

May 2025

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Traffic Experiences Moderate Growth

Jet Card Flexibility Improves Despite
Hourly Rate Increases

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INVESTMENT BANKING

Aviation Services Industry Update



Aviation Services Observations and Key Trends

Moderate Growth in Global Commercial Air Passenger Traffic While Jet Card Users Enjoy Enhanced Flexibility Amid Rate Increases; Key MRO Americas Conference Highlights

General aviation activity held steady in the first quarter of 2025, demonstrating a slight increase of 0.3% compared to last year. Business jet activity saw a more notable rise, up approximately 2.5% year-over-year.¹

There were positive signs regarding fractional activity, with Argus International reporting impressive 7.1% year-over-year growth in March, despite recent economic uncertainty. Part 135 operations continued a four-month streak of yearly gains with a 2.2% increase, while Part 91 operations, involving general aviation flights, experienced a slight decline of 0.9%.²

Moderate Growth in Global Commercial Air Passenger Traffic

Global commercial air passenger traffic continues to post moderate growth as Industry-wide Revenue Passenger Kilometers (RPK) grew by approximately 3.3% year-over-year to reach 738.8 billion. In comparison, international RPK experienced a year-over-year increase of 4.9%.³

Available seat capacity on the supply side increased by more than 5%, causing the industry's Passenger Load Factor (PLF) to drop to an average of 80.7%. The decline

reflects weakness across domestic and international markets.⁴

Declines in North America's airline traffic demand negatively impacted global performance for the second consecutive month. In March, RPK fell by approximately 1.1%, following a 3.5% drop in February. Meanwhile, Asia-Pacific airlines demonstrated growth as passenger traffic increased by 6.3%.⁵

Improved Jet Card Flexibility Amid Moderate Rate Hikes in Q1 2025⁶

According to Private Jet Card Comparisons, which tracks over 500 membership, card, and fractional programs, jet card providers responded to moderate rate increases in the first quarter of 2025 by easing peak-day access rules and lowering daily minimum charges. These changes offer travelers greater flexibility, with prepaid access to aircraft at fixed or capped hourly rates.

Rates for fixed- or capped-rate jet cards increased by approximately 1%, reaching \$11,147, including fuel surcharges and the 7.5% federal excise tax.

Average hourly rates for jet cards were \$6,588 for turboprops (down 1.2% quarter-over-quarter), \$7,869 for very light jets (down 0.7%), \$8,305 for light jets (up 2.8%), \$9,817 for midsize jets (up 3.1%), \$12,510 for super-midsize jets (up 1.4%), \$15,197 for large-cabin jets (down 0.1%), and \$19,152 for ultra-long-range jets (up 1.2%).

Notably, peak-day designations have been reduced to an average of 35.4 days, enhancing scheduling operations for cardholders. This is down from an average of 44.6 days at the end of 2024 and a peak of 55.7 days in the fourth quarter of 2022. Although higher than the pre-COVID average of 22.8 days, this trend reflects enhanced flexibility for jet card users.

MRO Americas: Key Conference Highlights⁷

Aftermarket Demand Remains Robust

- Management teams across AAR, Heico, VSE, and Jet Parts Engineering emphasized consistent aftermarket strength, with steady demand supported by aircraft utilization and capacity constraints.
- Alternative aftermarket solutions providers, like those providing PMA parts, are enjoying an increasingly accepting environment, with airlines and lessors pivoting towards cheaper OEM alternatives.
- Most management teams see limited impact from tariffs, citing pass-through clauses and strong pricing power.

Boeing's Production Ramp-Up Brings Growth

- An expected ramp-up in deliveries is expected to alleviate aircraft utilization, freeing aircraft for more extensive maintenance, and contribute to the overall segment through a greater installed base.
- Despite the trickle of new aircraft, airlines remain reliant on aging fleets that require frequent part replacements and consistent general maintenance.

