



# VSE Corporation Earnings Presentation

Second Quarter 2020

30 July 2020

## Forward-Looking Statements

This document contains certain forward-looking statements. These forward-looking statements, which are included in accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, may involve known and unknown risks, uncertainties and other factors that may cause VSE's actual results and performance in future periods to be materially different from any future results or performance suggested by the forward-looking statements in this document. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that actual results will not differ materially from these expectations. "Forward-looking" statements, as such term is defined by the Securities Exchange Commission (the "SEC") in its rules, regulations and releases, represent our expectations or beliefs, including, but not limited to, statements concerning our operations, economic performance, financial condition, the impact of widespread health developments, such as the ongoing COVID-19 outbreak, the health and economic impact thereof, and the governmental, commercial, consumer and other responses thereto, growth and acquisition strategies, investments and future operational plans. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "forecast," "seek," "plan," "predict," "project," "could," "estimate," "might," "continue," "seeking" or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. These statements, by their nature, involve substantial risks and uncertainties, certain of which are beyond our control, and actual results may differ materially depending on a variety of important factors, including, but not limited to, the uncertainty surrounding the ongoing COVID-19 outbreak and the other factors identified in our reports filed or expected to be filed with the SEC including our Annual Report on Form 10-K for the year ended December 31, 2019. All forward-looking statements made herein are qualified by these cautionary statements and risk factors and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. Readers are cautioned not to place undue reliance on these forward looking-statements, which reflect management's analysis only as of the date hereof. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.

## Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), this document also contains Non-GAAP financial measures. We consider Adjusted Net Income, Adjusted EPS (Diluted), EBITDA, Adjusted EBITDA, net leverage ratio, trailing-twelve month Adjusted EBITDA and free cash flow as non-GAAP financial measures and important indicators of performance and useful metrics for management and investors to evaluate our business's ongoing operating performance on a consistent basis across reporting periods. Adjusted Net Income represents Net Income adjusted for discrete items. Adjusted EPS (Diluted) is computed by dividing net income, adjusted for the discrete items and the related tax impacts, by the diluted weighted average number of common shares outstanding. EBITDA represents net income before interest expense, income taxes, amortization of intangible assets and depreciation and other amortization. Adjusted EBITDA represents EBITDA adjusted for discrete items, and free cash flow represents operating cash flow less capital expenditures. Net leverage ratio is calculated as net debt (total principal debt less cash) divided by trailing twelve month Adjusted EBITDA. The reasons why we believe these measures provide useful information to investors and a reconciliation of these measures to the most directly comparable GAAP measures and other information relating to these Non-GAAP measures are included in the supplemental schedules attached.

# UPDATE ON KEY STRATEGIC PRIORITIES



New business development, divestiture of non-core assets, targeted cost reductions and capital discipline

Business Development	Aviation Asset Divestitures	Cost Reductions	Capital Discipline
<ul style="list-style-type: none"><li>&gt; <b>Federal &amp; Defense:</b> 1H:20 awards totaled \$116 million, up from \$32 million in 1H:19</li><li>&gt; <b>Federal &amp; Defense:</b> contract bidding activity +30% y/y in 1H:20, compared to the same period in 1H:19</li><li>&gt; <b>Federal &amp; Defense:</b> \$42 million in new bookings with the DoD and another federal agency in July 2020</li><li>&gt; <b>Aviation:</b> 2-year exclusive distribution agreement with Honeywell in July 2020 to support B&amp;GA market</li><li>&gt; <b>Fleet:</b> Commercial business +67% in 2Q and +~100% on a TTM basis; Received non-recurring \$26 million COVID-19 PPE order in 2Q20</li></ul>	<ul style="list-style-type: none"><li>&gt; In 2Q20, completed the sale of assets related to CT Aerospace, a business focused on engine acquisition and leasing, spare and insurable parts inventories</li><li>&gt; This divestiture follows VSE's sale of Prime Turbines in 1Q20</li><li>&gt; Focused on migrating up the value chain toward higher-margin distribution product and MRO service offerings</li><li>&gt; Integrating 7 Aviation VSE business units into 2 operating units (MRO and Distribution) under VSE Aviation brand</li></ul>	<ul style="list-style-type: none"><li>&gt; As previously announced on April 30, VSE reduced approximately \$13 million in annualized costs, mainly within the Aviation segment</li><li>&gt; Total cost reductions were \$1 million in the second quarter and are expected to be approximately \$6 million in the second half of 2020</li></ul>	<ul style="list-style-type: none"><li>&gt; Generated significant q/q free cash flow growth during the second quarter; Reduced debt outstanding by \$13 million</li><li>&gt; In June 2020, secured increased financial covenant flexibility given recent volatility resulting from COVID-19</li><li>&gt; Currently we have sufficient liquidity on hand to support the ongoing growth of the business</li></ul>

# 2Q20 CONSOLIDATED PERFORMANCE

COVID-related softness in Aviation segment offset relative stability in government businesses

## Total Revenue

- > Total Revenue: \$168.7 million (10.8% y/y); excluding Prime Turbines (6.8%)
- > Commercial Customer Revenue: \$40.2 million (32% y/y)
- > Government Customer Revenue: \$128.5 million (1% y/y)

## Net Income

- > GAAP net income: (\$22.6) million or (\$2.05) per share
- > GAAP net income includes \$33.7 million goodwill & intangible asset impairment in Aviation segment
- > Adjusted net income: \$6.6 million or \$0.60 per share

## Adjusted EBITDA

- > Total adjusted EBITDA of \$17.2 million (27.1% y/y)
- > Aviation (\$7.2) million y/y; Fleet (\$0.7) million y/y; Federal Services +\$1.7 million y/y

## Cash Flow

- > Operating cash flow: \$16.0 million, up +\$13.0 million y/y
- > Free cash flow: \$14.9 million, up \$17.6 million y/y

## Balance Sheet

- > Total cash and availability +5% Q/Q to \$184 million
- > Reduced total debt outstanding by \$13 million q/q in 2Q20
- > Net debt to TTM adjusted EBITDA as of 6/30/20 was 3.0x

# GAAP FINANCIAL SUMMARY

2Q20 and TTM<sup>(1)</sup> – Y/Y Comparisons

## Performance Update

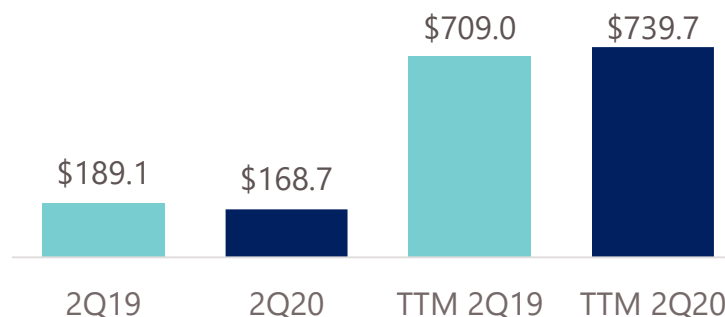
- > Total revenue, less Prime Turbines, was \$168.7 million 2Q20, versus \$181.1 million in the same period of 2019, a decrease of 6.8% on a y/y basis

