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VSE Corporation Launches Aviation Landing Gear Initiative with \$100 Million Exclusive Distribution Agreement

ALEXANDRIA, Va.--(BUSINESS WIRE)-- VSE Corporation (NASDAQ: VSEC), a leading provider of distribution and maintenance, repair and overhaul (MRO) services for land, sea and air transportation assets in the public and private sectors, today announced that it has entered into a five-year exclusive distribution agreement with a leading global manufacturer of hydraulic landing gear components and electromechanical parts, and launched an Aviation Landing Gear initiative as a part of its 2021 growth strategy.

The agreement, which is scheduled to commence in January 2021, has a total estimated value of approximately \$100 million over five years, subject to certain conditions. Under the terms of the agreement, VSE will be the exclusive distributor for more than 150 line-replaceable units and 1,600 landing gear accessories supporting current, in-production Boeing and Airbus platforms. VSE will provide support to global commercial airline and MRO customers through distribution centers in the Americas, Europe and Asia.

This agreement enhances VSE's existing presence in the hydraulic landing gear components market. VSE believes the landing gear vertical is an attractive space given the mission-critical, high-value nature of the parts and components being supplied, and VSE's unique ability to offer bundled solutions comprising product distribution and repair capabilities.

Under VSE's new, multi-year Landing Gear initiative, the Company intends to develop a comprehensive landing gear suite of solutions for global airline and MRO customers. This suite will include services such as gear sales, exchanges and repair management as well as the distribution of proprietary and specialty products, kitting and other just-in-time value added services, including 24/7 AOG service. VSE believes that this solution suite will be an industry-first; one that simplifies the supply chain process and reduces working capital requirements for customers.

"Following a competitive RFP process, VSE was selected as the exclusive distributor of hydraulic landing gear components by a leading global manufacturer, supporting our entrance into a promising market vertical," stated John Cuomo, President and CEO of VSE Corporation. "The unique combination of our independent, OEM-centric supply model, technical expertise, success in the landing gear market, and ability to manage complex, global distribution programs makes VSE the ideal partner for this manufacturer."

“This agreement will position us to further expand our addressable market, while facilitating broad-based cross-selling opportunities with more than 1,300 new and existing commercial airlines and MRO companies who rely on our high-performance suite of landing gear solutions,” continued Cuomo.

“At a strategic level, this agreement reflects continued progress on our organic growth strategy as we leverage our unique value proposition in markets where we have an incumbency advantage, while penetrating new verticals where we have the resources, infrastructure and relationships to achieve growth. We are excited by the long-term opportunities presented by this initiative, and look forward to building on the current momentum in our business,” concluded Cuomo.

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 maintenance, repair and overhaul (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 services and products, visit us at 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.

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