



# ACUMEN

## Values and Valuations

Our Asset Valuation Business



*a***VALUES**



## Marco Clalüna

VP-Valuation



Marco joined Acumen in 2016. Marco has more than 22 years of industry experience and previously headed the Aviation Asset Management Division of UBS and Swiss Aviation.

Marco is an ASA certified senior appraiser, an NSCA senior certified appraiser and a certified ISTAT appraiser.

## Yibang Wang

AVP- Technical



Yibang joined Acumen in 2016. Yibang has more than 33 years of industry experience and previously worked in various airlines in China as well as holding several key positions at Airbus, spanning an extensive service period.

Yibang is an Accredited Member (AM) of American Society of Appraisers.

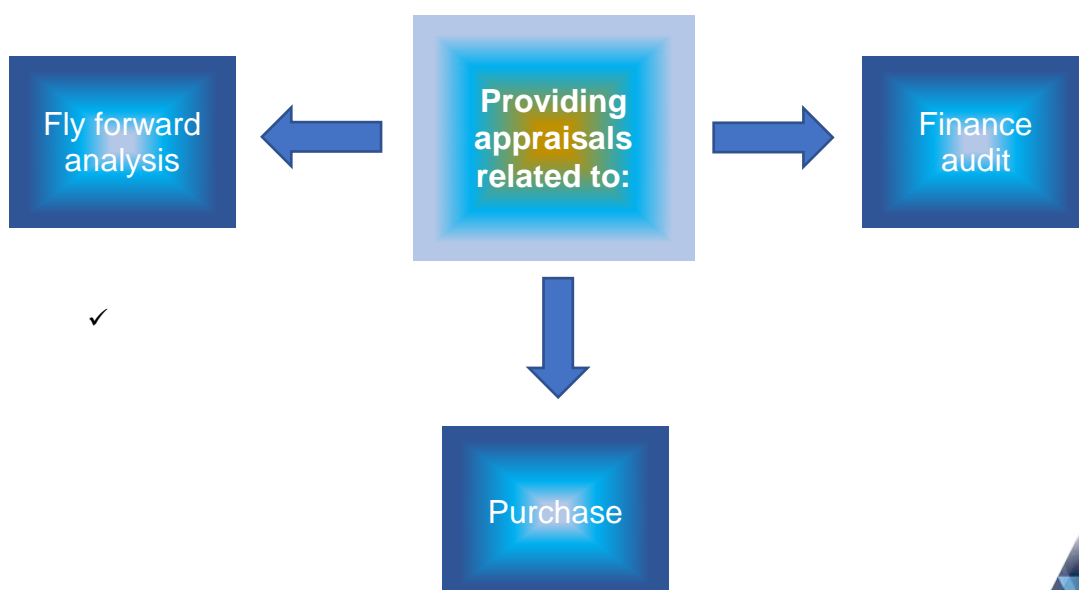
## Our experience

1650+  
Assets  
Appraised

258+  
Assets Valued in  
2020

230+  
Asset Valued  
for ABS

*“Acumen is empanelled with leading Credit Rating Agencies and investment Banks”*



# Why are appraisals important?

Whether you are a lessor, an investment bank or an airline, an aircraft or its components are complex and expensive assets that are subjected to various forces which impact the value of the asset. As experienced and certified appraisers, we have acquired a body of knowledge that allows us to assist our clients with a reliable opinion on the underlying value of their asset.

Each asset is unique and requires the analysis of the particular asset model, market conditions, maintenance history, technical specification and modification embodiments, refurbishments and upgrades - all of which are key factors which impact the value of the asset.

This analysis when performed accurately and by robust method delivers a strong foundation on which the asset transactions can be performed in the market. Therefore, appraisals form a very central role in the aviation industry and are crucial to gaining an understanding of the industry scenario and make well informed decisions about your assets.

# How are we different?

The appraisal methodology that Acumen applies is based on 4 basic pillars of business – Integrity, Quality, Communication and Expertise. We leverage each, which combine to represent the ethos of our business which includes our appraisal services.

