ONE HALF CENTURY OF GREAT PEOPLE AND TECHNOLOGY

Over the last half century, patriots at Leonardo DRS have created a distinct technology edge for American troops in the U.S. and around the world. Since the company’s founding in 1969, tens of thousands of employees have perfected their craft each day with one unifying purpose in mind: to help defend those who defend all Americans and our allies.

The 50-year history of Leonardo DRS is defined by the company’s amazing people and technology. By helping the Navy sail fast and quiet, making the Army and Marine Corps more lethal, connected and protected, and preparing the Air Force to confront a range of threats, the people of Leonardo DRS from one generation to the next have given American warfighters a critical technology edge.

It all began when two young engineers, David Gross and Leonard Newman, decided to create a small defense company above a General Electric appliance store in Mount Vernon, New York. At the height of the Cold War, the two engineers set out on their own. A small defense company incorporated by the name Diagnostic/Retrieval Systems, later and more formally known as DRS Technologies, was born.

As the story goes, two U.S. Navy ships sailed off the American coast with less risk of being detected underwater. The ships were the USS Wasp and the USS Kitty Hawk. The hunter had become the hunted.

DRS began operations when engineers Leonard Newman and David Gross opened Diagnostic/Retrieval Systems. Within a year, they began only with a handful of employees, finally growing to the now three quickly became an industry leader in passive submarine detection. Within a few years, the company was providing the U.S. Navy with the most advanced signal processing software and displays equipment of the time.

The first major production product

DRS began operations when engineers Leonard Newman and David Gross opened Diagnostic/Retrieval Systems. Within a year, they began only with a handful of employees, finally growing to the now three quickly became an industry leader in passive submarine detection. Within a few years, the company was providing the U.S. Navy with the most advanced signal processing software and displays equipment of the time.

David Gross and Leonard Newman, co-founders, poses with other DRS executives for the groundbreaking of the company’s first new headquarters in Oakland, Nj. Future CEO Mark Newman is third from the right.

A small company with great technology that could make a big difference.

Russian submarines like this one shadowed U.S. Navy ships. Often undetected, until DRS passive sonar systems were installed and U.S. sailors began easily tracking the submarines.

A future DRS executive is shown at DRS’ new headquarters in Oakland, Nj. Future DRS business, including Cutler-Hammer Eaton in 1978 and Fairchild in 1985, are acquired by DRS in 2002, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, including Loral-Waterman Future Electronic Systems, which is acquired by DRS in 2010, have future DRS companies, inc...
Fifty Years of Innovation Excellence

The Early Years

From the outset, there was something unique and special about Leonardo DRS and its growing technology culture. “Patriotic young engineers were happy to join a small company with great technology that could make a difference,” Gross recalls. “We started out with a handful of people but a lot of potential and dedication.” Newman had a more personalized reflection: “I’m a poor boy from the Bronx who used the GI Bill to go to school and built a reflection: “I’m a poor boy from the Bronx who used the GI Bill to go to school and built a

Diagnostic/Retrieval Systems would soon compete successfully against some of the largest American defense contractors. In 1973, the company was awarded the AN/SQR-17 program, one of the first major passive sonar contracts in history, later deployed on more U.S. Navy ships than any other passive sonar in the fleet.

By 1980, Crane’s New York Business reported that the Pentagon was spending as much as $35 billion each year on anti-submarine technology. For Diagnostic/Retrieval Systems, sub hunting had become Big Business. Revenues increased to $36 million and the company, which now had 400 employees, had outgrown its space and moved to a new Corporate Headquarters in Oakland, New Jersey.

All along, DRS leadership had the strategic vision to take the company public by offering shareholder equity on the stock exchange, using the additional money to accelerate growth, according to Gross. “From day one it was in our minds that someday, as soon as we could, we would take the company public and grow through acquisitions to diversify our product line,” Gross says.

