

William Blair

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Sustained Passenger Traffic Reflects Positive Industry Trends

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Solid YTD Activity Backed by Strong Business Aviation Outlook and Increased Air Passenger Traffic

Year-to-date U.S. general aviation activity continues to trend positively, increasing approximately 1.5% compared to the same period in 2023. The third quarter saw an increase of roughly 1% over last year.¹

Business jet activity experienced a slight dip year-to-date, down approximately 1%, with a similar 1% decline in the third quarter compared to the previous year.

Business Jet Deliveries Expected to Rise in 2025 Ahead of Steady Growth

Honeywell's annual report forecasts that new business jet deliveries will reach 830 in 2025, marking more than a 10% increase from 2024. Between 2024 and 2033, 8,500 new business jets are expected to be delivered, indicating steady growth for business aviation. According to the survey, operators increasingly prefer large jets with longer ranges and higher passenger capacity, making up two-thirds of aircraft spending over the next 10 years.

From 2024–2033, business jet deliveries and expenditures are projected to grow at compound rates of 2% and 3%, respectively. Of the 375 non-fractional business aircraft operators surveyed, who represent a fleet of 1,488 business aircraft worldwide, about 90% expect to fly more or the same in 2025 compared to 2024.²

Ownership preferences have recently shifted, with new users opting for fractional ownership, leasing, and jet card programs. These options require less commitment and further the demand for new aircraft.

Fractional operations recently experienced a significant surge, increasing by a notable 56% in September, while Part 91 activity decreased by 4% compared to the same period in 2019.³

Sustained Passenger Traffic Reflects Positive Industry Trends

Air passenger activity continues to rebound steadily, with industry-wide Revenue Passenger-Kilometers (RPK) increasing by 7.1% year-over-year in September. This growth has been largely driven by strong performance in international markets, led by the Asia Pacific and Europe regions. The U.S. noted steady growth in domestic traffic, with a 1.6% year-over-year rise in RPKs and a load factor of 81.3%, underpinning a consistent trend of recovering market activity.⁴

Domestic travel demonstrated robust performance with a 3.7% increase. This growth was driven by markets such as PR China and Japan, where traffic rose 7.7% and 6.7% year-over-year, respectively. Europe also significantly contributed to recovery, with traffic increasing 7.6% compared to the previous year. Furthermore, a strong load factor exceeding 86% in the European market highlights pent-up demand for travel, particularly in traffic-dense routes. Meanwhile, the Asia Pacific region accounted for over half of the industry's RPK growth.

Key Conference Highlights



Sustainable Aviation Fuel (SAF) Implementation Challenges

- Business aviation experts at NBAA-BACE addressed SAF availability and cost challenges, discussing ways of overcoming those obstacles to achieve its goal of net-zero emissions by 2050.
- SAF is available at various airports across the United States, where it typically costs an additional \$2 to \$3 per gallon.⁵
- Despite challenges, U.S. annual SAF procurements increased by 64%, from approximately 16.0 million to 26.3 million gallons, between 2022 and 2023.⁶

Advanced Air Mobility Framework

- The FAA established Special Federal Aviation Regulation (SFAR) to integrate advanced air mobility (AAM) in the U.S., marking the first new category of civil aircraft since the 1940s.
- SFAR establishes rules for AAM aircraft for business aviation operations, including requirements for power-lift eVTOL aircraft.

Business Aviation Continues to Adopt Artificial Intelligence

- AI is increasingly shaping business aviation, influencing almost every aspect of its operations.
- Manufacturers and MROs are looking to leverage AI and machine learning to enhance safety and efficiency.

