

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 27, 2020**

VSE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-3676
(Commission File Number)

54-0649263
(IRS Employer
Identification Number)

6348 Walker Lane
Alexandria, VA
(Address of Principal Executive Offices)

(703) 960-4600
(Registrant's Telephone Number, Including Area Code)

22310
(Zip Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.05 per share	VSEC	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

VSE CORPORATION

Item 2.06. Material Impairments

On January 27, 2020, the board of directors of VSE Corporation (“VSE”) approved an agreement to sell all of the outstanding equity in Prime Turbines LLC, a Delaware limited liability company wholly owned by VSE’s wholly owned subsidiary VSE Aviation, Inc., resulting in the related Prime Turbines LLC assets meeting the criteria under generally accepted accounting principles to be classified as “held for sale.” As a result, VSE determined that if the sale occurs it will be required to record the related Prime Turbines LLC assets at fair value, less the estimated sale costs, and thus recognize an impairment charge reducing operating income during the first fiscal quarter of 2020. VSE estimates that it will incur a non-cash loss ranging from \$6 million to \$7.5 million in respect of the sale of Prime Turbines LLC.

Section 8.01 Other Events

On January 28, 2020, VSE’s subsidiary VSE Aviation, Inc. entered into a membership interests purchase agreement with PTB Holdings USA, LLC, pursuant to which VSE Aviation, Inc. has agreed to sell, in exchange for \$21 million in cash, all of the outstanding equity in Prime Turbines LLC. Prime Turbines LLC is principally engaged in turboprop aircraft engine repair, maintenance and overhaul, including for Pratt & Whitney Canada PT6A and PT6T series engines.

This transaction is subject to customary purchase price adjustments, as well as standard operating covenants, indemnifications and closing conditions, including receipt of regulatory and other approvals. While there is no guaranty, the sale is expected to occur during the first quarter of 2020.

(d) Exhibits

Exhibit
Number

[99.1 Press release dated January 30, 2020, entitled “VSE Corporation Announces Agreement to Divest Prime Turbines Subsidiary for \\$21 Million.”](#)

VSE CORPORATION AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VSE CORPORATION

(Registrant)

Date: January 31, 2020

By: /s/ Thomas R. Loftus

Thomas R. Loftus

Executive Vice President and Chief Financial Officer



**VSE Corporation Announces Agreement to
Divest Prime Turbines Subsidiary for \$21M**

Aviation Group to Focus on Component/Accessory Repair and Parts Distribution

Alexandria, Virginia, January 30, 2020 – VSE Corporation (NASDAQ: VSEC) a leading provider of distribution and repair services for land, sea and air transportation assets in the public and private sectors, today announced that it has entered into a definitive agreement to sell its subsidiary Prime Turbines, LLC to PTB Holdings USA, LLC for \$21 million in cash, subject to customary adjustments. The transaction is expected to close during the first quarter 2020.

With this divestiture, VSE's Aviation Group will no longer offer turboprop engine repair, maintenance, and overhaul services, as management reallocates resources toward the Company's higher-growth component/accessory repair and parts distribution businesses. Prime Turbines has approximately 60 employees with primary operations in Texas and Arizona and comprises approximately 4% of VSE's estimated revenue for 2019.

"PTB is a respected leader in the engine refurbishment business and is committed to providing its customers the highest level of service," stated John Cuomo, President and CEO of VSE Corporation. "Prime Turbines is a good strategic fit for PTB, given its deep expertise servicing turboprop and turboshaft engine platforms."

"Moving forward, our Aviation Group will concentrate on higher growth component and accessory repair and parts distribution, positioning us to work more collaboratively with major OEMs, while further expanding our presence within the global commercial and general aviation markets," Mr. Cuomo added. "The proceeds from this sale will be used to pay down debt and reinvest in our aviation business growth efforts."

The completion of the transaction is subject to the satisfaction or waiver of various conditions, including regulatory approval and the receipt of other customary closing approvals.

Jones Day served as legal advisor to VSE Corporation in connection with this transaction.

About VSE Corporation

Established in 1959, VSE is a diversified products and services company providing logistics solutions. VSE is dedicated to making our federal and commercial clients successful by delivering innovative solutions for vehicle, ship, and aircraft sustainment, supply chain management, platform modernization, mission enhancement, and program management, and providing energy, IT, and consulting services. For additional information regarding VSE's services and products, visit us at www.vsecorp.com

Safe Harbor

This release contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements" under federal securities laws, and are based on VSE's current expectation and assumptions. The words "believe," "estimate," "anticipate," and other similar expressions are intended to identify forward-looking statements. All such statements are subject to the safe harbor protection provided



by applicable securities laws. These statements are not guarantees of future performance and are subject to risks and uncertainties. For discussions identifying some important factors that could cause actual VSE results to differ materially from those anticipated in the forward-looking statements in this news release, see VSE's public filings with the SEC.

Investor Contact

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