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## **Graphite Capital supports Aero Technics' acquisition of Airbase**

Graphite Capital, a leading mid-market private equity specialist, has provided development capital to Aero Technics, a civil aircraft maintenance business focusing on cabin services, to acquire Airbase Interiors, which specialises in the repair and dry cleaning of aircraft seats.

Aero Technics was founded in 2002 by its present chief executive, Steve Cloran. He has long experience in the aircraft services industry and will continue to lead the combined business, which will have operations in Manchester, Dubai, Heathrow and Gatwick with a customer base that spans many leading airlines.

The UK civil aircraft maintenance market is estimated to be worth £1.7 billion annually. Growth is underpinned by the continued expansion of the global aircraft fleet and the rise of low-cost carriers, which is increasing demand for outsourced maintenance services. The industry is fragmented and tightly regulated, with new approvals difficult to obtain. Airlines are keen to rationalise their buying around larger suppliers to simplify the management of their supply chains and to save costs.

The acquisition of Airbase is the first step towards building a group of businesses focused on aircraft servicing with significant growth opportunities in both the UK and internationally. Aero Technics will continue to focus initially on cabin maintenance services, and in particular seats. Potential further acquisitions have already been identified which would allow the company to broaden the range of its services and geographic scope, and gain significant synergies.

Steve Cloran, Aero Technics chief executive, said: 'There is an exciting opportunity here to build a broad-based business capable of supporting the airlines in a variety of service categories and in multiple locations. It is clear from our discussions with Graphite that they share our vision. We look forward to working with them to make it a reality.'

Mike Innes, Graphite senior partner, commented: 'The civil aircraft maintenance sector has strong growth potential and significant consolidation opportunities. We are delighted to be backing a management team with a proven track record in the sector and a clear strategy to build a group of significant scale.'

Mike Innes, Simon May and Alexandra Mills managed the transaction for Graphite.