

# First Quarter 2026 Results Conference Call

May 6, 2026



# Forward-Looking Statements

This document 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 VSE’s expectations or beliefs, including, but not limited to, statements concerning the expected financial and other benefits of the acquisition of PAG, VSE’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 speak only as of the date of this document and VSE undertakes 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, VSE’s future financial condition, results of operations or prospects; VSE’s business and growth strategies; and VSE’s 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 VSE’s 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, risks related to: the performance of the aviation aftermarket; global economic and political conditions; supply chain delays and disruptions; competition from existing and new competitors; losses related to investments in inventory and facilities; interruptions in VSE’s operations; challenges related to workforce management or any failure to attract or retain a skilled workforce; VSE’s ability to realize the expected strategic benefits and cost synergies from the acquisition of PAG, after taking into account any business disruption, maintenance of customer, employee, or supplier relationships, management distraction during the integration process or other factors beyond VSE’s control; the accuracy of VSE’s assumptions related to the acquisition of PAG; the significant expenses that have been incurred and will be incurred in connection with acquisition of PAG; VSE’s ability to successfully integrate and achieve the strategic and other objectives, including any expected synergies, relating to recently completed acquisitions, including the acquisition of PAG; access to and the performance of third-party package delivery companies; prolonged periods of inflation and VSE’s ability to mitigate the impact thereof; future business conditions resulting in impairments; VSE’s ability to successfully divest businesses and to transition facilities in connection therewith; VSE’s work on large government programs; health epidemics, pandemics and similar outbreaks; compliance with government rules and regulations, including tariffs and environmental and pollution risk; VSE’s ability to mitigate the impacts of increased costs related to tariffs; litigation and legal actions arising from VSE’s operations; technology and cybersecurity threats and incidents; VSE’s outstanding indebtedness, including the increase in indebtedness upon completion of the acquisition of PAG; market volatility in the debt and equity capital markets; VSE’s ability to continue to pay dividends at current levels or at all; VSE’s published financial guidance; VSE’s preliminary financial estimates, which represent management’s current estimates and are subject to change; restrictions and limitations that may stem from financing arrangements VSE enters into or assumes in the future; and the other factors identified in VSE’s reports filed or expected to be filed with the SEC, including VSE’s Annual Report on Form 10-K for the year ended December 31, 2025.

# VSE Completes Acquisition of Precision Aviation Group (“PAG”)

## COMBINED BUSINESS – VSE + PAG

61

Global Locations

48

Repair  
Facilities

11

Distribution  
Centers

8

Countries

## TRANSACTION SUMMARY

- The combined company offers a broader global footprint, expanded suite of solutions, deeper technical capabilities, and an integrated offering through MRO and distribution serving a diverse customer base across commercial, business and general aviation, rotorcraft, OEM, and defense markets
- VSE acquired PAG from GenNx360 Capital Partners for \$2.025B (\$1.75B cash + ~\$275M equity), with up to \$125M in additional contingent earnout based on PAG's 2026 performance
- Deal funded via February 2026 follow-on equity and tangible equity unit offerings and a new \$900M Term Loan B, replacing the existing Term Loan A

★ >\$15M Annualized Synergies Expected

★ >20% Adj. EBITDA Margin Target

★ Immediately Accretive to VSE Margins

★ Improved Free Cash Flow Profile

★ Synergy capture plan to commence immediately

# VSE Completes Acquisition of NorthStar Technologies LLC (“NorthStar”)

## Acquisition Overview

NorthStar is a provider of MRO and third-party logistics supporting the engine aftermarket. The acquisition expands VSE’s engine service capabilities in the business and general aviation market and deepens integration within OEM aftermarket supply chains.

The business operates under a capital-light model with strong demand visibility and is resilient across market cycles, supporting both active fleets and increasing teardown and retirement activity.



