

MRO

Aerospace Magazine

TEARDOWNS

Materials from Part-outs stack up



Component Support

OEM Services supports
Ethiopian Airline A350-900 Fleet

Clear to Fly

Flight hour programmes take off
with newly found opportunities

Engine Materials

AvAir and IAI sign significant
engine material management deal



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Opportunity knocks for teardowns

The number of stored and retired aircraft over the last 18 months meant there have been more aircraft obtainable for teardowns and we have certainly observed some increased activity in the disassembly market recently. Last month we saw EirTrade Aviation, the aviation technical asset services and trading company with a specialist aircraft disassembly facility at Knock, Ireland West Airport, be awarded an AFRA (Aircraft Fleet Recycling Association) accreditation. The accreditation will see the company taking on the disassembly market as the first, and only, AFRA accredited facility in Ireland. They will also further expand their disassembly capability when they start CFM56 series engine teardowns in its Dublin facility in Q3 2021, which is another welcome development in the market.

Interestingly, a recent chat with Jorge Iribarra, Director of Product Line at Kellstrom Aerospace highlighted some absorbing thoughts on teardown activity and how they will impact the values of harvested serviceable parts entering the market. Many airlines have been waiting to see if they need the grounded assets as demand starts to recover. Additionally, airlines have been waiting for market pricing for grounded excess aircraft and engines to stabilise before retiring and trying to sell assets in a down market. Since the aftermarket has been trying to establish fair market values (FMV) of aircraft and engine assets during a period of declining demand, pre-pandemic pricing models were obsolete. Now as the industry is beginning to show signs of meaningful recovery, and demand for USM is returning to a new normal, increased aircraft and engine teardown activity is likely to occur. USM asset values have been highly volatile depending upon supply and market conditions such that some USM parts have lost up to 60% of their pre-COVID values.

In our cover feature this month, we have examined the market forces for part-out and materials demand as a greater number of assets became available for teardown.

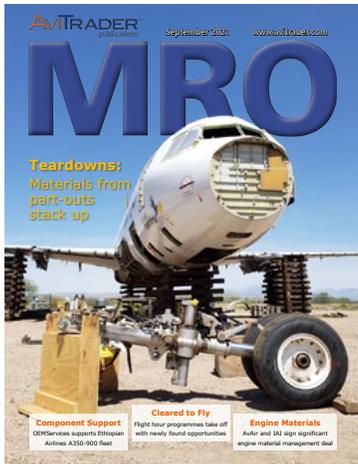
Keith Mwanalushi
EDITOR

Teardown activity has seen a strong demand for USM.

Photo: Ascent Aviation Services



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Cover image:
Ascent Aviation Services

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S7 Technics presents Russia's first shop for engine and APU overhaul



Photo: S7 Technics

S7 Technics is setting up a new shop for overhaul of CFM56 engines and Honeywell auxiliary power units (APU). This one-of-its-kind facility in Russia and the CIS will be located at the premises of Moscow's Sheremetyevo International Airport. It will specialize on overhaul of the most popular engines operated by Russian airlines – CFM International's CFM56 and Honeywell APUs. S7 Technics' Sheremetyevo facility will perform overhaul of CFM56-5B and -7B engines, which power the world's most popular aircraft families – The Airbus A320ceo and the Boeing 737NG. S7 Technics' specialists will carry out complete disassembly of the engines, clean parts, and units, and inspect them for further repairs or replacement. After reassembling, engine performance will be checked on a test bench. As a partner to Honeywell, S7 Technics will initially perform authorized repairs of APUs type 131-9A/B, installed on the same aircraft types. The new facility with the total floor area of 14,000 square meters will consist of two blocks – for engine and APU overhaul, wash lines, inspections, component repairs, parts warehouse, and a test bench for testing APUs after repairs.

AJW Group extends MRO services in Europe

AJW Group has launched its European MRO facility, AJW Technique Europe, located near Gatwick Airport. The MRO begins with a specialization in battery repair, including deep cycle, top charge, cleaning, re-blocking, regular service, overhaul, test and recertification for all commercial aircraft main, auxiliary, and emergency power supplies. The battery capability is delivered via the acquisition of Avia Component Services, whose skilled and certified Technicians will immediately continue to provide a seamless, full service. The MRO has been strategically positioned to meet AJW Group's flagship customers' needs. AJW Technique Europe will deliver the same outstanding customer service and quality that customers of AJW Group's state-of-the-art, MRO facility, AJW Technique, in Montreal, have enjoyed for almost ten years. Despite the pandemic, AJW Group has continued to transform, grow, and deliver to get closer to its customers and to provide an unrivalled expertise and experience. Sajedah Rustom, CEO of AJW Technique, comments: "We are immensely proud and excited to expand in Europe, where we look forward to delivering our highly-regarded, innovative repair services and solutions, on the doorstep of all the European airlines."

The advertisement features a blue background. On the left, a jet engine is shown next to a cardboard shipping box. The box is labeled with 'AOG AIRCRAFT OVERHAUL GROUP' and 'MAGELLAN AVIATION GROUP'. On the right, the Magellan Aviation Group logo is displayed, consisting of a stylized starburst above the company name. Below the logo, the text reads 'When there's no time to waste!' and a white button with the text 'Learn More' is positioned at the bottom right.

CAE and Air Canada sign exclusive maintenance training agreement

CAE and Air Canada have announced the signing of an exclusive five-year aircraft maintenance training partnership agreement. As a result, CAE is now Air Canada's embedded Transport Canada Approved Training Organization for Aircraft Maintenance and Engineering. The agreement includes the development, management, and delivery of all of Air Canada's maintenance and engineering training, including all regulatory approved training. CAE will implement many of its state-of-the-art digital training technologies, including training and qualifications management, virtual 360 aircraft environments and a new digital solution that will enable Air Canada to explore modern training environments such as evidence-based training.

Embraer inks services agreement with Alliance Airlines

Embraer has signed a multi-year services agreement with Alliance Airlines, which will provide materials support for the carrier's fleet of E190s. Through Embraer's Services & Support portfolio of solutions, the agreement covers more than 300 repairable components and includes both materials and technical administration services supported from Embraer Asia Pacific's facility in Singapore.



Embraer has signed a multi-year services agreement with Alliance Airlines
Photo: Embraer

"Alliance has world leading on time and operational performance, a key attribute sought by our customers in Australia and the broader region. The Repair Management Service Program we have with Embraer will enhance our fleet performance and strengthen our business as it grows," said Lee Schofield, Chief Executive Officer of Alliance Airlines. Alliance has a committed fleet of 32 E190s with 12 E190s currently in Australia with the remaining 20 to enter revenue service during the next 12 months.

"We are glad to partner with Alliance Airlines at this pivotal moment," said Johann Bordais, President & CEO, Embraer Services & Support. "Alliance Airlines has rapidly grown its fleet of E-Jets which has proven to be instrumental as domestic aviation grows in Australia. This services agreement will enable Alliance to secure their fleet availability with effective, efficient and competitive solutions."

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AAR enters exclusive distribution agreement with Arkwin Industries

AAR a provider of aviation services to commercial and government operators, MROs, and OEMs, has signed an exclusive distribution agreement with Arkwin Industries. The agreement covers Arkwin's broad line of engine actuation and commercial aviation products for the commercial aviation aftermarket and is effective as of October 1, 2021. "We are excited to partner with AAR as our new aftermarket partner for our commercial aviation business," said Kristian Norheim, Arkwin Vice President of Sales & Marketing. "We are confident that Arkwin's realignment of aftermarket support capabilities using AAR will allow Arkwin to more effectively support our global customer base."

