



A FLYING START: ACC AVIATION CONTINUES Q4'S MOMENTUM WITH A SOLID Q1, 2023

News / Business aviation, Finance



A combination of YOY boosts to charter flight volumes and group revenue, coupled with an already busy schedule of summer leases and increased consulting activity, sees a solid start to the year across the board for ACC Aviation. Last year was make or break for many in the aviation business - with aircraft and staffing capacity issues meeting renewed travel demand. At the same time, supply chain slowdowns caused havoc to maintenance schedules. Despite the turbulence, ACC enjoyed a brilliant year thanks to its diversified position.

This year, aircraft operators are keen not to repeat the issues of 2022. As a result, airlines are looking to shore up capacity for the summer season and beyond, well ahead of previous years. Consumer confidence has grown substantially, with bookings already being taken for Q4, allowing for a more predictable year ahead, and increased consulting transactions represent a market that is growing at pace.

Q1 charter activity included:

- 100% YOY increase in US charter volumes vs Q1, 2022.
- 50% YOY increase in charter revenues vs Q1, 2022.
- A notable increase in sports, music and entertainment bookings.
- Increased lead times display returning consumer confidence in the travel market and a renewed willingness to commit early to charter and ACMI programs.

Charter Q2, 2023 outlook:

As confidence in the travel market grows, pre-pandemic booking patterns will likely return, with long-term bookings becoming commonplace. While issues linger, staffing shortages at airports will have a lesser impact compared to recent prior years. However, charter is set to remain a more desirable option for many travellers who have become accustomed to the convenience, reliability and service level offered.

Q1 consulting activity included:

- ACC was engaged by Daallo Airlines to source 2x 737-800s and 2x DHC8-300s for outright acquisition to help the airline to scale its operations.
- ACC completed the transition and lease placement of one 737-800 to Safair on behalf of a leading African commercial lender.
- An engine and component lessor engaged ACC to perform lease returns on 1,200 components and 2x GE90 engines. ACC Aviation was also able to expand its wing airworthiness mandate from 2x to 5x GE90 engines, including technical acceptance of all 5x engines.
- A leading aircraft lessor engaged ACC to study the market size and economic potential for a reconfigured regional jet targeting the corporate shuttle market.
- A leading ACMI operator engaged ACC to perform several pre-lease inspections ahead of its fleet ramp-up plan for the European summer season.
- A private investor engaged ACC to study the market potential of reopening the London Lagos route on widebody ACMI capacity.
- A private investor engaged ACC to analyse and model the economics of a DHC8-400 operating lease under consideration for the acquisition.

Consulting Q2, 2023 outlook:

As passenger confidence grows, airlines mitigate capacity issues with additional aircraft, and airports address staff shortages, optimism is the keyword for the coming year. Whilst there are economic and geopolitical challenges, the industry is firing on all cylinders, and this is driving continued demand for consulting services.

Q1 leasing activity included:

- Contracts for regional jets, narrowbody aircraft and widebody airliners.
- Significantly increased ACMI activity ahead of the IATA summer season.
- Despite tightening ACMI availability, the team continues to source several unique aircraft for airline clients on short and long-term arrangements.

Leasing Q2, 2023 outlook:

A busy ACMI market is expected as airlines attempt to compensate for late aircraft deliveries, MRO issues and crew shortages. While the last-minute chaos of 2022 is likely behind us, expect

consistent short-term ACMI demand throughout the summer season.

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