

Three banks back consortium's acquisition of Air Lease

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Sumitomo Corporation, [SMBC Aviation Capital](#), investment vehicles affiliated with Apollo managed funds and Brookfield have signed a definitive agreement to acquire [Air Lease Corp](#) (ALC) in an all-cash transaction.

Under the deal ALC common stockholders will receive \$65 per share in cash, representing a total valuation of approximately \$7.4 billion, or approximately \$28.2 billion including debt obligations to be assumed or refinanced net of cash.

The cash consideration represents a 7% premium over Air Lease's all-time high closing stock price on 28 August, a 14% premium over the volume weighted average share price during the 30 trading day period ended 29 August, and a 31% premium over the volume weighted average share price during the last 12 months' trading day period ended 29 August,.

SMBC, Citi, and Goldman Sachs Bank have provided \$12.1 billion of committed financing in connection with the transaction.

Citigroup Global Markets and Goldman Sachs International are acting as financial advisors to SMBC Aviation Capital. Davis Polk & Wardwell and Mccann Fitzgerald are acting as legal advisors to SMBC Aviation Capital. Goldman Sachs Japan and Citigroup Global Markets Japan are acting as financial advisors to Sumitomo Corporation. Norton Rose Fulbright is acting as legal advisor to Sumitomo Corporation. Milbank is acting as legal advisor to Apollo and Brookfield.

JP Morgan Securities is acting as financial advisor to ALC and Skadden, Arps, Slate, Meagher & Flom is acting as ALC's legal advisor.

Upon closing, ALC will be renamed Sumisho Air Lease, a newly established entity, and is expected to receive investment grade ratings from S&P, Fitch and Krull.

The board of directors of ALC has unanimously approved the agreement which is subject to customary closing conditions, including approval by its common stockholders and receipt of certain regulatory approvals. The transaction is expected to close in the first half of 2026.

ALC's orderbook is expected to transfer to SMBC Aviation Capital as part of the transaction. SMBC Aviation Capital will act as a servicer to Sumisho Air Lease's portfolio.

"We are honoured to have reached this significant agreement together with SMBC Aviation Capital, Apollo and Brookfield. Through this transaction, we will achieve greater scale and profitability, positioning the Sumitomo Corporation Group's aircraft leasing business as one of the largest globally in terms of owned and managed aircraft through Sumisho Air Lease's highly attractive portfolio centered on new tech aircraft.

This will further strengthen our industry standing and enhance our competitive advantage. Sumisho Air Lease will be a core part of the Sumitomo Corporation Group's wider investments in the aviation sphere. Sumisho Air Lease's inclusion within the shareholder eco-system provides an opportunity to create powerful new synergy," commented Takao Kusaka, Group's chief executive officer (CEO), transportation & construction systems group of Sumitomo Corporation.

SMBC Aviation Capital's CEO Peter Barrett said: "This transaction is transformational for our business and the leasing landscape. Investing in Sumisho Air Lease, purchasing their orderbook and becoming servicer to the substantial majority of Sumisho Air Lease's portfolio will enable us to deploy our financial scale and strength to meet the evolving needs of our customers and take a strategic lead in reshaping our sector."

He added "In our sector, economies of scale matter. Our industry is evolving at pace and requires significant and diverse pools of capital so that our airline and investor customers can be provided with the products and services they need. "As one of the most well-regarded leasing platforms, with a portfolio focused on liquid, in demand, new tech aircraft, Air Lease presents an attractive opportunity for the co-investors."

Apollo's partner Jamshid Ehsan said: "Apollo's partnership with SMBC Aviation Capital and Sumitomo Corporation is a testament to our core

principle of delivering tailor made, scaled and innovative capital solutions to corporations. This important industry transaction highlights the flexibility of the Apollo's long-term insurance capital and our creative approach to high-grade capital solutions. Apollo has a distinguished and established track record in aviation investing, led by our industry experts at Perseus Aviation, and we are pleased to deliver the full strength of the Apollo ecosystem to the success of this transaction."

Craig Noble, CEO of Brookfield Credit, said: "We are pleased to partner with SMBC Aviation Capital and Sumitomo Corporation in this landmark transaction, which highlights Brookfield's ability to provide hybrid solutions in an environment with a growing need for private capital. By combining our credit expertise, industry insight, and large-scale capital with the strengths of our strategic partner manager, Castlelake—a leader in aviation investing—this transaction demonstrates the value of flexibility and scale in today's market."

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