GA Telesis MRO Services Group adds new radome testing facility

GA Telesis has announced its MRO Services Group's introduction of a new transmissivity test cell for repairing and overhauling aircraft radomes. The radome maintenance will be performed at the FAA and EASA-approved composite and aerostructures repair facility near Fort Lauderdale/Hollywood International Airport. This new test cell is capable of testing a wide range of OEM platforms accommodating all Airbus, Boeing, Bombardier, Cessna, Embraer, and Gulfstream aircraft models. The composite facility specializes in the overhaul and repair of composites and large metallic structures. This new test cell enhances the MRO Services Group's offerings, covering engine nacelles, flight control structures, and a recently added second 37 ft autoclave."

MTU Maintenance now certified to carry out PW307 MRO

MTU Maintenance is now certified to carry out PW307 maintenance, repair, and overhaul (MRO) on the PW307 engine family. The PW307D which powers the Dassault Falcon 8X in service since 2016 is the newest variant to be added to MTU's engine capabilities in Berlin-Brandenburg. With a maximum take-off thrust of 6,400 pounds,



PW307 Engine

Photo: MTU

each engine has noticeably more power than its predecessors. MTU Aero Engines have been manufacturing PW300 engine parts since 1985. The company has a 15% stake in the PW307 engine program and is responsible for the development and production of the complete three-stage low-pressure turbine, including the exit case and the mixer. "We are delighted to be fully certified for the newest generation of PW300 engines," says André Sinanian, Managing Director and Senior Vice President, MTU Maintenance Berlin-Brandenburg. "We have carried out all necessary preparations, such as correlating the test cell, and look forward to receiving the first engines. We are specialized in small to midsize fan engines and expect this program to run well into the 2030s." MTU Maintenance Berlin-Brandenburg has been performing MRO and mobile repair services on the PW300 engine family since 2001. Engine service contracts are managed by Pratt & Whitney Customer Service Centre Europe, a joint venture between MTU Maintenance Brandenburg and Pratt & Whitney Canada, which is responsible for aftermarket services sales and marketing activities for P&WC engines across Europe, Africa, and the Middle East.

Mammoth Freighters launches Boeing 777-200LR and 777-300ER freighter conversion programs

Mammoth Freighters (Mammoth) has announced the launch of its Boeing 777-200LR and 777-300ER passenger-to-freighter conversion programs. Mammoth was founded in December 2020 by two aviation industry executives, Bill Wagner and Bill Tarpley, both serving as the company's Co-CEOs. The Company is backed by private investment funds managed by Fortress Investment Group LLC and its affiliates (Fortress). The combination of management expertise and strong financial support has enabled Mammoth to launch its Supplemental Type Certificate (STC) development program with the plan to achieve FAA approval in the second half of 2023. Mammoth brings a flexible business model to market that provides air cargo operators and asset owners dynamic new options including the ability to provide their own assets for conversion or acquire or lease ready-to-fly

converted freighters from Mammoth's existing feedstock of ten 777-200LR GE90-110B1 equipped aircraft. These assets were acquired from Delta Air Lines and are the largest fleet of -200LR sister aircraft in the world. The Company, which possesses a Boeing data license to execute 777 passenger-to-freighter conversions, has already made significant progress since it began operations in late 2020. Design and engineering for the 777-200LRMF program is well underway with tooling and parts already in fabrication. The conformity 777-200LR recently completed a comprehensive series of pre-modification flight tests and will commence modification in the second quarter of 2022. Upon certification of the 777-200LRMF, Mammoth expects approval of the 777-300ERMF STC to follow shortly afterwards.

Revima enters B737 and A320 landing gear repair agreement

S7 Airlines and Revima have reached an agreement for the overhaul of B737-800 and A320 family landing gears. Revima recently completed the first overhaul under this agreement, with a B737 landing gear delivered from its new Thailand facility. Olivier Legrand, Revima Group President & CEO, commented: "This major step follows the completion of our brand new, state-of-the-art 11,000 square meter facility south of Bangkok (Thailand) in 2020. Drawing from Revima's extensive landing gear overhaul experience gained in our French facility, our Thailand based facility was built to support the growing market A320 and B737NG family landing gear with our recognized top quality and value. We support S7 Airlines for APU repairs and are honoured and proud of their renewed confidence in Revima for landing gear requirements."

Alexey Ovsyannikov, S7 Airlines Deputy General Director for Continuing Airworthiness, added: "Working with dependable and flexible partners is key for the support of S7 Airlines demanding operations. We count on Revima to deliver a high quality of service for our landing gears."

Heston MRO extends MRO services into Europe



Photo: Heston MRO

Heston MRO has extended its presence into Europe. The newly established subsidiary, Heston MRO Europe, will start immediate offering of Components Support and Asset Management services to airlines and asset owners. The company has planned to operate local European warehouses and have AOG support and logistics teams located next to its European customers and suppliers. 'Heston MRO realizes that the pace of aviation recovery varies significantly between different regions', comments Asta Zirlyte, CEO of Heston MRO. 'It has always been in our plans to expand geographically beyond our home region in Australasia, following the actual needs of airline customers and asset owners. Faster post-COVID recovery in the Northern Hemisphere repositioned our strategic goals and accelerated that decision. We have established our presence in Europe to capture the local MRO opportunities driven by the recovering travel.'



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Stratos completes freighter conversion on ex AirAsia X A330 and delivers to Geodis on lease

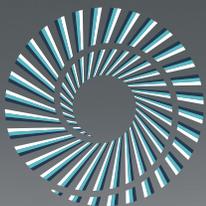
Stratos (Monaco) has announced the delivery of an A330-300 converted freighter to GEODIS (France) on a long-term operating lease. The aircraft, 2006 vintage MSN713, was returned from AirAsia X through an early termination agreement in mid-2020 and converted to a full-freighter. Stratos identified an early opportunity to repurpose the aircraft into a freighter at the onset of the COVID-19 crisis, subsequently leasing the freighter to logistics giant GEODIS to enhance its own dedicated air network. GEODIS has contracted Titan Airways (U.K.) to provide CMI services to operate the aircraft to Asia, Europe, and the U.S. Elbe Flugzeugwerke (Dresden, Germany)



Air Asia X Airbus A330

Photo: AirTeamImages

performed the freighter conversion and heavy maintenance, Lufthansa Technik provided CAMO and flight services, Rolls-Royce & Partners Finance (U.K.) provided a replacement engine, Dale Aviation (France) performed maintenance and engineering services, while Civil Aviation Services (Ireland) supported GEODIS on all technical-related aspects. The owners are a series of SME's invested through a Japan-domiciled fund managed by JP Lease. For legal support, K&L Gates (Tokyo) acted for the lessor, Norton Rose (London) acted for the lessee.



