

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 28, 2021**

VSE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-03676
(Commission File Number)

54-0649263
(IRS Employer
Identification Number)

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

22310
(Zip Code)

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

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

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))

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

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

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.

VSE CORPORATION

Item 2.02 Results of Operations and Financial Condition.

Preliminary Results for the Fourth Quarter of 2020

Preliminary estimates of the operating metrics of VSE Corporation (“we,” “us,” “our,” “VSE” or the “Company”) for the quarter and year ended December 31, 2020 are presented below. We have not yet finalized our operating results for this period, and our consolidated financial statements as of and for the quarter and year ended December 31, 2020 are not expected to be available until after the Offering (as defined below) is completed. Consequently, our actual operating results for the quarter and year ended December 31, 2020 will not be available to investors prior to investing in the Offering.

Our actual operating results remain subject to the completion of our quarter-end closing process, which includes review by management and our audit committee. While carrying out such procedures, we may identify items that would require us to make adjustments to the preliminary estimates of our operating results set forth below. As a result, our actual operating results could be outside of the ranges set forth below and such differences could be material. Additionally, our estimates of our revenue, Adjusted EBITDA, Free Cash Flow and Net Debt are forward-looking statements based solely on information available to us as of the date of this Current Report on Form 8-K (“Current Report”) and may differ materially from our actual operating results as a result of developments that occur after the date of this Current Report. Additionally, our estimates of Adjusted EBITDA, Free Cash Flow and Net Debt are non-GAAP financial measures. The determination of the amounts that are excluded from these non-GAAP financial measures is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period. We are unable to present a quantitative reconciliation of the aforementioned forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because such information is not available, and management cannot reliably predict all of the necessary components of such GAAP measures without unreasonable effort or expense. In addition, we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors. The unavailable information could have a significant impact on the Company’s full-year 2020 financial results. Therefore, you should not place undue reliance on these preliminary estimates of our operating results. See “Cautionary Note Regarding Forward-Looking Statements” included in the preliminary prospectus supplement, filed with the Securities and Exchange Commission (“SEC”) on January 28, 2021.

The preliminary estimates of our financial results included below have been prepared by, and are the responsibility of, our management. Our independent registered public accountants have not audited, reviewed or performed any procedures with respect to such preliminary estimates of our operating results. Accordingly, Grant Thornton LLP expresses no opinion or any other form of assurance with respect thereto. The information presented herein should not be considered a substitute for the financial information we file with the SEC in our Annual Report on Form 10-K or our Quarterly Reports on Form 10-Q. We have no intention or obligation to update the preliminary estimates of our operating results set forth below.

- We currently estimate revenue for the three months and year ended December 31, 2020 of approximately \$148.7 million to \$150.7 million and approximately \$660.3 million to \$662.3 million, respectively. Total revenue decreased as compared to the three months ended September 30, 2020 primarily due to the expiration of certain of our U.S. Army programs in the Federal and Defense segment, partially offset by an increase in revenue in the Aviation segment.
 - We currently estimate Adjusted EBITDA for the three months and year ended December 31, 2020 of approximately \$16.6 million to \$17.6 million and approximately \$74.5 million to \$75.5 million, respectively.
 - We currently estimate Free Cash Flow for the three months and year ended December 31, 2020 of approximately \$(1.0) million to \$1.0 million and approximately \$31.3 million to \$33.3 million, respectively. The estimated Free Cash Flow includes approximately \$10.7 million of costs related to inventory procurement in anticipation of early 2021 sales, as a result of the Pratt & Whitney distribution agreement.
 - We currently estimate Net Debt for the three months and year ended December 31, 2020 of approximately \$250.2 million to \$251.2 million.
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Item 7.01 Regulation FD Disclosure.

On January 28, 2021, the Company issued a press release announcing the commencement, subject to market and other conditions, of an underwritten public offering of shares of its common stock (the "Offering") pursuant to its effective shelf registration statement. In connection with the Offering, the Company also intends to grant the underwriters a 30-day option to purchase up to an additional 15% of the shares of common stock offered in the Offering. A copy of the press release announcing the Offering is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On January 28, 2021, the Company issued a press release announcing that it has entered into an exclusive, life-of-program distribution agreement with Pratt & Whitney Canada. A copy of the press release announcing the distribution agreement is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
<u>99.1</u>	<u>Press release dated January 28, 2021, entitled "VSE Corporation Announces Proposed Offering of its Common Stock"</u>
<u>99.2</u>	<u>Press release dated January 28, 2021, entitled "VSE Aviation Announces Exclusive Life-Of-Program Auxiliary Power Unit Components Distribution Agreement with Pratt & Whitney Canada"</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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 28, 2021

By: /s/ Thomas M. Kiernan
Thomas M. Kiernan
Vice President, General Counsel and Secretary



VSE CORPORATION ANNOUNCES PROPOSED OFFERING OF ITS COMMON STOCK

ALEXANDRIA, Va., January 28, 2021 - VSE Corporation (NASDAQ: VSEC), a leading provider of aftermarket distribution and maintenance, repair and overhaul (MRO) services for land, sea and air transportation assets in the public and private sectors, today announced it has commenced an underwritten public offering, subject to market and other conditions, of shares of its common stock pursuant to an effective shelf registration statement. In addition, VSE intends to grant the underwriters an option for a period of 30 days to purchase up to an additional 15% of the shares of common stock offered in the public offering.

VSE expects to use the net proceeds from this offering for general corporate purposes, which may include among other things, financing strategic acquisitions, working capital requirements for new program launches, and repaying outstanding borrowings under its revolving credit facility.

William Blair & Company, L.L.C. and Canaccord Genuity LLC are acting as joint book-running managers and representatives of the underwriters for the offering.