### Engine Aftermarket Services Expansion

Adds teardown, kitting, and additional technical capabilities across multiple engine platforms



### Cycle-Resilient, Capital-Light Model

Capital-light model with strong demand visibility and resilience across market cycles, supporting both active fleets and increasing teardown and retirement activity



### OEM Integration

Deepens integration within OEM aftermarket supply chains and partners

# First Quarter 2026 Highlights

- 1 Exclusive, life-of-program APU distribution agreement with Pratt & Whitney Canada**  
2,500+ SKUs; expands OEM-aligned aftermarket portfolio and lifecycle for three APUs supporting more than 15 different commercial, regional and business aviation aircraft platforms
- 2 Expanded airline-focused asset management program**  
CFM56 acquisitions from major U.S. airline partner, supporting organic growth and leveraging in-house MRO capabilities
- 3 Completed Turbine Weld integration**  
ERP, IT systems, back-office functions and synergy capture fully aligned and executed
- 4 Executed capital structure enhancements supporting PAG acquisition**  
Follow-on equity and tangible equity unit offerings, Term Loan B refinancing, and upsized revolver

# Consolidated First Quarter 2026 Financial Performance Highlights

1Q'26

**\$325M**

1Q'26 Revenue

**\$55M (17.1%)**

1Q'26 Adj. EBITDA \$ (Margin %)<sup>(1)</sup>

**\$1.17**

1Q'26 Adj. Diluted EPS<sup>(1)</sup>

- Delivered \$325M in revenue, up 27% year-over-year  
Led by strong growth in Distribution, with continued expansion in MRO and contributions from recent acquisitions
- Adjusted EBITDA<sup>(1)</sup> of \$55M (17.1% margin), up 37% year-over-year  
Reflecting strong execution in distribution programs, higher MRO activity, and contributions from recent acquisitions
- Adjusted Net Income<sup>(1)</sup> of \$33M and Adjusted diluted EPS of \$1.17  
Up 102% and 50% year-over-year, respectively

*(excludes discontinued operations)*

*(1) Non-GAAP measure. See additional information in the Appendix at the end of this presentation regarding non-GAAP financial measures*

# Consolidated First Quarter 2026 Results

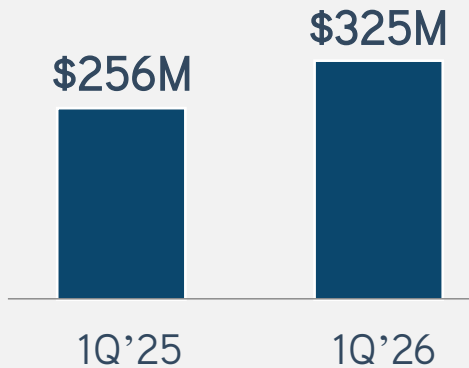
1Q'25 vs. 1Q'26

**+27%**  
Revenue Growth

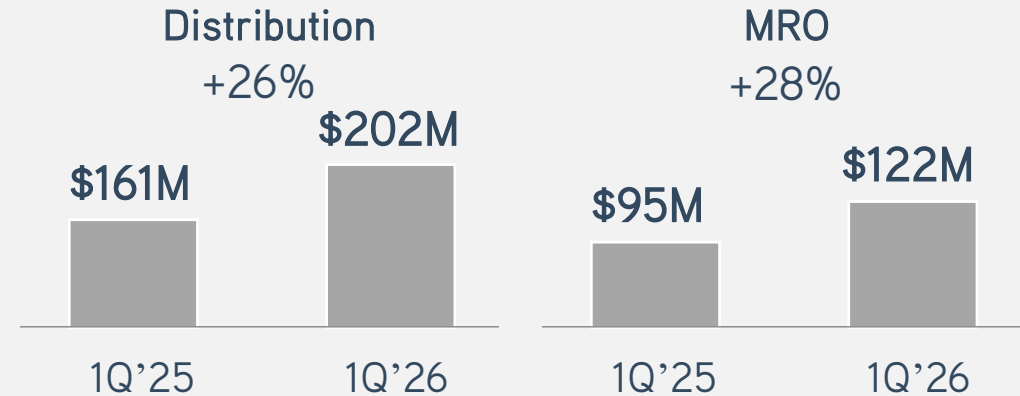
**+37%**  
Adj. EBITDA Growth<sup>(1)</sup>

