

The sky's the limit

AerFin specialises in aircraft end-of-life solutions, using its extensive inventory holding to support airline and MRO customers with quality used material in order to reduce maintenance costs, whilst at the same time maintaining the quality and integrity of assets

AerFin is an impressive company that has continually progressed and adapted to the demands of a dynamic MRO market. *Regional International* met up with AerFin's CEO Bob James to find out the latest news from Europe's fastest-growing aerospace and defence business.

In April, the *Financial Times*' FT1000 announced AerFin as the fastest-growing aerospace and defence company in Europe. What were the key contributors to this success?

The biggest contributor to the growth of AerFin is, without doubt, AerFin's team of people who have grown the business with such commitment, enthusiasm and customer-focussed support.

The team have done an incredible job in building the business, aligning quality systems and processes to meet customer expectations, as well as bringing together our two operational centres; London Gatwick and the former GE engine facility in Caerphilly, which now undertakes our engine activities.

AerFin offers material supply programmes for MROs, including the Beyond.Fleet.Services™ programme in conjunction with SR Technics. How has the demand been for this?

Our experience is that there is significant E-Jet operator demand for lower cost spares support solutions. OEMs are continuing to drive long-term support programmes for their products and their initiatives continue to adversely affect the independent MROs.

This is most prominent on new generation equipment where OEMs control IP, access to technical data and spare parts, and are able to control pricing. AerFin has sought to develop Beyond.Fleet.Services as a means to support the independent MROs with sustainable used serviceable material supply. AerFin will finance and source the assets in accordance to the known procurement requirements of the MROs, who are then able to provide engineering and maintenance services to their airline customer base at a significantly reduced cost. Our flagship programme with SR Technic, for example, was a CFM56-5C engine-exchange programme that



supported maturing A340 aircraft. This was first launched with Philippine Airlines (PAL) and provided the operator with major cost savings for the remainder of the service life of their A340s. This was virtue of PAL being able to avoid investing significant capital in expensive CFM56-5C4 engine shop-visits, as AerFin was able to source and provide replacement 5C4 whole engines.

How about your BeyondPool™ programme?

With operators such as British Airways CityFlyer already moving away from an OEM Pool programme in favour of an AerFin BeyondPool™ agreement, operators are becoming increasingly aware that there are high-quality alternatives available to support E-Jet operators outside of the OEM.

The OEM has traditionally been the exclusive provider of Pool spares support services as a consequence of the OEM packaging the service at the point of sale of new aircraft. As the E-Jet fleet continues to age and break away from the first operations, aircraft will transition to new operators, or will be scrapped. The business models of second- and third-tier operators means that they will be unable to incur the Pool cost of an OEM support programme. This will drive E-Jets into an earlier retirement from 12 years if a lower cost of maintenance and Pool spares support is not provided. By working closely with aircraft lessors and airlines seeking to grow an E-Jet regional aircraft fleet, our BeyondPool™ service provides a lower cost of spares support that the airlines are seeking.

In the regional sector, AerFin's focus is on Embraer assets. Do you have plans to expand to other types of regional aircraft?

Absolutely. We are continuing with product development into new aircraft and engine types. The associated investment required to bring both BeyondPool™ support and engine and component services is in place and we are very confident of our ability to deliver sustainable long-term support agreements to regional operators.

AerFin provides engine disassembly services for engines. Could you tell us a bit more about this service?

We maintain full engine disassembly capability for the CFM56-5B, 7B and -5C4, and have recently extended this to the CF34-8 engine. We offer full disassembly as a

third-party service, including inspection packing, storage and logistics. We also undertake engine housekeeping storage and preservation services. We are currently undergoing an EASA 145 assessment, and expect to achieve the accreditation by end of 2018, and are seeing increasing demand from our customers to meet their long-term requirements for used serviceable engine material.

You were awarded an OBE in Queen's Birthday Honours List in June, congratulations. Could you tell us about your clearly very successful career leading up to this prestigious recognition?

My career in commercial aviation began with Rolls-Royce in 1980 where I undertook a technical apprenticeship and spent time in product support engineering, becoming a field service representative. I subsequently worked with British Airways and General Electric in engine MRO. In 1995, I established an engineering consultancy company which grew to become a sizeable asset management organisation, which I then sold and exited in 2009.

I established AerFin in 2010 and, using 'lessons learnt', was able to grow the business and attract third-party investment in 2014. Our investors have focussed on capital deployment and this has allowed the AerFin team to grow the business, achieving a CAGR (Compound Annual Growth Rate) of 234 per cent over the past three years. During this tremendous period of growth, we have still maintained our core USP of being a services support provider with a strong technical focus. This USP underpins a huge amount of our decision making and customer support.

What's next for AerFin?

We are excited about the future, given our current E-Jet inventory holding and ability to expand our customer base through placing the E170LR aircraft we own with a full BeyondPool™ support programme. We have great people within the business and see the potential for increasing the talent across the company as our products and services increase. ■

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