

GLOBAL JET CAPITAL COMPLETES SECURITIZATION, RAISING \$522M

News / Business aviation, Finance



Global Jet Capital announced the closing of its BJETS 2020-1 securitization, raising approximately \$522 million. BJETS 2020-1 is Global Jet Capital's fourth ABS offering, bringing total assets securitized to over \$2.8 billion and bonds issued to over \$2.3 billion. The BJETS 2020-1 offering contained three tranches of notes: a \$426.4 million Class A tranche, a \$63.6 million Class B tranche, and a \$31.8 million Class C tranche. Each tranche was oversubscribed and attracted orders from over 30 investors.

Global Jet Capital's latest offering, BJETS 2020-1, builds off the strong performance of the company's previous ABS transactions, which have demonstrated remarkable resilience throughout the COVID-19 pandemic – in stark contrast to a wide variety of other ABS asset classes, including commercial aviation. This resilience is attributable to the strong performance of Global Jet Capital's highly diversified portfolio and relative strength in the business aviation sector despite challenges related to the COVID-19 pandemic.

As with previous BJETS transactions, this deal consists of a collection of business aircraft loans and leases representing a diverse group of obligors and assets. BJETS 2020-1 comprises over 50 corporations and global business leaders representing over 30 different industry segments from medical services to consumer durables. Over 30 different aircraft

models – primarily mid- to large-cabin business aircraft – are represented in the transaction.

BofA Securities was the lead structuring agent and lead bookrunner and Citigroup, Deutsche Bank Securities, Morgan Stanley, The Carlyle Group and KKR Capital Markets were joint structuring agents and joint bookrunners for the BJETS 2020-1 transaction. Global Jet Capital, Inc. will continue to service the securitized assets.

In conjunction with closing the BJETS 2020-1 securitization, Global Jet Capital also extended the term of its committed warehouse credit facility provided by a group of leading international banking institutions, including Deutsche Bank as structuring agent and lender and Bank of America, Citibank, Morgan Stanley, California Bank & Trust, FirstBank Florida and State Bank of India as lenders.

Earlier in October, Global Jet Capital entered into its first privately placed financing transaction, raising \$77 million in new funding for the business. The single-tranche investment-grade rated debt was placed with a single institutional investor. EA Markets served as exclusive financial advisor and placement agent for Global Jet Capital.

Shawn Vick, CEO of Global Jet Capital, stated, “We are pleased that we continue to broaden our investor base with each new offering, having added several new investors to BJETS 2020-1 who were attracted to the business aviation sector and our company. We also appreciate the support of our existing – and new – lenders and the confidence that their continued commitment to the credit facility reflects in our business. We will continue to use the ABS market as an integral part of our funding strategy. “

Vick went on to say, “Our ongoing success in the ABS market and the growing strength of our liquidity profile are representative of our underwriting discipline and the resulting stability of our portfolio – not to mention the vitality of the business aviation sector as a whole. The value proposition supporting business aviation – random access, productivity, and security – has been never been more important to corporations and business leaders around the globe. The evidence of this can be seen in business aircraft operations and transaction metrics which snapped back to near 2019 levels following an initial drop off at the outset of the COVID-19 pandemic.”

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