That day came in 1981, when DRS was publicly listed on the American Stock Exchange, raising $33 million to invest in the future. Just over a decade after its inception, DRS had become a world leader in passive sonar. Its technology heritage and culture had taken root and was beginning to blossom. And it had the cash to grow.

If you have a passion for a great career, consider defense. There are many technology problems that need to be solved by our best and brightest. And after all, strong national security should be everyone’s primary interest.”

David Gross
Co-Founder, Diagnostic/Retrieval Systems

Focused innovation in naval defense electronics drives growth.

Looking Back With Leonardo DRS
Co-Founder David Gross

If the company David Gross was with in 1969 had not lost last interest in the technology he was working on, he and his partner, Leonard Newman, might never have started Leonardo DRS in the first place. But the passive sonar they were developing “was a better way to find submarines,” he says. And it was just what the U.S. Navy needed at the height of the Cold War. “The Navy had trouble finding Russian subs. Then all of a sudden we were lighting up screens. We started getting calls from admirals asking, what are you guys doing??” Gross reflected on the company he and co-founder Newman began 50 years ago, from the technical wizardry to the audacity behind the idea itself, and to the many sleepless nights that followed.

What gave you the confidence to leave a job with an established company to try something on your own?

Gross: “The Navy wanted our technology end we knew it. We had developed some pretty revolutionary stuff. We really had no choice if we wanted to continue our work.”

After your initial success, why did you decide to sell shares of DRS on the stock exchange, then use the proceeds to buy other companies and grow through acquisition as well?

Gross: “We got the company started with a seed round of investment that raised a small amount of money. It was always our plan to use the proceeds from a stock sale to give the original investors some money back. Then we could use the rest to diversify our product line, which we knew we needed to do.”

Was it a straight ride to the top or did you hit some bumps along the way?

Gross: “Larger competitors were trying to kill us, to put us out of business. In the end, we put them out of business. But for a while, I would wake up every night at three o’clock in the morning worrying about whether we would even survive.”

But doesn’t the best technology always win out in the long run?

Gross: “No. You can have great technology. But you have to have the right team to put it all together and dedicate the long hours to make the finished product something of value.”

How did DRS get its name?

Gross: “Leonard Newman and I were sitting in a Bronx pizzeria wondering what we were going to call this thing. We are in the data retrieval business because we collected sounds. We were in the diagnostic business because we analyzed those sounds to find submarines. Our lawyer submitted the paperwork for incorporation with the name Diagnostic/Retrieval Systems on it. One door closed and another opened. We had a business and a name!”
Across 50 years, only three people have been CEO of Leonardo DRS. First it was co-founder Leonard Newman. Then it was Mark Newman, who earlier had been the company’s chief financial officer. Today, it is former U.S. Deputy Secretary of Defense William J. Lynn.

In 1994, after 15 years at the helm of DRS, co-founder Leonard Newman stepped aside as CEO. His son, Mark Newman, a strategic thinker in his own right, was named president and CEO, while Leonard remained chairman of the board. Co-founder David Gross, formerly president and chief technology officer, announced his retirement from the company.

Mark Newman ushered in an era of growth accelerated through a rapid series of acquisitions. The company set a strategic vision: to become “a leading mid-tier defense company” defined by having at least $500 million in annual sales. It was an astronomical stretch goal of more than ten times annual sales. What quickly became apparent was the unsurpassed ability of DRS leadership to identify, acquire and quickly assimilate compatible companies from both military and commercial markets.

At a dizzying pace, DRS won on the hunt for acquisitions and partnerships that would transform the relatively new company into a major force in the mid-tier of the U.S. defense industry.

By 1994, DRS acquired Technology Application and Services, a leader in information processing and display workstations; Ahead Technology, a manufacturer of magnetic digital recording heads; and assets of CMC Technology, a unit of Eastman Kodak and a leader in magnetic video recording. The company entered into a strategic partnership with Laurel Technologies, a leader in electro-mechanical systems and “build-to-print” manufacturing.

