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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): **May 15, 2023**

**HEICO CORPORATION**  
(Exact name of registrant as specified in its charter)

**Florida**  
(State or other jurisdiction of incorporation)

**001-04604**  
(Commission File Number)

**65-0341002**  
(IRS Employer Identification No.)

**3000 Taft Street, Hollywood, Florida 33021**  
(Address of principal executive offices) (Zip Code)

**(954) 987-4000**  
(Registrant's telephone number, including area code)

**None**  
(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
<b>Common Stock, \$.01 par value per share</b>	<b>HEI</b>	<b>New York Stock Exchange</b>
<b>Class A Common Stock, \$.01 par value per share</b>	<b>HEIA</b>	<b>New York Stock Exchange</b>

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. ☐

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**Item 8.01. Other Events.**

On May 15, 2023, HEICO Corporation, a Florida corporation (the “Company”) issued a press release announcing the entry into an agreement to acquire Wencor Group (“Wencor”) from affiliates of Warburg Pincus LLC and Wencor’s management for \$1.9 billion in cash and \$150 million in HEICO Class A Common Stock to be paid at closing, or \$2.05 billion in the aggregate. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The press release should be read in conjunction with the note regarding forward-looking statements, which is included in the text of the press release.

**Item 9.01 Financial Statements and Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release dated May 15, 2023</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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## 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.

Date: May 15, 2023

### HEICO CORPORATION

By: /s/ CARLOS L. MACAU, JR.

Carlos L. Macau, Jr.

Executive Vice President –

Chief Financial Officer and Treasurer

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## HEICO CORPORATION AGREES TO MAKE MAJOR AND HIGHLY COMPLEMENTARY ACQUISITION

**HOLLYWOOD, FL and PEACHTREE CITY, GA / ACCESSWIRE / May 15, 2023 /** HEICO Corporation (NYSE:HEI.A)(NYSE:HEI) today announced that it entered into an agreement to acquire Wencor Group ("Wencor") from affiliates of Warburg Pincus LLC and Wencor's management for \$1.9 billion in cash and \$150 million in HEICO Class A Common Stock<sup>1</sup> to be paid at closing, or \$2.05 billion in the aggregate.

The transaction will be HEICO's largest ever in purchase price, as well as revenues and income acquired. Wencor will become part of HEICO's Flight Support Group.

HEICO stated that it expects the highly synergistic acquisition to be accretive to its earnings within the year following the closing. Further, HEICO anticipates it will continue to achieve its often-articulated growth objectives in the years following the closing.

Founded in 1955, Wencor is a large commercial and military aircraft aftermarket company offering factory-new FAA-approved aircraft replacement parts, value-added distribution of high-use commercial & military aftermarket parts and aircraft & engine accessory component repair and overhaul services.

Wencor is based in Peachtree City, GA and provides its parts and services internationally, employing approximately 1,000 team members in 19 facilities around the United States. HEICO currently employs approximately 9,000 Team Members at over 100 facilities worldwide. Wencor's customers include airlines worldwide, aircraft maintenance repair and overhaul companies, military agencies and defense contractors.

Wencor's parts and repairs are found in hydraulic, pneumatic, electronic and electro-mechanical, cockpit and galley systems throughout numerous aircraft models and provide Wencor's customers with significant cost savings.

HEICO anticipates that Wencor will generate approximately \$724 million and \$153 million in adjusted proforma revenues and EBITDA, respectively, in calendar year 2023.<sup>2</sup> Further, HEICO expects to receive estimated tax benefits of approximately \$75 million that will be realized through fiscal year 2038. Including the estimated tax benefits and without accounting for any expected synergies, HEICO anticipates that its effective purchase price multiple will be approximately 12.9 times Wencor's projected proforma adjusted EBITDA.

Following the acquisition's completion, HEICO anticipates its net debt-to-EBITDA leverage ratio will be below 3:1 and will return to its historical levels within roughly a year to eighteen months after the acquisition, before taking into account future acquisitions and other possible capital deployment activities.

HEICO stated that it believes its Flight Support Group will achieve meaningful synergies from the acquisition, though it is not now providing details on those likely synergies. HEICO's Flight Support Group has successfully achieved significant financial and other synergies from acquisitions of other businesses over many years.

