

THE SKY'S THE LIMIT FOR EXPANDING AVIATION CHARTER BUSINESS

Forward thinking finance.

THE STORY IN BRIEF:

- In 2016, Zenith Aviation were seeking funding to help acquire a new Learjet 75. Bombardier, the aircraft manufacturer, suggested they talk to our Aviation asset finance specialists
- We were able to provide an 85% Aviation Loan, enabling Zenith Aviation to keep their initial deposit low
- A year later, with demand for their charter services continuing to grow, they approached us for funding for another Learjet 75, which we provided on the same basis
- The business continues to grow and, as one of their preferred providers for asset finance, we remain keen to support their ambitions

FACT FILE:

Sector: Aviation

Locations: London

Turnover: £5m–£25m

Purpose: The business was looking for funding to help add two Learjet 75s to its charter fleet

Solution: A five-year Aviation Loan agreement

Get in touch, visit lombard.co.uk or call 0800 502 402 or Text Relay 18001 0800 502 402

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“
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their ease to deal with and
pragmatic approach.
”

Stuart Mulholland, Managing Director, Zenith Aviation



An aviation icon

Learjet. It's probably the first name you think of in association with private, luxury air travel. And with good reason, back in the 1960s Learjet was amongst the first to offer a business jet product. For many it remains the definitive brand in this space. The aircraft's combination of comfort, speed and fuel efficiency make it a popular choice with aviation charter companies the world over including, in the UK, Zenith Aviation.

Based at Biggin Hill Airport, not far from London, Zenith Aviation offers a bespoke aircraft service. Around 75% of revenue comes from its charter flights, the other 25% is generated by the company's professional maintenance, acquisition and management services. "On the charter side of the business we have approximately a 50/50 split between business related flights and leisure trips," explains Stuart Mulholland, Managing Director of the company. "Our client list features high-profile names in business and entertainment and includes many frequent flyers. We often find that the same people use us for both business and leisure flying."

Spreading its wings

In 2016, with the business going from strength to strength, the management team decided to add two new Learjet 75s to expand their existing fleet. "The other aircraft we have are still hugely popular in the charter market, particularly the XLS, and I would be delighted to see more in the fleet," says Stuart. "However, we chose the Learjet 75 because we felt the pricing, revenue stream and likely residual value made for a stronger business case compared to the alternative aircraft in this segment of the market."

With a range of over 2,040 nautical miles, the Learjet 75 can fly to anywhere in Europe or further afield – for example Moscow or Cairo – in one hop. The latest iteration of an iconic design, it's the only aircraft in the light jet category that features an eight-seat double club interior configuration, enabling time-pressed business flyers to conduct 'boardroom style' meetings in flight. For those looking to simply enjoy the ride, the passenger experience offers all the comfort you would expect.





Considering the options

Looking for funding to support the acquisition of this state of the art aircraft, Zenith Aviation consulted several providers, including Lombard. “We’re one of the leading Aviation funders in the UK,” explains Chris Hughes, a Relationship Director with specialist expertise in Aviation asset finance. “In an average year we arrange in excess of £50m of funding for aviation assets, across dozens of deals. And in fact, it was Bombardier, manufacturer of Learjet, who suggested Zenith Aviation talk to us.”

Chris recommended a suitable loan solution, supporting the businesses desire to expand, “This approach enabled Zenith to keep their initial deposit low, whilst also benefiting from reduced repayments due to the part amortising nature of the facility,” he explains. The suggestion was met with approval by the business; “We carefully evaluated the finance deals that were available,” confirms Stuart, “and Lombard represented the best overall offering to suit our specific requirements. Furthermore, they are known for their relative ease to deal with and pragmatic approach, and I was particularly pleased with the ease of the closing process which – unless you are a financier or lawyer – can be daunting to say the least.”

Repeat performance

The acquisitions saw the business almost double the hours flown during the course of 2017. Pleased with the aircrafts’ performance and with more clients requesting the Learjet brand, the management team decided to invest in a further Learjet 75. Once again, we were happy to help and we provided finance for the new aircraft at the beginning of 2018.

Zenith Aviation is the only operator in the UK to fly the Learjet 75 and their expanded fleet makes them the largest operator of the aircraft in Europe. Indeed, the business is rapidly becoming synonymous with the Learjet brand. The aircraft acquisitions of the past two years have been key to growing their charter sales, which in turn are fundamental to the success of the business. That said, Zenith has also seen growth in its engineering business and this, alongside maintenance is, something they’re keen to develop.

The business is certainly going places and the partnership between us also looks set to grow, as Stuart confirms, saying, “Lombard are now one of our preferred suppliers of asset financing and we would of course approach them when further funding opportunities arise.” We’re delighted to be on board!



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