Over the next decade, DRS acquired an astounding 24 companies or units of existing companies. These included elements of some of the largest defense contractors in U.S. history, including Boeing’s electro-optical uncooled thermal business, Lockheed Martin’s electro-mechanical systems unit, and Raytheon’s ground electro-optical and focal plane radar.
array businesses. It included Paravant, NAI Technologies, and European Data Systems, collectively world leaders in rugged battlefield computers for the U.S. and British armies. It included Pacific Technologies which was merged with the company's existing, but still relatively small services business to form DRS Technical Services. It included Night Vision Group and General Atomics, a leader in C4I. Importantly, it also included the Night Vision Division of Eaton, a provider of Navy electrical power distribution and control systems; Power Technology Inc., a leader in naval power and propulsion; and the electromagnetic development center of Kaman Corporation.

In a relative wink of the eye, DRS had grown into a muscle-bound, still youthful and technologically brilliant company. Seemingly overnight, it became a top U.S. Navy supplier of electric and mechanical drive propulsion plants, power distribution systems and display technology. New products and services for ground combat troops remodeled the company into an industry leader in battlefield computers, command and control, fire control, and electro-optical infrared systems including night vision technology. Apfley renamed in 1997, the company was now called DRS Technologies.

The year 2000 Annual Report perfectly described the young mid-tier defense company as “a unique success story” with “the agility, technology and focus to respond quickly to customer needs and market opportunities.”

Remarkably, by 2002 DRS had reached its stretch goal of $500 million annually. Newman looked back at the pivotal strategy that led to the amazing acquisition of more than 24 businesses over a ten-year period, along with the great technology and people who shaped the future of Leonardo DRS into a culture of innovation.

Tell us how you instilled the vision to become a mid-tier defense company?

Newman: “At the time we questioned whether we even had a future and knew we had to form the business around. It was at the end of the first Gulf War when the military drawdown was in full swing. We asked ourselves what it would take to survive. We had a considerable amount of cash on hand and knew we had to do something with it fast. We got the idea that if we remained a little specialty company we would just get shovded aside. We need to be bigger than that, so we would just get the idea that if we remained a little specialty company we would just get shovded aside. We need to be bigger and stronger to survive.”

Why would a mid-tier company be less vulnerable?

Newman: “Mid-tier companies are in a sweet spot with sufficient technical and management resources to survive the cyclical nature of the defense industry. At that size, we would have enough money to invest in research and development and a sufficient volume of programs to balance the ups and downs of individual revenue streams. We could have tried to grow organically, but to do it more quickly and aggressively we concluded that the best way was through acquisition.”

How did you select the companies to acquire?

Newman: “Some of it happened by luck. When Raytheon itself was growing through acquisition, the U.S. government required it to divest its infrared business to alleviate anti-trust concerns. Next, I was on a bus with a Boeing executive who by chance told me to consider acquiring one of their infrared businesses. Once we had a core technology to leverage, the investment bankers started coming around with additional opportunities that fell into our laps. Management’s focus was to sift through the opportunities to find the candidates that would best fit together.”

How did you create a corporate culture and sense of purpose from so many different businesses cobbled together?

Newman: “Remember that we had assembled a single business from other businesses that people did not want. We began by making our people know they were very special to us and they could create their own culture. People were honored to make products for the U.S. military. We emphasized that if we would work together as a team, we could solve critical problems and be the very best and most affordable in what we did.”

Second DRS CEO Mark Newman Looks Back
At Years of Growth Through Acquisition

---

The year 2000 Annual Report perfectly described the young mid-tier defense company as “a unique success story” with “the agility, technology and focus to respond quickly to customer needs and market opportunities.”

Remarkably, by 2002 DRS had reached its stretch goal of $500 million annually. Newman looked back at the pivotal strategy that led to the amazing acquisition of more than 24 businesses over a ten-year period, along with the great technology and people who shaped the future of Leonardo DRS into a culture of innovation.

