
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): October 27, 2025



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 No.)

3361 Enterprise Way
Miramar, Florida
(Address of principal executive offices)

33025
(Zip Code)

(954) 430-6600
(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 (see General Instruction A.2. below):

- ☐ 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:

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

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. ☐

Item 2.02 Results of Operations and Financial Condition.

On October 27, 2025, VSE Corporation (the “Company”) issued a press release reporting its financial results for the third quarter ended September 30, 2025. Additionally, the Company made available related materials to be discussed during the Company’s webcast and conference call referred to in such press release. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K and is hereby incorporated by reference.

The information in the preceding paragraph, as well as Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section. It may only be incorporated by reference into another filing under the Exchange Act or the Securities Act of 1933, as amended (the “Securities Act”), if such subsequent filing specifically references this Current Report on Form 8-K.

Item 7.01 Regulation FD Disclosure.

On October 27, 2025, the Company issued a press release announcing that it had signed a definitive agreement to acquire GenNx/AeroRepair IntermediateCo Inc. A copy of the press release is attached hereto as Exhibit 99.2 and is incorporated into this Item 7.01 by reference.

The information in the preceding paragraph, as well as Exhibit 99.2, shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. It may only be incorporated by reference into another filing under the Exchange Act or the Securities Act if such subsequent filing specifically references this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	<u>Press release dated October 27, 2025, entitled, “VSE Corporation Announces Third Quarter 2025 Results.”</u>
99.2	<u>Press release dated October 27, 2025, entitled, “VSE Corporation Announces the Acquisition of Aero 3.”</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

VSE CORPORATION
(Registrant)

Date: October 27, 2025

/s/ Adam R. Cohn
Adam R. Cohn
Chief Financial Officer
(Principal Financial Officer)



VSE Corporation Announces Third Quarter 2025 Results

*Record Revenue and Profitability
Increases FY 2025 Revenue and Adjusted EBITDA Margin Guidance
Announces New and Renewal Program Awards*

MIRAMAR, FLORIDA, October 27, 2025 - VSE Corporation (NASDAQ: VSEC, “VSE”, or the “Company”), a leading provider of aviation aftermarket distribution and repair services, announced today results for the third quarter 2025.

THIRD QUARTER 2025 RESULTS⁽¹⁾

(As compared to the Third Quarter 2024)

- **Total Revenues** of \$282.9 million increased 38.9%
- **GAAP Net Income** of \$3.6 million decreased 58.9%
- **GAAP EPS (Diluted)** of \$0.17 decreased 63.8%
- **Adjusted EBITDA⁽²⁾** of \$47.4 million increased 58.4%
- **Adjusted Net Income⁽²⁾** of \$20.5 million increased 110.5%
- **Adjusted EPS (Diluted)⁽²⁾** of \$0.99 increased 86.8%

¹ From continuing operations

² Non-GAAP measure. See additional information at the end of this release regarding non-GAAP financial measures

MANAGEMENT COMMENTARY

“VSE delivered another quarter of record performance, reflecting the strength of our aviation aftermarket platform and disciplined execution of our 2025 operating plan,” said John Cuomo, President and Chief Executive Officer of VSE Corporation. “Our team continues to deliver on our strategic objectives, integrating recent acquisitions, capturing synergies, advancing OEM-licensed manufacturing, expanding MRO capabilities, and growing our organic pipeline. We were also pleased to announce a number of new business awards with key OEM distribution and MRO partners, supporting our continued organic growth in 2026 and beyond.”

Mr. Cuomo continued, “Our third quarter performance underscores the strength of our diversified aviation platform and the dedication of our employees worldwide. We are executing with discipline, driving operational efficiencies, and positioning VSE for sustained long-term growth and margin expansion.”

“VSE’s record third-quarter financial performance reflects strong execution across both our operational and strategic priorities,” said Adam Cohn, Chief Financial Officer of VSE Corporation. “During the quarter, we continued to strengthen our balance sheet and enhance cash generation through disciplined working-capital management. We are pleased to report that our adjusted net leverage ratio was approximately 2.0x at quarter-end. Based on our strong year-to-date results and our outlook for the remainder of 2025, we are raising our full-year revenue and Adjusted EBITDA margin guidance.”

PROGRAM AWARDS

- **AMETEK Sensors and Fluid Management Systems (SFMS) and Hughes Treitler Renewals:** Kellstrom Aerospace, a VSE Aviation company, extended its exclusive global distribution agreements for both AMETEK SFMS and Hughes Treitler product lines, including sensors and controls line replaceable units and piece parts, oil coolers, and heat exchangers.

