Goldilocks Strategy to Aircraft Transactions

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The Goldilocks Problem
The Goldilocks Case Study

Seller

• Large public company
• Flight department closure
• Requires sale of its fleet of 2 aircraft
The Goldilocks Case Study

2 aircraft for sale

• 2010 G550
  – US-based
• 2008 Hawker 900XP
  – EU-based and registered
The Goldilocks Case Study

Company A -- Buyer for Hawker

- US-based private company
- Has an established flight department
- Operates exclusively N-registered aircraft
The Goldilocks Case Study

Company B -- Buyer for Gulfstream
- US-based private company
- First-time buyer
- Will register the aircraft in the US
- Considering entering charter service
The Goldilocks Solution

Too: Big, Major, New, High

Too: Small, Minor, Old, Low

Just Right
Current Market Conditions

- World Economies
- OEM Health
- Pricing
Current Market Conditions

G550 Market Percentage for Sale

Source: AMSTAT
Current Market Conditions

900XP Market Percentage for Sale

Source: AMSTAT
Values

• Installed Equipment
• Age
• Pedigree
• NextGen Mandates
Values

2010 G550

Source: Vref
Values

2008 Hawker 900XP

Source: Vref
Conflicts of Interest

- Back-to-backs
- Management company involvement
- Other clients
- Referral/Finders’ fees
Inspection

- Scope
- Location
- Flight Tests
- Squawks
Purchase Agreement

- General Condition
- Airworthiness
- Damage
- Who Decides
- What Conveys
- Tax Planning
Closing

• Location
• Closing with Open Squawks
• Squawks on Relocation Flight
• Positioning of Funds
Other Considerations?