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Leonardo DRS to build new naval power manufacturing complex in Menomonee Falls

\$56 million project expected to create up to 220 new jobs in southeastern Wisconsin

MADISON, WI. Dec. 3, 2018 –The Wisconsin Economic Development Corporation (WEDC), the Village of Menomonee Falls and Leonardo DRS Inc. today announced the company will build a new manufacturing facility and offices in Menomonee Falls to accommodate its growing Naval Power Systems line of business—a project expected to create up to 220 jobs in southeastern Wisconsin.

The company will invest \$56 million in a new “best-in-class” engineering and manufacturing facility to serve as the focal point for most of its business development and production activities. The facility, expected to open in 2020, will house the design, test and manufacturing facilities for naval and marine power distribution, power conversion, motor controls, drives and automation/control equipment for the U.S. Navy, commercial and international customers.

Additionally, the new facility will be home to the business headquarters housing leadership, management and a centralized back office functionality. Leonardo DRS considered locales in multiple states for this significant investment.

“The growth we are experiencing is due to the dedication of our workforce and their focus on our customers,” said Russell Marsh, vice president and general manager of the Leonardo DRS Naval Power Systems line of business. “That growth and expanding mission-critical needs of our customer require a more modern and efficient facility that will allow us to perform to our high standards.

“As we continue to invest in Wisconsin, we look forward to many more years of providing jobs and helping support the economy of this region,” Marsh added.

To support the expansion, WEDC is awarding Leonardo DRS up to \$18.5 million in state income tax credits over the next seven years. The amount of tax credits the company receives is contingent upon the number of jobs the company creates and retains, the level of capital investment over that time and the amount it spends on employee training over that time.

“This significant investment by Leonardo DRS in Wisconsin will create up to 220 family-supporting jobs in the region and ensures the company’s long-term commitment to the region,” said Mark R. Hogan, secretary and CEO of WEDC, the state’s lead economic development organization. “The new facility also will bring state-of-the-art technology and innovation to Wisconsin, which will further strengthen our position as a leader in the manufacturing industry.”

In addition to the 220 jobs expected to be created by Leonardo DRS, an economic modeling study estimates the project could indirectly generate 266 additional jobs in the region. Those 486 new jobs could generate more than \$1 million in state income tax revenue annually.

Leonardo DRS’ current manufacturing facility in Milwaukee, which employs 449 full-time workers, is more than 65 years old and at capacity. The new facility in Menomonee Falls will enable the company to accommodate future growth, improve its operations and provide better support for its customers.

The Leonardo DRS Naval Power Systems line of business and its lineage have been Wisconsin-based for more than 100 years, and the company will continue to invest even more in the region with this move, Marsh said.

“We are in an exciting time for our company as we continue to grow, and that growth is reflected in our work here in Wisconsin,” he said. “We are proud of our Wisconsin employee base and the hard work they do every day, and we are just as proud of our Wisconsin heritage.”

“The Village of Menomonee Falls is thrilled to welcome a company of Leonardo DRS’ caliber to our community as our newest significant employer,” said Village Board President David Glasgow. “DRS is precisely the kind of company we want in our community, joining a strong roster of global companies that call the village home.”

“We are pleased that Leonardo DRS is sinking its roots deeper in southeastern Wisconsin,” said Jim Paetsch, vice president of the Milwaukee 7 regional economic development organization. “This new investment will establish the Milwaukee region as the base of operations for the company’s Naval Power Systems business. This investment confirms the competitiveness of our region for companies that produce highly engineered products like those manufactured by Leonardo DRS.”

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About Leonardo DRS

Leonardo DRS is a prime contractor, leading technology innovator and supplier of integrated products, services and support to military forces, intelligence agencies and defense contractors worldwide. The company specializes in naval and maritime systems, electro-optical/infrared systems, ground combat mission command and network computing, global satellite communications and network infrastructure, avionics systems, and intelligence and security solutions. Headquartered in Arlington, Virginia, Leonardo DRS is a wholly owned subsidiary of Leonardo S.p.A. See the full range of capabilities at LeonardoDRS.com and on Twitter @LeonardoDRSnews.

About the Wisconsin Economic Development Corporation

The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing and maximizing opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment. Working with more than 600 regional and local partners, WEDC develops and delivers solutions representative of a highly responsive and coordinated economic development network. Visit wedc.org or follow WEDC on Twitter @WEDCNews to learn more.