Tell us how you instilled the vision to become a mid-tier defense company?

Newman: “At the time we questioned whether we even had a future and knew we had to form the business around. It was at the end of the first Gulf War when the military drawdown was in full swing. We asked ourselves what it would take to survive. We had a considerable amount of cash on hand and knew we had to do something with it fast. We got the idea that if we remained a little specialty company we would just get shovded aside. We need to be bigger and stronger to survive.”

Why would a mid-tier company be less vulnerable?

Newman: “Mid-tier companies are in a sweet spot with sufficient technical and management resources to survive the cyclical nature of the defense industry. At that size, we would have enough money to invest in research and development and a sufficient volume of programs to balance the ups and downs of individual revenue streams. We could have tried to grow organically, but to do it more quickly and aggressively we concluded that the best way was through acquisition.”

How did you select the companies to acquire?

Newman: “Some of it happened by luck. When Raytheon itself was growing through acquisition, the U.S. government required it to divest its infrared business to alleviate anti-trust concerns. Next, I was on a bus with a Boeing executive who by chance told me to consider acquiring one of their infrared businesses. Once we had a core technology to leverage, the investment bankers started coming around with additional opportunities that fell into our laps. Management’s focus was to sift through the opportunities to find the candidates that would best fit together.”

How did you create a corporate culture and sense of purpose from so many different businesses cobbled together?

Newman: “Remember that we had assembled a single business from other businesses that people did not want. We began by making our people know they were very special to us and they could create their own culture. People were honored to make products for the U.S. military. We emphasized that if we would work together as a team, we could solve critical problems and be the very best and most affordable in what we did.”

When Mark Newman took the reins in 1994 to become the second person to serve as CEO of DRS, revenues had recently fallen in half and the company was in dire need of a turnaround. Newman and the management team responded not just by surviving but setting a laudable stretch goal of $500 million annually.

By 1998 DRS provided more than 4000 Emergency Beacons for F/A-18 aircraft and military and commercial helicopters.

Protecting Ground Vehicles

Products like Driver’s Vision Enhancement (DVE) improved soldier and rescue capability for ground combat vehicles operating during the wars in Iraq and Afghanistan.

Airborne Video Recorders

In 1996 DRS delivered over 5000-581 Airborne Video Recorders to provide imagery and audio recordings on F/A-18 aircraft.
Leonardo DRS has developed numerous solutions for the U.S. Army Stryker vehicle, from On-Board Vehicle Power to short-range air defense systems to multiple networked command posts.

WORLD-CLASS TECHNOLOGY, MID-TIER STRENGTH

While leadership continued to hunt for new acquisitions and partnerships, the talented workforce of DRS plowed ahead with a spectacular demonstration of technological wizardry and prowess, churning out an amazing volume of new products for America’s warfighters and adjacent commercial customers. Added to the product line were air combat training systems, unmanned aerial vehicles, driver vision enhancers, naval communications systems, and deployable flight incident recorders for surveillance and tactical aircraft. The contract awards continued unabated. DRS was selected by the U.S. Army and Marine Corps to provide infrared sighting, targeting and fire-control systems for tanks and armored fighting vehicles. It was selected as the prime contractor for a tri-service program for the Army, Navy and Air Force for a system to collect high-speed video footage of weapons being fired and separating from aircraft. It was selected for transformational tactical programs, including the Joint Tactical Terminal communications system and to provide American ground forces with a family of thermal weapons sights. The awards and accolades came pouring in. DRS received three prestigious Herschel Awards for its advanced infrared technology. The Institute of Defense and Government Electronics declared the company’s Blue Force Tracker system the "Most Innovative Program" of the year.

In 2005, annual sales smashed through the $1 billion mark. Two years later, the numbers of manufactured products alone told a remarkable story of growth. By the time the company moved its headquarters once again, this time to Parsippany, N.J., it had delivered to U.S. and allied warfighters 70,000 thermal weapons sights, 55,000 drivers vision enhancers, and 40,000 battlefield computers and display systems.