**+50%**  
Adj. EPS Growth<sup>(1)</sup>

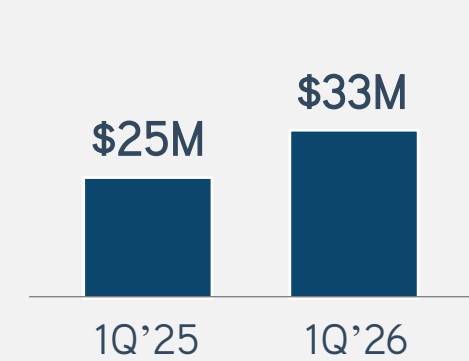
## Revenue



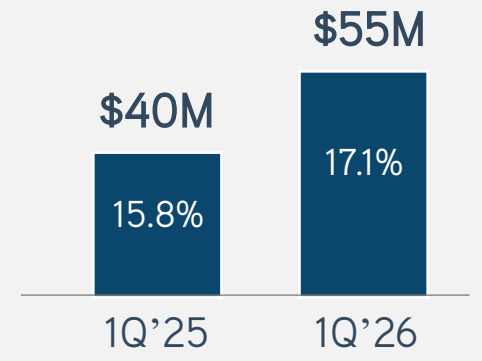
## Revenue by Sales Channel



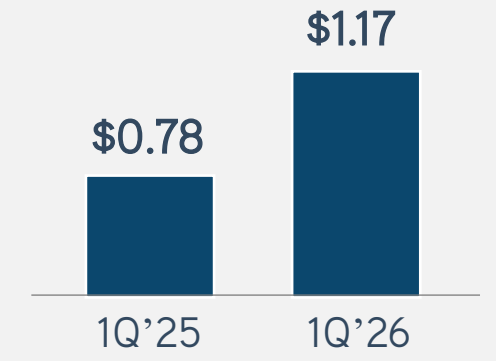
## Operating Income



## Adj. EBITDA<sup>(1)</sup>



## Adj. EPS<sup>(1)</sup>

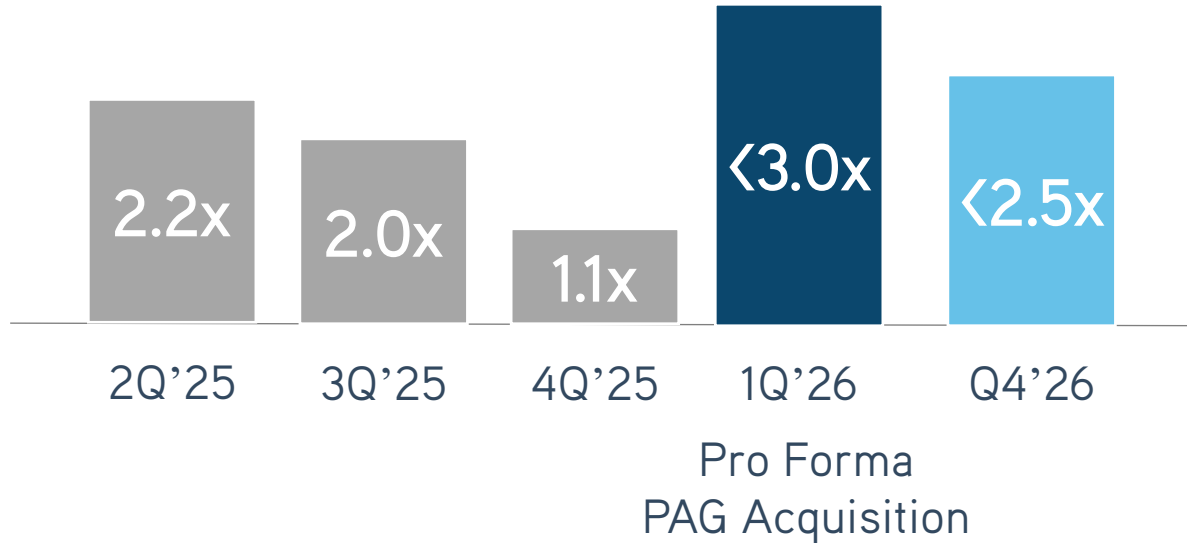


(excludes discontinued operations)

Note: The change in revenue by channel and margin may be different than reported due to rounding