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Laurans A. Mendelson, HEICO's Chairman and Chief Executive Officer, along with Eric A. Mendelson, HEICO's Co-President and Chief Executive Officer of its Flight Support Group, together remarked, "Our Flight Support Group has for decades provided high-quality and reliable cost-saving products and services to the commercial aircraft and defense aftermarkets. The Wencor acquisition materially expands HEICO's aftermarket product offerings, enabling the combined company to offer even greater savings and capabilities to its customers, while expanding our new products and services development capacity. Wencor is a perfect and highly complementary fit with HEICO.

Importantly, we look forward to welcoming Wencor's Team Members to the HEICO family and to working with Wencor's talented leadership team led by Shawn Trogon, who will continue to lead the business."

Shawn Trogon, Wencor's Chief Executive Officer, remarked, "I am excited about the opportunity to combine HEICO and Wencor's impressive teams who share the same culture and commitment to our customers, suppliers and employees. The unmatched combination will further accelerate growth, innovation, and development of highly reliable cost-saving solutions for our customers. I am proud of our team's achievements to date and look forward to continuing our journey of growth with HEICO. I want to thank the Warburg Pincus team for their support and partnership that has helped enable our success."

"We are proud of the transformative growth of Wencor and significant expansion and deepening of capabilities during our ownership period. The company is very well positioned for future growth, and we wish Shawn and the entire Wencor team continued success. As growth investors, we feel privileged to have supported Wencor in building a leading design, repair provider and distributor of aftermarket aerospace components," said Dan Zamlon, Managing Director, Warburg Pincus.

Closing is subject to customary closing conditions, including, among other things, antitrust clearance. The parties anticipate closing the transaction by the end of calendar 2023.

HEICO previously announced that it will hold its regular earnings-related conference call at 9:00 a.m. EST on Tuesday, May 23, 2023 following its earnings press release issuance the prior day. Dial-in and replay information is available on HEICO's website.

Morgan Stanley & Co. LLC acted as lead financial advisor to HEICO, with RBC Capital Markets LLC and Truist Securities also advising HEICO. In addition, Lazard and Moelis & Company advised HEICO. Paul, Weiss, Rifkind, Wharton & Garrison LLP and Akerman LLP acted as legal counsel to HEICO. Truist Securities has provided committed financing for the transaction.

Citi acted as lead advisor and Jefferies acted as co-advisor to Wencor in the transaction. William Blair and Alderman & Company also served as financial advisors to Wencor. Cleary Gottlieb Steen and Hamilton acted as legal counsel to Wencor.

HEICO has two classes of common stock traded on the NYSE. Both classes, the Class A Common Stock (HEI.A) and the Common Stock (HEI), are virtually identical in all economic respects. The only difference between the share classes is the voting rights. The Class A Common Stock (HEI.A) carries 1/10 vote per share and the Common Stock (HEI) carries one vote per share. The stock symbols for HEICO's two classes of common stock on most websites are HEI.A and HEI. However, some websites change HEICO's Class A Common Stock trading symbol (HEI.A) to HEI/A or HEIa.

## **About HEICO**

HEICO Corporation is engaged primarily in the design, production, servicing and distribution of products and services to certain niche segments of the aviation, defense, space, medical, telecommunications and electronics industries through its Hollywood, Florida-based Flight Support Group and its Miami, Florida-based Electronic Technologies Group. HEICO's customers include a majority of the world's airlines and overhaul shops, as well as numerous defense and space contractors and military agencies worldwide, in addition to medical, telecommunications and electronics equipment manufacturers. For more information about HEICO, please visit our website at [www.heico.com](http://www.heico.com).

## **About Warburg Pincus**

Warburg Pincus LLC is a leading global growth investor. The firm has more than \$80 billion in assets under management. The firm's active portfolio of more than 250 companies is highly diversified by stage, sector, and geography. Warburg Pincus has been an active investor in the aerospace and defense sectors with current and former investments including Accelya, Aquila Air Capital, CAMP Systems, Consolidated Precision Products, Extant Aerospace, Inmarsat, Quest Global, TransDigm and Wencor Group. Founded in 1966, Warburg Pincus has raised 21 private equity and 2 real estate funds, which have invested more than \$109 billion in over 1,000 companies in more than 40 countries. The firm is headquartered in New York with offices in Amsterdam, Beijing, Berlin, Hong Kong, Houston, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai, and Singapore. For more information, please visit [www.warburgpincus.com](http://www.warburgpincus.com). Follow us on LinkedIn.

