Thales enters into definitive agreement to take full ownership of Advanced Acoustic Concepts (AAC)

- Thales Defense & Security, Inc. (TDSI) and Leonardo DRS have reached an agreement to transfer full ownership of Joint Venture Advanced Acoustic Concepts (AAC) to TDSI.
- AAC serves the US Navy as a US industry contractor, providing innovative systems and solutions across the Navy’s Undersea Warfare domain.
- AAC’s technical skills, industrial footprint and proven record of performance will enable Thales to strengthen its footprint in the US defense market by reinforcing TDSI US-based teams and capabilities.

Thales subsidiary TDSI enters into a definitive agreement to acquire Leonardo DRS ownership in their joint venture, AAC.

As one of the main US providers of mission-critical systems, TDSI serves the defense, federal, and commercial markets with innovative solutions for the ground tactical, airborne and avionics, naval/maritime, and security domains. As a subsidiary of Thales, TDSI operates in accordance with a Proxy Agreement approved by the US Department of Defense, to mitigate concerns associated with Foreign Ownership, Control, or Influence (FOCI).

In addition to providing a broad range of organic products and solutions, TDSI serves as a gateway for technology, leveraging proven Thales solutions – such as combat management systems; airborne, ship and ground radars; helmet mounted displays; missile fuzes; and battlefield sensors – to address US requirements.

AAC is one of the main US technical players in the fields of advanced sonar, training and knowledge management systems. The company delivers modernization systems for the US Navy through an open business, open systems technology insertion model. With more than 200 employees, AAC generated $80 million (~€70 Million) sales in 2021.

AAC’s technical skills, industrial footprint and proven record of performance will enable Thales to strengthen its footprint in the US defense market by reinforcing TDSI US-based teams and capabilities.

“The partnership between Leonardo DRS and Thales in AAC proved successful, and both companies should be proud of the joint technology development in undersea warfare systems for the US and allied navies,” said Bill Lynn, CEO of Leonardo DRS. “As Leonardo DRS moves its technology focus to a different range of DoD priorities, we know AAC will be in good hands as Thales continues its broader focus on advanced undersea warfare systems and related technologies.”

“This acquisition underscores the ongoing commitment Thales has to serving the US DOD through its trusted US entity, TDSI. Through AAC, TDSI will now maintain a significant engineering and industrial footprint in the US to provide our undersea solutions, and to optimize Thales’ support to the US Navy”, said Alan Pellegrini, CEO of Thales North America.
Upon closing, AAC’s innovative systems and solutions will complement Thales underwater systems capabilities and world recognized Naval technology portfolio. The completion of the transaction is subject to regulatory clearances and customary closing conditions. Financial terms are not being disclosed. The acquisition is expected to close in H2 2022.

About Thales

Thales (Euronext Paris: HO) is a global high technology leader investing in digital and “deep tech” innovations – connectivity, big data, artificial intelligence, cybersecurity and quantum technology – to build a future we can all trust, which is vital to the development of our societies. The company provides solutions, services and products that help its customers – businesses, organisations and states – in the defense, aeronautics, space, transportation and digital identity and security markets to fulfil their critical missions, by placing humans at the heart of the decision-making process.

Thales has 81,000 employees in 68 countries. In 2021 the Group generated sales of €16.2 billion.

About Thales in the USA

In the United States, Thales has conducted significant research and development, manufacturing, and service capabilities for more than 100 years. Today, Thales is present in 22 states, operating 46 different facilities and employing nearly 4,000 people. Working closely with US customers and local partners, Thales is able to meet the most complex requirements for every operating environment.

About Leonardo

Leonardo, a global high-technology company, is among the top world players in Aerospace, Defense and Security and Italy’s main industrial company. Organized into five business divisions, Leonardo has a significant industrial presence in Italy, the United Kingdom, Poland and the USA, where it also operates through subsidiaries that include Leonardo DRS (defense electronics), and joint ventures and partnerships: ATR, MBDA, Telespazio, Thales Alenia Space and Avio. Leonardo competes in the most important international markets by leveraging its areas of technological and product leadership (Helicopters, Aircraft, Aerostructures, Electronics, Cyber Security and Space). Listed on the Milan Stock Exchange (LDO), in 2020 Leonardo recorded consolidated revenues of €13.4 billion and invested €1.6 billion in Research and Development. The company has been part of the Dow Jones Sustainability Indices (DJSI) since 2010 and has been confirmed among the global sustainability leaders in 2021. Leonardo is also included in the MIB ESG index.

About Leonardo DRS

Leonardo DRS is a leading provider of defense products and technologies that are used across land, air, sea, space and cyber domains. Its diverse array of defense systems and solutions is offered to all branches of the US military, major aerospace and defense prime contractors, government intelligence agencies and international military customers for deployment on a wide range of military platforms. Leonardo DRS focuses its capabilities in areas of critical importance to the US military, such as sensing, electronic warfare & cyber, network computing, force protection and electrical power and propulsion. We anticipate our customer’s complex needs and produce ground-breaking, market-disruptive technologies to ensure mission success today and well into the future. Headquartered in Arlington, Virginia, Leonardo DRS is a wholly owned subsidiary of Leonardo S.p.A. See the full range of capabilities at www.LeonardoDRS.com
PRESS CONTACTS

Thales, Media Relations
Land & Naval Defence
Camille Heck
+33 (0)6 73 78 33 63
camille.heck@thalesgroup.com

USA
Beth Larson
Vice President, Communications
+1 315-459-1896
beth.larson@us.thalesgroup.com

Leonardo DRS
Mike Mount
Vice President, Communications
+1 571-447-4624
mmount@drs.com

PLEASE VISIT

TDSI
Thales Group
Defense

GROUP COMMUNICATIONS – Thales - Tour Carpe Diem - 31 Place des Corolles - 92098 Paris La Défense Cedex - France – Tel.: +33(0)1 57 77 86 26 - www.thalesgroup.com