

Leonardo Defense, Radar & Sensor Systems Expands Global Reach as Defense Spending Accelerates

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Leonardo DRS, a U.S.-based defense contractor and subsidiary of Italy's Leonardo S.p.A., is intensifying its push into international markets amid a worldwide increase in military expenditures. The company, officially known as Leonardo Defense, Radar & Sensor Systems, is recognized for its cutting-edge technologies in sensor integration, tactical computing,

naval propulsion, and electronic warfare. It is now positioning itself as a key supplier to allied defense forces across Europe, Asia, and the Middle East.

In 2024, Leonardo DRS increased its international sales to roughly 13% of total revenue, up from approximately 10% in 2023. Executives attribute this growth to rising defense budgets among NATO members and Indo-Pacific allies, many of whom are ramping up military readiness in response to increasing geopolitical tensions. Demand is particularly strong in areas requiring advanced battlefield sensing, computing systems, and maritime defense solutions.

The company's strong financial results for the first quarter of 2025 reinforce its upward trajectory. Revenues climbed 16% year-over-year to \$799 million, with a book-to-bill ratio of 1.2 and an order backlog of \$8.6 billion. Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) totaled \$82 million. Full-year guidance remains steady, with projected revenues between \$3.425 billion and \$3.525 billion.

Leonardo DRS is focusing its growth strategy on key areas including advanced sensing, tactical computing, maritime combat systems, and electric propulsion, with CEO Bill Lynn noting that future mergers and acquisitions will be selective and aimed at enhancing its existing capabilities.

The parent company, Leonardo S.p.A., has revised its 2025 revenue forecast to around €18.6 billion, and projects growth to as much as €30 billion by 2029. That expansion is expected to be driven by large-scale

initiatives such as the Global Combat Air Programmed and programs to launch a constellation of military and civilian satellites by 2028.

Leonardo's international push comes at a time when European and global defense stocks are benefiting from increased investor confidence and elevated defense budgets. With Western governments increasing procurement, particularly in light of rising security threats from Russia and China, the firm is well-positioned to benefit from sustained demand for modern defense capabilities.

By building on its U.S. roots and leveraging its European backing, Leonardo DRS is establishing itself as a dependable partner in the evolving global defense landscape, focused on high-performance systems that support allied operational superiority.