1. Source: Federal Aviation Administration.

2. Source: Honeywell 2024 Global Business Aviation Outlook.

3. Source: NBAA, "NBAA-BACE: Analysts Expect Continued Shift from Aircraft Ownership to Fractional Use" October 2024.

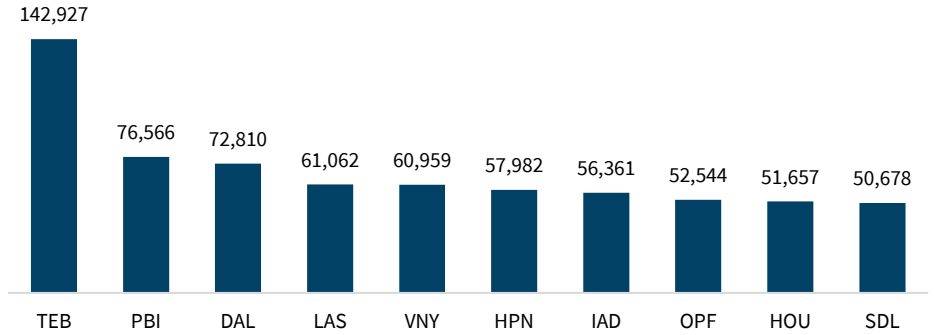
4. Source: © International Air Transport Association, 2024, "Air Passenger Market Analysis" All Rights Reserved. Available on [IATA Economics page](#).

5. Source: Business Jet Traveler Online, "Sustainable Aviation Fuel Face Headwinds" February 2024.

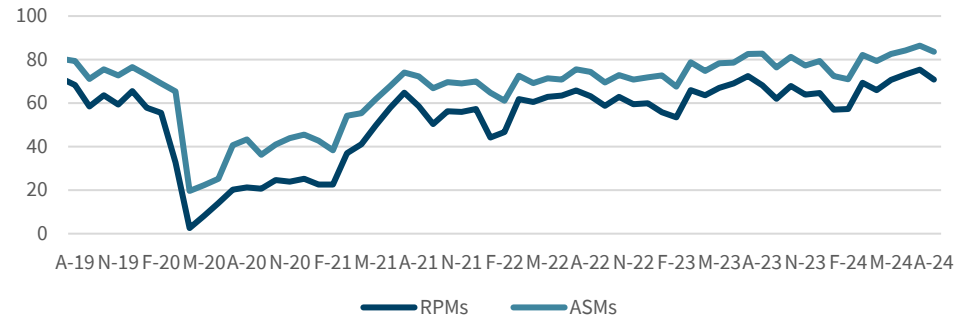
6. Source: U.S. EPA RINS Database.

Business Jet Operations and Commercial Flight Activity

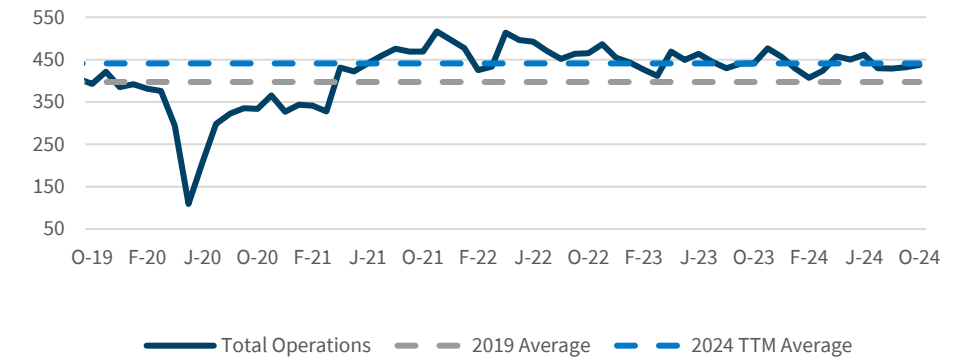
Top 10 Airports for Domestic Business Jet Operations (LTM October 2024 Business Jet Operations)



Air Traffic (RPMs) and Capacity (ASMs) (Millions of Miles)

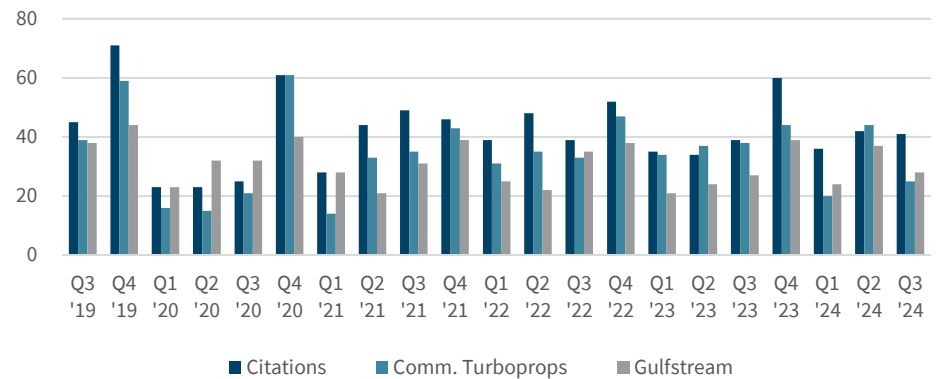


Business Jet Operations (Thousands of Operations)