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- **Eaton Used Serviceable Material Distribution Program:** VSE Aviation expanded its strategic collaboration with Eaton to include a new distribution program for used serviceable material, complementing the existing hydraulic systems repair collaboration.
 - **Bridgestone Aircraft Tire Distribution Agreement:** VSE Aviation was awarded a global distribution agreement from Bridgestone Aircraft Tire, providing access to new and retread tire programs supporting Boeing, Airbus, and regional aircraft operators.
 - **Defense MRO Expansion with V2X, Inc.:** VSE Aviation signed a new long-term agreement to provide repair and overhaul services for engine fuel control units powering the U.S. Navy's TH-73 Thrasher helicopter fleet, expanding the Company's defense sustainment support.
 - **LuminUltra Partnership:** VSE Aviation partnered with LuminUltra to distribute BugCount® Fuel, an innovative microbial fuel contamination testing solution for the aerospace market across North America.

THIRD QUARTER SEGMENT RESULTS

VSE Aviation segment revenue increased 38.9% year-over-year to a record \$282.9 million in the third quarter of 2025 driven by strong execution of new and existing distribution programs, expanded MRO capacity, the addition of new product lines and repair capabilities, and contributions from recent acquisitions, all supported by solid end-market demand.

Aviation distribution revenue increased 48.7%, while MRO revenue grew 25.3% year-over-year. Segment operating income was \$38.2 million, compared to \$25.4 million in the prior-year period. Segment Adjusted EBITDA increased 51.2% to a record \$50.4 million, representing a 17.8% margin, an improvement of approximately 140 basis points year-over-year. Margin expansion was driven by a higher mix of proprietary and higher-value aftermarket products and repair work, increased in-sourcing, sales from the OEM-licensed manufacturing program, and the earlier than expected realization of synergies from recent acquisitions.

FINANCIAL RESOURCES AND LIQUIDITY

The Company generated \$24.1 million of operating cash flow and \$18.0 million of free cash flow in the third quarter of 2025, representing an improvement of approximately \$14 million and \$14 million, respectively, versus the third quarter 2024, and improvement of approximately \$76 million and \$79 million, respectively, year-to-date compared to the same period in the prior year. As of September 30, 2025, the Company had \$347 million in cash and unused commitment availability under its \$400 million revolving credit facility maturing in 2030. As of September 30, 2025, VSE had total net debt outstanding of \$347 million. Adjusted net leverage ratio was approximately 2.0x as of the end of the third quarter.

GUIDANCE

VSE is increasing full-year 2025 revenue and Adjusted EBITDA margin guidance:

- Full-year 2025 revenue growth is expected to be 38% to 40%, raised from prior guidance of 35 to 40%.
- Aviation segment Adjusted EBITDA margin is expected to be between 17.0% to 17.25%, raised from prior guidance of 16.5% to 17%.
- Guidance assumes current market conditions and no significant changes in tariff or macroeconomic environment.

THIRD QUARTER RESULTS

(in thousands, except per share data)	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Revenues	\$282,909	\$203,642	38.9%	\$811,093	\$558,853	45.1%
Operating income	\$ 10,087	\$ 20,072	(49.7)%	\$ 57,104	\$ 38,317	49.0%
Net income from continuing operations	\$ 3,591	\$ 8,742	(58.9)%	\$ 31,197	\$ 8,996	246.8%
EPS (Diluted)	\$ 0.17	\$ 0.47	(63.8)%	\$ 1.50	\$ 0.52	188.5%

THIRD QUARTER SEGMENT RESULTS

Following the divestiture of the Fleet segment, the Company operates under a single reportable operating segment. The reconciliation below provides transitional disclosure of Aviation's results for the three and nine months ended September 30, 2025 and 2024 to support comparability with prior period disclosures.

(in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Revenues:						
Aviation	\$282,909	\$203,642	38.9%	\$811,093	\$558,853	45.1%
Operating income:						
Operating income	\$ 10,087	\$ 20,072	(49.7)%	\$ 57,104	\$ 38,317	49.0%
Unallocated corporate costs	28,153	5,363	424.9%	47,732	33,897	40.8%
Aviation	\$ 38,240	\$ 25,435	50.3%	\$104,836	\$ 72,214	45.2%

NON-GAAP MEASURES

In addition to the financial measures prepared in accordance with generally accepted accounting principles (“GAAP”), this earnings release also contains Non-GAAP financial measures. 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 is included in the supplemental schedules attached. These non-GAAP measures, however, have limitations as analytical tools and should not be considered in isolation or as a substitute for performance prepared in accordance with GAAP.

