HC2 Holdings in Advanced Discussions to Sell Continental Insurance, Retains Advisor to Explore Strategic Options on DBM Global

February 10, 2020

NEW YORK, Feb. 10, 2020 (GLOBE NEWSWIRE) -- HC2 Holdings, Inc. ("HC2" or the "Company") (NYSE: HCHC), a diversified holding company, today provided an update on its strategic initiatives to monetize assets and further reduce debt by focusing such efforts on its highest growth businesses. The Company, following the announced sale of its Global Marine-related assets on January 30, is also in advanced discussions for the potential divestiture of its 100%-owned indirect subsidiaries, Continental Insurance Group Ltd. and Continental General Insurance Company (collectively, "Continental Insurance"). The Company has also retained Jefferies & Co. to explore strategic options for DBM Global Inc. ("DBM Global"), including a potential sale. Net proceeds from any such divestitures will be used to reduce debt at the holding company level.

"We have consistently noted that our priority is to reduce debt at the corporate level," said Philip Falcone, Chairman, President and Chief Executive Officer of HC2. "We have always believed that we have aggregated a very attractive group of assets, but it is now time to harvest certain of these assets to accelerate our debt reduction plan and further close the gap between our market value and the net asset value of our underlying portfolio companies. While we were very pleased with the outcome of our recently announced sale of Global Marine, it is important for us to continue down the path to meet our goals, and I am pleased to say that ongoing discussions to sell our wholly-owned insurance unit, Continental Insurance, have continued to advance in a positive direction. We are proud of the value and platform that we created at Continental, which is now well positioned for a divestiture, having grown its Total Adjusted Capital base from $86 million, after the 2015 acquisitions of United Teacher Associates Insurance and Continental General, to $334 million as of September 30, 2019."

"Additionally, we have retained Jefferies & Co. to pursue strategic options for our 92%-owned Construction unit, DBM Global, including a potential sale," added Mr. Falcone. "DBM Global has been a stalwart portfolio company for us since our initial acquisition of Schuff in 2014, and after significantly growing DBM Global's top line and adjusted EBITDA over the past few years, we believe DBM is in a much stronger position to begin a new chapter in its history while allowing us to realize value for our shareholders."

No assurances can be given that definitive agreements for these potential divestitures will be entered into with respect to the disposition of either Continental Insurance or DBM Global, that any transactions will be consummated, or the timing, terms, conditions or net proceeds thereof. The Company does not intend to comment further on developments regarding these potential divestiture or related market speculation unless and until HC2 otherwise deems further disclosure is appropriate or required.

About HC2

HC2 Holdings, Inc. is a publicly traded (NYSE: HCHC) diversified holding company, which seeks opportunities to acquire and grow businesses that can generate long-term sustainable free cash flow and attractive returns in order to maximize value for all stakeholders. HC2 has a diverse array of operating subsidiaries across eight reportable segments, including Construction, Marine Services, Energy, Telecommunications, Life Sciences, Broadcasting, Insurance and Other. HC2's largest operating subsidiaries include DBM Global Inc., a family of companies providing fully integrated structural and steel construction services, and Global Marine Systems Limited, a leading provider of engineering and underwater services on submarine cables. Founded in 1994, HC2 is headquartered in New York, New York. Learn more about HC2 and its portfolio companies at www.hc2.com.

Cautionary Statement Regarding Forward-Looking Statements

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This press release contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements. Generally, forward-looking statements include information describing actions, events, results, strategies and expectations and are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," or "continues" or similar expressions. The forward-looking statements in this press release include, without limitation, any statements regarding our expectations regarding entering definitive agreements in respect of the potential divestitures of Continental Insurance and/or DBM Global, reducing debt and related interest expense at the holding company level with the net proceeds of such divestitures, building shareholder value, future cash flow, longer-term growth and invested assets, and the timing or prospects of any refinancing of HC2's remaining corporate debt. Such statements are based on the beliefs and assumptions of HC2's management and the management of HC2's subsidiaries and portfolio companies. The Company believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and the Company's actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent statements and reports filed with the Securities and Exchange Commission ("SEC"), including in our reports on Forms 10-K, 10-Q, and 8-K. Such important factors include, without limitation, issues related to the restatement of our financial statements; the fact that we have historically identified material weaknesses in our internal control over financial reporting, and any inability to remediate future material weaknesses; capital market conditions, including the ability of HC2 and HC2's subsidiaries to raise capital; the ability of HC2's subsidiaries and portfolio companies to generate sufficient net income and cash flows to make upstream cash distributions; volatility in the trading price of HC2 common stock; the ability of HC2 and its subsidiaries and portfolio companies to identify any suitable future acquisition or disposition opportunities; our ability to realize efficiencies, cost savings, income and margin improvements, growth, economies of scale and other anticipated benefits of strategic transactions; difficulties related to the integration of financial reporting of acquired or target businesses; difficulties completing pending and future acquisitions and dispositions; effects of litigation, indemnification claims, and other contingent liabilities; changes in regulations and tax laws; and risks that may affect the performance of the operating subsidiaries and portfolio companies of HC2. Although HC2 believes its expectations and assumptions regarding its future operating performance are reasonable, there can be no assurance that the expectations reflected herein will be achieved. These risks and other important factors discussed under the caption "Risk Factors" in our most recent Annual Report on Form 10-K filed with the SEC, and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release.

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to HC2 or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and unless legally required, HC2 undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:
Investor Relations
Garrett Edson
ir@hc2.com
(212) 235-2691

Source: HC2 Holdings, Inc.