**Revenues rise dramatically as demand for DRS products continues to surge; growth through acquisitions continues.**

- **1999**
  - DRS completes acquisition of Boeing’s electro-optics and communications technology, catapulting the company to more than $300 million in annual sales eight years after establishing that base. The move was supported by the company’s leadership and its founder.
  - The company receives first order for Army and Marine tanks from overseas.

- **2000**
  - The company begins building up the Blue Force Tracker system, initially under the symbol DRS.
  - The company added battlefield command to its product line with acquisition of Exponent Computer Systems, Inc.
  - DRS acquires Night Vision Enhanced Systems, leader in associated thermal imaging systems for the armed vehicle business of Meggitt Defense Systems; and Navy Contracts Division of Eaton Corporation, provider of节目中
  - The company receives contract for onboard thermal weapon sights.

- **2001**
  - DRS acquires Integrated Defense Technologies, leading provider of advanced electronics.
  - The company receives first of three Herschel Awards for infrared technology.
  - DRS acquires Power Technology Inc., a drawings to digital computer printer, and Korean Electromechanics Development Center, a leader in driver vision enhancers, all key technologies.
  - DRS delivers first Walkabout “Portable Ski” Commanded aerial vehicle to the Navy.

- **2002**
  - The company receives contract for high-speed video footage of weapons being fired and separating from aircraft.
  - DRS acquires Integrated Defense Technologies, leading provider of advanced electronics.
  - The company receives first of three Herschel Awards for infrared technology.
  - DRS acquires Power Technology Inc., a drawings to digital computer printer, and Korean Electromechanics Development Center, a leader in driver vision enhancers, all key technologies.
  - DRS delivers first Walkabout “Portable Ski” Commanded aerial vehicle to the Navy.

- **2003**
  - The company begins building up the Blue Force Tracker system, initially under the symbol DRS.
  - The company added battlefield command to its product line with acquisition of Exponent Computer Systems, Inc.
  - DRS acquires Night Vision Enhanced Systems, leader in associated thermal imaging systems for the armed vehicle business of Meggitt Defense Systems; and Navy Contracts Division of Eaton Corporation, provider of technolog...

- **2004**
  - DRS acquires Integrated Defense Technologies, leading provider of advanced electronics.
  - The company receives first of three Herschel Awards for infrared technology.
  - DRS acquires Power Technology Inc., a drawings to digital computer printer, and Korean Electromechanics Development Center, a leader in driver vision enhancers, all key technologies.
  - DRS delivers first Walkabout “Portable Ski” Commanded aerial vehicle to the Navy.

- **2005**
  - DRS is selected to provide joint tactical command and control systems for Canadian and Australian tanks and artillery fighting vehicles.
  - DRS acquires integrated defense technologies, leading provider of advanced electronics.
  - The company acquires Mid-Atlantic Computers, Inc., a drawings to digital computer printer, and Korean Electromechanics Development Center, a leader in driver vision enhancers, all key technologies.
  - DRS delivers first Walkabout “Portable Ski” Commanded aerial vehicle to the Navy.

- **2006**
  - DRS acquires Integrated Defense Technologies, leading provider of advanced electronics.
  - The company receives first of three Herschel Awards for infrared technology.
  - DRS acquires Power Technology Inc., a drawings to digital computer printer, and Korean Electromechanics Development Center, a leader in driver vision enhancers, all key technologies.
  - DRS delivers first Walkabout “Portable Ski” Commanded aerial vehicle to the Navy.

- **2007**
  - The company receives contract for high-speed video footage of weapons being fired and separating from aircraft.
  - DRS acquires Integrated Defense Technologies, leading provider of advanced electronics.
  - The company receives first of three Herschel Awards for infrared technology.
  - DRS acquires Power Technology Inc., a drawings to digital computer printer, and Korean Electromechanics Development Center, a leader in driver vision enhancers, all key technologies.
  - DRS delivers first Walkabout “Portable Ski” Commanded aerial vehicle to the Navy.