# Balance Sheet Review as of March 31, 2026

## Adjusted Net Leverage<sup>(1)</sup>

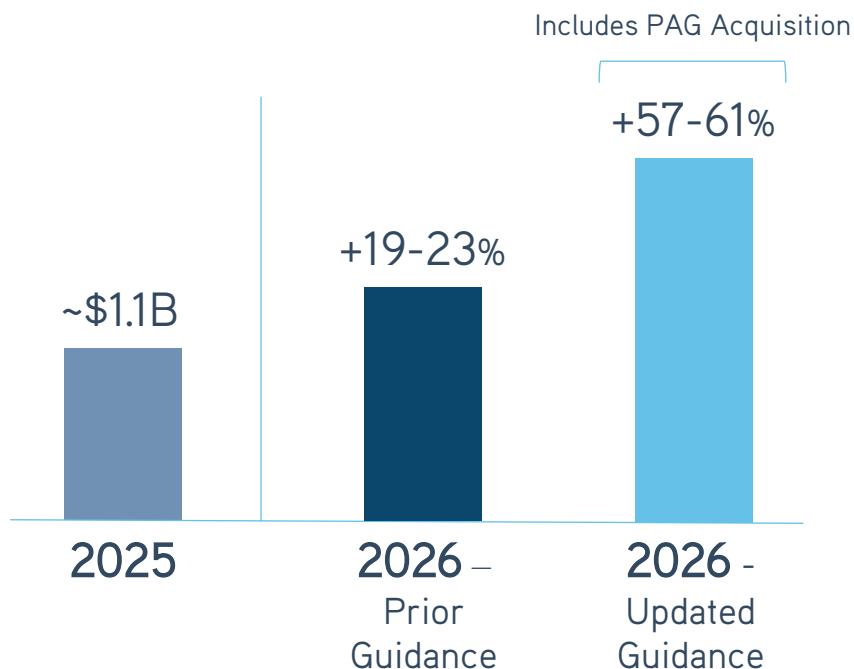


- Total Debt outstanding was \$366 million
- Revolver availability was ~\$400 million
- Free Cash Flow was \$(69) million, driven by investments to support new programs
- Pro forma Adjusted Net Leverage ratio is estimated to be less than 3.0x as of 1Q'26
- Targeting Adjusted Net Leverage ratio of less than 2.5x by end of year