## Non-Recurring Items *(Included in GAAP)*

- > \$33.7 million non-cash goodwill and intangible asset charge in Aviation segment
- > \$1.7 million earn-out adjustment benefit on 1<sup>st</sup> Choice Aerospace
- > \$0.7 million severance cost
- > \$0.7 million loss on sale of assets

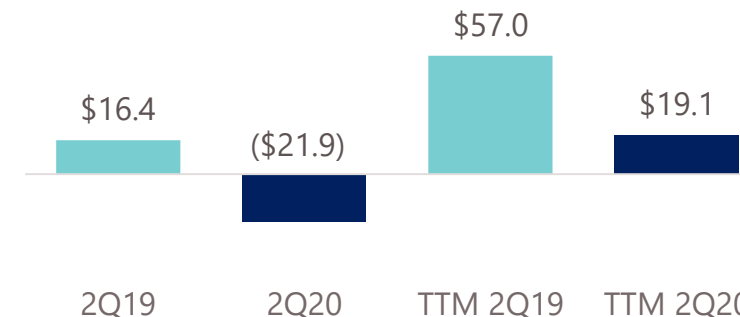
### Total Revenue

(\$MM)



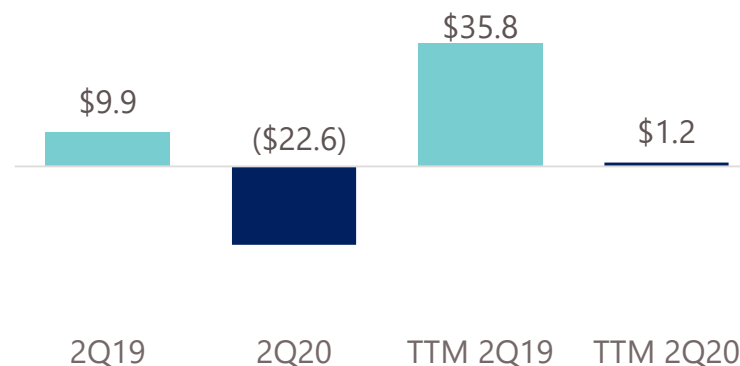
### Operating Income (Loss)

(\$MM)



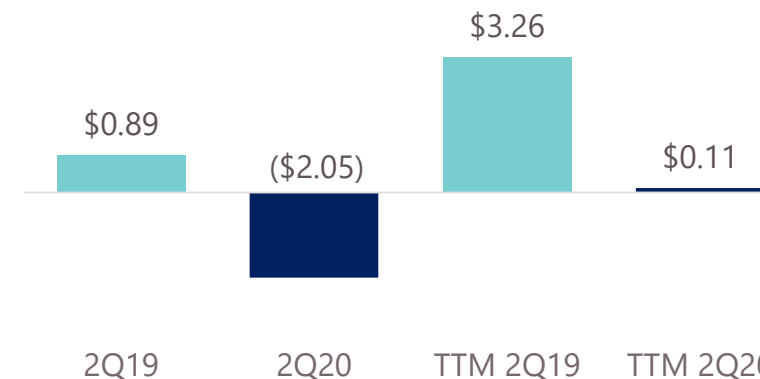
### Net Income (Loss)

(\$MM)



### Diluted Earnings (Loss) Per Share

(\$ Per Share)



(1) TTM is defined as the trailing twelve (12) month period ended June 30, 2020 and June 30, 2019, respectively

# NON-GAAP FINANCIAL SUMMARY

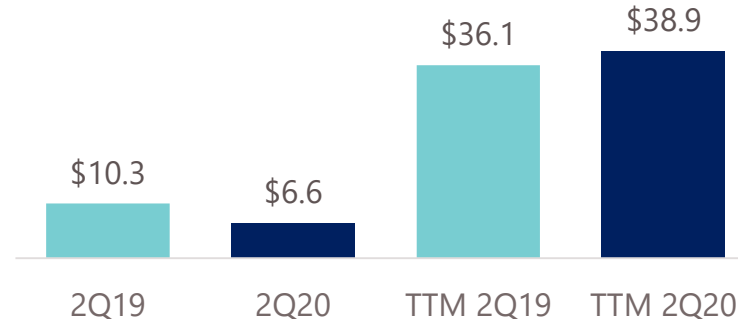
2Q20 and TTM – Y/Y Comparisons

## Non-GAAP Performance Update

- > **Adjusted Net Income** (36%) y/y in 2Q10 and +7% on a TTM basis
- > **Adjusted EBITDA** (27%) y/y in 2Q20 and +5% on a TTM basis

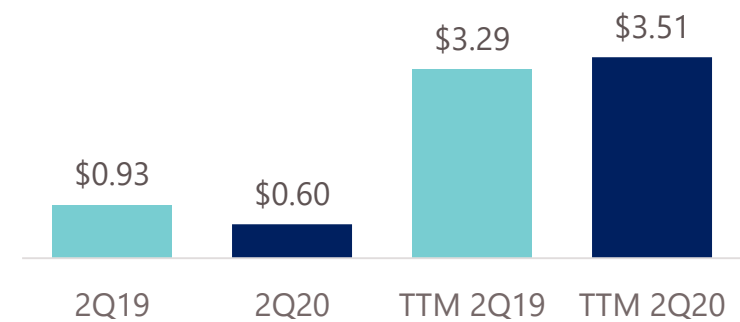
### Adjusted Net Income

(\$MM)



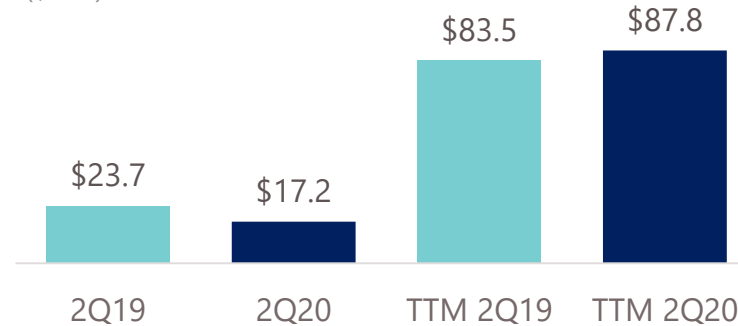
### Adjusted Diluted Earnings Per Share

(\$ Per Share)