## **Forward-Looking Statements**

Certain statements in this press release constitute forward-looking statements, which are subject to risks, uncertainties and contingencies, including HEICO's ability to obtain debt financing on the terms and timing contemplated to complete the acquisition, to successfully and timely integrate Wencor into HEICO's Flight Support Group and generate cost-savings for customers and synergies, to realize the transaction's anticipated tax benefits, to achieve the expected improvements in HEICO's EBITDA and net debt-to-EBITDA ratio and to continue to achieve its growth objectives, and also including Wencor's ability to achieve its projected proforma adjusted revenue and EBITDA in 2023 and beyond. HEICO's actual results may differ materially from those expressed in or implied by those forward-looking statements as a result of factors including, but not limited to: the severity, magnitude and duration of public health threats, such as the COVID-19 pandemic ("Health Emergencies"); HEICO's liquidity and the amount and timing of cash generation; lower commercial air travel caused by Health Emergencies and their aftermath, airline fleet changes or airline purchasing decisions, which could cause lower demand for our goods and services; product specification costs and requirements, which could cause an increase to our costs to complete contracts; governmental and regulatory demands, export policies and restrictions, reductions in defense, space or homeland security spending by U.S. and/or foreign customers or competition from existing and new competitors, which could reduce our sales; our ability to introduce new products and services at profitable pricing levels, which could reduce our sales or sales growth; product development or manufacturing difficulties, which could increase our product development and manufacturing costs and delay sales; our ability to make acquisitions, including obtaining any applicable domestic and/or foreign governmental approvals, and achieve operating synergies from acquired businesses; customer credit risk; interest, foreign currency exchange and income tax rates; economic conditions, including the effects of inflation, within and outside of the aviation, defense, space, medical, telecommunications, and electronics industries, which could negatively impact our costs and revenues; and defense spending or budget cuts, which could reduce our defense-related revenue. With regard to the Wencor acquisition, capital market and economic conditions could adversely affect HEICO's ability to obtain debt financing on the terms and timing contemplated, regulatory approvals may delay or otherwise impact the closing of the acquisition, and Wencor's business may not perform as expected and it may not achieve its projected proforma adjusted revenue and EBITDA due to the same factors listed above that may affect HEICO's business. Parties receiving this material are encouraged to review all of HEICO's filings with the Securities and Exchange Commission, including, but not limited to filings on Form 10-K, Form 10-Q and Form 8-K. HEICO undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent required by applicable law.

## Non-GAAP Financial Measures

To provide additional information about HEICO's projected results, HEICO has discussed in this press release, for future periods following the completion of the Wencor acquisition, its projected net debt-to-EBITDA ratio (calculated as net debt divided by EBITDA). Projected EBITDA is calculated as projected net income attributable to HEICO adjusted for depreciation and amortization expense, net income attributable to noncontrolling interests, interest expense and income tax expense. Projected net debt is calculated as projected total debt less projected cash and cash equivalents. These measures are not prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

These non-GAAP measures are included to supplement HEICO's financial information presented in accordance with GAAP and because HEICO uses such measures to monitor and evaluate the performance of its business and believes the presentation of these measures enhance an investor's ability to analyze trends in HEICO's business and to evaluate HEICO's performance relative to other companies in its industry. However, these non-GAAP measures have limitations and should not be considered in isolation or as a substitute for analysis of HEICO's financial results as reported under GAAP.

These non-GAAP measures are not in accordance with, or an alternative to, measures prepared in accordance with GAAP and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. These measures should only be used to evaluate HEICO's results of operations in conjunction with their corresponding GAAP measures.

With respect to our projected EBITDA, projected net debt, and projected net debt-to-EBITDA ratio, for periods in fiscal 2024 following the expected closing of the acquisition of Wencor, a reconciliation of these non-GAAP measures to the corresponding GAAP measures of net income attributable to HEICO, total debt, and total debt-to-net income attributable to HEICO, are not available without unreasonable effort due to the variability and complexity of the reconciling items that we add-back to net income attributable to HEICO to determine EBITDA. The variability of these items may have a significant impact on our future GAAP financial results and, as a result, we are unable to prepare the forward-looking statement of income prepared in accordance with GAAP that would be required to produce such a reconciliation.

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<sup>1</sup> A fixed number of 1,137,656 shares of HEICO Class A Common Stock will be issued at closing. The number of shares is not subject to adjustment for share price changes.

<sup>2</sup> Wencor's projected revenues and EBITDA are adjusted and on a proforma basis to take into account an acquisition it completed in February 2023 and certain diligence adjustments.