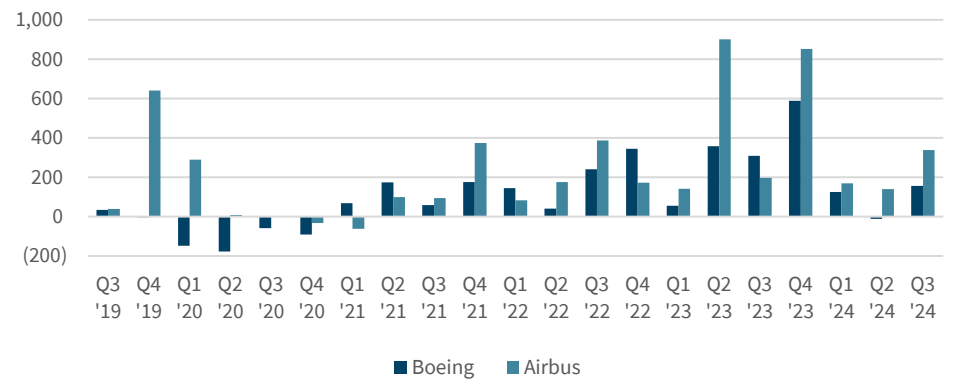


Business Jet and Commercial Aircraft Orders and Deliveries

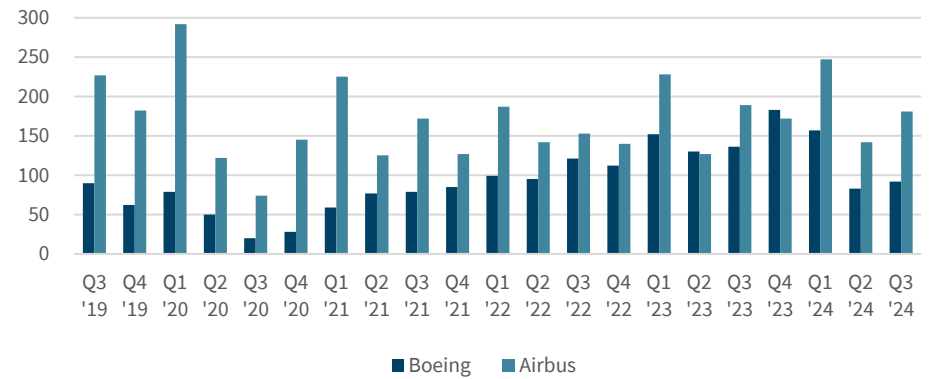
Private Aircraft Deliveries



Net Orders



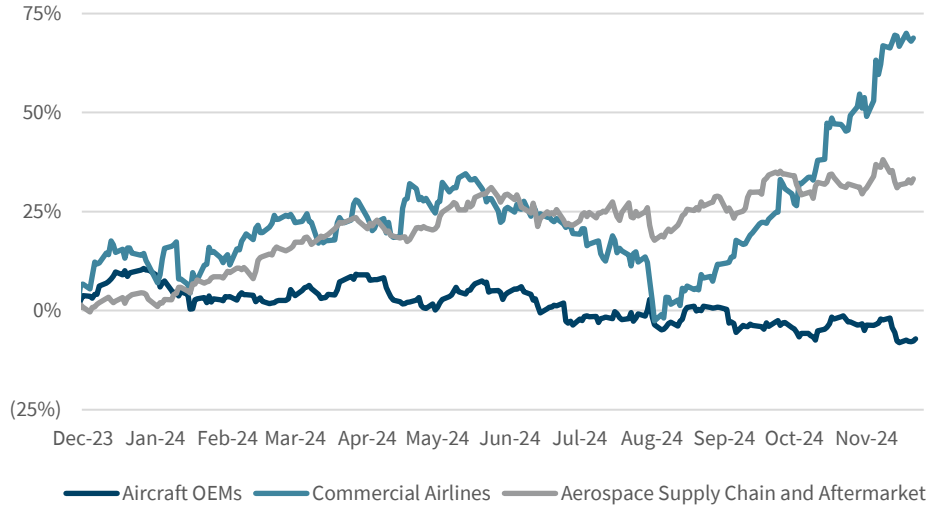
Deliveries



Public Company Performance

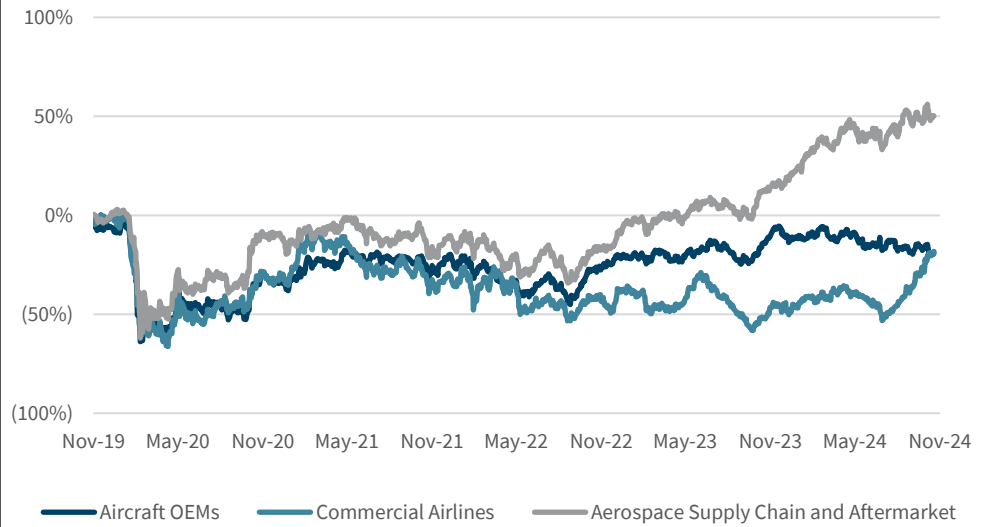
Public Company 1-Year Stock Performance

(Indexed Market Capitalization for the Period December 2023–November 2024)



Public Company 5-Year Stock Performance

(Indexed Market Capitalization for the Period November 2019–November 2024)



Aircraft OEMs: ENXTPA:AIR, ENXTPA:AM, NYSE:BA, NYSE:ERJ, NYSE:GD, NYSE:TXT, TSX:BBD.B
Commercial Airlines: NasdaqGS:AAL, NasdaqGS:JBLU, NasdaqGS:UAL, NasdaqGS:ULCC, NYSE:ALK, NYSE:DAL, NYSE:LUV,
Aerospace Supply Chain & Aftermarket: ENXTPA:SAF, NasdaqCM:ASLE, NasdaqGS:ATRO, NasdaqGS:VSEC, NasdaqGS:WWD, NYSE:AIR, NYSE:B, NYSE:DCO, NYSE:HXL, NYSE:LOAR, NYSE:MOG.A, NYSE:RBC, NYSE:SPR, NYSE:TDG, NYSE:TGI, NYSE:WCC, TSX:CAE, TSX:MAL, XTRA:MTX