Aerospace M&A Activity Stays Strong

- Momentum is expected to continue following over 25 high-profile general aerospace deals in the past two years.
- Companies are expected to continue pursuing acquisition opportunities to build scale and consolidation in the hyper-competitive aftermarket space.

1. Source: Federal Aviation Administration.

2. Source: [ARGUS International TRAQPak](#).

3. Source: International Air Transport Association, 2025, "[Air Passenger Market Analysis](#)" All Rights Reserved.

4. Source: Ibid.

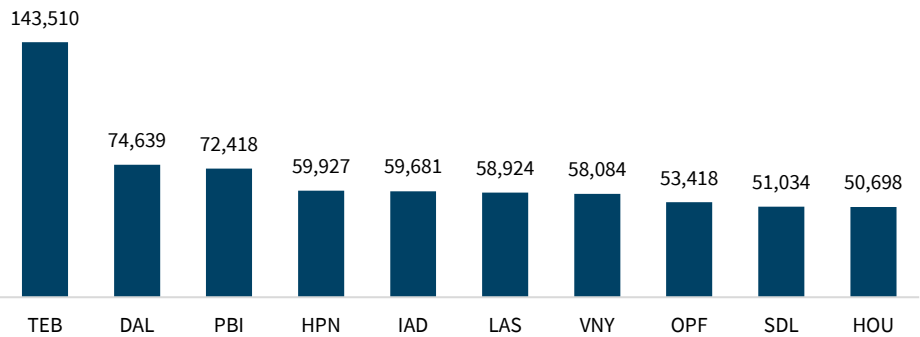
5. Source: Ibid.

6. Source: © Private Jet Card Comparisons, "[Q1'25 Jet Card Peak Days Drop to Lowest Level Since 2020: Rates up 0.9%](#)" April 2025.

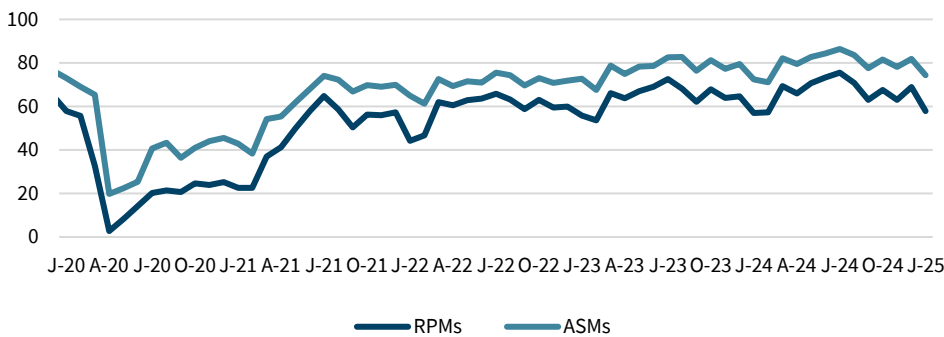
7. William Blair Equity Research, "[MRO Americas Conference Highlights Resilient Aftermarket Demand](#)" April 2025.

Business Jet
Operations and
Commercial Flight
Activity

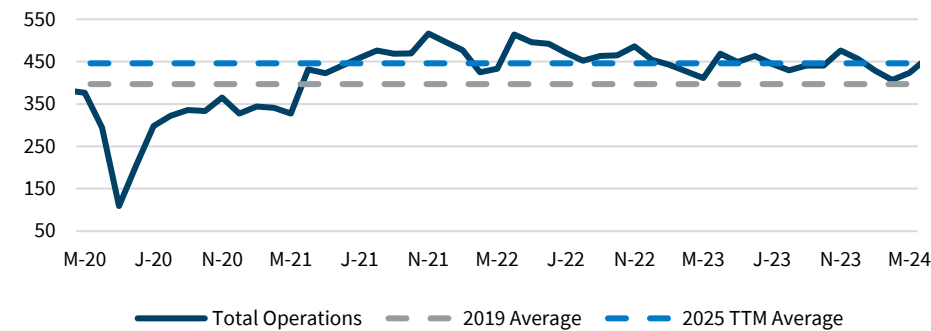
Top 10 Airports for Domestic Business Jet Operations
(LTM March 2025 Business Jet Operations)



