AZZ Inc. Announces the Divestiture of its Nuclear Logistics LLC Operating Unit to Westinghouse Electric Company

FORT WORTH, TX - AZZ Inc. (NYSE:AZZ), a global provider of galvanizing, welding solutions, specialty electrical equipment and highly engineered services to the power generation, transmission, distribution and industrial markets, announced today that it has entered into an agreement to divest its Nuclear Logistics LLC (“NL”) operating business unit to Westinghouse Electric Company. Terms of the transaction were not disclosed, and are subject to customary terms and conditions. The transaction is expected to close in the fall of 2016.

Tom Ferguson, Chief Executive Officer of AZZ, commented, “During the past 12 to 18 months we have conducted a strategic review to evaluate our assets and product portfolio to identify our core and non-core businesses. That review made it clear to us that the NL business is better suited as part of a company with a strong involvement in the nuclear industry. We are pleased to have reached an agreement where Westinghouse, a leader in the nuclear industry, will acquire these assets, which will seamlessly integrate into their existing operations, and will enable us at AZZ to drive growth as we increasingly focus on our core businesses. I am convinced that Westinghouse will be a great partner to the NL customer roster, as well as a good employer for NL’s work force. We look forward to working with Westinghouse to ensure a smooth transition and continuity of service for NL’s customers. This is a good deal for everyone involved; our customers, our employees and our shareholders.”

Nuclear Logistics LLC is the largest third-party supplier of safety related equipment to the nuclear industry and has employees that are knowledgeable in areas such as nuclear qualification and testing, which are well in line with the nuclear parts and supply business of Westinghouse.

“This transaction better positions AZZ to continue to expand its market share in the galvanizing and energy segments,” continued Mr. Ferguson. “We will continue to leverage our expertise as a solutions leader in protecting metal and electrical systems that drive infrastructure and that grow our businesses profitably. We could potentially record a one-time, non-cash charge related to the sale, which would be moderately offset by the realization of deal-related tax benefits to the current fiscal year. Due to the uncertainty of the charge and the timing of the potential sale, we are suspending our previously issued EPS and revenue guidance for our fiscal year 2017, and will discuss this further at our upcoming review of our second quarter fiscal year 2017 scheduled for Wednesday, October 5th,” concluded Mr. Ferguson.

About Westinghouse
Westinghouse Electric Company is the world's leading supplier of safe and innovative nuclear technology. The company provides its utility customers around the world with the most reliable, dependable nuclear power plants, nuclear fuel, plant automation and operating plant products and services. Westinghouse is
driven by its powerful history and experience, ground-breaking ideas, focus on safety and sustainability, and its strong team of 12,000 employees around the world.

Westinghouse is solely focused on nuclear energy technology. Its goal is to provide solutions to its customers to keep their plants safe, reliable and efficient. Helping its customers support the needs of their customers is why Westinghouse is committed to quality, safety, and innovation at every turn.

About AZZ Inc.
AZZ Inc. is a global provider of galvanizing, welding solutions, specialty electrical equipment and highly engineered services to the markets of power generation, transmission, distribution and industrial in protecting metal and electrical systems used to build and enhance the world’s infrastructure. AZZ Galvanizing is a leading provider of metal finishing solutions for corrosion protection, including hot dip galvanizing to the North American steel fabrication industry. AZZ Energy is dedicated to delivering safe and reliable transmission of power from generation sources to end customers, and automated weld overlay solutions for corrosion and erosion mitigation to critical infrastructure in the energy markets worldwide.

Safe Harbor Statement
Certain statements herein about our expectations of future events or results constitute forward-looking statements for purposes of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by terminology such as, “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue,” or the negative of these terms or other comparable terminology. Such forward-looking statements are based on currently available competitive, financial and economic data and management’s views and assumptions regarding future events. Such forward-looking statements are inherently uncertain, and investors must recognize that actual results may differ from those expressed or implied in the forward-looking statements. This release may contain forward-looking statements that involve risks and uncertainties including, but not limited to, changes in customer demand and response to products and services offered by AZZ, including demand by the power generation markets, electrical transmission and distribution markets, the industrial markets, and the hot dip galvanizing markets; prices and raw material cost, including zinc and natural gas which are used in the hot dip galvanizing process; changes in the political stability and economic conditions of the various markets that AZZ serves, foreign and domestic, customer requested delays of shipments, acquisition opportunities, currency exchange rates, adequacy of financing, and availability of experienced management and employees to implement AZZ’s growth strategy. AZZ has provided additional information regarding risks associated with the business in AZZ’s Annual Report on Form 10-K for the fiscal year ended February 29, 2016 and other filings with the SEC, available for viewing on AZZ’s website at www.azz.com and on the SEC’s website at www.sec.gov. You are urged to consider these factors carefully in evaluating the forward-looking statements herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by this cautionary statement. These statements are based on information as of the date hereof and AZZ assumes no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

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