRD for this report, the first step was to gather a list of platform manufacturers that develop drones actively marketed in the United States. To assess companies' financial standing, these manufacturers were then matched to their corporate entities as recorded by PitchBook. Of the 222 companies in USRD, 143 could be matched to PitchBook. Because this project focuses on the U.S. drone industry, the data was filtered to matched companies headquartered in the United States, resulting in 123 companies. The full USRD dataset includes 187 U.S.-headquartered companies, so the set of 123 used here represents 66% of U.S.-headquartered companies in USRD.[21] Given that PitchBook is more likely to include established companies with a history of investment funding, the non-matched manufacturers are likely smaller or specialized producers. These smaller producers are important to the domestic drone landscape; however, the matched percentage is sufficient for the analytical goals of this data brief.

Table 5. Matching AUVSI USRD Companies to PitchBook Entities

Total USRD	222
Total U.S. USRD	187
Total Matched	143
Total Matched U.S.	123*
U.S. Companies Matched to PitchBook	66%

* In USRD, 64 companies were labeled as U.S. companies but did not match to PitchBook.

Source: CSET analysis of AUVSI USRD and PitchBook data.

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Acknowledgments

Endnotes

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[21] For this report, "L3Harris Technologies (Canada)" was recoded to "L3Harris Technologies (United States)." USRD previously classified L3Harris as a U.S. company; however, in the version of the USRD used for this analysis, L3Harris was listed as a Canadian company. Using the USRD website on June 29, 2025, it was confirmed that USRD reverted L3Harris's country affiliation to the United States, so the same change was made in the data used for this analysis.