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Collins Aerospace unveils Lilac-UV, a new sanitizing light solution for aircraft interiors

Collins Aerospace has unveiled Lilac-UV, an ultraviolet (UV) lighting solution to sanitize aircraft interiors nearly anywhere a light is installed inside an aircraft. Lilac-UV emits a slight violet light that disinfects surfaces in seconds to minutes, depending on lamp configuration and specific pathogen. Lilac-UV can be applied in lavatories, galleys, flight decks, cargo bays and throughout the cabin, and can be set for scheduled cleanings or manual applications during or between flights. The sanitizing light, combined with other hygienic measures taken onboard aircraft, gives added peace of mind and protection to passengers while also reducing aircraft downtime for manual cleaning. Lilac-UV uses technology developed by The Boeing Company as part of a licensing agreement granting Collins the ability



LilacUV Light

Photo: Collins Aerospace

to build on Boeing's UV technology for in-flight operation. The new Collins-developed sanitizing lighting system operates with an intelligent dosage

controller – for scheduled cleanings and manual treatments – and an occupancy detector for enclosed spaces, like an airplane lavatory.

Airbus joins DAX stock exchange index in Germany

Airbus SE (stock exchange symbol: AIR) has become a member of the new DAX40 index in Germany, effective September 20. On September 3, 2021, Deutsche Börse completed the expansion of the DAX from 30 to 40 companies as part of a comprehensive reform process and appointed Airbus, among others, to the German premium index. "We are very pleased to be appointed to the newly formed DAX. We believe that Airbus has found its place in this index due to its economic size and performance. This inclusion allows us to better represent Airbus' historic industrial significance in Germany and highlight our innovative and diverse portfolio of activities too," said Guillaume Faury, Airbus Chief Executive Officer. "The inclusion in Germany's most important stock market index is both a motivation and a responsibility to continue our strong strategic presence in the country. We are proud of our European roots." With this inclusion in the DAX40, Airbus will no longer be a member of the MDAX, to which it has belonged since the listed European aerospace group was founded in 2000. Airbus shares are traded at three European stock exchanges: in Paris, where Airbus has been a fixed component of the premium CAC40 index since 2000; in Frankfurt and in Spain (Madrid, Barcelona, Bilbao and Valencia).

Airlink confirms selection of Rolls-Royce totalcare® for engine servicing

Rolls-Royce and Airlink have signed a TotalCare® service agreement for the AE3007 engines that power the South African airline's fleet of Embraer ERJ135 aircraft. The agreement, which covers 28 aircraft, is an extension of service for a further 10 years, continuing the airline's drive to maximise aircraft availability. Airlink CEO, Rodger Foster, said; "Airlink and Rolls-Royce have worked hand in hand since the introduction of the ERJ135 to our fleet in May 2001. We operate 28 ERJs with a pool of 64 AE3007-A1/3 engines. We are proud of the phenomenal reliability we have achieved from these engines which have underpinned Airlink's industry leading on-time performance, which has consistently been above 97%. Our TotalCare service agreement has been key to the management of engine maintenance costs and to ensuring the economic sustainability of the ERJ135 type for the foreseeable future. We are delighted at the dependability of the Rolls-Royce team and their engines." TotalCare is the flagship integrated engine service cover provided by Rolls-Royce. It is designed for predictive maintenance planning, as well as off-wing repair and overhaul activities for operators of Rolls-Royce aero engines. TotalCare transfers both time-on-wing and maintenance cost risks back to Rolls-Royce, as well as offering advanced engine health monitoring and future product enhancements. Aircraft covered by TotalCare achieve higher availability, increased long-term residual values, and benefit from the global Rolls-Royce Care Network; a large, capable and competitive engine service network that caters for the needs of engines at every point in their lifecycle.

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Adding value to component support



Ethiopian has signed a multi-year large component support agreement for the airlines' A350 fleet.
Photo: OEMServices

As airlines begin to rebuild their networks, crucially, component solutions will be increasingly significant. **Keith Mwanalushi** speaks to Didier Granger, Chief Executive at OEMServices about the recent contract to support Ethiopian Airlines' growing A350-900 fleet.

In July, Ethiopian Airlines awarded a multi-year large component support agreement to OEMServices in support of its A350-900 fleet. For airlines, it is imperative for them to demonstrate the ability to support a high degree of reliability across their fleet and accessibility to aircraft parts is an extremely vital part of that equation.

OEMServices will be supporting Ethiopian Airlines' 24 Airbus A350-900s, of which currently 16 are in service and eight on order – at the time of this writing. The component solutions company said it will extend its existing

pool at its Dubai facility to cover A350 aircraft components and to service current and future Middle East and African operators.

Didier Granger, CEO at OEMServices says the A350 is an aircraft that is mostly supported through flight hour programmes – “As a matter of fact, the A350 MRO market confirms the trend of services integration that has been observed for several years and is supported by a very limited number of suppliers, and we have a very innovative range of services,” he tells AviTrader MRO.

Granger indicates that they have massively invested into inventory, located in its worldwide strategic logistic centres, and has acquired the technical expertise of the aircraft through its field representatives' network and in strong connection with operators. “Moreover, as part of the aircraft newest generation, the A350 enables innovative approaches,” he adds. “Being chosen by Ethiopian Airlines is a great pride for us. We are happy to demonstrate the added value of our original approach, based on our services integration skills and our

technical expertise in the A350 fleet. Ethiopian Airlines can rely on our team to support their operations."

With the "on condition" maintenance in place for decades reaching its limits, Granger feels there is a need for enhanced MRO support. This is the vision developed by OEMServices through its "100% Fly Back Guarantee" combining predictive maintenance, worldwide support and MRO services expertise. "

It's more than likely, that in times of irregular demand cycles (such as during a pandemic) solution providers will need to manoeuvre strategically when managing the forecasting of component supply demand. Granger stresses that the priority is to match the support to the needs of the operators. "The pandemic may have revealed in our sector gaps between certain contracts and reality. The first requirement of the operators was therefore to match the costs of their support with the actual level of activity, sometimes with consequences on the minimum chargeable flight hours level."

During the height of the pandemic this publication noted from various industry sources that forecasting parts supply demand was well and good but also required complementary work to adapt to last minute changes, unpredictable needs, or new expectations. Several solution providers have been closely watching the changes in customer behaviours for any emerging trends and pivoting accordingly. This has included working closely with vendors,



“The A350 MRO market confirms the trend of services integration that has been observed for several years and is supported by a very limited number of suppliers.”

*Didier Granger,
CEO, OEMServices*

operators and OEMs to proactively monitor parts requirements.

Granger highlights that new technologies have also provided them with innovative solutions, in particular through the prediction of parts removals and demands. "It is an opportunity to reduce the costs and improve the supply chain. However, the support of an aircraft remains a heavy consumer of fixed assets in inventory," he points out.

When speaking about the systems in place to ensure the availability of serviceable spares for growing A350 operators such as Ethiopian, Granger explains that OEMServices is historically a partner of the OEMs and

has significant expertise with the A350 aircraft, supporting a large fleet of over 150 aircraft.

"Welcoming in our operations a first-class airline such as Ethiopian Airlines is an honour for us and a duty for excellence. When implementing new customers in our network, we always reassess our worldwide inventory dispatch and decided to dedicate resources for Ethiopian Airlines in the region, implementing stock in Addis Ababa and increasing our regional pool based in Dubai. More generally, our resources are globally managed, and our various worldwide customers benefit from the entire availability of the inventory in case of need," Granger states.





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Keeping a close eye on engine materials

AvAir has secured an engine material asset management deal with IAI.
All photos: AvAir

Keith Mwanalushi follows the recent engine materials agreement between AvAir and Israel Aerospace Industries and observes an uptick in demand for materials as aircraft movements begin to grow again.