NON-GAAP FINANCIAL INFORMATION

Adjusted Net Income from Continuing Operations and Adjusted EPS

(in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Net income from continuing operations	\$ 3,591	\$ 8,742	(58.9)%	\$31,197	\$ 8,996	246.8%
Adjustments to income from continuing operations:						
Acquisition, integration and restructuring costs	732	1,682	(56.5)%	5,429	4,965	9.3%
Severance costs	—	58	NM	—	58	NM
Lease abandonment and termination (benefits) costs ⁽¹⁾	—	(612)	NM	—	12,245	NM
Divestiture-related restructuring (benefits) costs ⁽²⁾	(204)	178	NM	291	4,039	(92.8)%
Earn-out receivable fair value adjustments	23,300	—	— %	29,200	—	— %
Debt issuance costs	—	—	— %	491	—	— %
Interest income on note receivable	(1,342)	—	— %	(1,342)	—	— %
	26,077	10,048	159.5%	65,266	30,303	115.4%
Tax impact of adjusted items	(5,610)	(326)	NM	(8,500)	(5,316)	59.9%
Adjusted net income from continuing operations	\$20,467	\$ 9,722	110.5%	\$56,766	\$24,987	127.2%
Weighted average dilutive shares	20,757	18,479	12.3%	20,743	17,212	20.5%
GAAP EPS (Diluted)	\$ 0.17	\$ 0.47	(63.8)%	\$ 1.50	\$ 0.52	188.5%
Adjusted EPS (Diluted)	\$ 0.99	\$ 0.53	86.8%	\$ 2.74	\$ 1.45	89.0%

(1) Includes consulting costs incurred in conjunction with lease termination.

(2) Activity for the three months ended September 30, 2025 includes business insurance credits following the Fleet sale.

EBITDA and Adjusted EBITDA

(in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Net income from continuing operations	\$ 3,591	\$ 8,742	(58.9)%	\$ 31,197	\$ 8,996	246.8%
Interest expense	4,339	8,987	(51.7)%	18,723	28,003	(33.1)%
Income taxes	2,157	2,343	(7.9)%	7,184	1,318	445.1%
Amortization of intangible assets	6,687	4,778	40.0%	19,308	12,457	55.0%
Depreciation and other amortization	3,504	2,212	58.4%	9,691	5,726	69.2%
EBITDA	20,278	27,062	(25.1)%	86,103	56,500	52.4%
Acquisition, integration and restructuring costs	732	1,682	(56.5)%	5,429	4,965	9.3%
Severance costs	—	58	NM	—	58	NM
Lease abandonment and termination (benefits) costs	—	(612)	NM	—	12,245	NM
Divestiture-related restructuring (benefits) costs	(204)	178	NM	291	4,039	(92.8)%
Earn-out receivable fair value adjustments	23,300	—	— %	29,200	—	— %
Stock-based compensation	3,245	1,525	112.8%	10,133	5,912	71.4%
Adjusted EBITDA	<u>\$47,351</u>	<u>\$29,893</u>	<u>58.4%</u>	<u>\$131,156</u>	<u>\$83,719</u>	<u>56.7%</u>

Adjusted EBITDA Summary

(in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Aviation	\$50,356	\$33,300	51.2%	\$140,203	\$93,216	50.4%
Adjusted unallocated corporate costs ⁽¹⁾	(3,005)	(3,407)	(11.8)%	(9,047)	(9,497)	(4.7)%
Adjusted EBITDA	<u>\$47,351</u>	<u>\$29,893</u>	<u>58.4%</u>	<u>\$131,156</u>	<u>\$83,719</u>	<u>56.7%</u>

(1) Includes certain adjustments not directly attributable to the Aviation segment.

Segment EBITDA and Adjusted EBITDA

(in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Aviation						
Operating income	\$38,240	\$25,435	50.3%	\$104,836	\$72,214	45.2%
Depreciation and amortization	10,182	6,951	46.5%	28,974	17,919	61.7%
EBITDA	48,422	32,386	49.5%	133,810	90,133	48.5%
Acquisition, integration and restructuring costs	490	150	226.7%	2,390	1,059	125.7%
Severance costs	—	58	(100.0)%	—	58	(100.0)%
Stock-based compensation	1,444	706	104.5%	4,003	1,966	103.6%
Adjusted EBITDA	<u>\$50,356</u>	<u>\$33,300</u>	<u>51.2%</u>	<u>\$140,203</u>	<u>\$93,216</u>	<u>50.4%</u>