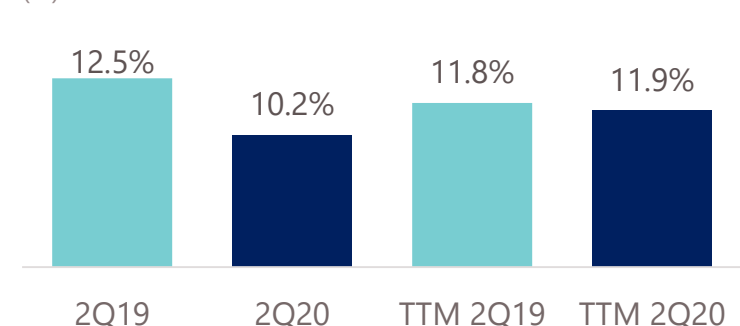
### Adjusted EBITDA

(\$MM)



### Adjusted EBITDA Margin

(%)



# 2Q19 vs. 2Q20 PERFORMANCE BRIDGE

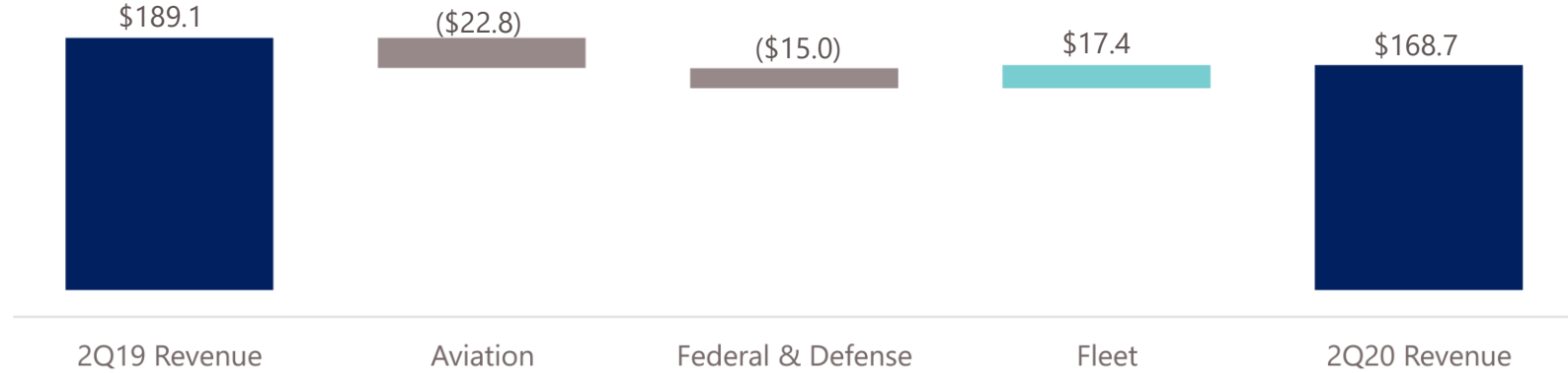
Y/Y Comparisons

## Revenue Variance Analysis

- > **Aviation:** Lower revenue passenger miles at major airline customers resulted in lower demand for aftermarket part supply and MRO support
- > **Federal & Defense:** Impacted by a contract expiration with a DoD customer in January 2020
- > **Fleet:** Benefited from a large, non-recurring order for COVID-related PPE supplies from a government customer

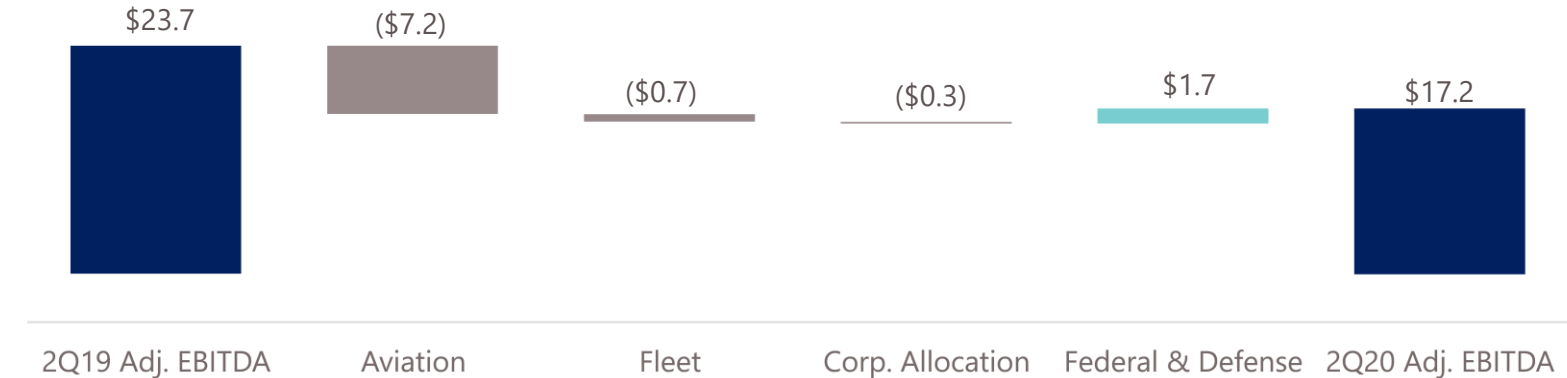
### Total Revenue Bridge

(\$MM)



### Total Adjusted EBITDA Bridge

(\$MM)



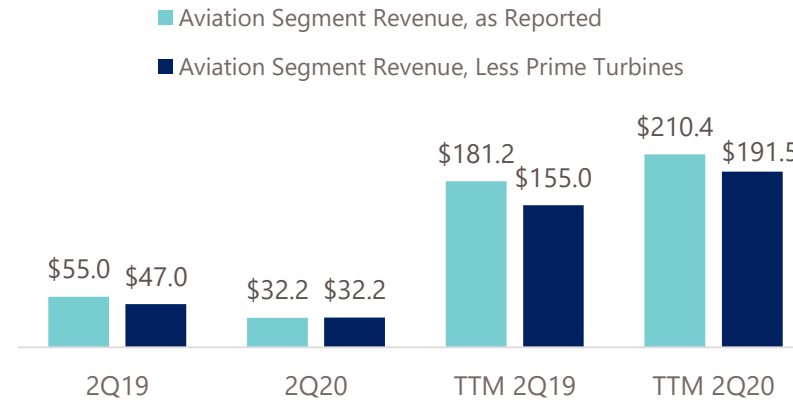
## Aviation Segment Revenue Declined 31% Y/Y Due to Impact of COVID-19

### Segment Performance Update

- > **Strategic Focus:** Building scalable foundation for growth; new segment leader by year-end
- > **Brand Alignment:** Reducing go-to-market entities from 7 to 2; bifurcating the business into distribution and MRO sub-segments under one VSE Aviation brand
- > **Site Closures:** Exiting 3 of 7 Aviation operating sites
- > **Cost Reductions:** Reduction-in-force to align with the current demand environment
- > **Business Development:** New distribution product additions and MRO capabilities to support 2H20 and 2021 growth