Aviation aftermarket specialist AvAir recently announced that they had secured a significant engine material asset management deal with Israel Aerospace Industries (IAI) to manage the process for more than 20,000-line items from IAI's core business lines.

Since air carriers and MROs began to rebuild their operations over the last few months, Kevin Lenz, SVP of Powerplants for AvAir has observed the trends in demand for engine materials saying in short, they are seeing an increase in purchasing from both airlines and MROs versus their activity last year and even earlier this year. "Before the effects of the pandemic, MROs typically had a clear view of engine shop input forecasts and

could purchase material for those builds in advance. Following the downturn in travel, airlines and lessors were avoiding maintenance expenses where possible so fewer engines were put into the shops which caused the MROs to suddenly have more material on hand than demand for the lower level of inputs. Now, as MROs are bleeding down their stock and shop inputs are on the rise, material demand has increased," Lenz notes.

With this transaction, AvAir will manage more than 20,000-line items for IAI including internal parts and accessories on the CFM56-3, CFM56-5B, CFM56-7B, V2500-A5 and PW4000 engines, along with airframe components for the A320 and Boeing family aircraft.

"This past year we have been working diligently to increase our access to engine material to offer more comprehensive solutions to our clients," Lenz adds. "Our asset management programme was a great option for IAI to maximise their return on the asset by tapping into the growing material demand from our customers."

Looking at the contract with IAI, from a logistics perspective, and in the context of capabilities to manage that significant number of line items, Lenz says many of AvAir's contracts include tens of thousands of line items, so the team is well equipped to process this efficiently.

IAI's Aviation Group has more than 50 years' experience in all aspects of the

“Earlier in the pandemic, there was downward pressure on pricing for narrow body engine material, but demand has picked up as passenger travel increases and cargo conversions gain steam.”

Kevin Lenz,
SVP Powerplants, AvAir



Kevin Lenz, SVP of Powerplants, AvAir

aircraft industry, having all the required capabilities in-house at one centralised location. IAI maintains a broad range of capabilities, from aeronautic design and engineering, through flight testing, modification and certification. IAI is one of the few companies with proven in-house FAR 25 certification capabilities.

"Over the years, we've accumulated a large inventory of surplus material and needed a company to sell the surplus material on a consignment basis," says Shmuel Kuzi, Vice President and General Manager, of IAI Aviation Group. "We are eager to begin our partnership with AvAir and create more liquidity for Aviation Group."

While analysing the value and prices for engine materials in the past year because of the pandemic, Lenz indicates that there have certainly been fluctuations in pricing for specific products. He says earlier in the pandemic, there was downward pressure on pricing for narrow body engine material, but demand has picked up as passenger travel increases and cargo conversions gain steam. He adds: "Within our focus, the product we saw more affected was the V2500 as there

was much less demand although this has since rebounded. Material for CFM56 also experienced a decrease in pricing, but we saw demand remain more constant for those models. When it comes to wide body engine material, our biggest focus has been the PW4000 and CF6-80. We've seen material pricing remain constant or even increase relative to pre-pandemic

levels considering that these engines are used for cargo applications that have experienced increased demand throughout the pandemic.

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AvAir has been working diligently to increase access to engine material.



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Cleared to fly: Flight hour solutions are back in the spotlight

Flight hour agreements offer options to manage risk and cost for an airline.
Photo: StandardAero

Keith Mwanalushi examines the challenges in the flight hour programme sector caused by the COVID downturn but also highlights the new opportunities that are arising from the pandemic.

The impact of COVID on operators' views of flight hour programmes – these are usually contractual fixed hourly-rate payment solutions – will vary from segment to segment. Operators in those markets largely untouched by COVID (most notably business aviation and dedicated cargo operations) are unlikely to have changed their views on the pros and cons of such services, reckons Jason Johnson, VP, Sales, Marketing and Business Development, Airlines and Fleets at StandardAero. By contrast, Johnson feels those operators in segments significantly impacted by COVID – not least long-haul passenger airlines – may be reassessing their view of hourly programmes. “Such operators will have experienced a significant drop

in flight hours during 2020, and yet have faced the prospect of the fixed element of their flight hour obligations remaining unchanged – clearly a challenging prospect for operators in financial distress,” he observes.

While several OEMs are known to have offered temporarily relief to their flight hour customers, and while the underlying arguments for hourly programmes remain sound, Johnson feels it is likely that at least some operators will have been in discussions with their OEM service providers regarding the possibility of reducing their flight hour exposure in the event of a future COVID-type market impact.

The most significant reassessment of flight hour services in the wake of COVID



Jason Johnson, VP, Sales, Marketing & Business Development, Airlines & Fleets - StandardAero

will likely come from lessors, many of whom were left holding the baby in 2020 as financially strapped airlines chose to return their leased assets early. Johnson continues: “As such, it was the lessors who were often most exposed to the fixed element of flight hour programmes. With leased aircraft today representing approximately half of the in-service fleet,

it is inevitable that lessors will be leading the post-COVID reappraisal of the pros and cons of service offerings.”

Aside from the obvious challenge faced by airlines who have been unable to survive in the last 18 months, a typical type of flight hour solution relies upon a commitment to operate a baseline number of flight hours during a given a period. “Airlines simply haven’t been able to commit to the pre-COVID minimum hour obligations, nor have they been able to plan their flight schedules with any degree of certainty, so the flight hour programme services sector has been significantly affected,” notes David Shorter, PBH Customer Service Manager at AJW.

Shorter says the challenges created the need for flexibility and pragmatism as many operators sought suspensions, amendments and even terminations of support contracts. “AJW seized the opportunity and proactively offered flexible and fair solutions by offering short-term contract suspensions, ‘pay-as-you-go’ stop-gap solutions and opportunities to evolve the commercial



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framework of the service provision as flying resumed.”

Chas Richardson, Commercial

Manager at AJW has also noticed a significant shift in the service provider marketplace. He says that many of the primary flight hour providers of the last two decades face significant pressure to maintain solvency whilst also continuing to support valued airline customers who are similarly distressed and that the pandemic has created a supply chain “pinch point”.

At GA Telesis, they are seeing varying challenges both in terms of current agreements and forward deals. “It depends on the operator and the terms of the agreement, but most operators continued most of their contracts at reduced billing,” comments Meghan Burgan, Vice President, Programmes and Repairs. “We supported grounded aircraft with maintenance and extended payment terms with our flight hour customers while our cargo customers continued operations. GA Telesis also converted many customers into lease and repair management solutions since this is becoming a preferred future solution,” Burgan continues.

“Dollar per engine flight hour” maintenance solutions provide airlines



“We supported grounded aircraft with maintenance and extended payment terms with our flight hour customers while our cargo customers continued operations.”

Meghan Burgan, GA Telesis

Meghan Burgan, Vice President, Programmes & Repairs, GA Telesis



Steven Fastenberg, Director, Geared Turbofan (GTF) Fleet Management Group

with several benefits, chief among these benefits is risk-sharing with the maintenance provider to provide known maintenance cost, maximised time-on-wing, and predictable cash flows. Pratt & Whitney's aftermarket service offerings are branded under the 'EngineWise Comprehensive' suite of product offerings that can be tailored to match various needs. Steven Fastenberg, Director, Geared Turbofan (GTF) Fleet Management Group says the solution provides the highest level of coverage for engine maintenance on a dollar per engine flight hour basis. "Without a doubt, the last 18 months the pandemic has disrupted business for the airlines, the OEMs and the MRO shops." Fastenberg indicates that within the GTF Fleet Management Group, they manage a portfolio of more than 50 contracts with airlines around the world. "We have closely partnered with our airline customers to assist with their operational needs as they manage the volatility of the pandemic."