Public Company Operating and Valuation Metrics

Company	Enterprise Value (\$ millions)	Market Capitalization (\$ millions)	% of 52 - Week High	Rev Growth			Enterprise Value /			
				'24P	'25P	LTM EBITDA Margin	LTM Revenue	NTM Revenue	LTM EBITDA	NTM EBITDA
Aircraft OEMs										
The Boeing Company	\$161,583	\$114,392	57.2%	10.0%	(100.0%)	(5.4%)	2.2x	N/A	NMF	NMF
Airbus SE	115,045	114,626	80.1%	19.7%	6.7%	9.2%	1.5x	1.4x	16.6x	11.5x
General Dynamics Corporation	86,304	77,238	88.8%	16.8%	9.5%	11.7%	1.9x	1.7x	16.0x	13.2x
Textron Inc.	18,577	15,908	88.1%	8.6%	3.8%	11.8%	1.3x	1.3x	11.3x	11.0x
Bombardier Inc.	12,771	7,499	93.7%	24.7%	6.8%	11.8%	1.5x	1.4x	12.5x	8.3x
Embraer S.A.	8,687	7,219	98.6%	30.0%	13.4%	7.6%	1.5x	1.3x	19.7x	10.3x
Dassault Aviation société anonyme	6,263	15,283	87.9%	(26.3%)	24.2%	9.5%	1.1x	0.9x	11.8x	7.7x
Mean	\$58,461	\$50,309	84.9%	12.0%	(5.1%)	8.0%	1.6x	1.3x	14.7x	10.3x
Median	\$18,577	\$15,908	88.1%	16.8%	6.8%	9.5%	1.5x	1.4x	14.3x	10.6x
Aerospace Supply Chain and Aftermarket Support										
Safran SA	\$95,828	\$96,160	96.8%	32.2%	10.9%	20.3%	3.5x	3.1x	17.1x	15.7x
TransDigm Group Incorporated	89,547	70,905	86.9%	41.0%	12.2%	49.0%	11.3x	10.1x	23.0x	19.0x
MTU Aero Engines AG	18,224	17,537	95.0%	37.0%	7.4%	13.9%	2.3x	2.2x	16.9x	12.2x
WESCO International, Inc.	15,382	10,447	98.6%	1.7%	1.4%	6.7%	0.7x	0.7x	10.6x	9.8x
RBC Bearings Incorporated	11,650	10,582	98.6%	11.0%	6.6%	30.0%	7.3x	6.9x	24.4x	22.5x
Woodward, Inc.	11,339	10,696	95.2%	35.1%	2.3%	16.4%	3.4x	3.3x	20.8x	18.4x
CAE Inc.	9,661	7,413	99.4%	17.8%	4.0%	16.5%	2.9x	2.8x	17.9x	11.4x
Spirit AeroSystems Holdings, Inc.	8,740	3,811	87.9%	28.8%	19.1%	(11.5%)	1.3x	1.1x	NMF	NMF
Loar Holdings Inc.	8,545	7,989	92.2%	58.2%	23.9%	33.6%	NMF	NMF	NMF	NMF
Moog Inc.	8,115	7,137	98.3%	17.5%	2.6%	13.4%	2.2x	2.2x	16.8x	15.4x
Hexcel Corporation	5,776	5,073	81.2%	19.6%	6.3%	18.7%	3.1x	2.9x	16.4x	14.2x
AAR Corp.	3,504	2,494	92.8%	12.0%	13.5%	8.8%	1.4x	1.3x	16.5x	11.0x
Barnes Group Inc.	3,461	2,391	98.9%	28.1%	1.0%	21.5%	2.1x	2.1x	10.0x	10.2x
VSE Corporation	2,841	2,370	93.7%	51.8%	14.6%	11.9%	2.8x	2.4x	23.6x	18.3x
Triumph Group, Inc.	2,327	1,466	96.1%	1.7%	(100.0%)	12.9%	1.9x	N/A	14.8x	11.2x
Ducommun Incorporated	1,245	997	96.3%	9.7%	4.3%	12.0%	1.6x	1.5x	13.3x	9.5x
Astronics Corporation	815	615	74.2%	46.2%	3.1%	6.0%	1.0x	1.0x	17.2x	7.3x
Magellan Aerospace Corporation	481	436	96.7%	21.2%	4.2%	8.7%	0.7x	0.7x	8.1x	5.7x
AerSale Corporation	438	343	38.6%	(15.6%)	11.6%	5.1%	1.3x	1.1x	24.9x	9.7x
Mean	\$15,680	\$13,624	90.4%	24.0%	2.6%	15.4%	2.8x	2.7x	17.2x	13.0x
Median	\$8,115	\$5,073	95.2%	21.2%	6.3%	13.4%	2.2x	2.2x	16.9x	11.4x
Commercial Airlines										
Delta Air Lines, Inc.	\$62,856	\$41,345	97.3%	19.2%	(0.4%)	14.0%	1.0x	1.0x	7.5x	6.2x
United Airlines Holdings, Inc.	51,040	31,845	98.8%	24.6%	5.5%	13.4%	0.9x	0.9x	6.8x	5.7x
American Airlines Group Inc.	40,027	9,804	92.4%	9.5%	3.4%	9.5%	0.7x	0.7x	7.9x	6.0x
Southwest Airlines Co.	19,162	19,449	92.2%	15.0%	3.5%	6.1%	0.7x	0.7x	11.4x	7.3x
Alaska Air Group, Inc.	10,421	6,784	98.9%	11.5%	34.5%	12.2%	1.0x	0.7x	8.0x	5.2x
JetBlue Airways Corporation	6,956	2,123	75.8%	1.8%	2.2%	4.7%	0.7x	0.7x	16.0x	8.4x
Frontier Group Holdings, Inc.	4,947	1,296	69.0%	10.2%	11.7%	(6.3%)	1.4x	1.2x	NMF	6.3x
Mean	\$27,916	\$16,092	89.2%	13.1%	8.6%	7.6%	0.9x	0.9x	9.6x	6.4x
Median	\$19,162	\$9,804	92.4%	11.5%	3.5%	9.5%	0.9x	0.7x	7.9x	6.2x

