

HII to Acquire Hydroid, Establish Alliance with Kongsberg Maritime



Members of the Office of Naval Research launch a REMUS autonomous underwater vehicle for mine search and identification operations in the Baltic Sea in 2018. Hydroid, maker of REMUS, will be acquired by shipbuilding giant Huntington Ingalls Industries. U.S. Navy/Chief Mass Communication Specialist America A. Henry

NEWPORT NEWS, Va. – Huntington Ingalls Industries (HII) has entered into an agreement to acquire Hydroid Inc., a provider of advanced marine robotics to the defense and maritime markets and a U.S.-based indirect subsidiary, wholly owned by Kongsberg Maritime, HII announced.

In conjunction with the transaction, HII and Kongsberg Maritime are also establishing a strategic alliance to jointly market naval and maritime products and services to the U.S. government market and, potentially, to global markets.

Hydroid, which is based in Pocasset, Massachusetts, will become part of HII's Technical Solutions division. The acquisition of Hydroid expands HII capabilities in the autonomous and unmanned maritime systems market.

The transaction is subject to regulatory review and customary closing conditions and is expected to close in the first quarter of 2020. The value of the transaction is \$350 million, which will be effectively reduced by tax benefits that are preliminarily valued over \$50 million, to be received by HII.



The aircraft carrier John F. Kennedy under construction in dry dock last October. JFK is currently under construction at Huntington Ingalls Industries-Newport News Shipbuilding. U.S.

Navy/Mass Communication Specialist 3rd Class Adam Ferrero

"We are very excited about bringing Hydroid into the HII family and establishing a strategic alliance with Kongsberg Maritime," said Mike Petters, HII's president and CEO.

"Hydroid's advanced capabilities and reputation for excellence in autonomous and unmanned maritime systems provide the perfect complement to our existing unmanned operations, including Proteus in Panama City and our partnership with Boeing to produce the Orca XLUV. This transaction, along with the strategic alliance with Kongsberg Maritime, demonstrates our long-term commitment to the U.S. Navy, the U.S. Coast Guard and our national security customers and allies globally."

The strategic alliance between HII and Kongsberg Maritime leverages the companies' combined capabilities and resources to enhance their respective services and product offerings to the Navy, Coast Guard and other national security customers. The companies will also explore opportunities to market each other's products to customers on a global scale and to collaborate to create innovative solutions and additional opportunities for growth.

Kongsberg Maritime is a wholly owned subsidiary of Kongsberg, which is headquartered in Norway. The group delivers advanced technology systems and solutions to clients within the defense and aerospace market and commercial maritime market.

Since 2001, Hydroid's REMUS line of unmanned underwater vehicles (UUV) has provided rapidly deployable solutions for use in defense, marine research and commercial applications. Hydroid specializes in UUV design, engineering, production and support.

Huntington Ingalls Industries is America's largest military shipbuilding company and a provider of professional services

to partners in government and industry. For more than a century, HII's Newport News and Ingalls shipbuilding divisions in Virginia and Mississippi, respectively, have built more ships in more ship classes than any other U.S. naval shipbuilder.