



Advisory Services

Global Leaders in Aviation Finance

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Aircraft lessors and their airline customers, debt and equity providers operate in a dynamic environment. We understand the industry trends and expectations of key stakeholders. We work with lessors, investors and funding providers looking to focus on growth (creating value), performance (maximising value) and governance (preserving value). Our unrivalled experience in aviation advisory means we understand the landscape and we have built our advisory practice around these core areas to help you succeed.

Our services are aligned to all points in the business cycle and we support market participants, whether you are:

- Looking to invest or gain a greater understanding of the sector
- Needing to acquire at the right price and realise post-deal benefits
- Preparing for IPO and meeting stock exchange reporting requirements
- Disposing of a business (M&A on both the buy and sell side)
- Establishing a new operating platform, or enhancing your existing platform
- Selecting systems and creating effective management and financial reporting
- Monitoring and controlling maintenance expenditure
- Requiring lease due diligence and model comfort services in relation to ABS transactions
- Generally evolving your strategy and business planning.

The strength and experience of our advisory practice means that we can support all types of business as they evolve – either organically, by restructure or by acquisition. Our wide range of services is proven, from working with large

established lessors to start-ups, and with debt and equity providers.

In an increasingly competitive market, working with people who understand your business and can provide insights and advice is critical. We have a strong track record of dealing with complex industry issues. For more information on how we can help, or to start a conversation, please contact us.

Industry trends and challenges

- 1 Macro drivers and risks
- 2 Consolidation/deal activity
- 3 Availability of funds
- 4 Emergence of new players
- 5 Increasing competition
- 6 Aircraft values and lease rates/returns



Some of our recent engagements

Market intelligence and due diligence

Working with an Asian sovereign wealth fund we provided detailed insight into the aviation industry, from a macro-economic level to individual deal analysis, delivering a detailed commercial report outlining:

- key drivers of aircraft demand and supply
- the drivers of the evolution of the operating lease market
- macro-economic factors impacting the industry
- aircraft lease rate and value cycles
- lease pricing and investment return considerations, including lessor business models
- overviews of the top 20 global aircraft lessors using publicly available information and fleet subscription services.

The client's understanding of the industry dynamics, drivers and risks were significantly enhanced and we provided follow up financial and tax due diligence services in relation to a potential investment target.

Platform establishment

We worked with a major international airline to outline the commercial and operational considerations in establishing an in-house operating leasing platform, and to clearly identify the key risks and associated mitigating factors.

We subsequently developed a potential operating structure that would support the design and stand-up of an in-house leasing platform. Working closely with the airline, we defined key metrics to influence the final target operating model including:

- long-term aim and strategy
- total number of aircraft on external and internal leases
- delivery schedule and timelines.

Once the design was finalised, we produced and managed a detailed project plan for the implementation of the commercial elements. We reported on and monitored the plan during implementation, providing progress reports, analysis of status risks and other issues.

Operational improvement, enhanced financial & management reporting

We worked with a major aviation leasing company to deliver performance improvement across key operational areas of their business. This involved performing an accelerated "as-is" analysis, identifying key opportunities and then working with its management team to design and implement the more efficient and more controlled processes.

This included:

- more efficient processes across the key operational and commercial parts of the business
- enhanced risk identification and risk mitigation
- enhanced operational, commercial and financial reporting, including dashboards and KPIs.

The principal benefit to our client was that the enhanced platform was more efficient and better able to achieve higher growth with less resource and cost.

Pre and post deal separation and integration services

A leading global aviation leasing company tasked us with supporting them through the key elements of the pre and post deal integration of a major acquisition. We worked with the management team to develop an effective integration strategy.

Subsequently, again with the company's management team, we managed the key work streams, designed new processes, provided assurance over the key risks and provided progress reports and analysis of status risks and other issues.

Our client received best practice guidance, a robust plan and effective management of the project risks to help ensure their ongoing success.

Strategy and business planning

We were engaged to review and provide insight to an airline's wide-body, narrow-body and regional jet fleet renewal options. We developed a detailed understanding of the airline's existing fleet and operational parameters. Based on this, we built a complex financial model in order to support our advice, and management's decision making. Options included 'hold and sell', 'refurbish' 'lease' or 'sell and buy'.

This model enabled us to deliver informed reports outlining the cash flow impact of various fleet options and supported the airline's management in making decisions on their long term fleet renewal strategy.

ABS transaction services

We are the leading provider of lease due diligence and model comfort services in the aviation finance market. We have the longest track record in providing these services and have worked on the majority of aircraft and commercial jet engine ABS transactions.

Working with the selling party, the issuer, and book-runners and their advisers, we provide comfort on the underlying economic terms of the leases, transaction KPIs and investor disclosures, based on independent agreed-upon procedures and independent recalculation of the modelling assumptions in a highly efficient manner.

For more information, please contact one of our Aviation Finance advisory professionals below:



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Produced by: KPMG's Creative Services. Publication Date: January 2020. (5566)