Select Aviation Services Transactions

Date	Target	Acquirer	Sub-Sector	William Blair Transaction
Dec-24	Farsound Aviation	Onex Partners	MRO	●
Oct-24	Dominion Aviation Service Inc	Vantage Aviation	FBO	
Oct-24	Desert Jet (Charter)	Advanced Air	Charter	
Sep-24	Icon Aerospace	Precision Aviation	MRO	
Sep-24	Tag Aero	Precision Aviation	MRO	
Sep-24	Jet IN	Jet Aviation	FBO	
Aug-24	Dulles Jet Center	Signature Aviation	FBO	
Jul-24	MRO Holdings	Bain Capital	MRO	
Jun-24	Mayo Aviation	Stevens Aerospace	MRO	
May-24	Sunvair Aerospace Group	Greenbriar Equity Group	MRO	●
May-24	American Aero	Modern Aviation	FBO	
Apr-24	Turbine Controls, Inc.	VSE	MRO	
Mar-24	Mid-Continent Aviation Services	Yingling Aviation	MRO	
Mar-24	Triumph Group (Product Support Group)	AAR	MRO	
Jan-24	Meridian	Signature Flight Support	FBO	
Dec-23	Fontainebleau Aviation	Skyservice (Instar)	FBO	●
Dec-23	FlyExclusive	EG Acquisition	Charter	
Nov-23	Jet East	West Star Aviation	MRO	
Nov-23	Modern Aviation (16 locations)	Apollo (Majority) and Tiger Infrastructure Partners	FBO	
Aug-23	Wencor	HEICO	MRO	●
Aug-23	Flying Colours	FlexJET (Eldridge and Directional Aviation)	MRO	
Jun-23	Yingling Aviation	AE Industrial Partners	FBO / MRO	
May-23	Primeflight Aviation Services	Capitol Meridian Partners and The Sterling Group	Group Handling	
May-23	Star Handling	Skytanking (Primeflight)	Group Handling	
Apr-23	Epps Aviation (Atlanta, GA)	Aero Centers (SAR-Trilogy and Redbird Captial)	FBO / Charter / MRO	●
Mar-23	Midwest Corporate Aviation	Clemens Aviation	FBO / Charter / MRO	
Mar-23	Atlas Air	Apollo Global, JF Lehman, and Hill City Capital	Air Cargo	
Mar-23	Golden Isles Aviation (St. Simon, GA)	Odyssey Aviation	FBO	
Mar-23	Dolphin Aviation (Sarasota, FL)	Hawthorne Global Aviation Services	FBO	
Feb-23	Western Jet Aviation	Standard Aero	MRO	
Feb-23	Constant Aviation (Cleveland, OH)	Directional Aviation (AKA FlexJet)	MRO	
Jan-23	Dumon (Charter Division)	Rennia Aviation	Charter	
Nov-22	Northeast Aero Compressor (Bohemia, NY)	Jet Parts Engineering	MRO	
Nov-22	Associated Aircraft Manufacturing & Sales, Inc	First Aviation Services	MRO	
Oct-22	UltraAir (Omaha, NE)	Four Corners Aviation	Charter	
Oct-22	TCR International	3i Infrastructure	Ground Handling	
Oct-22	Mystic Jet Centers (3 locations)	Modern Aviation	FBO	
Sep-22	Skytech (2 locations)	Pilatus	Charter / MRO	
Sep-22	Mayo Aviation (Centennial, CO)	Priester Aviation	Charter	
Sep-22	Textar Aviation (Dallas, TX)	Atlantic Aviation	FBO	
Sep-22	Elliot Aviation (Des Moines, IA)	Modern Aviation	FBO	
Sep-22	Odyssey Aviation (2 locations)	Granite Creek Capital Partners	FBO	
Aug-22	Menzies	Agility	Ground Handling	
Aug-22	Four Points Aero Serrvices (Dallas, TX)	Elliot Aviation	MRO	
Aug-22	Blue Heron Aviation (Turkis &Caicos)	Atlantic Aviation	FBO	
Jun-22	Skycharter (Halifax, Nova Scotia)	IMP Group	Charter	
Jul-22	Signature Flight Support (3 locations)	Atlantic Aviation	FBO	●
Jul-22	TAC Air (17 locations)	Signature Aviation	FBO	●

Source: Pitchbook, MergerMarket.

