BRISTOW GROUP TO COMBINE WITH COLUMBIA HELICOPTERS IN A $560 MILLION TRANSACTION

News / Business aviation, Finance



Bristow Group Inc., the leading provider of global industrial aviation services, announced that it has signed a definitive agreement to combine with privately-held Columbia Helicopters, Inc. ("Columbia") for $560 million. Columbia will be designated as an unrestricted subsidiary under the Columbia name and air operating certificate (AOC).

Bristow expects the complementary transaction to strengthen the company's operational and consolidated financial profile by delivering adjusted EBITDA and cash flow accretion; reducing consolidated net leverage; diversifying the combined company's fleet and customer base; expanding its addressable market, especially in the U.S. government sector; and producing significant incremental revenue opportunities.

Founded in 1957 by Wes Lematta and headquartered in Aurora, Oregon, Columbia is the leader in heavy-lift helicopter operations and trusted expert in maintenance, repair and overhaul services, with global operations servicing end-markets that include defense, firefighting, onshore oil and gas, infrastructure and forestry. For the twelve months ended September 30, 2018, Columbia recorded revenues of approximately $281 million and adjusted EBITDA of approximately $117 million1,2. Columbia's fleet of operating helicopters is comprised of 21 high return tandem rotor Vertol 107 and Chinook CH-234 / CH-47D; with additional non-operational airframes available for deployment with minimal capital expenditure. Columbia also has full MRO and certification capabilities.

Image result for Columbia Helicopters

Compelling Strategic and Financial Rationale:

- **Will create a global diversified industrial aviation solutions company focused on safe aviation:**

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Together, the companies will have 304 operating aircraft and an enhanced platform to provide comprehensive aviation mission services to its expanded client base. Bristow's customer base will be significantly more diverse geographically and by end-market, with contributions from the oil and gas industry reduced to 58% of pro forma revenue for the trailing twelve-month period.

- **Strengthens operational and financial profile of combined company with adjusted EBITDA and cash flow accretion for deleveraging:** Columbia generates significant contracted revenue streams from the U.S. government and the transaction is expected to more than double the combined annual adjusted EBITDA on a consolidated basis. Prior to synergies, Columbia is expected to generate $125 million to $130 million of adjusted EBITDA for the twelve-month period ending March 30, 2019 and $100 million to $105 million of adjusted EBITDA less capital expenditures, which are primarily related to heavy aircraft maintenance capex. Bristow believes it will be able to utilize its existing net operating losses to optimize the combined company tax position. The combined company expects to achieve annual cost savings, including utilizing Columbia's MRO capabilities to reduce Bristow's maintenance expenses.
- **Highly complementary businesses drive meaningful revenue growth opportunities:** The Company expects significant opportunity to leverage its global network of AOCs to bring Columbia's capabilities to more global markets and expand Columbia's addressable market to include additional infrastructure and firefighting customers. In addition, the Company expects to capitalize on Columbia's strong past performance with the U.S. government and Cargo Airlift Review Board (CARB) certification to utilize Bristow's available aircraft in U.S. government work. Columbia's relationships and reputation in government end-markets and Bristow's fleet and capabilities position the combined company to be competitive on contract opportunities currently not available to either standalone entity.

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Jonathan E. Baliff, CEO of Bristow, commented, "We share a long-standing, proven commitment to safety and Columbia's specialized heavy-lift capabilities are highly complementary to Bristow's offshore capabilities. We therefore see significant opportunity to leverage the combined company's fleet, MRO capabilities and certificates to expand our addressable market opportunities globally. Just as importantly, we believe we will be able to utilize our U.K. SAR expertise to build our combined business in the growing U.S. government and industrial end-markets, where Columbiahas deep experience."

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Thomas N. Amonett, the Vice-Chairman of the Board of Directors and Interim President of Bristow, stated, "The acquisition of Columbia will bring together two premier helicopter companies with a shared commitment to deliver safe lift for our customers. We look forward to the opportunities ahead, as we continue to execute our long-term strategy to diversify our business, expand our addressable market and strengthen our overall financial profile."

Steve Bandy, President and Chief Executive Officer of Columbia, added, "Like Bristow, we have built our business through a commitment to operational excellence that fosters long-term relationships with customers and employees. Together with Bristow, we will have an incredible platform to serve our global customer base. On behalf of everyone at Columbia, we are looking forward to partnering with Bristow to redefine the industrial aviation industry."

Thomas C. Knudson, Chairman of Bristow, stated, "We have a deep respect for Wes Lematta, one of the foremost pioneers in the industry, and have long admired Columbia's entrepreneurial spirit. Steve and I both have deep aviation and piloting expertise, and we are aligned on our approach to leveraging Bristow and Columbia's combined strengths to build our leadership position in the growing market for aviation services."

Image result for Columbia Helicopters

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