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

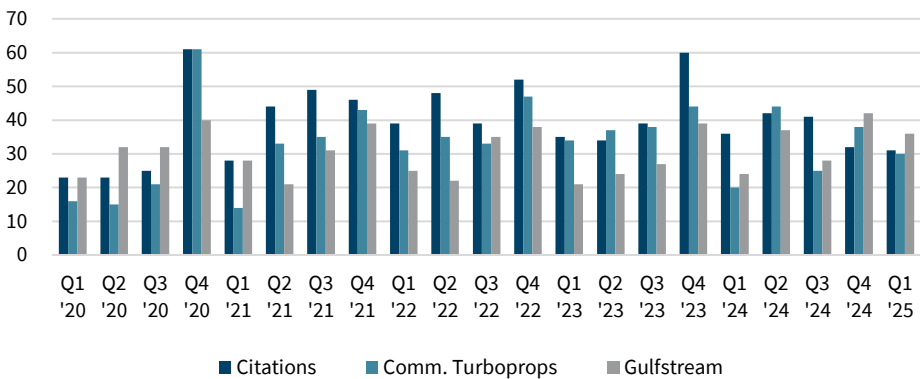


Business Jet Operations
(Thousands of Operations)

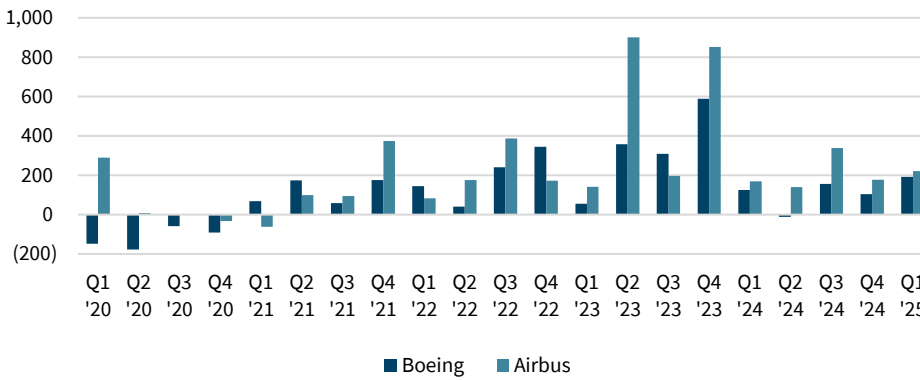


Business Jet
and Commercial
Aircraft Orders and
Deliveries

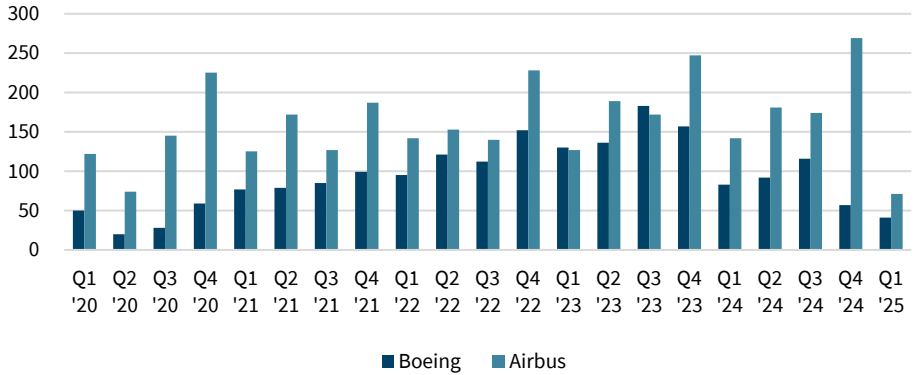
Private Aircraft Deliveries



Net Orders