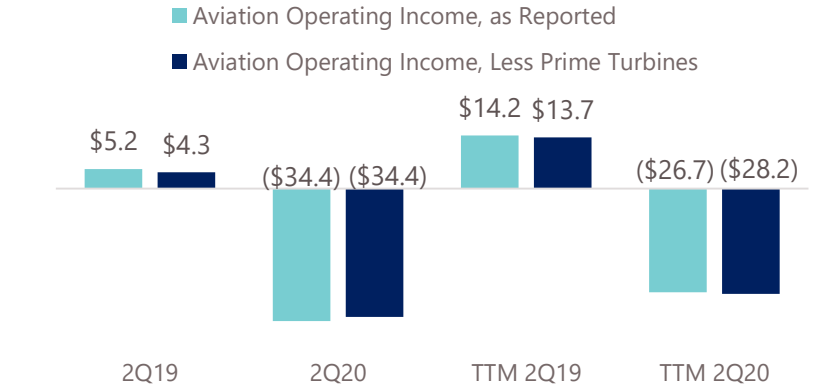
### Aviation Segment Revenue

(\$MM)



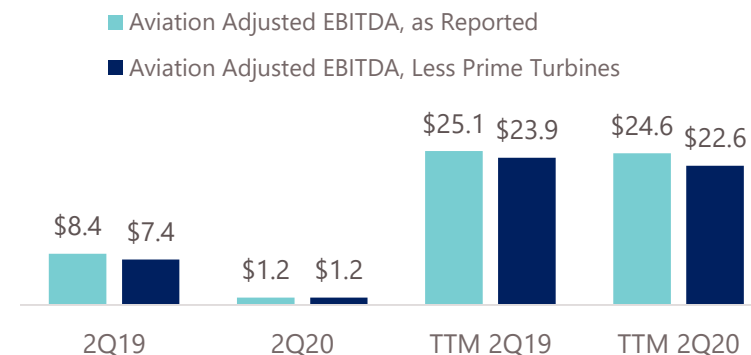
### Aviation Segment Operating Income (Loss)

(\$MM)



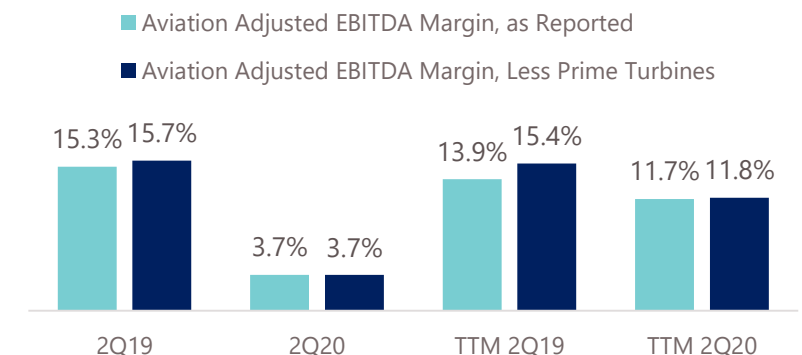
### Aviation Segment Adjusted EBITDA

(\$MM)



### Aviation Segment Adjusted EBITDA Margin

(%)





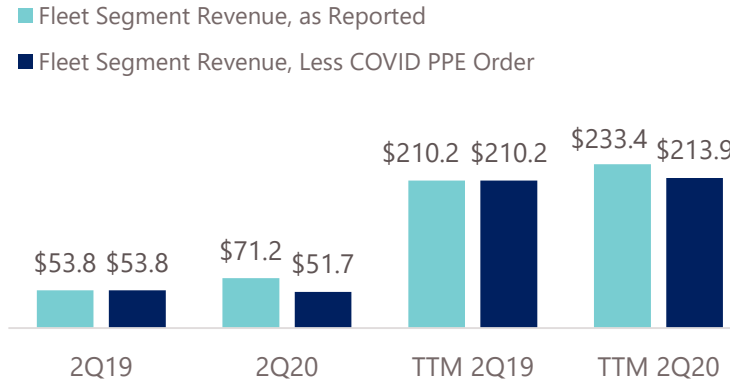
Commercial Sales +67% Y/Y in 2Q20

## Segment Performance Update

- > **Strategic Focus:** Commercial fleet and e-Commerce market expansion opportunity
- > **Revenue of \$19.5 million from non-recurring COVID-19 PPE order** from government customer had an adverse impact on margin; net profit from one-time order offset by higher allocated corporate costs
- > **Commercial sales** increased 67% y/y in 2Q20 and 91% in 1H20 vs 1H19
- > **Core USPS business** remains stable, but not a growth engine

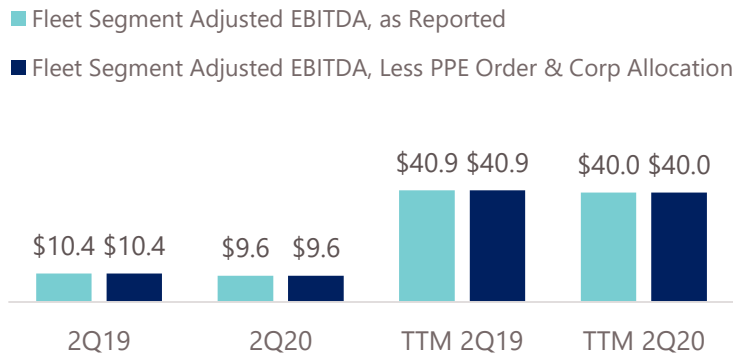
### Fleet Segment Revenue

(\$MM)



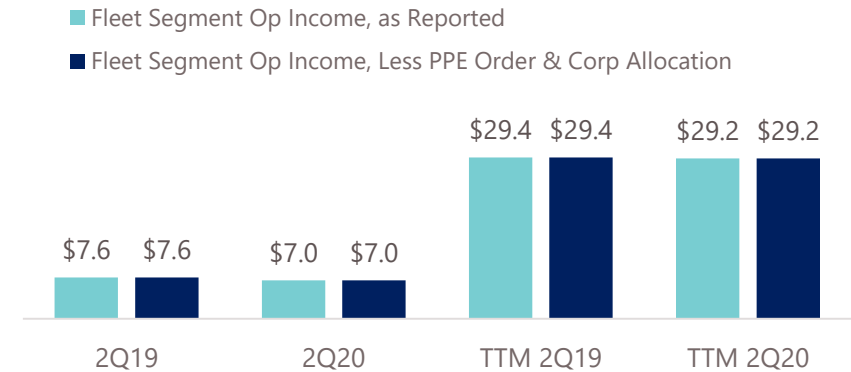
### Fleet Segment Adjusted EBITDA

(\$MM)