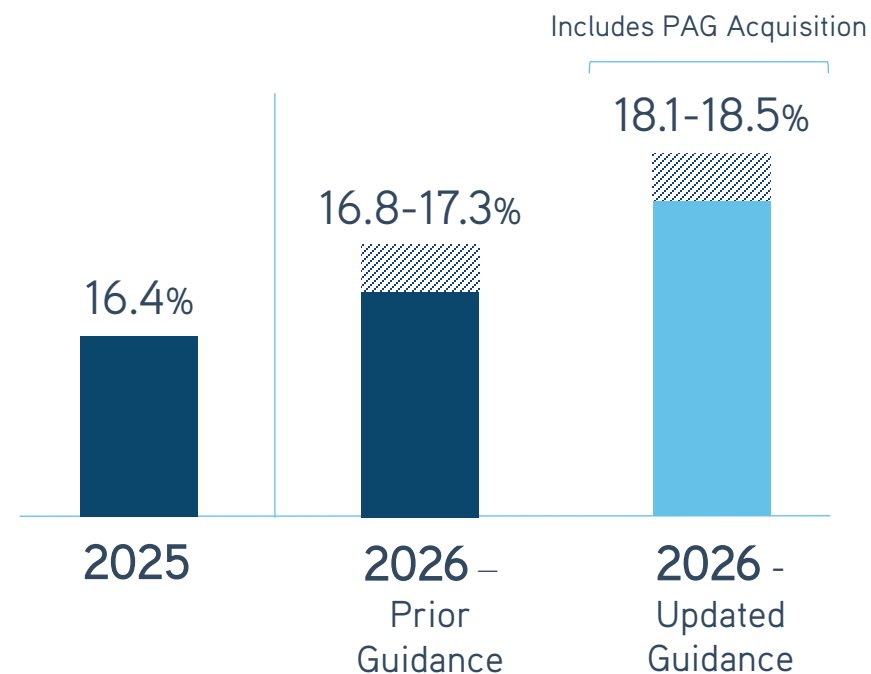
# Updates 2026 Guidance to Include PAG; Reaffirms Core Outlook

Higher revenue growth and EBITDA margin driven by PAG; Underlying business expectations unchanged