(in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Corporate						
Unallocated corporate costs	\$ 28,153	\$ 5,363	424.9%	\$ 47,732	\$ 33,897	40.8%
Depreciation and amortization	(9)	(39)	(76.9)%	(25)	(264)	(90.5)%
EBITDA	28,144	5,324	428.6%	47,707	33,633	41.8%
Acquisition, integration and restructuring costs	(242)	(1,532)	(84.2)%	(3,039)	(3,906)	(22.2)%
Lease abandonment and termination (benefits) costs	—	612	NM	—	(12,245)	(100.0)%
Divestiture-related restructuring (benefits) costs	204	(178)	NM	(291)	(4,039)	(92.8)%
Earn-out receivable fair value adjustments	(23,300)	—	— %	(29,200)	—	— %
Stock-based compensation	(1,801)	(819)	119.9%	(6,130)	(3,946)	55.3%
Adjusted unallocated corporate costs	<u>\$ 3,005</u>	<u>\$ 3,407</u>	<u>(11.8)%</u>	<u>\$ 9,047</u>	<u>\$ 9,497</u>	<u>(4.7)%</u>

Free Cash Flow ^(a)

(in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net cash provided by (used in) operating activities	\$24,089	\$10,176	\$(10,652)	\$(86,412)
Capital expenditures	(6,049)	(5,765)	(14,513)	(17,439)
Free cash flow	\$18,040	\$ 4,411	\$(25,165)	\$(103,851)

(a) The Consolidated Statements of Cash Flows include the results of continuing and discontinued operations.

Net Debt

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Principal amount of debt	\$ 359,741	\$ 432,500
Debt issuance costs	(3,645)	(2,327)
Cash and cash equivalents	(8,784)	(29,030)
Net Debt	<u>\$ 347,312</u>	<u>\$ 401,143</u>

Net Leverage Ratio

<i>(\$ in thousands)</i>	September 30, 2025	December 31, 2024
Net Debt	\$ 347,312	\$ 401,143
TTM Adjusted EBITDA ⁽¹⁾	\$ 164,463	\$ 136,294
Net Leverage Ratio	2.1 x	2.9 x
TTM Acquisition Adjusted EBITDA ⁽²⁾	\$ 171,564	\$ 158,752
Adjusted Net Leverage Ratio	2.0 x	2.5 x

- (1) TTM Adjusted EBITDA is defined as Adjusted EBITDA for the most recent twelve (12) month period. TTM Adjusted EBITDA and Cash and cash equivalents for the period ended December 31, 2024 only do not include any adjustment to reclassify amounts from the Fleet segment.
- (2) TTM Acquisition Adjusted EBITDA includes pre-acquisition portion of EBITDA for the trailing twelve months that is not included in historical results.

The non-GAAP Financial Information set forth in this document is not calculated in accordance with GAAP under SEC Regulation G. The Company considers Adjusted Net Income, Adjusted EPS (Diluted), EBITDA, Adjusted EBITDA, Acquisition Adjusted EBITDA, TTM Adjusted EBITDA, Segment Adjusted EBITDA, TTM Acquisition Adjusted EBITDA, Adjusted unallocated corporate costs, net debt, adjusted net leverage ratio and free cash flow as non-GAAP financial measures and important indicators of performance and useful metrics for management and investors to evaluate the business' ongoing operating performance on a consistent basis across reporting periods. These non-GAAP financial measures, however, should not be considered in isolation or as a substitute for performance measures prepared in accordance with GAAP. Adjusted Net Income represents Net Income adjusted for acquisition-related costs, other discrete items, and related tax impact. Management believes these acquisition-related costs and other discrete items provide useful information about nonrecurring costs and benefits to help users meaningfully evaluate and compare the Company's quarterly and year-to-date performance against prior periods. Adjusted EPS (Diluted) is computed by dividing net income, adjusted for the discrete items as identified above 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. Management believes EBITDA provides useful information about the Company's operating performance as it isolates non-cash depreciation and amortization charges as well as interest expense and income taxes, which are non-operating items. Adjusted EBITDA represents EBITDA (as defined above) adjusted for non-cash stock-based compensation and discrete items as identified above. Acquisition Adjusted EBITDA represents Adjusted EBITDA plus the pre-acquisition portion of EBITDA for the trailing twelve months. TTM Adjusted EBITDA represents Adjusted EBITDA as defined above for the trailing twelve months. TTM Acquisition Adjusted EBITDA includes pre-acquisition portion of EBITDA for the trailing

twelve months that is not included in historical results. Adjusted unallocated corporate costs represents Unallocated corporate costs before depreciation and other amortization, adjusted for non-cash stock-based compensation and discrete items as identified above. Net debt is defined as principal amount of debt less debt issuance costs and less cash and cash equivalents. Free cash flow represents operating cash flow less capital expenditures. Adjusted Net leverage ratio is calculated as net debt divided by trailing twelve month Acquisition Adjusted EBITDA.

