

THEON Acquires Kappa Optronics, Expands Defense Industry Presence in Germany

THEON International Plc (THEON) has announced its acquisition of 100% of Kappa Optronics GmbH (KAPPA), a German-based specialist in aviation and land optronics, for an enterprise value of €75 million. This transaction marks THEON's fourth consecutive defense-sector investment in Germany, reinforcing its strategy to strengthen its presence across key European defense markets. The deal is financed through a combination of debt and proceeds from THEON's IPO.

Established in 1978 and headquartered in Göttingen, Germany, KAPPA is recognized for its strong R&D-driven, asset-light operational model focused on design, assembly, and quality assurance. The company is home to around 60 highly skilled engineers and employs roughly 200 people across Germany, the U.S., and Spain. Operating out of approximately 3,000 square meters, KAPPA has built a reputation for its technological expertise in platform-based products serving both defense mobility and autonomous systems.

In FY 2025, KAPPA is projected to surpass €37 million in revenue with an EBITDA of approximately €8 million. The acquisition is expected to contribute to THEON's financial performance with immediate accretive value, helping the group meet its growth and profitability targets. EBITDA for 2026 does not yet reflect the expected uplift from THEON's business development efforts, which are set to commence immediately after the transaction closes. The company anticipates achieving an EBIT margin in the mid-twenties in the near term—aligning with its corporate guidelines.

KAPPA's infrastructure is modern and well-capitalized, requiring no significant capital expenditure beyond what THEON has already factored into its broader guidance. Importantly, the current management team at KAPPA will remain in place and will be incentivized through performance-based compensation to drive further growth. The acquisition remains subject to customary regulatory approvals. PwC acted as financial and tax due diligence advisor for THEON, while Bird & Bird provided legal and transactional support. Christian Hadjiminis, THEON's Founder and CEO, emphasized that the acquisition supports several of THEON's key strategic priorities. These include: strengthening its German footprint following previous investments in Harder Digital and Andres Industries; expanding into Spain—marking an initial entry into another NATO/EU country with future production opportunities; broadening its electro-optics product portfolio, especially for land and aerial platforms; achieving immediate financial accretiveness; and enhancing R&D capabilities by combining KAPPA's innovations with THEON's existing engineering team based in Athens.

Hadjiminis added that THEON anticipates meaningful synergies through shared R&D, accelerated product co-development, and knowledge exchange. He sees the deal as a crucial step in the company's broader plan to grow in platform-based systems through both organic development and targeted acquisitions.

Sebastian Vreemann, CEO of KAPPA, expressed enthusiasm about the partnership, noting that joining the THEON Group would significantly enhance KAPPA's access to markets in defense and aerospace, boost its R&D collaboration potential, and accelerate its overall growth. He also highlighted a strong cultural alignment between the two companies, which he believes will foster long-term value creation.

Looking ahead, THEON plans to release FY 2026 guidance by October, factoring in the impact of both organic growth and the recent acquisitions, as it actively pursues several large defense tenders expected to further shape the company's future trajectory.

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AAR KAPPA Enhanced Vision System, MRTT System components



KAPPA's QUADBOX DVE



KAPPA's scheme of System Composition for Tanks AAR