## Revenue



## Consolidated Adjusted EBITDA %

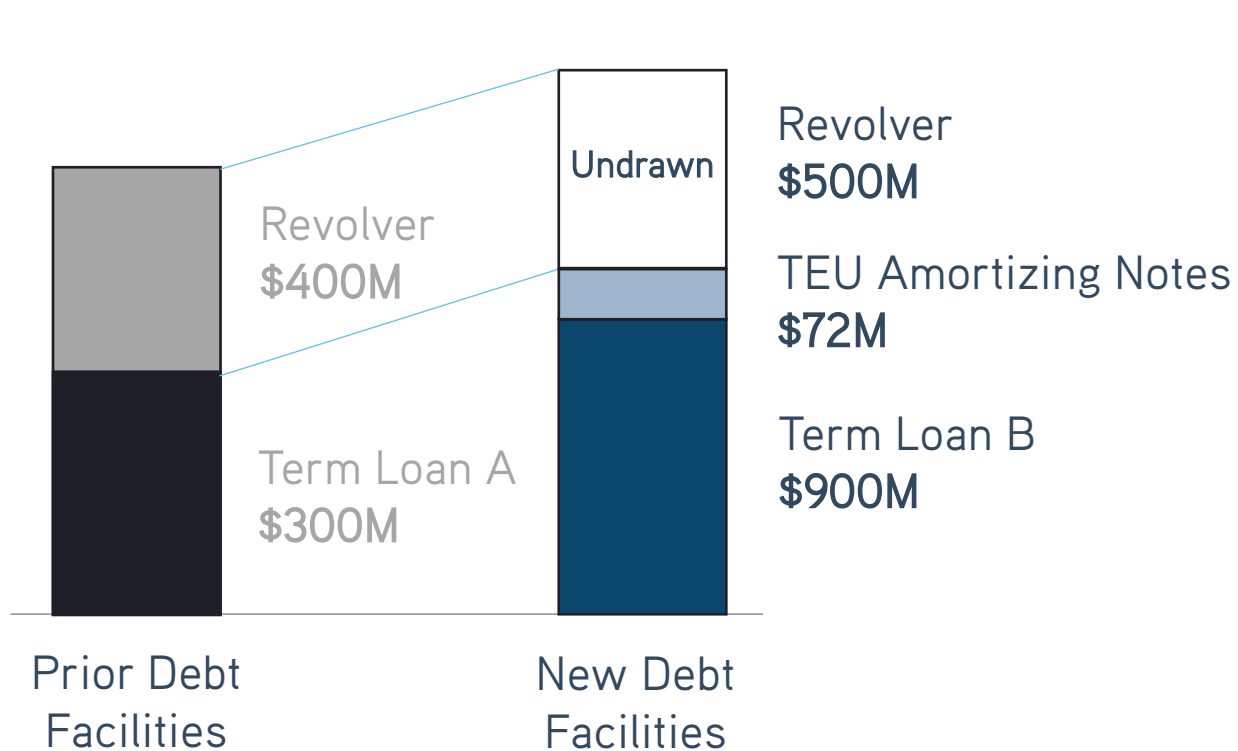


- PAG, Aero 3, and Turbine Weld acquisitions expected to contribute to 2026 revenue growth
- Organic growth expected in the high-single-digit to low-double-digit range in 2026

- PAG, Aero 3, and Turbine Weld acquisitions expected to be accretive to VSE’s full year consolidated Adjusted EBITDA margin
- Organic margin expansion driven by integration synergies, operating leverage, program optimization, and increased MRO utilization

# Refinancing Update – New Term Loan B and Upsized Revolver

\$900M New Term Loan B + \$500M Revolver (Undrawn at Close)



- ✓ Improved scalability and operating flexibility
- ✓ Enhanced cash flow
- ✓ Expanded borrowing capacity
- ✓ Extended maturity
- ✓ Strong institutional support
- ✓ Attractive pricing

# 2026 Priorities

- 1 Execute acquisition integrations and accelerate synergy realization
- 2 Implement newly awarded distribution and OEM programs across core platforms
- 3 Expand engine focused MRO capacity to capture incremental demand
- 4 Advance and convert the organic growth pipeline
- 5 Enhance systems and processes to enable scale and future integrations
- 6 Advance integration planning for PAG acquisition, with immediate synergy capture execution

# Appendix

# 2026 Updated Guidance Modeling Items

## Additional FY'26 Modeling Items

Interest Expense, Net <sup>(1)</sup>	~\$37-\$40 million
Depreciation & Amortization	~\$98-\$103 million
Tax Rate	~25%
Stock-based Compensation	~\$18-\$19 million
Capital Expenditures as a percentage of sales	~2-2.5%

*(1) Excludes interest income on note receivable.*

# Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), this earnings presentation also contains non-GAAP financial measures. These measures provide useful information to investors.

VSE considers Adjusted Net Income, Adjusted EPS (Diluted), EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Acquisition Adjusted EBITDA, TTM Adjusted EBITDA, TTM Acquisition Adjusted EBITDA, net debt, net leverage ratio, 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 VSE's 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. Adjusted EBITDA margin represents estimated operating income before depreciation and amortization expenses as a percentage of revenue. 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. 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. Capital expenditures includes purchases of property and equipment. Net leverage ratio is calculated as net debt divided by TTM Adjusted EBITDA. Adjusted Net leverage ratio is calculated as net debt divided by TTM Acquisition Adjusted EBITDA.

Additionally, VSE Adjusted EBITDA margin is presented as a forward-looking non-GAAP financial measure based solely on information available to VSE as of the date of this earnings presentation and may differ materially from VSE's actual operating results as a result of developments that occur after the date of this earnings release. 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, income amounts or anticipated synergies recognized in a given period. VSE is unable to present a quantitative reconciliation of forward-looking VSE Adjusted EBITDA to net income because certain information regarding the Company's provision for income taxes is not available, and management cannot reliably predict all of the necessary components of net income at this time without unreasonable effort or expense. For the same reasons, the Company is unable to address the probable significance of the unavailable information. The unavailable information could have significant impact on the Company's future financial results. Reconciliations 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.