- **2008**
  - The company receives contract for high-speed video footage of weapons being fired and separating from aircraft.
  - DRS acquires Integrated Defense Technologies, leading provider of advanced electronics.
  - The company receives first of three Herschel Awards for infrared technology.
  - DRS acquires Power Technology Inc., a drawings to digital computer printer, and Korean Electromechanics Development Center, a leader in driver vision enhancers, all key technologies.
  - DRS delivers first Walkabout “Portable Ski” Commanded aerial vehicle to the Navy.
On May 13, 2008, Italian aerospace and defense company Finmeccanica acquired DRS Technologies. The small start-up begun by two young engineers with just $140,000 had been sold for billions at the remarkably young age of 39 years old.

Finmeccanica had an engineering culture and world-class scientists of its own, with a rich technology heritage dating back nearly one full century. It included some of the biggest brand names not just in Italy and Europe but around the world. AgustaWestland, merged from the British company, Westland Helicopters, and the company founded in 1923 by fabled Italian rotary-winged pioneer, Count Giovanni Augusta, brought a range of helicopters. Alenia Aermacchi, with roots dating back to 1912, when the company manufactured monoplanes for the Italian military, brought fixed-wing training, fighter, cargo and regional aircraft. Selex, a global defense and electronics giant, and OTO Melara, with its state-of-the-art naval and ground artillery, were part of this global aerospace and defense giant of more than 70,000 employees.

During the wars in Iraq and Afghanistan that followed the September 11th terrorist attacks, the Pentagon accelerated its modernization of U.S. forces and their equipment. DRS revenues rose dramatically as demand for its products, especially night vision, targeting, sustainment systems, and network computing for the ground troops, surged. But as the wars wound down, the ensuing U.S. military drawdown and defense spending decline, due to the prior modernization accelerations, began to pinch the entire defense industry. DRS revenues went into a steep, multi-year decline, returning close to their pre-war levels.

In January, 2012, Leonardo appointed former U.S. Deputy Secretary of Defense and Pentagon controller William J. Lynn as CEO, succeeding Mark Newman, who had led the growth of DRS into a mid-tier powerhouse. The new management team went to work to ensure profitability and return the business to sustained growth. DRS was united under a single organizational structure, having been split in two by what was thought to be a solution to security requirements arising from the ownership structure. The management team was reorganized to focus on eight key market segments critical to customers. The base of customers was strengthened and diversified by a transformational volume of new business awards. The headquarters was moved to Arlington, Virginia, just a few miles from senior customers in the Pentagon. The cumulative result was a dramatic business turnaround that outpaced the broader defense market, going from annual revenue declines to sustained, above-market growth in a relatively short period of time.

Behind the remarkable turnaround, as always, were the great people and technology of DRS. An incredible volume of new business solidified the company’s reputation as a tough mid-tier competitor with savvy engineers and amazing technology. Franchise-defining contracts were awarded to support U.S. ground troops with night vision, targeting, air defense and networking technology, and more recently DRS has provided high-performance Man-portable Surveillance and Target Acquisition Radar (MSTAR) systems that identify, target in personal, fixed or wheeled platforms to U.S. forces and allies around the world.
systems to defend helicopters and tanks from rocket attack. Naval contracts were brought in for power and propulsion for the next-generation aircraft carrier and submarines. Future fighter pilots would simulate combat with DRS training pods. Sustainment contracts were awarded for mobile assault bridges and 60,000-pound aircraft cargo loaders. A contract to operate America’s top-secret satellite communications network was awarded to the company’s services business. International business was expanded with hybrid electric-drive sales to the South Korean Navy; state-of-the-art sensors for Japanese weather satellites; communications systems for Australian and New Zealand naval ships; surveillance systems for Canadian armored vehicles; and flight incident data recorders for Europe’s largest aircraft manufacturer.

