

Leonardo Acquires Iveco Defence in €1.7 Billion Strategic Move

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Leonardo has agreed to acquire Iveco Defence Vehicles (IDV) and Astra from Iveco Group for €1.7 billion, a transaction expected to reshape Europe's land defence sector. Signed on 30 July 2025, the deal is scheduled for completion by the first quarter of 2026, pending regulatory approval.

The acquisition enables Leonardo to integrate its advanced electronic systems and weapon turrets with IDV's well-established armoured vehicle platforms, such as the Centauro II, LMV, and VBM Freccia. The aim is to establish a vertically integrated land systems manufacturer capable of enhancing Italy's defence industrial base and boosting global competitiveness.

Leonardo Chief Executive Officer Roberto Cingolani described the move as a pivotal step in the group's growth strategy, reinforcing its position across the defence value chain. He said the acquisition will serve as a key pillar in the company's industrial roadmap.

IDV, which generated approximately €1.13 billion in revenue last year, employs around 2,000 personnel across production and research facilities in Europe and abroad. Its product range spans light, medium, and heavy military vehicles, many of which are already in service with European and NATO forces.

This acquisition comes amid a broader restructuring at Iveco Group, which is divesting its defence and truck businesses. The group is also selling its commercial vehicle division to India's Tata Motors in a separate €3.8 billion deal, allowing it to refocus its business strategy on core transport and industrial solutions.

The Italian government played a key role in reviewing both transactions under its "golden power" authority, ensuring that defence assets remained under domestic control. Officials signalled support for the Leonardo deal, citing the importance of maintaining sovereign capabilities and securing defence-sector jobs.

Defence analysts suggest that the merger will not only strengthen Italy's position in the European defence industry but will also contribute to greater interoperability among NATO allies. The integration of IDV's vehicle platforms with Leonardo's electronic and weapon systems is expected to enhance both performance and export potential.

The Iveco Group plans to distribute the proceeds from the sale to its shareholders, while Leonardo is positioning itself as a key player in the next phase of Europe's defence evolution. The deal marks a significant consolidation in the industry at a time when the focus on land capabilities across the continent is increasing.