Our methodology and approach to any appraisal includes clear communication with the client to fully understand the requirements of the client and analyse the same. Based on the analysis, we often ask several questions in order to ensure that the client is engaged in the appraisal and provides the relevant data for the appraiser to perform the appraisal properly.

We apply all our experience and expertise to derive the values that best represent the asset and the market that the asset is currently in. Finally, we ensure that we demonstrate highest levels of integrity by being transparent with the clients with our methodology, our justifications in relation to the values and conscious actions to hear the client's comments and feedback. Through these established processes, we are able to deliver highest quality of service which enables us to gain the clients' trust and amplify our reputation in the market.



# What types of values do we provide?

As our appraisers are ISTAT and ASA certified, we follow the ISTAT and ASA valuation guidelines. Below are the detailed definitions of the types of values Acumen offers.

## Base value

This type of appraisal is based on historical and projected value trends. It assumes an unrestricted and balanced market; a mid-life / mid-time physical condition, based on its type and age; an average maintenance status, and presumes a favourable transaction environment between able, willing and knowledgeable parties.

## Market value

Market value or current market value is most likely trading price that can be generated based on the market conditions existing at the time of its undertaking. This assumes the highest and best use and presumes a favourable hypothetical transaction environment between able, willing and knowledgeable parties in an unrestricted and balanced market.

Market value is synonymous with fair market value. The criteria used in documents using the term "fair" are typically the same as for market value.

However, this is also sometimes specifically defined and in legal, sales or lease documentation. In such cases an appraiser may well be required to determine the value in accordance with a given definition.

## Residual value

This type of value is based on the appraiser's opinion of the value of an asset at a future date; It is often used in connection with the conclusion of a lease term.

## Distress / liquidation value

This value is based on abnormal market conditions existing at the time of its undertaking. It assumes a restricted and unbalanced market position weighted in the buyer's favour, in which it possibly would translate into heavily discounted actual pricing.

This approach presumes an unfavourable transaction environment between able, willing and knowledgeable parties.

## Securitized / lease encumbered value

This type of value is based on the appraiser's opinion of the asset value under lease, given a specified lease payment stream such as rents and term combined with both an estimated future residual value at lease end and an appropriate discount rate.



# What types of appraisal services do we provide?



## Market letter

A market letter is a valuation report typically used to provide brief information about the current market conditions affecting a specific aircraft as well as preliminary values for such aircraft. It will include our value definitions, assumptions, and methodology as well as a valuation spreadsheet (if required) for the aircraft in question.



## Desktop appraisal

A desktop appraisal is one which does not include any inspection of the aircraft or review of its maintenance records. It is based upon assumed aircraft condition and maintenance status or information provided to the appraiser or from the appraiser's own database. A desktop appraisal would normally provide a value for a mid-time, mid-life aircraft.



## Extended desktop appraisal

An extended desktop appraisal is one which is still characterized by the absence of any on-site inspection of the aircraft or its maintenance records. However, it does include consideration of maintenance status information that is provided to the appraiser from the client, aircraft operator, or in the case of a second opinion, possibly from another appraiser's report. An extended desktop appraisal would normally provide a value that includes adjustments from the mid-time, mid-life baseline to account for the actual maintenance status of the aircraft.





## Full appraisal

A full appraisal is one that includes an inspection of the aircraft and its maintenance records. This inspection is aimed solely at determining the overall condition of the aircraft and records to support the value opinions of the appraiser, and would not, for example, include opening of inspection panels on the aircraft or a detailed review of record archives. A full appraisal would normally provide a value that includes adjustments from the mid-time, mid-life baseline to account for the actual maintenance status of the aircraft, and possibly other adjustments to reflect the findings of the inspection of the aircraft and its records.



## Comprehensive appraisal

A comprehensive appraisal is one that includes a detailed inspection of the aircraft and records. Sufficient detail is required, for example, to ensure that the records are in sufficiently good order to allow for the re-registration of the aircraft in a different country.



# For more information please contact us

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