The Company has presented forward-looking statements regarding Adjusted EBITDA margin. This non-GAAP financial measure is derived by excluding certain amounts, expenses or income, from the corresponding financial measure determined in accordance with GAAP. The determination of the amounts that are excluded from this non-GAAP financial measure 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 in reliance on the exception provided by item 10(e)(1)(i)(B) of Regulation S-K. The Company is unable to present a quantitative reconciliation of forward-looking Adjusted EBITDA margin to its most directly comparable forward-looking GAAP financial measure because such information is not available, and management cannot reliably predict all of the necessary components of such GAAP measure without unreasonable effort or expense. In addition, the Company believes such reconciliation 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 future financial results. This non-GAAP financial measure is a preliminary estimate and is subject to risks and uncertainties, including, among others, changes in connection with quarter-end and year-end adjustments. Any variation between the company's actual results and preliminary financial data set forth above may be material.

CONFERENCE CALL

A conference call will be held Monday, October 27, 2025 at 4:30 P.M. ET to review the Company's financial results and discuss recent events.

An audio webcast of the conference call and accompanying presentation materials will be available in the Investor Relations section of VSE's website at <https://ir.vsecorp.com>. A replay of the audio webcast will be available at the same location following the conclusion of the call.

ABOUT VSE CORPORATION

VSE is a leading provider of aviation distribution and repair services for the commercial and business and general aviation (BG&A) aftermarkets. Headquartered in Miramar, Florida, VSE is focused on significantly enhancing the productivity and longevity of its customers' high-value, business-critical assets. VSE's aftermarket parts distribution and maintenance, repair, and overhaul (MRO) services support engine component and engine and airframe accessory part distribution and repair services for commercial and BG&A operators. For more detailed information, please visit VSE's website at www.vsecorp.com.

Please refer to the Form 10-Q that will be filed with the Securities and Exchange Commission ("SEC") on or about October 27, 2025 for more details on the Company's third quarter 2025 results. Also, refer to VSE's Annual Report on Form 10-K for the year ended December 31, 2024 for further information and analysis of VSE's financial condition and results of operations. VSE encourages investors and others to review the detailed reporting and disclosures contained in VSE's public filings for additional discussion about the status of customer programs and contract awards, risks, revenue sources and funding, dependence on material customers, and management's discussion of short- and long-term business challenges and opportunities.

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 the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, the Company can give no assurance that actual results will not differ materially from these expectations. "Forward-looking" statements, as such term is defined by the SEC in its rules, regulations and releases, represent the Company's expectations or beliefs, including, but not limited to, statements concerning the Company's 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, by their nature, involve substantial risks and uncertainties, certain of which are beyond the Company's control, and actual results may differ materially depending on a variety of important factors, including, but not limited to, factors identified in the Company's reports filed or expected to be filed with the SEC including the Annual Report on Form 10-K for the year ended December 31, 2024 and subsequent filings made with the SEC. 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. The Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.

INVESTOR CONTACT

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investors@vsecorp.com

VSE Corporation and Subsidiaries
Unaudited Consolidated Balance Sheets
(in thousands except share and per share amounts)

	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,784	\$ 29,505
Receivables (net of allowance of \$5.4 million and \$4.1 million, respectively)	176,399	158,104
Contract assets	34,027	29,960
Inventories	464,315	434,059
Prepaid expenses and other current assets	38,755	30,899
Current assets held-for-sale	—	282,820
Total current assets	722,280	965,347
Property and equipment (net of accumulated depreciation of \$30.8 million and \$21.3 million, respectively)	82,986	71,041
Intangible assets (net of accumulated amortization of \$93.5 million and \$82.7 million, respectively)	201,849	197,157
Goodwill	428,705	428,263
Operating lease right-of-use asset	42,975	43,225
Note receivable	26,342	—
Other assets	55,310	37,597
Total assets	\$1,560,447	\$1,742,630
Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 7,500	\$ 30,000
Accounts payable	112,425	145,492
Accrued expenses and other current liabilities	61,357	52,749
Dividends payable	2,069	2,059
Current liabilities held-for-sale	—	68,200
Total current liabilities	183,351	298,500
Long-term debt, less current portion	348,596	400,173
Deferred compensation	7,331	7,262
Long-term operating lease obligations	37,609	39,498
Other long-term liabilities	220	9,011
Total liabilities	577,107	754,444
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value \$0.05 per share; authorized 44,000,000 shares; issued and outstanding 20,686,361 and 20,590,496, respectively	1,034	1,030
Additional paid-in capital	597,210	591,600
Retained earnings	384,416	392,484
Accumulated other comprehensive income	680	3,072
Total stockholders' equity	983,340	988,186
Total liabilities and stockholders' equity	\$1,560,447	\$1,742,630