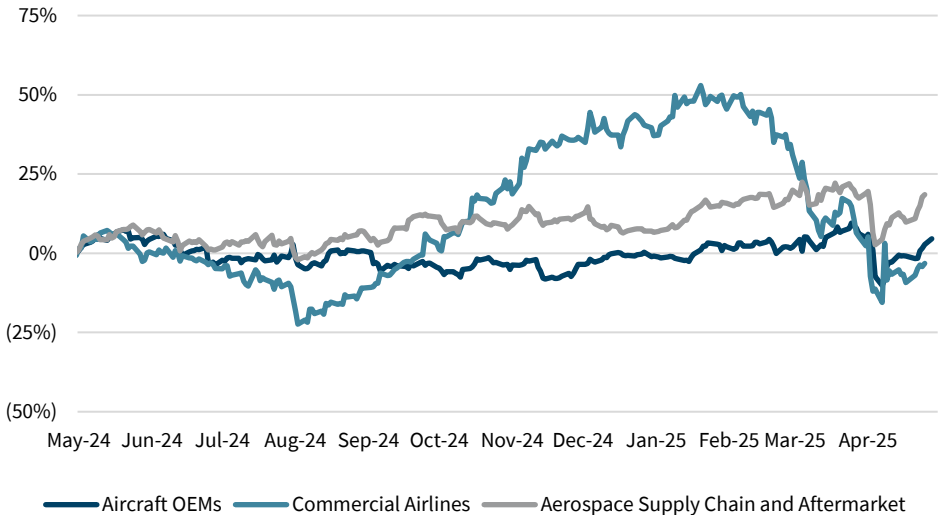
Deliveries



Public Company Performance

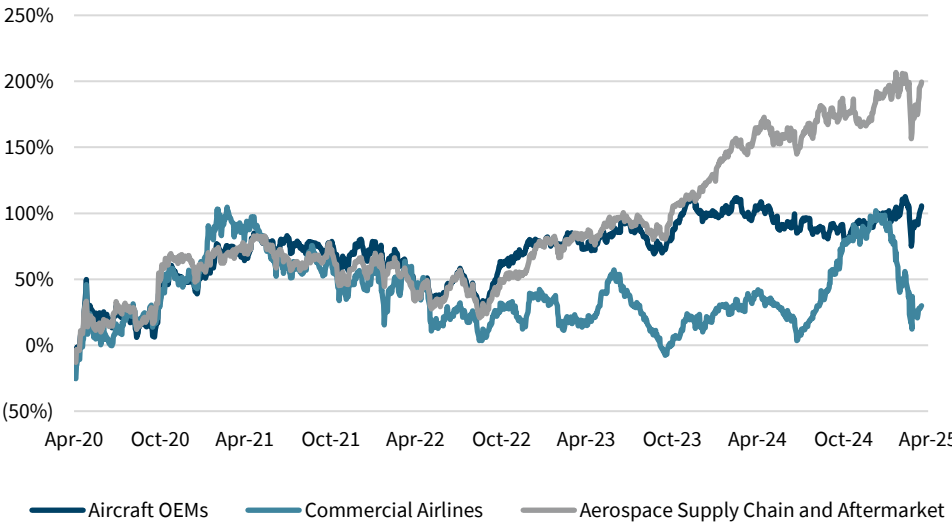
Public Company 1-Year Stock Performance

(Indexed Market Capitalization for the Period April 2024–April 2025)



Public Company 5-Year Stock Performance

(Indexed Market Capitalization for the Period April 2020–April 2025)