Raw technology continued to emerge from DRS labs. The company’s engineers demonstrated the first 10-micron high-performance infrared sensors, core technology of next-generation ultra-high-resolution thermal cameras. They demonstrated a system that can store enough electrical power aboard a Navy ship to fire a 150-kilowatt lethal laser weapon in high bursts that someday could destroy attacking missiles or aircraft. They demonstrated the common sense of using onboard vehicle power from ground combat vehicles to power mobile command posts and other utilities.

Along the way, the people of DRS never forgot who they were working for. Employee campaigns and company donations raised millions of dollars for charities supporting American warfighters and their families. The company earned the National Guard association’s highest honor for the DRS Guardian Scholarship Fund to provide college tuition for the children of National Guard men and women killed in combat.
When Bill Lynn was named CEO in January, 2012, Leonardo DRS was challenged like most American aerospace and defense companies to reignite business growth in the wake of one of the largest U.S. defense drawdowns in decades. A series of strategic actions were executed to change the company’s trajectory that triggered a remarkable business turnaround which continues today. Now, in what is expected to be the company’s fifth consecutive year of growth, the CEO says Leonardo DRS is poised for an even brighter future than ever before. Lynn described the nimble and innovative culture of Leonardo DRS today, the talented workforce that underpins growth, and what is fueling his intense optimism for an even better tomorrow.

What are the key strengths of Leonardo DRS?

Lynn: “Leonardo DRS has three distinct strengths that have fueled our turnaround which form a strong foundation for our continued growth. We have the most talented people in the defense industry in our core areas of expertise. Our people create some of the finest technology in the world for our customers in the armed forces. And we have the secret sauce that makes it all special which is our unique agility to react quickly to market opportunities.”

How does Leonardo DRS remain so agile now that it has grown from a small company into a significant leader in the mid-tier of the industry?

Lynn: “Our mid-tier size provides the right balance of resources to compete with larger competitors, while remaining sufficiently lean from a structural standpoint to act more quickly. We do not have multiple layers of management between the corner office and the factory floor, which better connects senior management to the people who actually design and develop our products and services.”

You have often said that Leonardo DRS is blessed with great people and technology. What are some of the areas where the company is a recognized technology leader?

Lynn: “Historically, we have been leaders in naval power and propulsion, network computing, and sensing systems. On top of that, now we are leaders as well in systems that can protect troops riding in tanks, armored vehicles and helicopters from attack by rockets and missiles. From a technology standpoint, we have a unique ability to address a core Pentagon need to collect information from multiple sensors and connect it through an integrated network of protected communications to battlefield commanders.”

How would you describe the culture of Leonardo DRS?

Lynn: “We have an engineering and technology culture, with more than 1,700 engineers and related support personnel, blended together with a strong streak of patriotism. We never forget that our customers in the military use our technology to protect lives and defend our way of life.”
In 2017, DRS acquired Daylight Solutions, a world leader in quantum cascade laser technology used both in cancer diagnostics and to protect helicopter crews from attack by heat-seeking missiles. It marked a return to the acquisition trail for DRS, after several years without one, and underscored the renewed strength of the company.

That same year, after Finmeccanica changed its name to “Leonardo” for the famed Italian artist and engineer Leonardo Da Vinci, DRS Technologies changed its name as well, to Leonardo DRS, better reflecting the breadth of its still-evolving heritage.

Today, in its 50th year of business, Leonardo DRS is stronger than ever. A global leader across a diverse array of technology critical to the defense of America and its allies, the company is in what is expected to be its fifth consecutive year of profitable growth. Even its vision has been upgraded. Earlier in its legacy, that vision was simply to join the ranks of the defense industry’s mid-tier of companies. The new vision confidently broadcasts the next stretch goal: to become the very best mid-tier defense electronics company in history. Stay tuned. As CEO Bill Lynn says of Leonardo DRS, “the best is yet to come.”