VSE Corporation and Subsidiaries
Unaudited Consolidated Statements of Operations
(in thousands except share and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenues:				
Products	\$ 176,035	\$ 118,363	\$ 510,189	\$ 341,834
Services	106,874	85,279	300,904	217,019
Total revenues	282,909	203,642	811,093	558,853
Costs and operating expenses:				
Products	147,682	99,887	429,377	289,172
Services	94,486	77,015	270,510	197,455
Selling, general and administrative expenses	667	2,542	5,594	9,247
Earn-out receivable fair value adjustments	23,300	—	29,200	—
Lease abandonment and termination (benefits) costs	—	(652)	—	12,205
Amortization of intangible assets	6,687	4,778	19,308	12,457
Total costs and operating expenses	272,822	183,570	753,989	520,536
Operating income	10,087	20,072	57,104	38,317
Interest expense, net	4,339	8,987	18,723	28,003
Income from continuing operations before income taxes	5,748	11,085	38,381	10,314
Provision for income taxes	2,157	2,343	7,184	1,318
Net income from continuing operations	3,591	8,742	31,197	8,996
Income (loss) from discontinued operations, net of tax	321	2,908	(33,061)	(6,734)
Net income (loss)	\$ 3,912	\$ 11,650	\$ (1,864)	\$ 2,262
Earnings (loss) per share:				
Basic				
Continuing operations	\$ 0.17	\$ 0.47	\$ 1.51	\$ 0.52
Discontinued operations	0.02	0.16	(1.60)	(0.39)
	\$ 0.19	\$ 0.63	\$ (0.09)	\$ 0.13
Diluted				
Continuing operations	\$ 0.17	\$ 0.47	\$ 1.50	\$ 0.52
Discontinued operations	0.02	0.16	(1.59)	(0.39)
	\$ 0.19	\$ 0.63	\$ (0.09)	\$ 0.13
Weighted average shares outstanding:				
Basic	20,681,203	18,425,643	20,656,680	17,125,502
Diluted	20,756,508	18,479,123	20,742,957	17,211,825
Dividends declared per share	\$ 0.10	\$ 0.10	\$ 0.30	\$ 0.30

VSE Corporation and Subsidiaries
Unaudited Consolidated Statements of Cash Flows
(in thousands)

	Nine months ended September 30,	
	2025	2024
	(a)	(a)
Cash flows from operating activities:		
Net (loss) income	\$ (1,864)	\$ 2,262
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	29,730	20,411
Amortization of debt issuance cost	1,266	997
Deferred taxes	(19,117)	(9,840)
Stock-based compensation	9,908	6,497
Impairment and loss on sale of business segments	47,046	16,867
Loss on sale of property and equipment	10	421
Lease abandonment and termination costs	—	12,205
Earn-out receivable fair value adjustments	29,200	—
Interest income on note receivable	(1,342)	—
Changes in operating assets and liabilities, net of impact of acquisitions:		
Receivables	(23,243)	(32,720)
Contract assets	(2,954)	5,267
Inventories	(26,522)	(26,808)
Prepaid expenses and other current assets and other assets	(8,991)	(8,232)
Operating lease assets and liabilities, net	837	(10,442)
Accounts payable and deferred compensation	(42,067)	(67,860)
Accrued expenses and other liabilities	(2,549)	4,563
Net cash used in operating activities	(10,652)	(86,412)
Cash flows from investing activities:		
Purchases of property and equipment	(14,513)	(17,439)
Proceeds from the sale of business segments, net of cash divested	138,816	42,118
Cash paid for acquisitions, net of cash acquired	(47,745)	(112,206)
Net cash provided by (used in) investing activities	76,558	(87,527)
Cash flows from financing activities:		
Borrowings on bank credit facilities	648,066	527,165
Repayments on bank credit facilities	(720,825)	(507,165)
Proceeds from issuance of common stock	463	161,693
Payment of debt financing costs	(2,584)	—
Payment of taxes for equity transactions	(5,077)	(2,758)
Dividends paid	(6,195)	(5,019)
Net cash (used in) provided by financing activities	(86,152)	173,916
Net decrease in cash and cash equivalents	(20,246)	(23)
Cash and cash equivalents, beginning of period	29,030	7,930
Cash and cash equivalents, end of period	\$ 8,784	\$ 7,907
Supplemental disclosure of noncash investing and financing activities:		
Note receivable from the sale of business segment	\$ 25,000	\$ —

- (a) The cash flows related to discontinued operations and held-for-sale assets and liabilities have not been segregated, and remain included in the major classes of assets and liabilities. Accordingly, the Consolidated Statements of Cash Flows include the results of continuing and discontinued operations.



