AIRFINANCE GLOBAL

Aergen acquisition falls through

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Plans to acquire aircraft leasing and engine parts management company Aergen have fallen through, sources tell *Airfinance Journal*.

Indigo Partners, the private equity platform behind numerous investments in low-cost carriers, was to make its first investment in the operating leasing industry. The private equity firm was in discussions to acquire Aergen from Greenbiar and provide between $250 million and $350 million of capital to a fund-like vehicle.

The parties started the due diligence process earlier this week but sources tell *Airfinance Journal* the deal was halted on 6 January.

Aergen was established in December 2014 by Greenbriar equity group in partnership with other strategic investors.

The lessor built a portfolio of narrowbody aircraft and refinanced 11 units in a $325 million asset-backed security (ABS) transaction in June 2016.

Aergen tapped the ABS market again in November 2017 with a $580 million issuance, HAIL 2017, refinancing 30 aircraft. At the time the aircraft had a weighted average age of approximately 12.3 years and a remaining lease term of approximately 3.4 years.

Last September the lessor sold its aircraft assets and their management contracts to Apollo Aviation, now Carlyle Aviation Partners. It retained one engine.

Indigo Partners has grown its airline portfolio over the past few years.

Airlines in the US firm's portfolio include US-based Frontier Airlines and Chile’s JetSmart, where it has a controlling interest. Indigo Partners also has stakes in Mexican carrier Volaris and Central European carrier Wizz Air. Last November, it reached a preliminary agreement to acquire Icelandic low-cost carrier Wow Air after an Icelandair bid fell through. Recently, Indigo Partners agreed a partnership with Enerjet for the launch of an ultra-low-cost-carrier in Canada.

Indigo Partners, Greenbriar and Aergen were unavailable for comment.

