

Avation PLC

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Avation at cruising altitude with solid portfolio of airline customers

What Avation does

Avation PLC (LON:AVAP) specialises in leasing commercial passenger aircraft to various airlines across the world.

Listed on the main board of the London Stock Exchange, the company's customers include Flybe, Virgin Australia, Air France, easyJet, Eva Air, Philippine Airlines, Air India, Vietjet Air, Fiji Airways, Mandarin Airlines, Cebu Pacific, Garuda Indonesia, Galistair, airBaltic and Danish Air Transport.

The company's current fleet is comprised of 49 aircraft including Boeing and Airbus models.

How it's doing

In October, Avation revealed that it had remained in profit in the year to end-June, 2020, with underlying profits rising 28% to US\$19.8m on revenue up 14% to a record US\$135.3m.

Statutory profits were down 43% to US\$14.6m largely as a result of US\$35.5m of impairment losses offset partially offset by an unrealised gain of US\$27.1m for purchase rights with plane manufacturer ATR.

Exposure to Virgin Australia, which went bust earlier this year, is US\$74.7m, Avation said. Guidance from its administrator is that the return to unsecured creditors will be 9%-13% of the amount owed.

At the end of June, Avation had 48 aircraft in its fleet with borrowings of US\$1.04bn and a debt to assets ratio of 75.7%. It has orders for eight additional ATR 72-600 aircraft and has purchase rights for a further 25 aircraft.

What the boss says: Jeff Chatfield, executive chairman

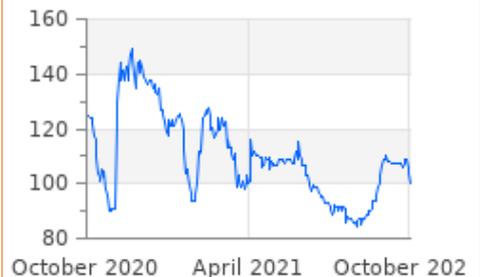
"The company believes that airlines will require significant number of leased aircraft in the post-pandemic phase due to the vast number of older aircraft that have been retired and the impact of the pandemic on airline balance sheets, reducing their ability to purchase aircraft directly," Chatfield said in October.

"Avation is optimistic about the long-term opportunity for airline travel particularly the turboprop and narrow-body aircraft sectors. The company will position itself for a return to growth through opportunistic purchases and delivery of its order book in a post-pandemic environment."

Price: 98.44

Market Cap: £68.4 m

1 Year Share Price Graph



Share Information

Code: AVAP

Listing: LSE

52 week High Low
152.5 83

Sector: Transport

Website: www.avation.net

Company Synopsis:

Avation PLC is a commercial passenger aircraft leasing company that was incorporated in England and Wales in 2006 and whose shares are admitted to the standard segment of the UK listing authority's official list and are traded on the Main Market of the London Stock Exchange (LSE: AVAP). Avation owns and manages a fleet of aircraft which it leases, through its subsidiaries, to airlines across the world.

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Inflexion points

- **Air travel returns to normality**
- **Avation still signing deals with customers**
- **Balance sheet is strong**

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