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CVC business unit closes on acquisition of Ontic

by Jerry Siebenmark

CVC Capital Partners' CVC Fund VII has completed its purchase of BBA Aviation's Ontic, a manufacturer of OEM-licensed parts for legacy aircraft, in a deal valued at more than \$1.3 billion. The deal, first announced in July, offers Ontic a new financial partner that can respond quickly to new business opportunities that Ontic identifies, CEO Gareth Hall told *AIN*.

"Clearly, [CVC is] a financial owner that comes with deep capital capacity," Hall said. Provided Ontic can make a solid investment case, that capital should be available quicker because Ontic won't have other businesses vying for capital as it did under BBA's corporate structure.

"We don't have the same constraints under CVC ownership," Hall added. CVC also will offer Ontic counsel on ways it could make its business more effective and efficient, he said.

Ontic flourished under BBA ownership, Hall added. When BBA acquired it in 2006, Ontic's annual revenue was \$60 million. This year, he expects it to reach nearly \$270 million in revenue. At the same time, BBA invested more than \$300 million in Ontic's business.

"We are thankful for all of the support we received from BBA Aviation and we are looking forward to our continued success and future growth with CVC," Hall said. "This is an exciting time for our business to move forward as an independent organization with a strong, new financial partner as the owner, and the opportunity to

do so much more with our OEM partners."

Its growth under BBA made Ontic an attractive acquisition for CVC. "Ontic has experienced significant growth over a sustained period as a result of the distinct and genuinely value-added solution the company provides to both OEMs and end-users," CVC Capital Partners senior managing director James Mahoney said.

“This is an exciting time for our business to move forward as an independent organization...”

— Gareth Hall, Ontic CEO

Cheltenham, UK-based Ontic supports more than 39,000 on-service aircraft through a portfolio of more than 165 licenses to manufacture more than 7,000 parts. It has more than 1,200 customers and manufacturing and repair facilities in Chatsworth, California; Creedmoor, North Carolina; Plainview, New York; Cheltenham; and Singapore. About 55 percent of Ontic's revenue comes from military aviation with another 40 percent from commercial aviation, Hall said. Business and general aviation make up the remainder of its revenue, according to Hall. ■



Ontic, a manufacturer of OEM-licensed parts for legacy aircraft, has grown its revenue by almost \$210 million under nearly 13 years of ownership by BBA Aviation.