A shelf registration statement relating to the securities being offered has been filed with the Securities and Exchange Commission (the "SEC") and has been declared effective. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities described herein, nor shall there be any sale of the securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of any such jurisdiction. The offering is being made only by means of a preliminary prospectus supplement and accompanying prospectus. A preliminary prospectus supplement and accompanying prospectus relating to the offering have been filed with the SEC and are available free of charge on the SEC's website at <http://www.sec.gov>. Copies of the preliminary prospectus supplement and accompanying prospectus relating to this offering of securities may also be obtained from William Blair & Company, L.L.C., Attention: Prospectus Department, 150 North Riverside Plaza, Chicago, Illinois 60606, by telephone at (800) 621-0687 or by email at prospectus@williamblair.com or Canaccord Genuity LLC, 99 High Street, 12th Floor, Boston, MA 02110, Attention: Syndicate Department, or by email at prospectus@cgf.com.

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 may contain statements that, to the extent they are not recitations of historical fact, constitute "forward looking statements" within the meaning of applicable U.S. federal securities laws. All such statements are intended to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of such safe harbor provisions.

"Forward-looking" statements, as such term is defined by 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, 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 speak only as of the date of this press release and we undertake no ongoing obligation, other than that imposed by law, to update these statements. These statements relate to, among other things, our intent, belief or current expectations with respect to: our future financial condition, results of operations or prospects; our business and growth strategies; and our financing plans and forecasts. You are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those contained in or implied by the forward-looking statements as a result of various factors, some of which are unknown, including, without limitation:

- delays in contract awards and funding due to uncertain government budgets and shifting government priorities;
- the impact on our business, results of operations and financial condition from the ongoing and global COVID-19 pandemic, or any other pandemic, epidemic or outbreak of infectious disease in the United States or globally;
- intense competition from existing and new competitors;
- our ability to renew and/or maintain certain programs that comprise a material portion of our revenue;
- changes in procurement processes and government regulations and our ability to comply with such requirements;
- the performance of the aviation aftermarket, which could be impacted by lower demand for business aviation and commercial air travel or airline fleet changes causing lower demand for our goods and services;
- our ability to successfully execute our acquisition strategy;
- changes in future business conditions, which could negatively impact our business investments, recorded goodwill, and/or purchased intangible assets;
- the adverse impact of government audits or investigations on our business;
- changes in governmental rules and regulations, including with respect to environmental matters, and related costs and liabilities;
- adverse economic conditions in the United States and globally;
- security threats, including cyber security threats, and related disruptions;
- our dependence on access to and performance of third-party package delivery companies;
- our high level of indebtedness;
- our ability to raise capital to fund our operations; and
- the other risk factors mentioned under Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2019, our subsequent Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020 and our other filings with the SEC from time to time.

You are advised, however, to consult any further disclosures we make on related subjects in our periodic reports on Forms 10-K, 10-Q or 8-K filed or furnished to the SEC.

INVESTOR RELATIONS CONTACT: Noel Ryan | Phone: 720.778.2415 | Investors@vsecorp.com



RAISE THE BAR



VSE Aviation Announces Exclusive Life-Of-Program Auxiliary Power Unit Components Distribution Agreement with Pratt & Whitney Canada

Alexandria, Va., January 28, 2021 – **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 an exclusive, life-of-program distribution agreement with Pratt & Whitney Canada. Under the terms of the agreement, VSE Aviation will be the exclusive global licensed distributor for new radial parts and inventory of Pratt & Whitney Canada's APS500 Auxiliary Power Unit (APU) for commercial applications.

Under the terms of the agreement, VSE Aviation is appointed the exclusive licensed distributor for more than 1,500 aftermarket parts and components supporting Pratt & Whitney Canada's APS500 and the Embraer Regional Jet (ERJ), De Havilland Canada DHC-8 (Dash 8), Gulfstream, Bombardier and Textron aircraft platforms. The agreement term is for the commercial life of the program. The program will be implemented and executed throughout 2021.

"We are very pleased to announce this partnership to support Pratt & Whitney Canada's APS500 at global MROs, regional airlines and business jet repair centers," stated John Cuomo, President and CEO of VSE Corporation. "This new award highlights VSE Aviation's strong technical product expertise and depth of experience managing complex global distribution programs serving the commercial, business jet, and general aviation aftermarket. Further, this award positions us to significantly grow our presence as a leading distributor of flight-critical components, while continuing to leverage the differentiated value proposition we deliver to our customers."

"This long-term agreement expands our relationship with Pratt & Whitney Canada into APU parts distribution and grows our addressable market into new regional jet platforms, while also broadening our core business jet product portfolio," stated Ben Thomas, Group President, VSE Aviation. "This announcement, together with our recently announced landing gear initiative, reflects our increased focus on serving high-value products in niche markets. We look forward to supporting Pratt & Whitney Canada as their exclusive solutions partner for this APU in the years ahead."

"As the APS500 OEM, we will continue to manufacture the APU and provide spare parts to VSE Aviation under an exclusive distribution license," stated Satheeshkumar Kumarasingam, Vice President of Customer Service, Pratt & Whitney Canada. "We initiated this transaction as part of our ongoing efforts to increase the availability of spare parts to APS500 customers around the world. Given VSE Aviation's extensive reach into secondary aviation markets, they are well positioned to increase service levels associated with the APS500."

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 release contains statements that, to the extent they are not recitations of historical fact, constitute “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. All such statements are intended to be subject to the safe harbor protection provided by applicable securities laws. 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 Securities and Exchange Commission. The forward-looking statements included herein are only made as of the date hereof, and VSE specifically disclaims any obligation to update these statements in the future.

INVESTOR RELATIONS CONTACT: Noel Ryan | Phone: 720.778.2415



RAISE THE BAR