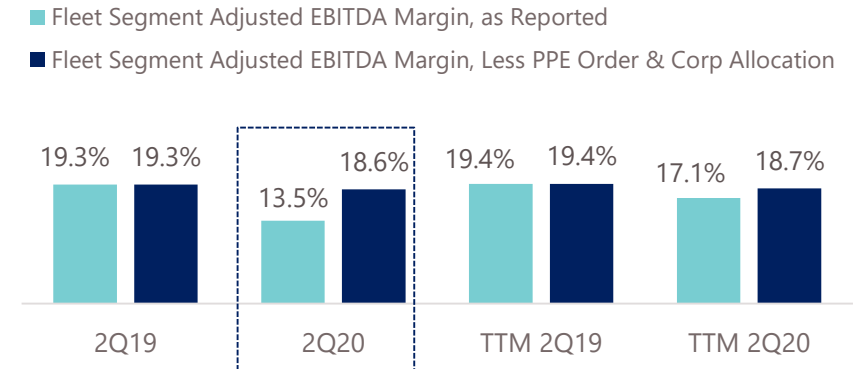
### Fleet Segment Operating Income

(\$MM)



### Fleet Segment Adjusted EBITDA Margin

(%)



# FEDERAL & DEFENSE

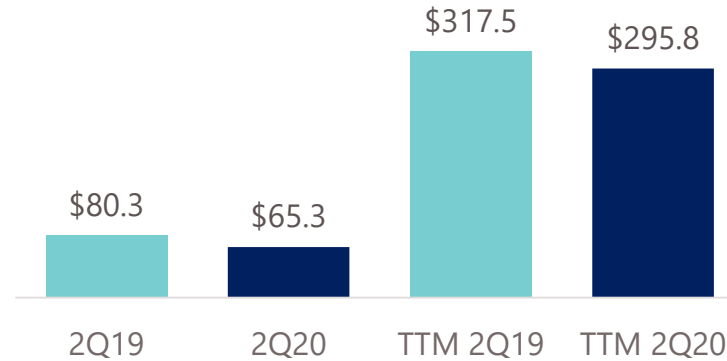
2Q20 and TTM – Y/Y Comparisons

## Segment Performance Update

- > **Strategic Focus:** Segment is performing to internal forecast. “Shrink to Grow” and “Keep the Core” focus in 2020, while building the business development pipeline in both new and existing markets
- > **Growing Sales Pipeline:** Significant y/y growth in both new awards, recomplete wins and bidding activity; bidding activity is +30% y/y in 1H:20
- > **Strong Operating Margin:** Increase in profit dollars as a result of favorable contract mix
- > **Momentum into 3Q20:** Announced \$42 million in new bookings during July 2020

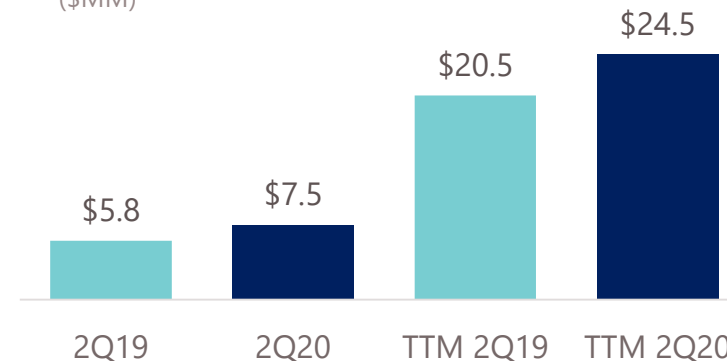
### Federal & Defense Segment Revenue

(\$MM)



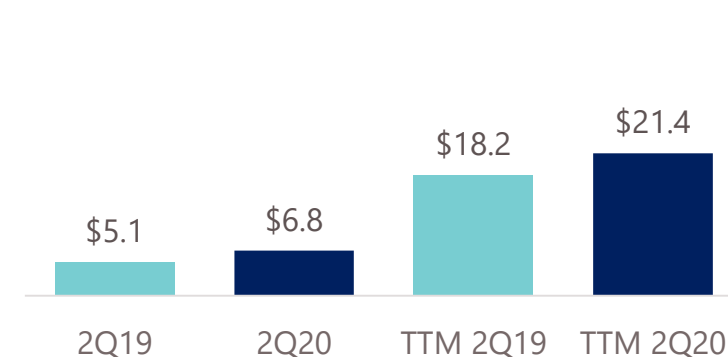
### Federal & Defense Segment Adjusted EBITDA

(\$MM)



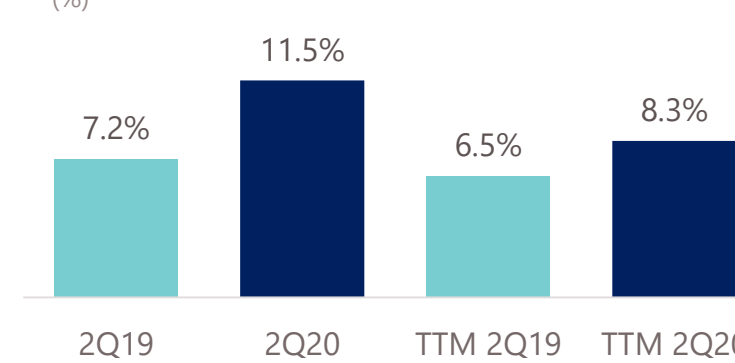
### Federal & Defense Segment Operating Income

(\$MM)



### Federal & Defense Segment Adjusted EBITDA Margin

(%)



# MAINTAINING BALANCE SHEET OPTIONALITY

\$184 Million of Availability on Lending Facilities; 3.0x Net Leverage Ratio

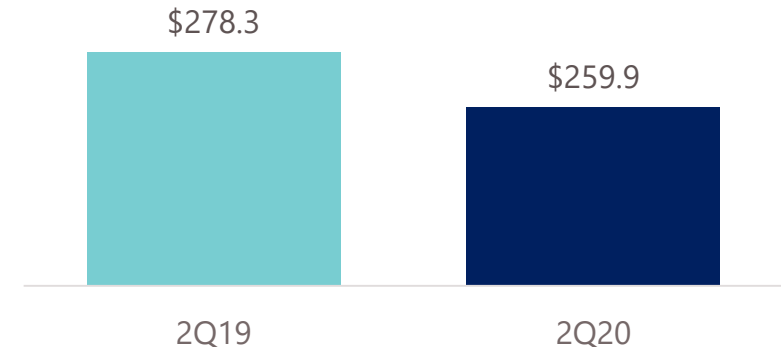
## Balance Sheet Update (6/30/20)

