

United Airlines | EETC | 08-24 | \$1.35bn | 48xA/c

United Airlines has come to market with a \$1.35 billion two-tranche pass-through enhanced equipment trust certificates (EETC) offering to finance 48 newer and mid-life aircraft.

The Chicago-based carrier said in the prospectus filed on 22 July that it may also offer class B certificates.

The class AA and class A certificates have an expected final distribution of 15 February 2037 and legal final maturity 18 months later.

The collateral for the EETC includes 16 Boeing 737 Max 8 and 9 aircraft with an average age of roughly one year, five Boeing 787-10 aircraft with an average age of just under two years and two Boeing 777-300ER with average age of 4.5 years. The pool also includes 21 Boeing 737-900ER with average age of 12 years and four Boeing 737-800 aircraft with an average age of about 13.5 years.

Twenty-three aircraft -- the 737-800s and 19 of the 737-900ERs -- will exit the collateral pool in 2031 (and currently have an aggregate average age of 12.5 years).

An additional two 737-900ER aircraft will leave the pool in 2034. During these periods, debt amortisation will increase correspondingly to mitigate the impact on the loan-to-value (LTV) of the class AA and class A EETCs.

The class AA and class A certificates benefit from a liquidity facility provided by Natixis, acting through its New York branch.

The largest proportion of the current estimated value of the collateral pool that S&P included in its analysis includes the Boeing 787-10 aircraft (just over 30%), followed by the Boeing 737 Max-9 (about 24%) and 737-900ER (close to 20%).

The rating agency expects the older narrowbody aircraft, all of which are expected to be retrofitted by the end of 2025, to remain a key component of United's domestic fleet.

According to its calculations, the loan-to-value (LTV) ratio peaks at just over 45% for the class AA certificates and 65% for the class A certificates. The peak LTVs for class AA and A are reached in 2031 when the aforementioned aircraft exit the collateral pool.

Aviation Specialists Group, BK Associates and Mba Aviation are the appraisers on the 48-unit offering.

Transaction Overview

Structure

Product category: Financing
Product type: DCM
Structure EETC
Use of proceeds General corporate purposes

Transaction Categories

Regions:
[North America](#) | [United States](#) |

Tagged as:
[Secured](#) | [Debt Capital Markets](#) | [G8](#) |

Debt

Class AA Pass Through Certificates, Series 2024-1 (USD 969.19m) 05 Aug 2024

Type: Debt

AIRFINANCE GLOBAL

Moody's: Baa2
S&P: A-
Tenor: 14 Years
Amount: USD 969.19m
LTV: 45.0000
Reference Spread: 119.0000
Maturity Date: 15 Aug 2038
Duration: 14 Years

Tranche Pricings

Coupon Type Fixed Rate
Coupon % 5.45
Period 01 Aug 2024 > 01 Aug 2038 (14 Years)

Class A Pass Through Certificates, Series 2024-1 (USD 385.47m) 05 Aug 2024

Type: Debt
Moody's: Baa2
S&P: BBB
Tenor: 14 Years
Amount: USD 385.47m
LTV: 65.0000
Reference Spread: 162.0000
Maturity Date: 15 Aug 2038
Duration: 14 Years

Tranche Pricings

Coupon Type Fixed Rate
Coupon % 5.88
Period 01 Aug 2024 > 01 Aug 2038 (14 Years)

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Transaction Roles

Borrower/Issuer

Company Name	Role	Client
United Airlines	Borrower/Issuer	

Banks

Company Name	Role	Client
Goldman Sachs	Debt Arranger	
Goldman Sachs	Overall Arranger	
Goldman Sachs	Bookrunner	
Morgan Stanley	Debt Arranger	
Morgan Stanley	Overall Arranger	
Morgan Stanley	Bookrunner	
Citigroup	Debt Arranger	
Citigroup	Overall Arranger	
Citigroup	Bookrunner	
Deutsche Bank Securities	Bookrunner	
Deutsche Bank Securities	Debt Arranger	
Deutsche Bank Securities	Overall Arranger	

Goldman Sachs	Structuring agent	
Morgan Stanley	Structuring agent	
BofA Securities	Bookrunner	
Barclays	Bookrunner	
BNP Paribas	Bookrunner	
JP Morgan	Bookrunner	
MUFG	Bookrunner	
NatWest Markets	Bookrunner	
SMBC Nikko Securities	Bookrunner	
Loop Capital Markets	Bookrunner	
Raymond James	Bookrunner	
Academy Securities	Bookrunner	
AmeriVet Securities	Bookrunner	
BofA Securities	Debt Arranger	
BofA Securities	Overall Arranger	
Barclays	Debt Arranger	
Barclays	Overall Arranger	
BNP Paribas	Debt Arranger	
BNP Paribas	Overall Arranger	
JP Morgan	Debt Arranger	
JP Morgan	Overall Arranger	
Mizuho Securities	Debt Arranger	
Mizuho Securities	Overall Arranger	
Mizuho Securities	Bookrunner	
MUFG	Debt Arranger	
MUFG	Overall Arranger	
NatWest Markets	Debt Arranger	
NatWest Markets	Overall Arranger	
SMBC Nikko Securities	Debt Arranger	
SMBC Nikko Securities	Overall Arranger	
Natixis Securities Americas	Debt Arranger	
Natixis Securities Americas	Bookrunner	
Natixis Securities Americas	Overall Arranger	
Credit Agricole Securities	Debt Arranger	
Credit Agricole Securities	Overall Arranger	
Credit Agricole Securities	Bookrunner	

Lawyers

Company Name	Role	Client
Hughes Hubbard & Reed	Advisor	
Milbank	Advisor	

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Transaction Timeline

05/08/2024	Financial close	
22/07/2024	Finance mandated	United seeks EETC financing for 48 aircraft

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MSN	Quantity	Model	BodyType	Manufacturer
MSN 1234 4		737-800	Narrowbody	Boeing
MSN 1234 21		737-900ER	Narrowbody	Boeing

MSN	Quantity	Model	BodyType	Manufacturer
MSN 1234 5		737-MAX 8	Narrowbody	Boeing
MSN 1234 11		737-MAX 9	Narrowbody	Boeing
MSN 1234 2		777-300ER	Widebody	Boeing
MSN 1234 5		787-10	Widebody	Boeing

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Coverage

[Legal Survey 2025: Regions](#)

Airfinance Global received submissions from 22 law firms, compiling 1,422 unique deals, including transactions gathered from our deal database, Market Intelligence.

[United looks to lessors for A321neos](#)

Agrees 40 A321neo leases

[United ‘encouraged’ by Boeing narrowbody stabilisation](#)

Targets 100 narrowbody deliveries per year in the next three years

[ACG closes sale-leaseback with United](#)

United Airlines has financed some Max 9s through a \$1.35 billion two-tranche pass-through enhanced equipment trust certificates offering

[United seeks EETC financing for 48 aircraft](#)

Young and mid-life Boeing aircraft

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