While the impacts of the pandemic have been extremely challenging, Pratt & Whitney has taken advantage of this time to install retrofits into the GTF fleet to upgrade the engine configuration and position the fleet to capitalise on the expected recovery.

With a revenue model directly correlated to the hours flown by an aircraft, the flight hour services sector was especially hard hit during the initial phases of the global lockdown. "As the recovery continues, there is still a significant impact, as the level of fleet utilisation is still far from the peak of 2019," points out David Greenwell, VP of Sales and Marketing at Kellstrom Aerospace. He says service providers needed to adjust to both the decrease in demand for material and the significant reduction to their cash flows.

"The industry has witnessed excess inventories released to the aftermarket. Some key flight hour providers took the downturn to exit the business model altogether," Greenwell notes. At Kellstrom Aerospace, they have seen a large increase in the volume of exchanges performed to support fleets from non-contracted solutions. "As the industry continues to conserve cash, they will look to flight hour exchange solutions to manage cost exposure, but providers must be prepared for the lower utilisation of the fleet."

Start-ups provide new opportunities

For airlines, Greenwell believes that flight hour agreements offer one of the best options to manage risk and cost for an airline, particularly a start-up, where the cost of the inventory needed to support the airline is proportional to the hours it has flown. "During the initial start-up phase of an airline, knowing you have a fixed costs risk management plan for aircraft components allows the finance team to plan effectively and minimise the risk of early component failures."

At Kellstrom Aerospace Greenwell reports that they are talking to several airlines who are either flight hour customers or would be looking to enter into an agreement to some extent. "It is worth noting that not all flight hour agreements provide universal coverage, so each airline should determine what components they include in the agreement, and which could be based on

a stocking strategy."

Johnson from StandardAero stresses that the importance of flight hour programmes to start-up airlines will depend on the support approach favoured by the operator, and on the type of aircraft being flown. "These programmes tend to be favoured for newer aircraft and engines, in part because they offer a degree of risk transfer relating to unscheduled engine events, and also because non-OEM support offerings tend to be limited in the early years of an engine's lifecycle." By comparison, Johnson indicates that start-up airlines operating a more mature platform such as the CFM56-7B-powered Boeing 737NG will be able to choose from a wider range of aftermarket options – "A start-up's interest in flight hour services will also be influenced by the prior experience of the airline's executives, and by the preferences of the airline's lease partner."

"From the perspective of spare engine procurement, given the supply of engines in varying stages of technical serviceability available in the market, flight hour lease contracts will play a role with some of the start-ups as a cost-effective means to secure a dedicated spare, suggests Joe Hussar, EVP and Head of Portfolio at ELFC. "Generally, it



David Greenwell, VP of Sales and Marketing at Kellstrom Aerospace



Joe Hussar, EVP & Head of Portfolio at ELFC

is more cost effective for start-ups to rely on leasing in spare engines to cover potential or scheduled maintenance events rather than signing up for a flight hour maintenance contract and have the expense of overhauling an owned engine themselves," Hussar cautions.

No doubt flight hour leases have been around for a long time. In the past it was common for older engines, those in the final stage of their product life cycle, to be leased on this basis, Hussar recalls. Since COVID brought about an unexpected shock to the supply and demand spare engine balance, mainstream engine types that will remain a core part of the world fleet for many years to come have been more commonly leased on a flight hour basis over the past 18 months, he observes. "Traditional lease structures are now returning to be more commonplace again, especially for those engines that are strong flyers," says Hussar.

AJW has successfully supported many new start-ups over the past year and understand that having a flexible flight hour provider is critical to the success of the airline.

David Shorter points out that there are the obvious cash benefits, such as the customer not having to invest millions of dollars on inventory and overheads, but ultimately a flight

hour support contract allows the operator to run a lean supply chain, where everything can be outsourced, including logistics, and provides complete transparency from a budgeting perspective as there are no hidden costs. Operationally, Shorter explains that a support contract with AJW can be negotiated to include guaranteed delivery and service levels as well as the provision of onsite inventory for no-go and critical items and for start-ups with brand new aircraft and AJW takes care of the warranty management with the OEMs.

Also, worth noting, Richardson reminds that conventional flight hour support agreements cover only the component maintenance portion of the aftermarket and maintenance environment – "AJW have a broad portfolio of products, which cover elements on top of the standard flight hour service and are making a concerted effort to integrate and develop them further to meet our customers' needs."

Despite the challenges of the last 18 months or so, the one thing that has not changed is that operators need to ensure uninterrupted operations and reduce the time the plane is grounded. "One shift we have seen is the airlines looking for options, no longer just a one-size-fits-all flight hour programme, says Burgan from GA Telesis. "We can offer flight hour programmes by PN or ATA, repair management, and main base kit leases with or without repair management. We also manage our airlines in their retirement planning by managing the teardown cycle. This ultimately reinserts their own product into their operations or into their current flight hour programme."

Evolving flight hour services market

It certainly feels like flight hour or capacity by the hour has redefined how aerospace products are now sold and serviced. Fastenberg agrees that the landscape has certainly changed over the past 20 years in aftermarket services. Where legacy fleets at the turn of the

century were rarely covered by long-term dollar per flight hour maintenance agreements, the fleets being delivered today are upwards of 80% covered by EngineWise agreements. "Most operators today are using the aircraft and engine point-of-sale to bundle a long-term aftermarket agreement, thereby locking in maintenance cost and managing their risk by leveraging the expertise and knowledge of the OEM.

"Additionally, the prevalence of aircraft lessors in the marketplace has grown with a large portion of the GTF fleet owned by lessors. We often work with both airlines and lessors to ensure we have a tailored product offering that provides the maintenance solution the airline needs for their operation as well as helping to protect the asset value for the lessor," explains Fastenberg.

As Richardson from AJW suggests, the flight hour model necessitated the development of online web portals to track order status as airlines began to manage service level agreements with suppliers more closely. "In recent years this has evolved as the aviation industry has started to catch-up with general retail. The days of faxing and emailing purchase orders or accessing clunky portals is clearly coming to an end with a truly digital marketplace obviously the next major step."



Chas Richardson, Commercial Manager at AJW

FLIGHT HOUR PROGRAMMES



Mechanics at P&W's Eagle Services Asia facility in Singapore inspect a GTF engine.
Photo: Pratt & Whitney

Burgan highlights that what has changed is the buyers of parts and the recent influence of large-scale teardowns and surplus parts value in the market. She says with a flight hour contract in place, operators benefit from not holding inventory or requiring the staff and processes to source, repair, or manage the inventory needed to keep the fleet flying. "On the services side, aftermarket companies are carrying that balance. In addition, the increase of material available allowed companies like GA Telesis to acquire aircraft, engines, and large inventory packages during the downturn, allowing us to be more competitive in our offerings. In turn, the operators are now benefitting from a lower rate per hour."

