

# S&P Europe Defense Vision Index

## From Blind Spots to Security: Re-Envisioning European Defense

As geopolitical risk, national security and autonomy come into focus, defense is becoming a major talking point for global investors. The [S&P Europe Defense Vision Index](#) tracks European companies that are the most actively involved in defense and military activity—providing a measure of the long-term structural shift toward higher defense spending and strategic initiatives across the region.

### Key Structural Drivers

Convergence of two headline trends—geopolitical escalation and de-globalization.

Europe is seeing a resurgence in defense expenditure, with national budgets approaching — and in some cases exceeding — the longstanding 2% of GDP NATO target focused on core military spending.<sup>1</sup>

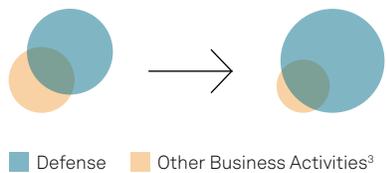
As discussions evolve toward a broader 5% goal by 2035, encompassing related areas such as cyber and infrastructure, long-term initiatives like the European Defence Fund and the European Defence Industrial Strategy are playing a critical role in strengthening strategic autonomy, innovation and industrial resilience.<sup>2</sup>

### Targeting Pure Exposure

Security selection, weighting and capping is based on company-level revenue exposure to defense, as defined by S&P Global BIS data.

Exposure scores of 0.25, 0.5, 0.75 or 1 are assigned to companies according to the percentage of revenue from military contracting.

Adjusting market cap and capping weights by exposure score boosts defense purity of index.



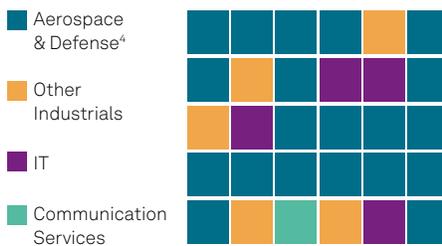
### Trusted Data Source

[S&P Global Business Involvement Screens \(BIS\)](#) Military Contracting data tracks revenue exposure to defense-related activity by triangulating company disclosures, media and stakeholder sources and proprietary S&P Global datasets. Activities include:

- **Integral Military Weapons:** Core systems, e.g., missiles, aircraft and armored vehicles.
- **Weapon-Related:** Support for command, control, intelligence and combat systems.
- **Non-Weapons:** Military tech and services, e.g., software, surveillance and specialist equipment.

### Modern Defense Ecosystem

Cross-sector constituent coverage across Industrials, Information Technology and Communication Services reflecting dual-use and cutting-edge technology providers—which are key to modern defense.



### Index Snapshot

- **Launch Date:** April 7, 2025
- **Geography:** Domiciled in developed or emerging markets in Europe<sup>5</sup>
- **Sector:** Industrials, IT, Comm. Services
- **Data:** S&P Global BIS Military Contracting revenue exposure (%)
- **Weighting:** Modified market cap
- **Number of constituents:** 30
- **Rebalancing frequency:** Semi-annually

### Largest Five Constituents By Index Weight<sup>6</sup>

|        |             |             |             |             |               |
|--------|-------------|-------------|-------------|-------------|---------------|
| 2019   | BAE Systems | Rolls-Royce | Safran      | Thales      | Airbus        |
| 2020   | BAE Systems | Safran      | Thales      | Rolls-Royce | Airbus        |
| 2021   | BAE Systems | Safran      | Rolls-Royce | Thales      | Dassault Sys. |
| 2022   | BAE Systems | Thales      | Safran      | Rheinmetall | Rolls-Royce   |
| 2023   | BAE Systems | Rolls-Royce | Thales      | Rheinmetall | Dassault Sys. |
| 2024   | Rheinmetall | BAE Systems | Leonardo    | Thales      | Rolls-Royce   |
| May-25 | Rheinmetall | BAE Systems | Leonardo    | Thales      | Rolls-Royce   |

Source: S&P Dow Jones Indices LLC. Data as of May 30, 2025. Charts provided for illustrative purposes. <sup>1</sup> [European Parliament Think Tank \(2025\)](#). <sup>2</sup> [NATO \(2025\)](#). <sup>3</sup> Overlap between bubbles illustrates business activities with defense applications—for example, military aircraft. <sup>4</sup> Aerospace & Defense is part of the Industrials GICS sector. <sup>5</sup> Based on S&P DJI Country Classification. Excludes Russia and Turkey. <sup>6</sup> Constituents reflect year-end index compositions, except for May 2025, which is based on month-end data.

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