Recent Debt Capital Markets Transactions

Launch Date	Company	Corporate Rating	Amount (\$ millions)				Term Loan B		2nd Lien
			Total	TLB	RC	2nd Lien	Spread (bps)	Floor (bps)	Spread (bps)
Oct-24	United Airlines	BB-/Ba2	\$2,090	\$2,090	--	--	200	--	--
Sep-24	Alaska Air	BB/Ba1	\$750	\$750	--	--	200	--	--
Aug-24	JetBlue	B-/B3	\$765	\$765	--	--	550	--	--
Jun-24	Signature Aviation	B+/B2	\$1,853	\$1,853	--	--	275	50	--
May-24	Ontic	B/B2	\$1,425	\$1,425	--	--	325	--	--
Nov-23	Atlantic Aviaiton Corporation	B/B2	\$1,069	\$1,069	--	--	350	50	--
Jul-23	Ontic	B2/B	\$957	\$957	--	--	400	--	--
May-23	Atlantic Aviation	B/B2	\$750	\$750	--	--	400	50	--
Apr-23	Signature Aviation	B+/B2	\$400	\$400	--	--	375	50	--
Feb-23	American Airlines	B-/B2	\$1,000	\$1,000	--	--	275	--	--
Feb-23	Castlelake Aviation	BB-/Ba3	\$635	\$635	--	--	275	50	--
Sep-22	Ontic	B/B2	\$85	\$85	--	--	450	--	--
Jul-22	Atlantic Aviation	B/B2	\$425	\$325	\$100	--	400	50	--
Jun-22	Signature Aviation	B+/B1	\$1,100	\$1,100	--	--	375	50	--
Feb-22	Ontic	B/B2	\$80	\$80	--	--	400	--	--
Oct-21	Signature Aviation	B+/B1	\$330	\$330	--	--	275	50	--
Oct-21	Atlantic Aviation	B/B2	\$330	\$330	--	--	300	50	--
Sep-21	Castlelake Aviation	BB-/Ba3	\$1,730	\$980	\$750	--	275	50	--
Jul-21	Avolon	BBB-/Baa3	\$672	\$672	--	--	225	50	--
Jul-21	Ontic	B/B2	\$140	\$140	--	--	400	--	--
Jul-21	Air Canada	B+/Ba3	\$2,900	\$2,300	\$600	--	350	75	--
Jul-21	Atlantic Aviation	B/B2	\$1,925	\$1,350	\$225	\$350	300	50	575
Apr-21	Gogo	B-/B3	\$825	\$725	\$100	--	375	75	--
Apr-21	Signature Aviation	B+/B1	\$2,035	\$1,685	\$350	--	275	50	--
Apr-21	United Airlines	B+/Ba2	\$6,750	\$5,000	\$1,750	--	375	75	--
Mar-21	American Airlines	B-/B2	\$3,500	\$3,500	--	--	475	75	--
Feb-21	Ontic	B-/B3	\$551	\$551	--	--	400	--	--
Nov-20	Avolon Aerospace	BBB-/Baa3	\$675	\$675	--	--	250	75	--
Sep-20	Fly Leasing	BB/B1	\$180	\$180	--	--	600	100	--
Sep-20	Delta SkyMiles	--	\$3,000	\$3,000	--	--	375	100	--
Jun-20	JetBlue	B+/Ba2	\$750	\$750	--	--	525	100	--
Apr-20	Delta Air Lines	BB/Baa3	\$1,500	\$1,500	--	--	475	100	--
Feb-20	Avolon Aerospace	BBB-/Baa3	\$850	\$850	--	--	150	75	--
Jan-20	American Airlines	BB-/Ba3	\$1,220	\$1,220	--	--	175	--	--
Nov-19	Fly Leasing	BB/Ba3	\$391	\$391	--	--	175	--	--
Oct-19	Air Canada	BB+/Ba1	\$592	\$592	--	--	175	--	--
Oct-19	Ontic	B-/B3	\$740	\$480	\$85	\$175	475	--	850
Jul-19	WestJet Airlines	B+/Ba3	\$2,305	\$1,955	\$350	--	300	100	--
Jul-19	Kaman Distribution	B/B3	\$510	\$320	\$75	\$115	500	--	900
Nov-18	Atlantic Aviation	BB-/Ba3	\$1,325	\$1,025	\$300	--	375	--	--
Oct-18	XOJET	B/B2	\$210	\$210	--	--	575	--	--
Sep-18	Air Transport	--	\$1,220	\$675	\$545	--	NA	--	--
Sep-18	American Airlines	BB-/Ba3	\$500	\$500	--	--	200	--	--
May-18	American Airlines	BB-/Ba3	\$1,825	\$1,825	--	--	175	--	--
Apr-18	Avolon	BB+/Ba2	\$4,750	\$4,750	--	--	200	75	--