# GAAP to Non-GAAP Reconciliations

## EBITDA and Adjusted EBITDA

(\$ in thousands, except per share data)

Three months ended March 31,

	2026	2025	% Change
Net income from continuing operations	\$ 29,055	\$ 13,968	108.0%
Interest expense, net	(1,402)	7,939	NM
Provision for income taxes	5,095	2,597	96.2%
Amortization of intangible assets	9,050	6,134	47.5%
Depreciation and other amortization	3,697	3,040	21.6%
<b>EBITDA</b>	<b>45,495</b>	<b>33,678</b>	<b>35.1%</b>
Acquisition, integration and restructuring costs	5,325	2,865	85.9%
Divestiture-related restructuring costs	68	63	7.9%
Stock-based compensation	4,542	3,747	21.2%
<b>Adjusted EBITDA</b>	<b>\$ 55,430</b>	<b>\$ 40,353</b>	<b>37.4%</b>

(excludes discontinued operations)

NM – Not Meaningful

# GAAP to Non-GAAP Reconciliations

## Adjusted Net Income and Adjusted EPS (Diluted)

Three months ended March 31,

<i>(\$ in thousands, except per share data)</i>	2026		2025		% Change
Net Income from continuing operations	\$	29,055	\$	13,968	108.0%
Adjustments to net income from continuing operations:					
Acquisition, integration and restructuring costs		5,325		2,865	85.9%
Divestiture-related restructuring costs		68		63	7.9%
Interest income on note receivable		(694)		-	-%
		33,754		16,896	99.8%
Tax impact on adjusted items		(1,172)		(731)	60.3%
<b>Adjusted Income from continuing operations</b>	\$	32,582	\$	16,165	101.6%
Weighted Average Diluted Shares		27,834		20,740	34.2%
GAAP EPS (Diluted)	\$	1.04	\$	0.67	55.2%
<b>Adjusted EPS (Diluted)</b>	\$	1.17	\$	0.78	50.0%

# GAAP to Non-GAAP Reconciliations

## Balance Sheet

### Reconciliation of Operating Cash Flow to Free Cash Flows

*(\$ in thousands)*

	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Net cash (used in) provided by operating activities	\$ (62,264)	\$ 37,642	\$ 24,089	\$ 11,891
Capital expenditures	(6,457)	(6,768)	(6,049)	(5,589)
Free Cash Flow	\$ (68,721)	\$ 30,874	\$ 18,040	\$ 6,302

### Reconciliation of Debt to Net Debt

*(\$ in thousands)*

	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Principal amount of debt	\$ 366,342	\$ 296,250	\$ 359,741	\$ 383,000
Debt issuance costs	(5,367)	(3,446)	(3,645)	(3,844)
Cash and cash equivalents	(1,239,407)	(69,358)	(8,784)	(16,906)
Net Debt	\$ (878,432)	\$ 223,446	\$ 347,312	\$ 362,250

### Net Leverage Ratio

*(\$ in thousands)*

	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Net Debt	\$ (878,432)	\$ 223,446	\$ 347,312	\$ 362,250
TTM Adjusted EBITDA <sup>(1)</sup>	\$ 198,001	\$ 182,924	\$ 164,463	\$ 147,003
Net Leverage Ratio <sup>(2)</sup>	NM	1.2x	2.1x	2.5x
TTM Acquisition Adjusted EBITDA <sup>(3)</sup>	\$ 217,995	\$ 209,128	\$ 171,564	\$ 162,287
Adjusted Net Leverage Ratio <sup>(2)</sup>	NM	1.1x	2.0x	2.2x

(1) TTM Adjusted EBITDA is defined as Adjusted EBITDA for the most recent twelve (12) month period.

(2) Net Leverage Ratio and Adjusted Net Leverage Ratio as of March 31, 2026 are not meaningful due to cash and cash equivalents exceeding debt.

(3) TTM Acquisition Adjusted EBITDA includes pre-acquisition portion of EBITDA for the trailing twelve months that is not included in historical results.