



## Press release

# **SES Doubles High-value US Government Business with \$450 Million Acquisition of DRS Global Enterprise Solutions**

*Acquisition scales US Government business and expands the capabilities and solutions for US Government customers ahead of the launch of SES's unique multi-orbit network, O3b mPOWER*

Luxembourg, 22 March 2022 – SES S.A. today announces an agreement to acquire DRS Global Enterprise Solutions (GES), a US-based subsidiary of Leonardo DRS, for \$450 million. On completion of the transaction, which is subject to completion of regulatory approvals expected to be completed during H2 2022, the GES business will be combined with SES Government Solutions (SES GS), a wholly owned subsidiary of SES, creating a scaled solutions provider serving the critical connectivity needs of the US Government.

“This investment reinforces our commitment to provide industry-leading solutions and services for government customers while delivering sustained growth for SES in a high-value segment in which we have a track record of partnership and success,” said Steve Collar, CEO of SES. “I have long admired GES and its culture of long-standing relationships built on the delivery of high-performance, reliable, and mission critical connectivity solutions across the US Government. They are a best-in-class solutions provider and the combination with our own SES Government Solutions business will allow SES to serve the US Government with an expanded and enhanced set of advanced connectivity and network solutions leveraging the world’s largest multi-orbit satellite fleet.”

### **Creating a compelling value proposition for US Government customers**

For over 20 years, DRS Global Enterprise Solutions has supported custom end-to-end satellite communications solutions for land, sea, and air operations for the US Government. The business is a leading government services provider with over \$250 million of projected annual revenue, long-standing relationships with many key agencies, and expertise in delivering integrated satellite-terrestrial solutions notably in enterprise IT management and cyber security.

SES plans to combine GES with SES GS, taking advantage of their shared cultures and deep commitment to providing secure, global solutions to unite the state-of-the-art multi-orbit satellite networking capabilities of SES GS with GES’s experience in satellite communications integration. US Government customers will also benefit from technical and commercial simplification, while ensuring continuity of high-performance satellite-enabled solutions.

GES’s deep understanding of US Government customer needs across a broad suite of applications will further expand market access for [O3b mPOWER, SES's next-generation Medium Earth Orbit \(MEO\) network](#), which will begin delivering a compelling combination of low latency, high throughput per terminal, and high flexibility for a range of requirements from end-2022. SES



has also developed intelligent capabilities that enable clients' networks to operate seamlessly across multiple orbits and terrestrial solutions where the combined SES GS and GES business can leverage a proven expertise in integrating SES's unique MEO offering with its own global GEO fleet and access to third-party satellites.

### **Accelerates growth with value-accretive investment in high-value government segment**

According to Northern Sky Research (July 2021), global industry revenue from government services will experience an almost 4-fold expansion between 2021 and 2030 on the back of increased demand for reliable, secure connectivity to support a wide range of government requirements including intelligence, surveillance, and reconnaissance (ISR), communications on the move and on the pause (COTM/COTP), and morale, welfare, and recreation (MWR).

The investment accelerates SES's strategy of growing Networks revenue by providing greater access to, and expertise in, important and high-value segments such as Government where SES has grown revenue by around 30% since 2017. SES's revenue from serving the US Government would double in the size with the combination of GES and SES GS.

The consolidation of GES with SES GS is expected to add about \$40 million of EBITDA and will benefit from the combination of future business expansion and \$25 million of annualised run-rate synergies, including opportunities to support and enhance existing networks and services with the SES multi-orbit network.

The acquisition is expected to be earnings and free cash flow per share accretive from Day 1 and funded from existing financial resources. SES remains committed to maintaining a strong balance sheet consistent with investment grade ratios.

For the transaction, SES was advised by Gibson Dunn, Hogan Lovells and SatCom Law. Leonardo and Leonardo DRS were assisted by Morgan Stanley & Co. LLC as financial advisor and by Curtis, Mallet-Prevost, Colt & Mosle as legal advisor.

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### **Conference call for investors and analysts:**



A conference call for investors and analysts will be hosted at 11.00 CET on 22 March 2022. The details are as follows:

U.K. (Standard International Access):	+44 (0) 33 0551 0200
France:	+33 (0) 1 70 37 71 66
Germany:	+49 (0) 30 3001 90612
NL:	+31 (0) 20 708 5073
U.S.A.:	+1 212 999 6659

Confirmation code: SES

Link to the webcast: [https://channel.royalcast.com/landingpage/ses/20220322\\_1/](https://channel.royalcast.com/landingpage/ses/20220322_1/)

## About SES

SES has a bold vision to deliver amazing experiences everywhere on earth by distributing the highest quality video content and providing seamless connectivity around the world. As the leader in global content connectivity solutions, SES operates the world's only multi-orbit constellation of satellites with the unique combination of global coverage and high performance, including the commercially-proven, low-latency Medium Earth Orbit O3b system. By leveraging a vast and intelligent, cloud-enabled network, SES is able to deliver high-quality connectivity solutions anywhere on land, at sea or in the air, and is a trusted partner to the world's leading telecommunications companies, mobile network operators, governments, connectivity and cloud service providers, broadcasters, video platform operators and content owners. SES's video network carries 8,400 channels and has an unparalleled reach of over 361 million households, delivering managed media services for both linear and non-linear content. The company is listed on Paris and Luxembourg stock exchanges (Ticker: SESG). Further information is available at: [www.ses.com](http://www.ses.com).

## About SES Government Solutions

SES Government Solutions (SES GS) is a wholly-owned subsidiary of SES, the leader in global content connectivity solutions. SES GS operates under a proxy board allowing them to provide services through contracts with the U.S. Government, including classified work. SES GS is exclusively focused on meeting the satellite communications needs of the U.S. Government. Leveraging more than four decades of experience in the government SATCOM market, SES GS offers robust and secure end-to-end satellite communications solutions. Further information can be found at [www.ses-gs.com](http://www.ses-gs.com).

## About Leonardo DRS

Leonardo DRS is a leading provider of defense products and technologies that are used across land, air, sea, space and cyber domains. Its diverse array of defense systems and solutions is offered to all branches of the U.S. military, major aerospace and defense prime contractors, government intelligence agencies and international military customers for deployment on a wide range of military platforms. Leonardo DRS focuses its capabilities in areas of critical importance to the U.S. military, such as sensing, electronic warfare & cyber, network computing, force protection and electrical power and propulsion. With a portfolio that includes internally developed proprietary intellectual property and products at the component, sub-system and system level, Leonardo DRS serves as either a prime contractor or a sub-contractor. Headquartered



in Arlington, Virginia, Leonardo DRS is a wholly owned subsidiary of Leonardo S.p.A. See the full range of capabilities at [www.LeonardoDRS.com](http://www.LeonardoDRS.com)

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