Premier, Global Boutique

Globally integrated advisory capabilities, deep sector experience, and unmatched industry intelligence driven by frequent dialogue with the most relevant market participants

Firm Snapshot

24

offices worldwide

~2,000

total employees

~600

investment banking employees

850+

M&A advisory transactions since 2019

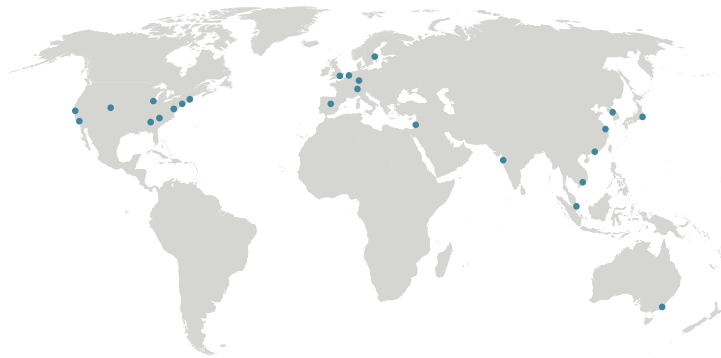
\$785B+

M&A and financing activity since 2019

100%

owned by active partners

Global Footprint

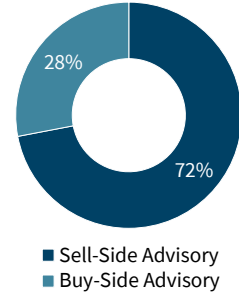


Selected Aviation Services Transaction Experience

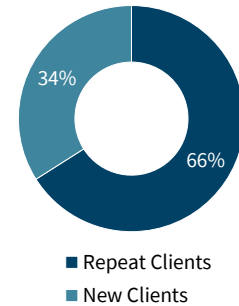
<p>FARSOUND a portfolio company of AGC has been acquired by ONEX</p>	<p>SUNVAIR AEROSPACE GROUP a portfolio company of Blue Sea Capital has been acquired by GREENBRIAR</p>	<p>VSE CORPORATION Follow-on Offering</p>	<p>FONTAINEBLEAU AVIATION has partnered with skyservice a portfolio company of Instar</p>
<p>WENCOR a portfolio company of WARBURG PINCUS has been acquired by HEICO</p>	<p>EPPS Aviation has been acquired by AERO CENTERS a portfolio company of SAR Trilogi Management and Redbird Capital Partners</p>	<p>TACA Air has been acquired by Signature FLIGHT SUPPORT a portfolio company of Blackstone, Global Infrastructure Partners and Cascade Investments</p>	<p>Signature FLIGHT SUPPORT a portfolio company of Blackstone, Global Infrastructure Partners & Cascade Investments has divested three FBO locations to ATLANTIC a portfolio company of KKR</p>
<p>ATLANTIC a portfolio company of KKR has divested its Stuart, FL location to APP JET CENTER a portfolio company of Ridgewood Infrastructure</p>	<p>HAWTHORNE GLOBAL AVIATION SERVICES a portfolio company of NexPhase has been acquired by NOVA INDUSTRIAL Wafra</p>	<p>CTS ENGINES has been acquired by J.F. Lehman & Company</p>	<p>LEADING EDGE JET CENTER has been acquired by INSTARAGF</p>

Note: Data is as of September 30, 2024. Map includes strategic partnerships with Allier Capital, BDA Partners, and Poalim Capital Partners.

M&A Expertise Since 2019



Trusted Advisor Since 2019



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