

Leonardo expands its naval electronics offer with the acquisition of 30% of GEM elettronica

- **The move strengthens Leonardo’s position in the naval sector, particularly in the field of short and medium-range sensors for navigation, maritime, coastal and airport surveillance**
- **GEM elettronica operates in complementary market niches to those of Leonardo, offering innovative and competitive systems such as navigation radar, coastal surveillance solutions, electro-optical equipment and fiber-optic gyroscopes**
- **The agreement includes a “call and put option” which can be exercised in 2024, allowing Leonardo to acquire control of the company**

Rome, 21 April 2021 – Leonardo has acquired a 30% stake of share capital in GEM elettronica, an Italian company specialising in the production of small and medium-sized 3D radars, electro-optical sensors and inertial systems for the maritime, air and land sectors. The move will strengthen Leonardo’s market position in the naval electronics field, particularly in short and medium-range sensors. Leonardo will be able to expand and diversify its offer and improve the engineering, production and marketing of products in different bands to those in Leonardo’s existing portfolio.

GEM operates in complementary market niches to those of Leonardo, offering competitive systems such as navigation radar and coastal monitoring, electro-optical equipment and fiber-optic gyroscopes. GEM is also active in the maritime and border surveillance market. The company has the capacity to produce critical components for Leonardo products as well as specialised radar and electronics capabilities.

As well as acquiring 30% of GEM, Leonardo has signed a commercial and industrial agreement with the company. This will see Leonardo and GEM developing synergies where GEM’s specific expertise aligns with Leonardo’s business, including joint marketing activities and joint research and development projects. Areas of collaboration will include the naval/maritime domain, critical infrastructure and applications for land platforms.

GEM elettronica has around 130 employees and produces products almost entirely in-house. Active in civil and military markets, the company has a presence in Italy and internationally and has established collaborations with major market players inside and outside of Italy. GEM has acted as a supplier to Leonardo for many years on numerous projects, including collaborations on the FREMM programme and the Italian Navy’s fleet modernisation programme known as the “Naval Law”.

Under the agreement, Leonardo will be able to increase its stake in GEM’s share capital and acquire control of the company via a purchase option which can be exercised in 2024. The partnership is aimed at strengthening capabilities to increase competitiveness in the long term, in line with Leonardo’s strategic plan “Be Tomorrow – Leonardo 2030”.

Leonardo, a global high-technology company, is among the top ten world players in Aerospace, Defence 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 2019 Leonardo recorded consolidated revenues of €13.8 billion and invested €1.5 billion in Research and Development. The company has been part of the Dow Jones Sustainability Index (DJSI) since 2010 and has been named as sustainability global leader in the Aerospace & Defence sector for the second year in a row of DJSI in 2020.