

## Avolon | Bond issue | 01-21 | \$1.5bn

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Avolon has priced a \$1.5 billion private note offering to help pay down debt and fund corporate expenses.

The offering is due to close on 21 January.

It comprises \$750 million of 2.125% senior unsecured notes due 2026 and \$750 million of 2.75% senior unsecured notes due 2028.

JP Morgan Securities, BNP Paribas, MUFG, Mizuho Securities and Truist Bank were the banks in the transaction.

The bond was three times oversubscribed. Orders reached \$4.5 billion, sources indicate, with a book size on the five-year bond of \$2.2 billion and of \$2.3 billion on the seven-year tranche.

Fitch Ratings and Standard & Poor's rated both tranches at BBB- while Moody's rating was Baa3.

The notes will be fully and unconditionally guaranteed by Avolon, and by certain of its subsidiaries.

ISIN: USG0686BAL39

ISIN: USG0686BAM12

### **Update:**

Operating lessor Avolon is offering to purchase for cash from multiple series of 2026 notes.

The purchase offers will cover the purchase of maximum tender cap of \$800 million, excluding accrued interest, from Avolon's \$1 billion 4.250% senior notes, \$745.2 million 4.375% senior notes, \$750 million 2.125% senior notes and \$650 million 5.5% senior notes.

The purchase offers include a \$30 early tender premium per \$1,000 principal amount of notes validly tendered and not validly withdrawn and accepted for purchase, and 80 basis point spread.

Deutsche Bank Securities and Lloyds Securities are serving as the lead dealer managers in connection with the offers.

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### Transaction Overview

#### Structure

**Product category:** Financing

**Product type:** DCM

**Structure** Bond issue

**Use of proceeds** Debt Refinancing

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### Transaction Categories

Regions:

[Europe](#) |  
[Ireland](#) |

Tagged as:

[Unsecured](#) |  
[Debt Capital Markets](#) |  
[G8](#) |

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## Debt

**Avolon Holdings, 2.125% 21feb2026, USD (USD 750.00m) 21 Jan 2021**

**Type:** Debt

# AIRFINANCE GLOBAL

**Fitch:** BBB-  
**Moody's:** Baa3  
**Tenor:** 5 Years 1 Months  
**Amount:** USD 750.00m  
**Reference Benchmark:** US Treasury  
**Reference Spread:** 190.0000  
**Maturity Date:** 21 Feb 2026  
**Duration:** 5 Years 1 Months

## Tranche Pricings

**Coupon Type** Fixed Rate  
**Coupon %** 2.13  
**Period** 01 Jan 2021 > 01 Feb 2026 (5 Years)

## Avolon Holdings, 2.75% 21feb2028, USD (USD 750.00m) 21 Jan 2021

**Type:** Debt  
**Fitch:** BBB-  
**Moody's:** Baa3  
**Tenor:** 7 Years 1 Months  
**Amount:** USD 750.00m  
**Reference Benchmark:** US Treasury  
**Reference Spread:** 215.0000  
**Maturity Date:** 21 Feb 2028  
**Duration:** 7 Years 1 Months  
**Description:** ISIN: USG0686BAM12

## Tranche Pricings

**Coupon Type** Fixed Rate  
**Coupon %** 2.75  
**Period** 01 Jan 2021 > 01 Feb 2028 (7 Years)

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## Transaction Roles

### Borrower/Issuer

Company Name	Role	Client
Avolon	Borrower/Issuer	

### Banks

Company Name	Role	Client
JP Morgan	Bookrunner	
Mizuho Bank	Bookrunner	
BNP Paribas	Bookrunner	
MUFG	Bookrunner	
Truist Securities	Bookrunner	
Barclays	Bookrunner	
CA-CIB	Bookrunner	
Deutsche Bank	Bookrunner	
Fifth Third Securities	Bookrunner	
ING Bank	Bookrunner	
Natixis	Bookrunner	
NatWest Markets	Bookrunner	

Scotiabank	Bookrunner	
Societe Generale	Bookrunner	
Wells Fargo	Bookrunner	
KeyBanc	Bookrunner	
Credit Industriel et Commercial	Bookrunner	
AG JP Morgan Securities	Overall Arranger	
AG JP Morgan Securities	Debt Arranger	
BNP Paribas	Debt Arranger	
BNP Paribas	Overall Arranger	
MUFG	Debt Arranger	
MUFG	Overall Arranger	
Mizuho Bank	Overall Arranger	
Mizuho Bank	Debt Arranger	
Truist Securities	Overall Arranger	
Truist Securities	Debt Arranger	

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## Transaction Timeline

21/01/2021	Financial close	<a href="#">Avolon continues funding spree with \$1.5bn private deal</a> <a href="#">Avolon proposes debt tender offers</a>
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## Coverage

### [Avolon reports annual loss](#)

During the year it entered into sale and leaseback commitments for 44 aircraft.

### [Orix sees HNA bankruptcy as net positive](#)

The part-owner of Avolon, Japan's Orix Corp, says that HNA Group's bankruptcy proceedings may result in a positive outcome for the lessor and its stakeholders

### [HNA bankruptcy impacts 11% of Avolon book value](#)

Avolon's exposure to bankrupt Chinese conglomerate HNA Group is approximately 11% of the lessor's net book value.

### [Ireland remains committed to aviation: Taoiseach](#)

At the AFJ Dublin Dialogues, Martin said the government views the aviation sector as "critical to Ireland's growth and development into the future."

### [Lessors will finance bulk of 2021 deliveries – Avolon](#)

Avolon has predicted that lessors will finance two-thirds of new passenger aircraft deliveries this year.

### [Analysis: Bond investors seek lessors risk](#)

Investors find relief in the leasing sector as evidenced by almost \$4.4 billion worth of senior unsecured notes offering being largely oversubscribed.

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