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: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		LTM EBITDA Margin	Enterprise Value /			
				'25P	'26P		LTM Revenue	NTM Revenue	LTM EBITDA	NTM EBITDA
Aircraft OEMs										
The Boeing Company	\$170,395	\$138,164	93.0%	(10.7%)	24.9%	(11.1%)	2.5x	2.0x	NMF	NMF
Airbus SE	127,951	131,436	83.0%	4.5%	16.8%	10.0%	1.7x	1.4x	16.9x	10.8x
General Dynamics Corporation	83,191	72,926	85.9%	16.4%	3.0%	12.0%	1.7x	1.6x	14.1x	13.5x
Dassault Aviation société anonyme	18,696	28,053	98.1%	20.8%	19.5%	10.6%	2.8x	2.4x	NMF	18.9x
Textron Inc.	15,612	12,705	74.4%	1.4%	6.5%	11.0%	1.1x	1.1x	10.3x	8.8x
Bombardier Inc.	11,346	6,493	80.2%	10.7%	2.6%	12.6%	1.3x	1.2x	10.1x	7.1x
Embraer S.A.	9,163	8,431	81.2%	6.4%	29.6%	9.9%	1.6x	1.2x	16.2x	10.7x
Mean	\$62,336	\$56,887	85.1%	7.1%	14.7%	7.9%	1.8x	1.6x	13.5x	11.7x
Median	\$18,696	\$28,053	83.0%	6.4%	16.8%	10.6%	1.7x	1.4x	14.1x	10.8x
Aerospace Supply Chain and Aftermarket Support										
Safran SA	\$109,163	\$110,175	88.3%	9.8%	25.1%	19.2%	3.8x	3.0x	19.8x	14.8x
TransDigm Group Incorporated	101,850	79,251	97.4%	16.9%	11.3%	50.5%	12.5x	11.2x	24.7x	21.0x
MTU Aero Engines AG	18,902	18,558	85.4%	29.4%	25.8%	15.2%	2.5x	2.0x	16.2x	10.9x
WESCO International, Inc.	13,094	7,952	75.4%	(2.6%)	2.5%	6.4%	0.6x	0.6x	9.3x	8.5x
Woodward, Inc.	11,682	11,134	93.0%	8.9%	7.8%	16.3%	3.5x	3.2x	21.4x	17.1x
RBC Bearings Incorporated	11,269	10,275	88.1%	4.6%	6.5%	30.2%	7.0x	6.6x	23.1x	20.4x
CAE Inc.	10,470	7,982	88.1%	(3.9%)	15.8%	18.9%	3.3x	2.9x	17.5x	11.5x
Loar Holdings Inc.	9,081	8,849	95.4%	26.9%	21.2%	34.0%	NMF	NMF	NMF	NMF
Spirit AeroSystems Holdings, Inc.	9,070	4,223	97.1%	1.5%	23.3%	(23.4%)	1.5x	1.2x	NMF	15.2x
Moog Inc.	6,569	5,280	73.4%	7.4%	3.9%	12.7%	1.8x	1.7x	14.1x	11.4x
Hexcel Corporation	4,589	3,898	65.9%	5.5%	4.6%	18.6%	2.4x	2.3x	13.1x	12.0x
AAR Corp.	2,902	1,896	70.0%	23.6%	4.4%	8.1%	1.1x	1.0x	13.3x	8.5x
VSE Corporation	2,823	2,367	89.0%	25.5%	0.0%	12.2%	2.6x	2.6x	21.5x	17.9x
Triumph Group, Inc.	2,803	1,966	99.4%	7.2%	2.2%	14.5%	2.3x	2.2x	15.5x	12.5x
Ducommun Incorporated	1,089	852	81.3%	3.9%	4.3%	12.3%	1.4x	1.3x	11.3x	8.4x
Astronics Corporation	983	798	85.2%	15.4%	4.3%	6.2%	1.2x	1.2x	20.0x	8.3x
AerSale Corporation	393	327	74.1%	3.2%	10.3%	7.5%	1.1x	1.0x	15.2x	7.9x
Magellan Aerospace Corporation	587	562	97.2%	(1.7%)	12.3%	9.5%	0.9x	0.8x	9.4x	6.3x
Mean	\$17,629	\$15,353	85.8%	10.1%	10.3%	14.9%	2.9x	2.6x	16.6x	12.5x
Median	\$7,820	\$4,752	88.1%	7.3%	7.2%	13.6%	2.3x	2.0x	15.9x	11.5x
Commercial Airlines										
Delta Air Lines, Inc.	\$46,851	\$27,182	59.5%	6.7%	(0.5%)	12.8%	0.8x	0.8x	5.9x	5.6x
United Airlines Holdings, Inc.	40,072	22,477	59.3%	7.5%	2.9%	14.7%	0.7x	0.7x	4.7x	4.6x
American Airlines Group Inc.	35,145	6,562	52.1%	2.7%	1.7%	9.8%	0.6x	0.6x	6.6x	6.1x
Southwest Airlines Co.	15,676	15,933	77.4%	5.7%	2.3%	6.9%	0.6x	0.6x	8.3x	5.9x
Alaska Air Group, Inc.	9,252	5,440	56.7%	21.2%	14.3%	12.1%	0.7x	0.6x	6.1x	4.9x
JetBlue Airways Corporation	7,457	1,545	52.5%	(4.2%)	(0.3%)	5.2%	0.8x	0.8x	15.4x	14.2x
Frontier Group Holdings, Inc.	4,406	678	29.0%	6.5%	4.5%	(5.2%)	1.2x	1.1x	NMF	5.0x
Mean	\$22,694	\$11,403	55.2%	6.6%	3.6%	8.1%	0.8x	0.7x	7.8x	6.6x
Median	\$15,676	\$6,562	56.7%	6.5%	2.3%	9.8%	0.7x	0.7x	6.3x	5.6x