- > **Debt Reduction:** Reduced debt outstanding by \$13 million q/q in 2Q20 given strong free cash generation
- > **Increased Liquidity:** Significant y/y increase in availability on credit facility
- > **Flexible Debt Covenants:** Recently negotiated increased flexibility with bank group on key covenants as a proactive measure during COVID-19 pandemic

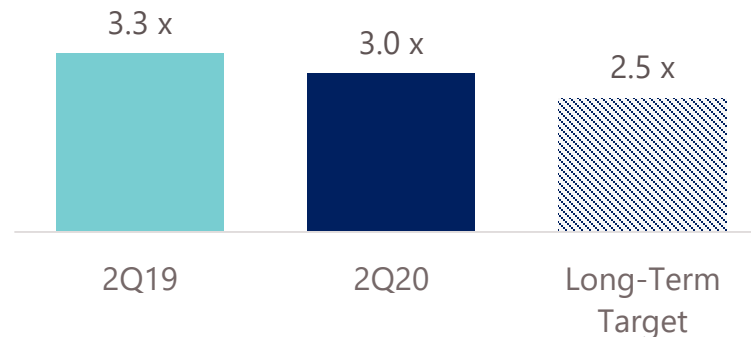
### Free Cash Flow (\$ MM)



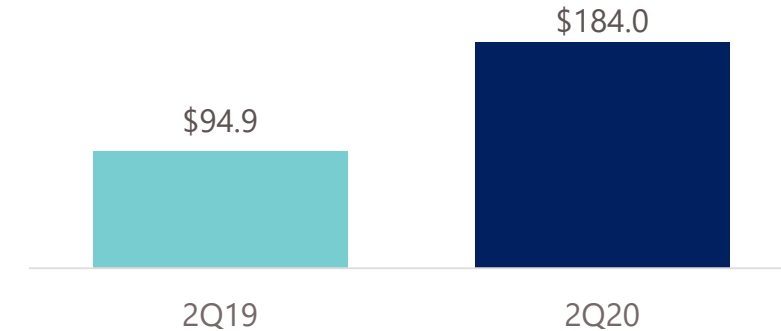
### Total Net Debt (\$ MM)



### Ratio of Net Debt to TTM Adjusted EBITDA<sup>(1)</sup>



### Unused Commitments on Term Loan and Revolving Credit Facility (\$ MM)



(1) Net Debt is defined as total debt less cash and cash equivalents; TTM Adjusted EBITDA is defined as Adjusted EBITDA for the most recent twelve (12) calendar months



# APPENDIX



# GAAP TO NON-GAAP RECONCILIATIONS

Adjusted Net Income and Adjusted EPS (Diluted)



(in thousands)

	Three Months Ended June 30,		
	2020	2019	% Change
<b>Net Income</b>	<b>(\$22,624)</b>	<b>\$9,898</b>	<b>(329)%</b>
Adjustments to Net Income:			
Acquisition and CEO transition costs	—	505	
Earn-out adjustment	(1,700)	—	
Loss on sale of a business entity and certain assets	678	—	
Severance	739	—	
Goodwill and intangible asset impairment	33,734	—	
Tax impact of adjusted items <sup>(1)</sup>	(4,230)	(126)	
<b>Adjusted Net Income</b>	<b>\$6,597</b>	<b>\$10,277</b>	<b>(36)%</b>
Diluted weighted average shares	11,041	11,073	
<b>Adjusted EPS (Diluted)</b>	<b>\$0.60</b>	<b>\$0.93</b>	<b>(36)%</b>

(1) Calculation uses an estimated statutory tax rate on non-GAAP tax deductible adjustments

# GAAP TO NON-GAAP RECONCILIATIONS

## EBITDA and Adjusted EBITDA



(in thousands)

	Three Months Ended June 30,		
	2020	2019	% Change
<b>Net Income</b>	<b>(\$22,624)</b>	<b>\$9,898</b>	<b>(329)%</b>
Interest expense	3,072	3,398	(10)%
Income taxes	(2,358)	3,120	(176)%
Amortization of intangible assets	4,464	4,980	(10)%
Depreciation and other amortization	1,231	1,752	(30)%
<b>EBITDA</b>	<b>(\$16,215)</b>	<b>23,148</b>	<b>(170)%</b>
Acquisition and CEO transition costs	—	505	
Earn-out adjustment	(1,700)	—	
Loss on sale of a business entity and certain assets	678	—	
Severance	739	—	
Goodwill and intangible asset impairment	33,734	—	
<b>Adjusted EBITDA</b>	<b>\$17,236</b>	<b>\$23,653</b>	<b>(27)%</b>

# GAAP TO NON-GAAP RECONCILIATIONS

## Segment EBITDA and Adjusted EBITDA (in thousands)

	Three Months Ended June 30,		
	2020	2019	% Change
Aviation:			
<b>Operating Income</b>	<b>(\$34,387)</b>	<b>\$5,204</b>	<b>(761)%</b>
Depreciation and Amortization	2,472	3,189	(23)%
<b>EBITDA</b>	<b>(\$31,915)</b>	<b>\$8,393</b>	<b>(480)%</b>
Earn-out adjustment	(1,700)	—	
Loss on sale of a business entity and certain assets	678	—	
Severance	382	—	
Goodwill and intangible asset impairment	33,734	—	
<b>Adjusted EBITDA</b>	<b>\$1,179</b>	<b>\$8,393</b>	<b>(86)%</b>
Fleet:			
<b>Operating Income</b>	<b>\$7,014</b>	<b>\$7,557</b>	<b>(7)%</b>
Depreciation and Amortization	2,572	2,761	(7)%
<b>EBITDA and Adjusted EBITDA</b>	<b>\$9,586</b>	<b>\$10,318</b>	<b>(7)%</b>
Federal & Defense:			
<b>Operating Income</b>	<b>\$6,772</b>	<b>\$5,059</b>	<b>34%</b>
Depreciation and Amortization	649	780	(17)%
<b>EBITDA</b>	<b>\$7,421</b>	<b>\$5,839</b>	<b>27%</b>
Severance	112	—	
<b>Adjusted EBITDA</b>	<b>\$7,533</b>	<b>\$5,839</b>	<b>29%</b>

# GAAP TO NON-GAAP RECONCILIATIONS

## Net Leverage Ratio

<i>(in thousands)</i>	June 30,	
	2020	2019
Principal amount of debt	\$263,075	\$280,944
Less: Debt issuance costs	(2,959)	(1,868)
Less: Cash and cash equivalents	(213)	(760)
<b>Net Debt</b>	<b>\$259,903</b>	<b>\$278,316</b>
<b>TTM Adjusted EBITDA<sup>(1)</sup></b>	<b>\$87,754</b>	<b>\$83,452</b>
<b>Net Leverage Ratio</b>	<b>3.0x</b>	<b>3.3x</b>

(1) TTM Adjusted EBITDA is defined as Adjusted EBITDA for the most recent twelve (12) month period ending June 30, 2020 and June 30, 2019, respectively



A photograph of an airplane's wing and tail section, viewed from a high angle. The wing is in the foreground, extending from the bottom right towards the center. The tail is visible in the upper left. The background is a dark, overcast sky with some light clouds. A dark blue horizontal band is overlaid across the middle of the image, containing the text 'CORPORATE OVERVIEW' in white.

