



Gama Aviation Plc
Full year results, 2015



Welcome and introductions

01

Introductions.



**Marwan Khalek,
Chief Executive**

- Founded Gama Aviation in 1983
- Chairman of the British Business and General Aviation Association
- Board Member of the European Business Aviation Association



**Kevin Godley,
Chief Financial Officer**

- Chartered Accountant (ICAEW)
- Formerly Group FC
- Previous positions in TMO Renewables and Moore Stephens



Group performance highlights

02

Group performance: Full year to December 31st 2015



- Strong business performance where we have achieved or in some cases exceeded the targets we set ourselves when we joined the market in January 2015
- **Revenue¹ up 15% to \$413m (pro-forma 2014: \$359m)**
- **Gross profit² up 27% to \$62m (pro-forma 2014: \$49m)**
- **Adjusted EBITDA³ up >100% to \$20.9m (pro-forma 2014:\$9.8m)**
- **Adjusted EPS⁵ up >100% to \$41.75c (2014: \$14.88c)**
- Cost synergies delivered through the merger met expectations
- Rightsizing and optimisation initiatives under way and progressing well
- A resilient, scalable platform is now in place to capitalise on a market that remains highly fragmented and ripe with opportunity for further expansion

1 - Calculated using the Hangar 8 figures for the twelve months ended 31 December 2014 and Gama figures for the twelve months ended 31 December 2014

2 - Included 100% of the results of Gama Aviation's Associate in the US and Joint Venture in Hong Kong.

3 - Adjusted EBITDA is arrived at by taking operating profit before depreciation, amortisation, and exceptional items.

4 - Adjusted Profit before tax is arrived at before exceptional items

5 - Earnings used in the Adjusted EPS calculation are the profit attributable to ordinary shareholders adjusted for exceptional items and amortisation

All results above are for continuing operations and calculated at a constant foreign exchange rate of \$1.6 to £1.



Our business model

03

Our vision.

A holistic, global business aviation services company.



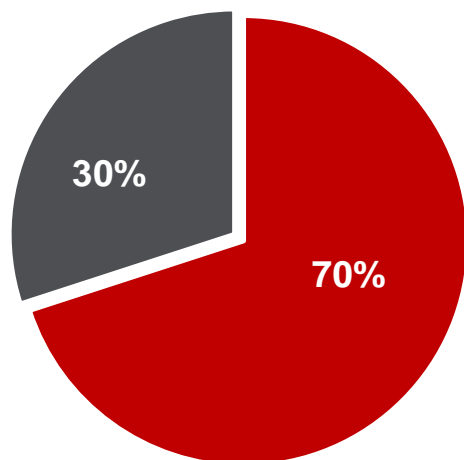
Vision

To be demanded and trusted by our clients, valued by our shareholders, prized by our people and admired by our peers.

Our revenue split between Air & Ground remains broadly on track with our target business model