Perhaps the most important impact of flight hour programmes has been to assure engine OEMs of a steady stream of aftermarket revenue once a new engine enters service, reckons Johnson from StandardAero. "This provides OEMs with greater confidence regarding

the viability of the multi-billion-dollar business cases associated with clean-sheet large engine R&D programmes, and therefore ultimately benefits operators in terms of new technology being introduced into the market."

That said, Johnson feels the recent agreements reached between IATA and

two of the industry's largest engine OEMs confirm the preference of airlines to maximise their aftermarket support options wherever possible, and as such, flight hour services are likely to remain just one of the support offerings available to operators, alongside Time and Material (T&M) type services.



Conventional flight hour agreements may only cover the component maintenance portion.
Photo: AJW

A stylized illustration of a woman with black hair in a bun, wearing a red, black, and white patterned dress with blue accents. She is holding a matching shopping bag with red handles. The bag has the 'AJW' logo on it. The background is blue with gear and airplane icons.

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Breaking down the aircraft disassembly market



Ascent is currently seeing high demand for narrowbody teardown aircraft.
Photo: Ascent Aviation Services

As airlines accelerated the retirement of aircraft amid the COVID pandemic, a greater number of assets became available for teardown. And now, **Keith Mwanalushi** examines the market forces for part-out and materials demand.

Industry figures suggest that two-thirds of the global passenger fleet was grounded at the height of the COVID pandemic and many of these aircraft having never returned to service but instead headed for the scrap heap. The increased volume of stored aircraft and dismantling might now have an impact on the values of harvested serviceable parts entering the market.

"Unlike a normalised market, there are plenty of available options in terms of feedstock for part-outs," suggests Abdol Moabery, Chief Executive at GA Telesis, he feels the pandemic caused a similar dynamic to that of the 9-11 terrorist attacks. "More aircraft are available for disassembly than there is demand for Used Serviceable Material [USM] since only 66% of the world's fleet is in the air again. Slower consumption by airlines



Abdol Moabery, Chief Executive at GA Telesis

and MROs has also caused a unique global surplus in USM that must be consumed before the market balance returns."

That said, in simplistic terms, Moabery figures it comes down to volume. "There are more A320s and 737s flying, so the greatest propensity for success lies with chasing the high number of operators using those platforms," says Moabery.

At GA Telesis they believe the pandemic has not led to a major increase in disassembly yet, but rather a greater number of aircraft available for disassembly. "There is a surplus of USM on the market, which is definitely causing pricing pressure on rotatable components. The market will eventually correct itself, but that will take 12-24 months of normalised passenger capacity to make that happen." And Moabery hints that

there will be additional teardowns and rotatable price pressure coming in that timeframe due to new aircraft and engine deliveries which were deferred to the right by two to three years.

Mitch Horne, Manager of Marketing and Branding at Magellan Aviation Group says the USM parts market is already highly competitive, and due to the pandemic, it will only become more so. Magellan has seen an uptick in teardown activity driving asset valuations down to historical lows, however, Horne highlights that the Boeing narrowbody USM market has not suffered as much due to the number of passenger-to-cargo conversions, as he states, "Cargo has been a bright spot over the course of the pandemic. We are now seeing some recovery as more aircraft continue to be reintroduced into service. We expect to continue to see an increase in part sales and values as more airlines finalise fleet decisions and reintroduction activity leads to an increased demand for parts."



Mike Scott, Senior Director of Sales
at Ascent Aviation Services.

Magellan is actively bidding on CFM56-5B, 7B, and V2500 engines for disassembly, the latter being due to the surge in MRO activity regarding the recent Airworthiness Directives on the V2500 stage 1 hub. They are also seeing a rising demand for both 737NG and A320 parts as those aircraft types continue to be reintroduced into service and expect teardown activity will increase



Mitch Horne, Manager, Marketing and Branding at Magellan

“We expect to continue to see an increase in part sales and values as more airlines finalise fleet decisions and reintroduction activity leads to an increased demand for parts.”

Mitch Horne, Magellan

even more over the next few years as airlines continue to evaluate their fleet decisions.

At Ascent Aviation Services, currently, they too see high demand for narrowbody teardown aircraft, particularly on the A320 and 737NG platforms as these aircraft return to service. However, Ascent have also had quite a few recent teardowns of A330's, some A340's, 767's, 747's, 777's, and some CRJ's, so overall seeing an increased demand for all airframe types and parts inventories.

"A year ago during the height of the COVID pandemic, our reclamation unit in Marana and Tucson was virtually at a standstill as we had very few projects in work, and we shifted all available manpower to support the storage operations of the nearly 450 aircraft that we had in storage between our two facilities," comments Mike Scott, Senior Director of Sales at Ascent Aviation Services.

As very few aircraft were being torn down at the time, operators were likely on strict spending limits and depleting their serviceable inventory to support their reduced flying operations. Scott says with the uptick in demand in Q4 2020 and Q1, Q2 and Q3 in 2021, there is likely a lot of inventory stock that now needs to be replaced, - "so we do not think the parts market will realise depressed sell through

pricing, since parts are needed and in high demand to get all the stored aircraft flying again and support the post return to service operations."

As a broader market observation, it is notable that there is particularly high demand for the smaller narrowbody aircraft for disassembly. At aftermarket specialists AerFin the core focus remains on regional and narrowbody airframes and CFM56 and CF34 engines.

James Bennett, Commercial Director at AerFin agrees with the notion that recent events will lead to more teardown



James Bennett, Commercial Director
at AerFin

activity. However, he believes that there will be an impact in the short-term on the value of parts as demand steadily returns to the market. "Therefore, we are being selective in assets that we acquire with multi-platform commonality and younger vintage assets being more attractive as more aircraft appear to be transitioning into new operators at such a young age," he states.

With respect to demand for USM material, Kellstrom Aerospace has seen a strong increase in demand particularly on, and not surprisingly, the A320 and B737NG product lines, as prolonged grounding followed by return to service has led to an increase in components requiring replacement or exchange to continue airworthiness. "The narrowbody engine MRO market has also been adversely impacted by airline cost avoidance strategies," says Jorge A. Irribarra, Director of Product Line at

Kellstrom Aerospace.

Kellstrom Aerospace is actively tearing-down and evaluating additional engines in the

CFM56-5B/7B and IAE V2500 family in anticipation of the coming resumption of normal engine shop visit schedules by airlines as the pool of green-time engines is consumed.

Notwithstanding challenges to recovery in passenger travel, Irribarra reminds that the international air cargo market has remained strong throughout the pandemic crisis and continues to out-perform even pre-pandemic numbers bolstered by the absence of competition from belly cargo capacity from passenger carriers. "In some instances, part-out targets for the passenger and cargo markets overlap with platforms like the 737-800 or A321 and their respective engines which have strong utilisation in both markets." He says in some cases, exit fleets from passenger service like the 767 or A330 are repurposed via cargo conversion such that those aircraft and their respective engines remain viable targets for part out and USM sales. "We have always considered the GE90-115B and CF34-8 and -10 as diversified options for our growing programme requirements," Irribarra adds.

There certainly remains a correlation between parked aircraft and the uptick in part out activity, reckons Goutham Ramdas, Director- Aircraft Trading at Universal Asset Management, however, he highlights the importance that not all parked aircraft will end up getting parted out, given their age, financial metrics, and future opportunities. Ramdas: "Pricing certainly has been impacted by the pandemic, but that was primarily driven by the lack of air traffic both domestically and internationally. Therefore, pricing of serviceable parts entering the market was purely dependent on demand versus supply and the level of risk aftermarket traders were comfortable taking in purchasing used serviceable material on a

speculative basis."