Select Aviation Services Transactions

Date	Target	Acquirer	Sub-Sector	William Blair Transaction
Apr-25	AAR (Landing Gear Overhaul and Wheels & Brakes Business)	GA Telesis	MRO	
Mar-25	Premier Air Charter	Altair International	Charter	
Feb-25	Millennium International	Heico	MRO	
Feb-25	Triumph Group	Berkshire Partners and Warburg Pincus	MRO	
Feb-25	Benitez Aviation	Modern Aviation	FBO	
Jan-25	Global Engineering & Technology	Yingling Aviation	MRO	
Jan-25	Odyssey Aviation (3 locations)	Tallvine Partners	FBO	●
Jan-25	Glendale Aero Services	The Blackhawk Group	MRO	
Dec-24	Powerhouse Engine Services	Inoa Capital	MRO	●
Dec-24	Kemp Jet Services	Avflight Corporation	FBO	
Dec-24	Farsound Aviation	Onex Partners	MRO	●
Dec-24	Kellstrom Aerospace	VSE	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	Ground Handling	
May-23	Star Handling	Skytanking (Primeflight)	Ground Handling	
Apr-23	Epps Aviation (Atlanta, GA)	Aero Centers (SAR-Trilogy and Redbird Capital)	FBO / Charter / MRO	X
Mar-23	Midwest Corporation 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. Simmons, GA)	Odyssey Aviation	FBO	
Mar-23	Dolphin Aviation (Sarasota, FL)	Hawthorne Global Aviation Services	FBO	
Feb-23	Western Jet Aviation	StandardAero	MRO	
Feb-23	Constant Aviation (Cleveland, OH)	Directional Aviation (AKA Flexjet)	MRO	
Jan-23	Dumont (Charter Division)	Rennia Aviation	Charter	
Nov-22	Northeast Aero Compressor (Bohemia, NY)	Jet Parts Engineering	MRO	
Oct-22	Associated Aircraft Manufacturing & Sales, Inc	First Aviation Services	MRO	

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)	
Mar-25	Vistajet	B+/B3	\$500	\$500	--	--	NA	--	--
Feb-25	American Airlines	B+/B1	\$2,275	\$2,275	--	--	225	--	--
Feb-25	JetBlue	B-/B3	\$763	\$763	--	--	475	50	--
Feb-25	Atlantic Aviation	B/B2	\$3,685	\$3,285	\$400	--	250	--	--
Dec-24	American Airlines	B+/B1	\$1,089	\$1,089	--	--	225	--	--
Dec-24	Ontic	B/B2	\$1,569	\$1,569	--	--	275	--	--
Nov-24	WestJet Airlines	B/B2	\$1,493	\$1,493	--	--	325	--	--
Nov-24	Air Canada	BB/Ba2	\$1,169	\$1,169	--	--	200	--	--
Oct-24	StandardAero	BB-/Ba3	\$2,380	\$1,630	\$750	--	225	--	--
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 Aviation 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

Source: LCD Comps, LevFin Insights.