VSE CORPORATION ANNOUNCES THE ACQUISITION OF AERO 3

Expands VSE Aviation's Presence and Strength in the Global Wheel and Brake Aftermarket

MIRAMAR, FL., October 27, 2025 – VSE Corporation ("VSE" or the "Company") (NASDAQ: VSEC), a leading provider of aviation aftermarket distribution and repair services, announced today that it has signed a definitive agreement to acquire GenNx/AeroRepair IntermediateCo Inc., the parent company of Aero 3, Inc. ("Aero 3"), a portfolio company of GenNx360 Capital Partners and a diversified global Maintenance, Repair and Overhaul (MRO) service provider and distributor supporting the commercial wheel and brake aftermarket.

MANAGEMENT COMMENTARY

"We are pleased to announce the acquisition of Aero 3, an important step in expanding our global wheel and brake aftermarket capabilities," said John Cuomo, President and CEO of VSE Corporation. "This acquisition aligns perfectly with our OEM-centric strategy and builds upon the success of our Desser Aerospace acquisition. Aero 3 broadens our MRO, distribution, and proprietary product offerings while extending our global footprint. With the addition of Aero 3's nine MRO facilities, VSE will now operate twelve strategically located wheel and brake repair facilities across the U.S., Canada, and the U.K., serving commercial, regional, and business & general aviation customers. The combination of VSE and Aero 3 establishes one of the industry's most comprehensive global aftermarket platforms focused on aircraft wheels and brakes. Aero 3 is led by a market-leading management team that will remain with the business and help drive continued growth across the VSE Aviation Wheel and Brake Group. Together, our customer- and operations-focused strategy and growth-oriented mindset will allow VSE to capitalize on the expanding global wheel and brake aftermarket."

"Joining VSE Aviation represents an important next chapter for Aero 3," said Daniel Bell, Chief Executive Officer of Aero 3. "Our organization has earned a global reputation for technical expertise, reliability, and trusted partnerships with both OEMs and aircraft operators. Our focus on delivering fully integrated repair solutions aligns seamlessly with VSE's culture of operational excellence and customer commitment. Together, we will strengthen our capabilities, accelerate our expansion, and continue providing innovative, comprehensive solutions to the global aviation community."

"We are proud to see Aero 3 join the VSE Aviation platform and confident they will continue to thrive in this next phase of growth," added Pratik Rajeevan, Principal at GenNx360 Capital Partners. "Dan and his team have built an exceptional, customer-focused business, and it has been a pleasure partnering with them as we executed on our buy-and-build strategy."

ACQUISITION OVERVIEW

Aero 3 is a global market leader specializing in three complementary business units:

1. **Wheel and Brake MRO Services** - Nine strategically located repair and overhaul facilities across the U.S., Canada, and the U.K., providing proximity to key customer operations, proprietary logistics, program management services, and industry-leading turnaround times.
2. **OEM-Aligned Distribution** - Authorized distribution of OEM wheel and brake components, expanding VSE's position as a trusted OEM partner.
3. **Proprietary Solutions** - Engineering and production of proprietary, custom-designed repair solutions and manufactured aircraft components, enhancing VSE's exposure to higher-margin, differentiated proprietary products.

Founded in 1994 and headquartered in Manchester, New Hampshire, Aero 3 employs approximately 280 people, supports more than 750 global customers and completes approximately 50,000 MRO events per year.