Like many others, Universal Asset Management are seeing strong demand and interest in Airbus and Boeing narrowbody material as the demand for domestic travel has increased in the US and other travel markets. Accordingly, Ramdas says they are structuring acquisition strategies to support their requirements and supply-chain programmes. "In addition, we also continue to monitor widebody opportunities in the market and remain nimble enough to acquire aircraft in that sector that best support international passenger and freight markets, especially on the 747F, 777 and 767 platforms," he adds.



Jasper van den Boogaard, VP Airframe Acquisition & Trading, APOC

Jasper van den Boogaard, VP Airframe Acquisition and Trading at APOC Aviation argues that the number of narrowbody aircraft teardowns did not significantly increase compared to earlier years, but the material from teardowns has stacked up as aircraft were not being operated – "An increased availability in combination with less demand has indeed negatively impacted the value of components," he says.

Considering the sheer number of aircraft that were stored APOC sees that the reactivation of these units leads to high servicing costs and material



Jorge A. Irribarra, Director of Product Line, Kellstrom Aerospace

requirements. “Equally, it is often not viable for these aircraft to go directly for part-out, because pre-pandemic book values were relatively high, and owners do not want to sell at significant discounts. As a result, some aircraft were parked for long periods and the longer they are on the ground the more expensive it is to get them back to return-to-service condition.

“It will be interesting to see what will happen as a significant number of aircraft may not return-to-service but are also not desirable for part-out, as more and more components become unserviceable over time,” suggests Van den Boogaard.

Used parts versus aircraft retirements

Some industry experts have suggested that the used-parts market will not gain momentum until aircraft operators and airlines make firm decisions about their aircraft retirement plans. Ramdas from Universal Asset Management does not necessarily agree with this notion – “In fact, any retirement plans of mature aircraft would only increase the amount of used serviceable material in the market; adversely affecting pricing and availability.” He says the momentum-gain will occur when airlines prepare for bringing aircraft into service to meet the burgeoning



Goutham Ramdas, Director- Aircraft Trading at Universal Asset Management



Several A380s are heading for disassembly. Photo: EirTrade Aviation

demand of travel, both domestically and internationally. "Any investments in spares purchases, maintenance visits that were planned to have occurred during the pandemic were most likely put on-hold by airlines to preserve cash, and with travel starting to slowly return around the world, I believe airlines will begin to invest in plans to return their parked aircraft to service through maintenance events and spares purchases. Events of that nature will surely give momentum to the used-parts market," Ramdas explains.

Van den Boogaard from APOC points out that the momentum of USM directly relates to the number of aircraft flying. "Even when aircraft fly nearly empty the component requirements increase with the number of flights. With more flights the number of aircraft returning to service will also increase, which will have a knock-on effect to component demand," he indicates.

Retirements are easy to figure out, and GA Telesis has created an algorithmic forecast model that reflects the number of aircraft retiring through 2032, driven by two standard deviations, and is 98% accurate, according to Moabery. He says USM providers do not need to know the number of aircraft being retired to forecast their business (while that is one factor). "Instead, they need to understand consumption variability models depending on the number of a per aircraft platform - none of this is new to us."

For example, Moabery explains that the first real year of full production

for the 737-800 was 1998, and in 2022, those delivered aircraft are about 24 years old. Couple that with the airlines' order book, financial condition, and a few other variables, and you have your answer – "Using our proprietary models, GA Telesis has already seen its USM consumption levels and MRO volumes trend back to the monthly 2019 levels, despite the reduction in passenger volumes."

Horne from Magellan feels the state of the industry will, of course, rise and fall in correlation with the fleet plans of the operators. Subsequently, he is confident that once airlines can begin to finalise post-COVID fleet decisions, we will see a strong recovery in the value of USM. However, he points to a few things that are causing slight delays in the recovery process; tricky-to-navigate travel restraints being a large factor in how operators make key fleet decisions moving forward and throw in more turbulence in the form of the delta variant adds another uncertainty to navigate. "Recovery is happening, albeit slower than we would like, as we know that there is no guided playbook on how to properly recover from a global pandemic."

Interestingly, Bennett from AerFin adds that with airlines being so capax

in Time and material [T&M] agreements, as some operators are seeking more flexible agreements that combine long-term support in an ad-hoc, transactional environment that avoid long-term contractual obligations whilst still having access to the material required."

Regarding surplus commercial engines, over at Kellstrom Aerospace, they have witnessed an increase in the volume of teardowns as airlines, lessors and parts traders have monetised their spare engines to bolster their liquidity and or find balance sheet relief. Irribarra reports that the USM market prices have decreased across some engine platforms such as the CFM56-5/7 and V2500 lines, whereas engines powering the most common cargo platforms have remained robust and largely unaffected, such as the CF6-80C2 and PW4000 family.

Considering that several airlines are still not yet generating positive cash flow, the industry universally remains hungry for cost avoidance solutions and other savings solutions like green-time assets, and Irribarra states that this is where Kellstrom Aerospace excels in offering a broad range of meaningful savings options in the commercial aftermarket. "We expect that the airframe USM business will continue to see growth, whereas the engine USM market will see greater recovery once airlines have exhausted their access to green time assets for heavy maintenance deferrals," Irribarra concludes.



“There is a surplus of USM on the market, which is definitely causing pricing pressure on rotatable components. The market will eventually correct itself, but that will take 12-24 months of normalised passenger capacity.”

Abdol Moabery, GA Telesis

There remains a correlation between parked aircraft and the uptick in part out activity.
Photo: Ascent Aviation Services



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INDUSTRY
INTERVIEW



GAMIT is based at Stansted,
Essex in the UK

Q & A

In the
hot seat...

Ian Davies
General Manager,
GAMIT

What attracted you to this industry?

I come from a strong aviation family background and there has always been an element of following in my father's footsteps within my career. That said, there is something exciting about working in Aviation and I still enjoy just being around aircraft. The sheer complexity of some of the larger commercial aircraft is inspiring, and one of my proudest moments was achieving my B777 Aircraft Maintenance License type rating. It was my very first type at the tender age of 24.



Ian Davies, General Manager, GAMIT.
All photos: GAMIT

What does a typical day involve in your role?

Working with my team to ensure they have what they need to perform at their best and to provide direction where required. This can range from creating our next marketing plan for our superb aircraft records digitisation and management tool, ROAM.AERO, through to more recently ensuring that our work environment is safe for return to office working and keeping a close eye on what a post pandemic world might look like. The significant changes we have seen due to COVID has required some out of the box thinking and it is great to see how the team have responded to those challenges and presented solutions to the marketplace. We are a close-knit team that is free to contribute ideas and solutions to problems, so I am lucky enough to spend much of my day developing and discussing ideas and engaging with my team.

Briefly, tell us about your current MRO capabilities?

We work closely with AMAC Aerospace, who specialise in VIP completions and refurbishment as well as commercial airline maintenance, with hangar facilities in Basel, Istanbul and Bodrum.

What impact has the pandemic had on the business?

We have seen a downturn in all areas of our business, with a reduction in operating aircraft we have seen less materials demands overall, but in some areas, we have seen demand remain steady as operators took advantage of the downtime to have maintenance performed on their aircraft.