# CORPORATE OVERVIEW

# CORPORATE PROFILE

Pure-Play Aftermarket and MRO Services Company





## AVIATION

### Distribution & MRO Services

- » **Aftermarket** repair and distribution services to commercial, cargo, general aviation, military/defense and rotorcraft customers globally
- » Supply chain and parts distribution
- » Maintenance, repair and overhaul (MRO) services
- » Component and engine accessory maintenance
- » Rotable exchanges and sales



## FLEET

### Distribution & Fleet Services

- » **Aftermarket** support, parts supply, inventory management, e-commerce fulfillment for medium- and heavy-duty truck/fleet owners
- » Customized fleet logistics
- » Parts distribution and warehousing
- » Just-in-Time supply chain management
- » Kitting; alternative product sourcing
- » Engineering and technical support



## FEDERAL & DEFENSE

### Logistics & Sustainment Services

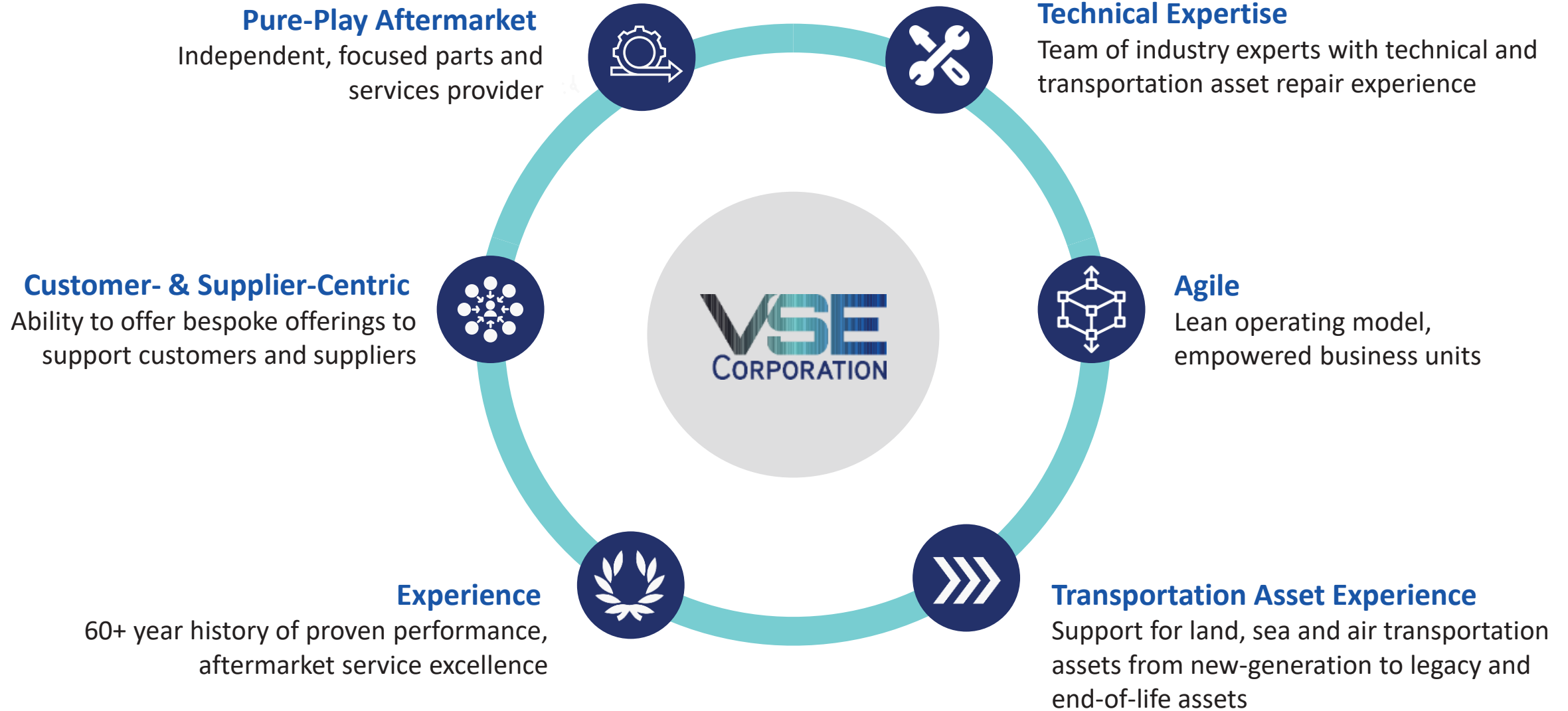
- » **Aftermarket** maintenance, repair and overhaul (MRO) and logistics for military vehicles, ships and aircraft for federal and defense agencies
- » Base operations support (BOS)
- » Procurement and supply chain management
- » Aircraft, vehicle and marine sustainment services
- » IT services and energy consulting

**100% Aftermarket Services**

**76% Government + 24% Commercial Customer Mix in 2Q20**

# STRATEGIC OVERVIEW

Our Unique Value Proposition



# CORPORATE LEADERSHIP TEAM



**John Cuomo**  
President and CEO

- More than 20 years of aerospace distribution and services market industry experience
- Appointed Chief Executive Officer and President of VSE Corporation April 2019
- Previously served as Vice President and General Manager of Boeing Distribution Services



**Robert Moore**  
President,  
Federal & Defense  
Services

- More than 25 years of experience in the aerospace/defense industry
- Joined VSE as President of Federal & Defense Services in 2019
- Extensive leadership experience with DoD and Federal Agencies providing Engineering, Logistics, and Sustainment solutions worldwide



**Chad Wheeler**  
President, COO,  
Wheeler Bros., Inc.

- More than 30 years of supply chain industry experience
- President and COO of Wheeler Bros. since 2013
- Executive management of operations, government contract administration, supply chain initiatives and business development



**Tom Loftus**  
Chief Financial Officer

- More than 40 years of aerospace, federal/defense and supply chain distribution experience
- CFO of VSE Corporation since March 2002
- Manages the financial and accounting operations for the consolidated corporation



**Elizabeth Huggins**  
VP of Strategy, Chief of  
Staff

- More than 16 years experience in aerospace manufacturing and distribution for global organizations
- Joined VSE as Chief of Staff and Corporate Vice President of Strategy in 2019
- Leads initiatives including strategic planning and business development