STRATEGIC RATIONALE

- **Increases Exposure and Market Leadership in Global Wheel and Brake Aftermarket Services**
- **Drives Sales Synergies with Desser Aerospace Acquisition** – Builds on the 2023 acquisition of Desser Aerospace, a leader in tire distribution. Combining Desser's tire expertise with Aero 3's wheel and brake MRO capabilities creates a unified, nationwide solution for fleet operators. The integrated facility footprint enables stronger support through national programs while seamlessly incorporating tire repair and replacement into wheel and brake aftermarket services.
- **Expands Global MRO Footprint and Capabilities** – With Aero 3's nine facilities, VSE will operate twelve global wheel and brake MRO sites, strategically positioned near major aviation hubs across North America and Europe.
- **Deepens OEM Alignment** – Aero 3 supports all major OEMs and enhances VSE's strategy of being an OEM-aligned partner across aviation services.
- **Strengthens Distribution Capabilities** – Adds an authorized OEM distribution business, enabling VSE to offer customers integrated repair and parts solutions.
- **Accelerates Growth of Differentiated, High-Margin Proprietary Solutions** - Enhances proprietary product portfolio, engineering and manufacturing capabilities, enabling VSE to deliver higher-value, IP-driven components.
- **Adds Experienced Leadership** – The Aero 3 leadership team, led by Daniel Bell, will remain with the business and continue driving growth and operational excellence across VSE's entire global Wheel and Brake Group.

FINANCIAL HIGHLIGHTS AND TRANSACTION TERMS

- Total cash consideration of \$350 million, subject to working capital adjustments.
- The transaction is expected to close in the fourth quarter of 2025, subject to regulatory approvals and customary closing conditions.
- Aero 3 generated approximately \$120 million of revenue during the trailing twelve-month period ended August 2025 with Adjusted EBITDA margins in excess of 20%.
- Year to date, on a pro forma basis, the acquisition of Aero 3 enhances VSE's consolidated adjusted EBITDA margin by more than 50 basis points.
- The acquisition is expected to be funded by anticipated proceeds from an equity financing and/or borrowings under the Company's existing credit facility.

ADVISORS

Jones Day served as legal counsel to VSE Corporation.

Harris Williams LLC acted as financial advisor and Winston & Strawn LLP served as legal counsel to GenNx360 Capital Partners and Aero 3, Inc.

ABOUT VSE CORPORATION

VSE is a leading provider of Aviation distribution and repair services for the commercial and business and general aviation (BG&A) aftermarkets. Headquartered in Miramar, Florida, VSE is focused on significantly enhancing the productivity and longevity of its customers' high-value, business-critical assets. VSE's aftermarket parts distribution and maintenance, repair, and overhaul (MRO) services support engine component and engine and airframe accessory part distribution and repair services for commercial and BG&A operators. For more detailed information, please visit VSE's website at www.vsecorp.com.

ABOUT GENNX360 CAPITAL PARTNERS

GenNx360 Capital Partners is a private equity firm focused on acquiring middle market business-to-business services companies. GenNx360 partners with companies having proven and sustainable business models in expanding industries with the objective of implementing and supporting value-enhancing organic and inorganic initiatives to accelerate growth, deliver cost efficiencies, and generate strong financial returns. GenNx360 was founded in 2006 and is headquartered in New York City. For more information on GenNx360, please visit www.gennx360.com. The GenNx360's Aero 3 team includes Ron Blaylock, Founder and Managing Partner; Lloyd Trotter, Founder and Managing Partner; Pratik Rajeevan, Principal; Peter White, Principal; and Jon Langenfeld, Associate.

FORWARD-LOOKING STATEMENTS

This press release contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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 this statement is included for purposes of such safe harbor provisions.

"Forward-looking" statements, as such term is defined by the Securities and 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, 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 as a result of new information, future events or otherwise. These statements relate to, among other things, our intent, belief or current expectations with respect to the acquisition of Aero 3, including anticipated financing and closing timeline related thereto; 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, certain of which are beyond our control, 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:

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- supply chain delays and disruptions;
 - risks related to our work on large government programs;
 - our ability to consummate, successfully integrate, and achieve the strategic and other objectives, including any expected synergies, relating to pending acquisitions, including the potential acquisition of Aero 3;
 - our ability to successfully integrate and realize the anticipated benefits of recently acquired businesses, including the acquisitions of Kellstrom Aerospace Group, Inc. and Turbine Weld Industries;
 - risks related to future business conditions resulting in impairments;
 - risks related to the intense competition in our industry;
 - risks related to the performance of the aviation aftermarket;
 - global economic and political conditions;
 - risks related to our ability to mitigate the impacts of increased costs related to tariffs;
 - prolonged periods of inflation and our ability to mitigate the impact thereof;
 - challenges related to workforce management or any failure to attract or retain a skilled workforce;
 - our dependence on third-party package delivery companies;
 - compliance with government rules and regulations, including environmental and pollution risk;
 - risks related to technology security and cyber-attacks;
 - risks related to our outstanding indebtedness;
 - risks related to market volatility in the debt and equity capital markets;
 - risks related to our preliminary financial estimates, which represent management's current estimates and are subject to change; 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, 2024 and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2025 and June 30, 2025.

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 with or furnished to the SEC.

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