

## Watco Announces Investment Partnership

**PITTSBURG, KS – July 6, 2021** – Watco is pleased to announce they have entered into a strategic equity relationship with a global investment management firm, who will provide Watco with proceeds from a new Series E perpetual preferred equity security. This new investment will allow Watco to refinance part of its capital structure while also providing additional capital to support Watco’s ongoing customer growth initiatives and fund future acquisition opportunities.

“We are excited to announce this investment partnership,” said Dan Smith, Watco CEO. “We knew of the investor’s stellar standing as a top-tier investor and are very pleased they are making a preferred equity investment with Watco. The investor has an outstanding reputation for working with fast growing companies like Watco, and given their experienced team, was able to move quickly and efficiently to provide us with significant capital that is structured to best meet Watco’s needs. This partnership will allow us to continue focusing on growing our business and providing the best possible service to our customers.”

The private investor will join Watco’s other strategic equity partners: Oaktree Transportation Infrastructure Fund (TIF), Kinder Morgan, and Norfolk Southern. As part of Watco’s capital structure refinancing, SkyKnight Capital, an investor in Watco since 2016, will be exiting the investment group.

“We’ve appreciated SkyKnight’s investment and support,” said Rick Baden, Watco EVP and CFO. “They’ve been terrific partners over the past five years and have helped us tremendously with our growth initiatives throughout those years. Our relationship with the SkyKnight representatives on Watco’s board, Tom Crowley (CEO of Crowley, a large privately held shipping and logistics company) and Matt Ebbel (Founder and Managing Partner of SkyKnight) was extremely beneficial during what has been and continues to be a very strong growth period for Watco.”

Smith concluded, “Watco’s history has always included equity partners who have a strong strategic perspective. Matt and Tom have exemplified those same values, and want to thank both of them and the SkyKnight team for their commitment and trust in Watco.”

“Watco is an industry defining company with an exceptional culture and entrepreneurial management team. On behalf of SkyKnight and our LPs, including the Crowley family, I want to sincerely thank Chairman Rick Webb and the Webb family, CEO Dan Smith, CFO Rick Baden, and the Watco management team for five fantastic years of partnership. We are grateful to have been a part of Watco’s journey through a period of extraordinary growth and development. We wish the very best to Watco in the years ahead,” said Matthew Ebbel, Managing Partner of SkyKnight Capital.

### **About Watco**

Watco is a leading transportation service and logistics company. Meeting customer needs on a day to day basis has enabled Watco to continually grow throughout our nearly 40-year history. Today, Watco provides transportation, material handling and warehousing, design and development, railcar repair, and logistics for customers throughout North America and Australia. For more information, visit [watco.com](http://watco.com).

### **About SkyKnight**

Founded in 2015, SkyKnight Capital manages over \$2 billion in private equity capital on behalf of leading institutional family offices, foundations, and endowments. SkyKnight makes long-term investments into high quality businesses in acyclical growth sectors alongside exceptional management teams. More information is available at [www.skyknightcapital.com](http://www.skyknightcapital.com).

**Media Contact**

Tracie VanBecelaere

Watco

(620) 231-2230

[tvan@watco.com](mailto:tvan@watco.com)