

Rolls–Royce Sells Naval Propulsors Business to Fairbanks Morse Defence

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Rolls–Royce has completed the sale of its Naval Propulsors and Handling business to US-based Fairbanks Morse Defence (FMD), marking a significant shift in its defence sector priorities. Facilities in Pascagoula, Mississippi, and Walpole, Massachusetts, along with operations in Peterborough, Ontario, have now transferred to FMD ownership.

Pascagoula is the only privately held site in the United States capable of casting propellers for both naval surface vessels and submarines, an asset expected to bolster US maritime capabilities while preserving key industrial jobs. The acquisition enhances FMD's ability to support the US Navy, Coast Guard, and allied fleets through expanded propulsor and handling system services globally.

FMD Chief Executive George Whittier described the deal as transformative, stating that it positions the firm as a significant force in global naval defence markets. Adam Riddle, who leads Rolls–Royce North America, also welcomed the sale as beneficial to customers. Rolls–Royce will retain its core defence businesses, including naval gas turbines and generator sets, and will continue supplying propulsion systems for platforms such as attack submarines, while divesting peripheral assets. The move is part of a wider restructuring that includes the disposal of non-core operations, allowing Rolls–Royce to concentrate on high-end aerospace and submarine power capabilities.

Industry analysts view the divestment as a pragmatic move to streamline operations and improve financial resilience amid shifting defence priorities. For FMD, the expansion brings access to significant manufacturing capabilities and a stronger presence in the global naval supply chain.

In the UK context, the transfer of the Peterborough handling systems business is significant, as these capabilities support launch and recovery systems for the Royal Navy's Type 26 frigates and international projects, including those under the AUKUS framework.

By finalising this transition, both companies signal a maturing defence industrial base: Rolls–Royce refocuses on its strengths in propulsion technologies, while FMD emerges as a growing global supplier in naval systems.