

January 24, 2023



## **VSE Corporation Expands Fleet Segment Supply Chain Operations With New Distribution Center of Excellence**

*Facility Increases Fleet Product Distribution Footprint Capacity by 100%*

*Anticipate Incremental Revenue Contribution of \$50 million in 2023*

ALEXANDRIA, Va.--(BUSINESS WIRE)-- VSE Corporation (NASDAQ: VSEC, "VSE", or the "Company"), a leading provider of aftermarket distribution and maintenance, repair and overhaul ("MRO") services for land, sea and air transportation assets for commercial and government markets, today announced the opening of its new distribution and e-commerce fulfillment center of excellence in the greater Memphis, Tennessee area.

The new, state-of-the-art 450,000 square-foot distribution center more than doubles the existing warehouse footprint of VSE's Fleet segment, providing its Wheeler Fleet Solutions subsidiary the capacity required to meet growing demand for aftermarket products across its e-commerce fulfillment and commercial fleet customers.

The new center of excellence will support faster, same-day order-to-delivery times; allow for additional shipping carrier options; and continue to ensure the highest level of service for aftermarket parts distribution. The facility features a new warehouse management system (WMS) and automation technology to increase capacity and productivity, while ensuring customer order accuracy. Once fully operational, the center will stock more than 175,000 SKUs.

The Memphis, Tennessee area is one of the largest logistics hubs in the United States. Wheeler Fleet Solutions will remain headquartered in Somerset, Pennsylvania, a central distribution center supporting its other fleet and United States Postal Service (USPS) customers.

"The addition of our new distribution center is an important strategic milestone for our Wheeler Fleet Solutions subsidiary, one of the leading fleet-focused parts and services companies serving heavy, medium and light duty vehicles in the United States," stated John Cuomo, President and CEO of VSE Corporation. "During the last four years, our commercial fleet sales have grown from approximately 10% to 40% of Fleet Segment revenue, driven by share gains across both commercial fleet and e-commerce fulfillment channels. Looking ahead, we anticipate this distribution center will contribute more than \$50 million in new, incremental sales to our Fleet segment in 2023."

“Demand remains high for our industry-leading aftermarket parts and services,” stated Chad Wheeler, Fleet Segment President. “This investment demonstrates our long-term commitment to e-commerce fulfillment, one that will help to ensure faster response and delivery times by bringing parts closer to our end-users, while positioning us to capitalize on sustained growth in market demand.”

## **ABOUT VSE CORPORATION**

VSE is a leading provider of aftermarket distribution and repair services for land, sea and air transportation assets for government and commercial markets. Core services include MRO services, parts distribution, supply chain management and logistics, engineering support, and consulting and training services for global commercial, federal, military and defense customers. VSE also provides information technology and energy consulting services. For additional information regarding VSE's products and services, visit [www.vsecorp.com](http://www.vsecorp.com).

## **FORWARD-LOOKING STATEMENTS**

This press release 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 to vary materially from those indicated or anticipated by such statements. Many factors could cause actual results and performance to be materially different from any future results or performance, including, among others, the risk factors described in our reports filed or expected to be filed with the SEC. Any forward-looking statement or statement of belief speaks only as of the date of this press release. 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.

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20230124005189/en/>

Noel Ryan | 720.778.2415 | [investors@vsecorp.com](mailto:investors@vsecorp.com)

Source: VSE Corporation