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

1,900+

total employees

600+

investment banking employees

885+

M&A advisory transactions since 2020

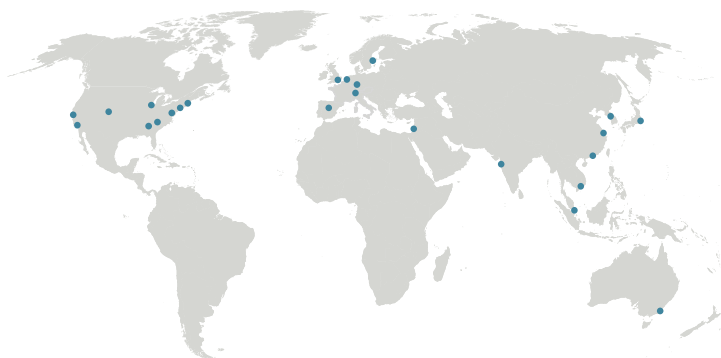
\$810B+

M&A and financing activity since 2020

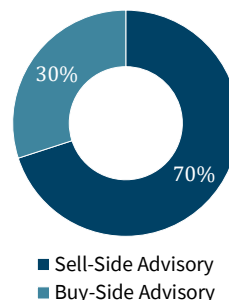
100%

owned by active partners

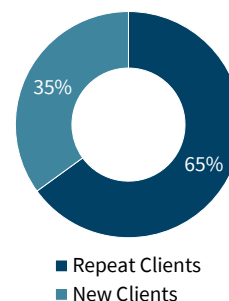
Global Footprint



M&A Expertise Since 2020



Trusted Advisor Since 2020



Selected Aviation Services Transaction Experience

VERTICAL <small>a portfolio company of</small> Follow-On Offering	ODYSSEY <small>a portfolio company of</small> GOVU SHANGHAI GROUP has been acquired by TALLVINE <small>PARTNERS</small>	POWERHOUSE has been acquired by INOVA <small>CAPITAL</small>	FARSOUND <small>a portfolio company of</small> Ad has been acquired by ONEX
SUNVAIR <small>a portfolio company of</small> Blue Sea Capital has been acquired by GREENBRIAR	VSE CORPORATION Follow-On Offering	FONTAINEBLEAU <small>AVIATION</small> has partnered with skyservice <small>a portfolio company of Instar</small>	WENCOR <small>a portfolio company of</small> WARBURG PINCUS has been acquired by HEICO
EPPS Aviation has been acquired by AEROCENTERS <small>a portfolio company of SAR Trilog Management and Redbird Capital Partners</small>	TAC Air has been acquired by Signature <small>FLIGHT SUPPORT</small> a portfolio company of Blackstone, Global Infrastructure Partners & Cascade Investments	Signature <small>FLIGHT SUPPORT</small> a portfolio company of Blackstone, Global Infrastructure Partners & Cascade Investments has divested three FBO locations to ATLANTIC <small>a portfolio company of KKR</small>	ATLANTIC <small>a portfolio company of KKR</small> has divested its Stuart, FL location to APP JETCENTER <small>a portfolio company of Silverwood Infrastructure</small>

Aviation Services Contacts

Gordie Vap
+1 704 969 1581
gvap@williamblair.com

Josh Ollek
+1 704 969 1583
jollek@williamblair.com

Dan Capek
+1 704 969 1725
dcapek@williamblair.com

Note: Data is as of March 31, 2025. Map includes strategic partnerships with Allier Capital, BDA Partners, and Poalim Capital Partners.

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