



WELLMAN

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NEWS RELEASE

Wellman Dynamics Awarded Title III Modernization Award from the US Army

CRESTON, Iowa (November 4, 2019) Wellman Dynamics announced today that the US Army Contracting Command has selected Wellman as the recipient of a Defense Production Act Title III award of \$15.7 million. As a condition of the award, Wellman is required to fund a matching investment of \$7.9 million. The total investment of \$23.6 million will be used for plant modernization in response to the growing demand for Wellman's products. Wellman specializes in producing aluminum and magnesium sand castings used primarily on military and commercial helicopters, including the Presidential Helicopter, Marine One.

"This is great news for the Company and the City of Creston. Our customers include many of the world's leading producers of military and commercial helicopters, aircraft engines, and missile systems," stated Jim Pinto, CEO of Wellman. "Our customers rely on Wellman to supply some of the largest and most complex sand castings in the world. After years of negligible investment, the business is now positioned to modernize the plant operations into a world class foundry." In addition to the \$23.6 million investment, Wellman will invest an undetermined amount to expand its Creston facility to include the addition of a standalone facility to produce aluminum castings for the US military's next generation of heavy lift and attack helicopters.

The DPA Title III program provides the President broad authority to ensure the timely availability of essential domestic industrial resources to support national defense and homeland security requirements through the use of highly tailored economic incentives. The program is designed to sustain, expand, modernize, and restore the domestic industrial base. Unique domestic casting manufacturers, such as Wellman, have faced economic viability challenges, and industry consolidation over the last two decades. With few remaining specialty foundries, many of these complex castings pose a supply chain risk to the US military fleets. This award will support ongoing and next-generation work on military aircraft and missiles, notably including the Black Hawk, Apache, and Osprey programs.

"This investment will build on recent investments of over \$6 million since the assets of the company were purchased by Trive Capital out of bankruptcy in May 2018. These investments will protect our multimillion-dollar payroll in the Creston community by better enabling us to meet our current product demand. On behalf of all our employees, we want to thank the US Army and the President for their confidence in Wellman and the support of our business transformation," stated Jim Pinto. "Plans include new capabilities and added capacity, along with upgrades to power systems and state of the art radiography capabilities. Our plan from



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day one has been to make this business a benchmark for the industry, a world class supplier to our customers, and a stable employer in the Creston community. These investments will modernize the business and sustain profitability for many decades to come.”

Wellman Dynamics has been a long-standing member of the Creston, Iowa community since 1965 and employs 375 people in its 225,000 square foot manufacturing facility. The assets of Wellman Dynamics were purchased by Trive Capital, a Dallas, Texas based private equity firm, in May 2018.

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