# INVESTMENT OPPORTUNITY

Diversified Aftermarket/MRO Play with Stable End-Market Exposure



## Experience

60+ years of aftermarket experience and service excellence supporting 80% re-compete success rate on multi-year government contracts

## Leadership

CEO from KLX-Boeing, public-company experienced growth leader; Chairman is former Commander-in-Chief, NORAD & U.S. Northern Command

## Balance

Stable, balanced customer mix; ~60% government revenue balanced with ~40% higher-margin potential commercial customers

## Agile

Entrepreneurial and decentralized organization aligned to support customers, suppliers and shareholders

## Focused

Shift toward leveraging core competencies to support customer, product and service organic growth opportunities

## Well-Capitalized

Efficient capital structure and liquidity to support growth; managing net leverage below 3x



# GROWTH STRATEGY



# STRATEGIC OVERVIEW

Roadmap for Growth



## Organic Growth Factors

- Increase market penetration of new/existing accounts
- Geographic expansion outside North America
- Targeted growth of new product additions
- Expand repair, logistic and capability service offering
- Focus on select, higher margin offerings

## Inorganic Growth Requirements

Focused, disciplined acquisition strategy targeting:

- Product, customer, service or geographic expansion
- Full integration into existing business segment
- Financially accretive approach and process
- Net leverage neutral acquisitions



# AVIATION SEGMENT OVERVIEW

## AVIATION

Providing aftermarket MRO and distribution services to commercial, cargo, business and general aviation, military/defense and rotorcraft customers globally.

Offerings include:

1. Parts distribution and supply chain services
2. Component and engine accessory maintenance
3. Maintenance, repair and overhaul (MRO) services
4. Rotable exchanges and sales



## Key Customers



# AVIATION SEGMENT

## >> MRO CAPABILITY DEVELOPMENT

New MRO offerings to support broadest range of aircraft components and engine accessory repair; specifically in fuel and hydraulics, engine components and accessories, interiors, auxiliary power units (APU), avionics

## >> DISTRIBUTION PRODUCT EXPANSION

New proprietary OEM product additions to support aftermarket airframe, engine and interior platforms

## >> INTERNATIONAL EXPANSION

Expansion in core aerospace markets for MRO and distribution

## >> NEW CUSTOMERS

Market share gain for existing MRO and distribution capabilities with new Commercial and B&GA customers, and new market expansion into aerospace defense markets

# GROWTH FACTORS



# FLEET SEGMENT OVERVIEW

## FLEET *(formerly Supply Chain Management Group)*

Providing parts, sourcing, inventory management, e-commerce fulfillment, logistics, supply chain management and other services to federal and commercial aftermarket truck and fleet owners.

Offerings include:

1. High-duty cycle, medium- and heavy-duty vehicle parts distribution
2. Just-in-Time supply chain management
3. Customized fleet logistics and IT solutions
4. Technical support, engineering, sourcing, warehousing and kitting



## Key Customers



# FLEET SEGMENT

## >> CUSTOMER DIVERSIFICATION

Expansion of commercial customer base to support new medium to large, high-duty cycle fleet customers

## >> SHARE OF WALLET EXPANSION

Product expansion to existing Just-in-Time clients

## >> MAINTAIN THE CORE

Continue to support USPS fleet and DoD vehicle parts

## >> PRODUCT EXPANSION

Addition of both new product offerings and growth in private label product

## >> GEOGRAPHIC EXPANSION

Geographic expansion beyond Northeast United States

# GROWTH FACTORS

# FEDERAL & DEFENSE SEGMENT OVERVIEW

## FEDERAL & DEFENSE *(formerly Federal Services Group)*

Providing aftermarket maintenance, repair and overhaul (MRO) and logistics services to improve operational readiness and the useful life of military vehicles, marine vessels and aircraft for the U.S. armed forces, federal agencies and international defense customers.

Offerings include:

1. Equipment maintenance, repair and overhaul services
2. Base operations support
3. Transportation and freight services
4. Logistics, procurement and supply chain support
5. Engineering and technical solutions
6. IT and Energy consulting services

## Key Customers



# FEDERAL & DEFENSE SEGMENT

## >> INVESTMENT

Expand core business development and contracting solutions to increase share of budget with current and new customers

## >> LEVERAGE CORE COMPETENCY

Expand base operations support for U.S. Air Force, U.S. Army and U.S Navy

## >> MARKET EXPANSION

Increase military aviation services with product/supply chain and repair services; transition toward higher mix of fixed-price contracts

## >> CAPABILITY DEVELOPMENT

Broaden DoD logistics/supply chain offering to support market demand

## >> INTERNATIONAL GROWTH

Utilize success in foreign markets to support foreign military sales opportunities

## >> CONSULTING EXPANSION

IT and Energy consulting services growth



**GROWTH  
FACTORS**

# AVIATION SEGMENT

## >> INDEPENDENCE

Niche single-source aftermarket focus with only repair and distribution capabilities

## >> AGILITY

Organization structure provides rapid response, reliable support and bespoke support for customers and OEM supplier partners

## >> TECHNICAL EXPERTISE

Distribution and MRO product knowledge to support OEM product lines with application focus and repair with in-house testing and technical expertise

## >> INVENTORY & PLANNING

Right-sized inventory forecasting model to capture unplanned aftermarket demand for parts supply, rotables and repair



WHY WE  
WIN

# FLEET SEGMENT

## >> UNIQUE MARKET OFFERING

Stocking Distributor + Technology Solutions + Consigned Parts Provider

## >> NICHE CUSTOMER FOCUS

Medium to large, high-duty cycle, delivery and vocational fleets;  
500,000 stocking SKUs and 700+ manufacturers represented

## >> PROPRIETARY INVENTORY MANAGEMENT

Just-in-Time inventory and fleet management software and systems

## >> TECHNICAL CAPABILITIES

Reverse engineering, design analysis, rapid prototyping, short-run  
production and in-house testing

## >> PRIVATE LABEL PARTS

Customized engineered solutions, alternatives for out of service  
product, and quality sourced at tier one level

**WHY WE  
WIN**



# FEDERAL & DEFENSE SEGMENT

## >> PAST PERFORMANCE

60+ year history of program execution and past performance across all land, sea and air transportation platforms

## >> INDUSTRY EXPERTISE

Technical, subject matter-experienced team with extensive repair knowledge to support difficult-to-maintain assets

## >> LEGACY ASSET SPECIALIST

Product sourcing, supply chain and logistics for legacy and end of lifecycle assets

## >> EXTENSIVE CAPBILITIES

Diverse capability offering to support programs from base operations support to supply chain and repair, IT and consulting

## >> CAPABLITIY CUSTOMIZATION

Partnering with customers for tailor-made solutions aligned with their specific mission needs



WHY WE  
WIN

# VSE CORPORATION

