A flurry of acquisition activity over the past two years has seen Luxaviation more than triple in size to become one of the world’s leading business aviation services groups. Now, the Luxembourg-based group is preparing for further expansion with two or three more acquisitions planned during 2016, and the company also has expanded its presence in the Asia Pacific region.

Luxaviation’s boldest move came in May 2015 when it bought ExecuJet Aviation, a major aircraft charter and management group, with FBOs and maintenance operations spread across Europe, Asia, the Middle East, Latin America and Africa. Prior to that, it had already snapped up Abelag in Belgium, Unijet and Masterjet in France, and London Executive Aviation in the UK. The group, which also has a subsidiary in Germany, now commands a fleet of around 250 aircraft and more than 1,500 employees worldwide.

“Like many smaller European operators, we would have struggled to survive, so we had to find away to grow significantly without depending purely on organic growth,” Luxaviation CEO Patrick Hansen told AIN. “The market is very fragmented and there is a serious need for consolidation.”

Luxaviation’s presence in the Asia Pacific region is grounded in its offices in Singapore, plus the
bases that ExecuJet also has here and in Australia, New Zealand, Malaysia, Indonesia and China.
“The Asia Pacific region will be a very positive market in the future,” Hansen commented. “It is very
complicated and there is lots of wild activity there, but there is certainly opportunity for a big player
like us. There has been some stagnation lately because Chinese [economic] growth has not
happened as expected, but this will be the most dynamic market in the future.”

The group’s Chinese connections are strengthened by the fact that China Minsheng Investment is
now a leading shareholder, with a 33 percent stake (supplementing the support of founding
access to more funding for future transactions and a big presence in Asia,” said Hansen. The
Chinese financial group already owns China-based operator Minsheng Jet and a significant aircraft
lease portfolio.

According to Hansen, Luxaviation’s customers are benefitting directly from its growing size through
significant savings in operating costs. “There are important economies of scale for costs such as
fuel and insurance,” he explained. “There is also more fleet flexibility and the ability to further
improve the quality and safety of our services through common standards across the group.”

Over the next six months, the Luxaviation team is looking to make further progress in integrating
its operations around the world. This is mainly focused on IT infrastructure that will allow the
group’s various aircraft operators to know exactly where their collective fleet is dispersed
worldwide and so improve utilization rates. There will also be a push to achieve further efficiencies
through group-wide procurement.

As it absorbs its various acquisitions, Luxaviation also is considering how to market its diverse
subsidiaries. “We have to look at what the brand stands for and where it is strong,” said Hansen.
“For instance, ExecuJet is the only [Luxaviation] company that stands for FBOs and MROs
[ground handling and maintenance for business aircraft], and since it is also strong in the Middle
East, Africa, Asia and Australasia it make sense to keep using that brand name. In Europe,
Luxaviation has made a strong name for itself in aircraft charter and management and so the local
companies there, in countries like France, will have this brand.”

In Hansen’s view, what the business aviation sector most needs to see in 2016 is long-overdue
improvements in what he views as an irrational approach to regulation and a further wave of
market consolidation. He has little optimism that regulators will see reason and doesn’t want to
“waste my time begging for change.”

In terms of market consolidation, he appealed to owners of smaller charter companies to take a
more objective look at the viability of their businesses. “My fear is that in 2016 we will see more
consolidation, but it won’t necessarily involve smaller companies that are struggling to make
money,” he said. “It will more likely involve the larger companies.”

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