Many commercial aircraft operators have appropriately suspended spending and put projects on hold, but we are starting to see these coming alive again and activity in projects such as digitisation (aircraft records) in particular, as operators

seek to improve efficiency and leverage technology for cost saving and risk mitigation.

We are also seeing a higher number of aircraft transitions (End of Lease), projects due to fleet restructures. This has generated a higher number of enquiries for ROAM, as the system provides a platform for managing aircraft transitions smoothly and efficiently.

How is the parts sales and exchange business doing?

It has been impacted by the pandemic, but we have maintained a good level of turnover according to our internal targets, with some significant projects such as Landing Gear and engine overhauls. As expected, every operator is looking to reduce costs, so we have been working hard for our clients to provide them with multiple options so that they can select the most appropriate for their business. As an organisation that's been trading aircraft parts for over 30 years, we are familiar with the cycles and the added steps a competent provider like Gamit offers such as scrutiny of BER (beyond economical repair) costs, buying a suitable replacement part rather than repair due to market price fluctuations, through to delaying repair costs and managing the storage of items whilst they watch for the market recovery.

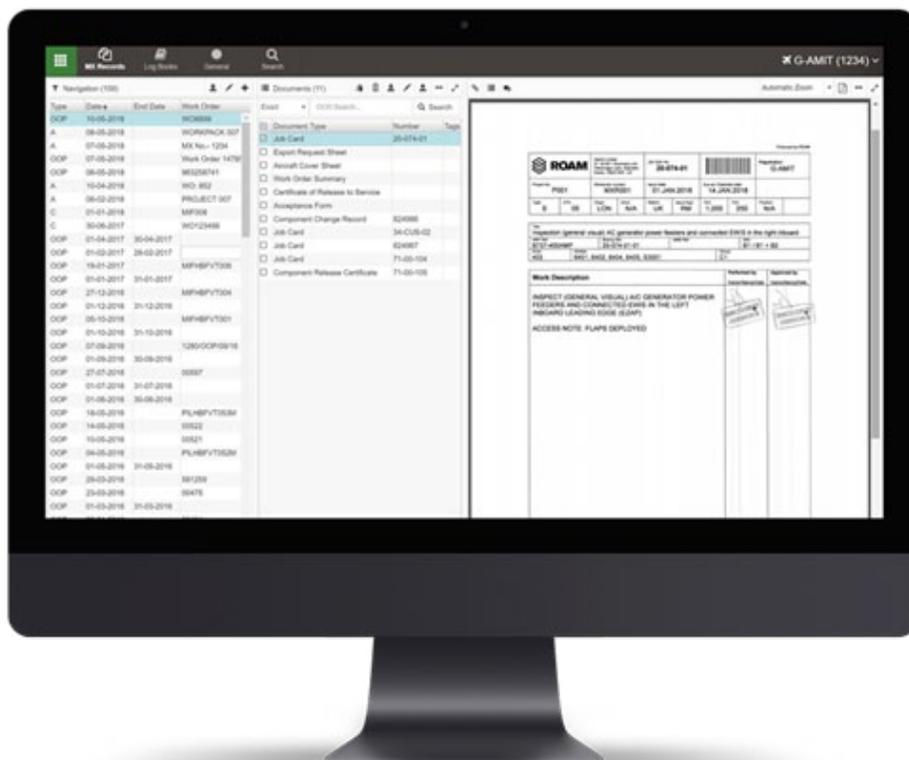
How significant is the VIP and Head of State sectors to the company?

This is a key sector for us and one in which our great customer service plays an important part. Activity has been impacted by the pandemic, but not as severely as the commercial market. Again, some operators in this area have taken advantage of the forced downtime to have maintenance and modifications carried out and we have been ready to support them with their needs during this period.

What is your key priority as markets begin the gradual recovery?

We are finding that as the industry and the wider marketplace begins to improve, by remaining in close communication with our existing and prospect clients we are able to understand their current requirements and distant ambitions. This method of building long standing transparent relationships is core to the ethos of how Gamit works with clients.

Our priority is focused on ensuring that our clients are served with a cost-effective solution which not only is commercially attractive but works operationally and according to the business objectives. By either outsourcing aircraft component procurement, end of lease management or digitalising the business, with an experienced team and advanced products, we are confident in providing support to our clients.



ROAM provides a platform for managing aircraft transitions smoothly and efficiently.

»»»»→ on the move



Stuart Fyfe

Nasmyth Group has appointed **Stuart Fyfe** as the Group's new Chief Financial Officer. Fyfe has a wealth of experience having spent the past six years as Group Financial Director for an international company, managing a portfolio of brands which develop, design, install, service, maintain, and manufacture products and solutions for the HVAC sector. As part of a successful two-man Executive Leadership Team where they profitability doubled the size

of the business through acquisition and organic growth, Fyfe led the International Finance, HR and IT Teams delivering strong and effective corporate governance in order to enhance performance and manage business risk. **Peter Smith**, Chairman and CEO of Nasmyth Group, commented: "The team look forward to working with Stuart as we continue to grow Nasmyth Group internationally especially across the USA, Canada and the Asia-Pacific."



Julian Aldana

ACC Aviation is adding a new pillar of expertise to its business from September with the creation of a Technical Services division. The new division sees ACC add a fourth practice area to its consultancy offering, following its move into aviation finance services earlier this July. Leading the new business unit, as Vice President Technical Services, is **Julian Aldana**, an experienced aviation technical professional with specialist skills in aircraft asset

management, aircraft inspections and technical consulting services. Aldana brings 16 years of aviation technical experience to ACC, having previously spent the last two years as Technical Manager Americas for IBA Group, based in Toronto. Prior to this, he also held several senior technical roles with airlines such as Etihad, Air Berlin and Swiss. ACC Aviation's Technical Services Division will offer aircraft inspection services (from pre-purchase to final assembly); lease returns, asset recovery, and transitions; maintenance event management; airworthiness assessments; and technical due diligence.



David Goring-Thomas and Lourens Geldenhuys

Stratos has announced the promotion of **David Goring-Thomas** to Chairman and **Lourens Geldenhuys** to Chief Financial Officer. Goring-Thomas has spent the past year working as a senior advisor for Stratos prior to which he spent over 20 years at DVB Bank, for the most part as Global Head of Aviation. He served as board member of DVB, a publicly listed European bank, from 2016 to 2019 and led the sale and transition of the DVB Aviation business to MUFG. Stratos also announced the promotion of Lourens Geldenhuys to Chief Financial Officer. Geldenhuys has headed up the Corporate Finance function at Stratos for the past seven years and will assume broader responsibility for finance and strategic initiatives across the group in his new role. Lourens is a chartered accountant and before joining Stratos he spent a decade with the Standard Bank Group in London where he headed up Global Asset Finance.



Adrien Thominet

CEO **Adrien Thominet** was recently appointed Executive Chairman of ECS Group, succeeding **Bertrand Schmall**. He took over the Executive Chairman role on August 1, 2021. Adrien Thominet has been with ECS Group for more than 25 years, becoming its COO in 2011 and then CEO in 2017. Over the past four years, ECS Group has seen enormous development, both in network and client base growth, as well as in innovation and technology. The world's largest

integrated GSSA which is driven by its credo to be "more than a GSSA", has worked to disrupt and reinvent the traditional GSA concept, and to future-proof the ECS Group service portfolio.



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