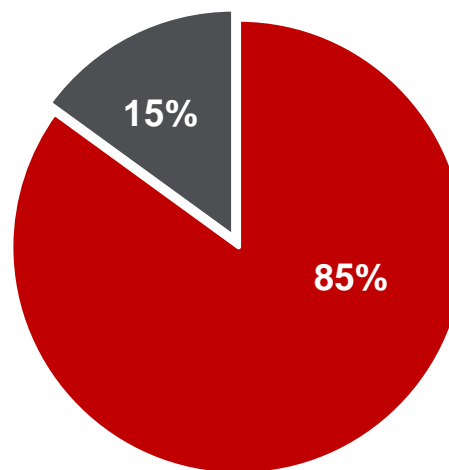


Target revenue split



■ Air ■ Ground

Actual Group revenue split

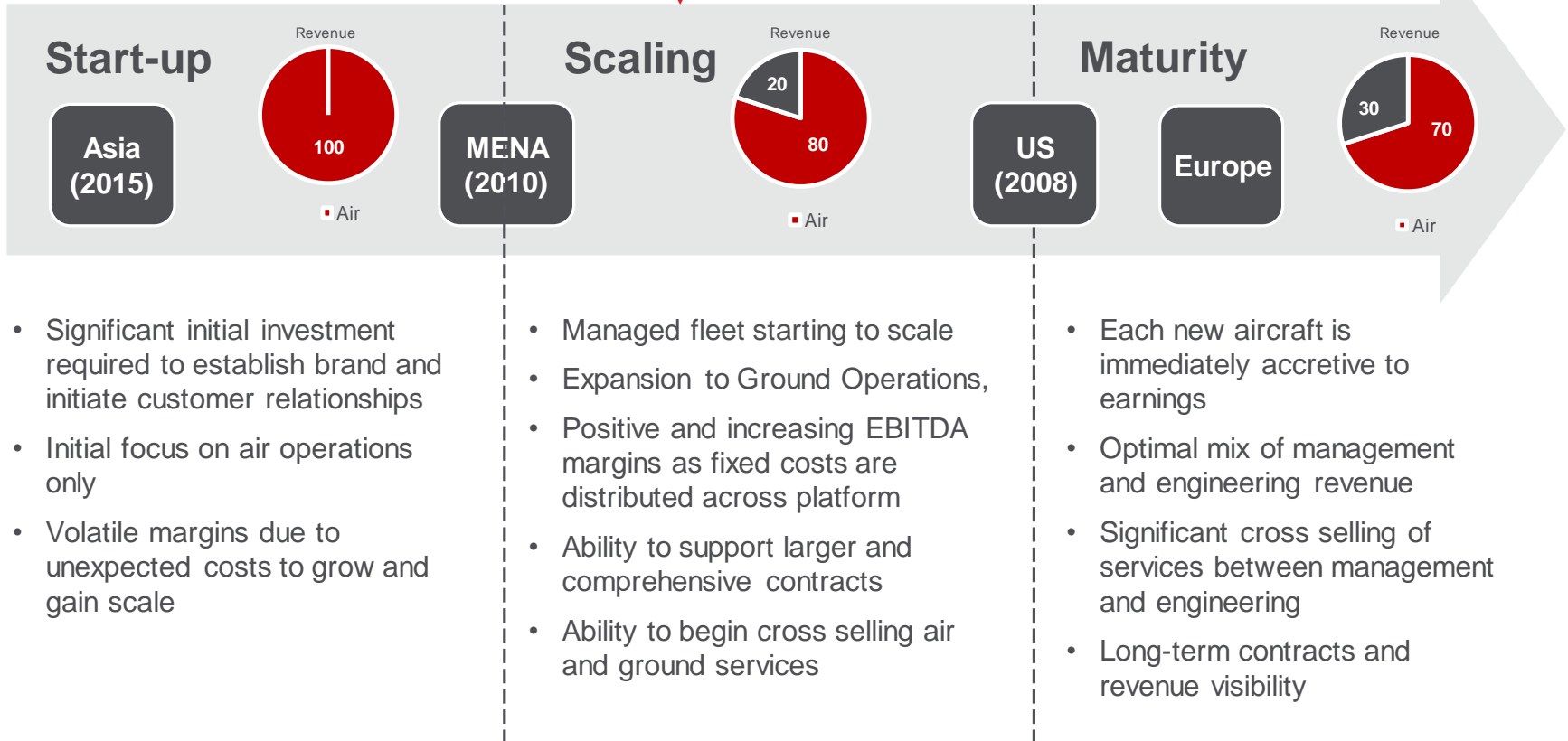


■ Air ■ Ground

... even though each geographic division is operating at a different level of maturity



Blended Group position

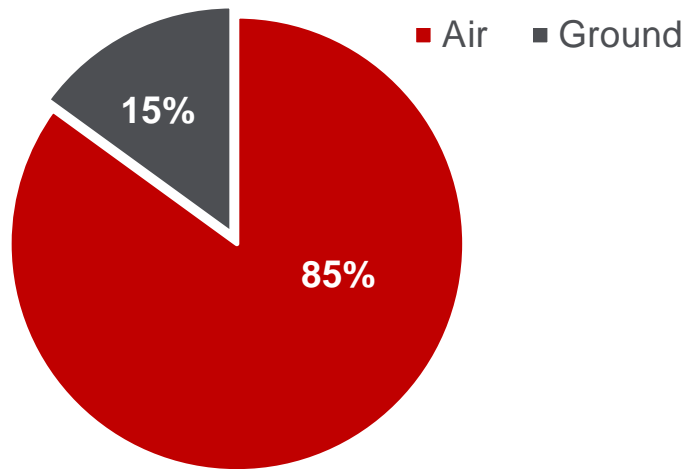


The position of each business and the revenue charts per stage are illustrative.

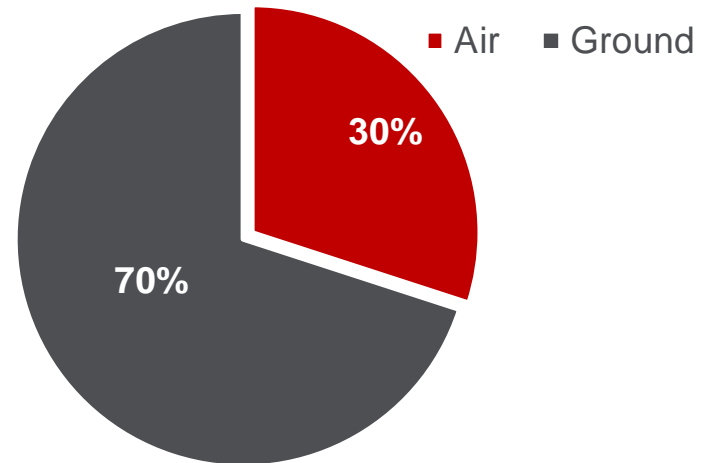
Group performance by business segment



Revenue



Adjusted EBITDA





Geographic division performance

04

US performance to Dec. 31st

In numbers:


Air

Revenue ('000):	\$179,525
Gross profit*:	7.9%
Adjusted EBITDA:	2.9%

Ground

Revenue ('000):	\$20,700*
Gross profit:	23.6%
Adjusted EBITDA:	10.6%

2016 outlook:

Air 

Ground 

*The RNS states \$10.7m. The difference of \$9.9m relates specifically to inter-company trading.

“Significant organic growth based on a proven scalable platform.”

Air

- Remarkable organic growth
- Enhanced service levels
- Improving margins

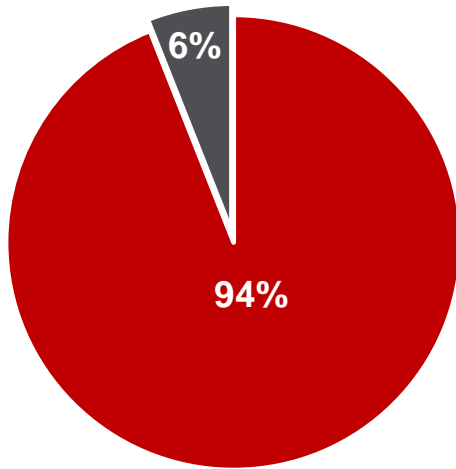
Ground

- Base & mobile rollout has fuelled organic growth
- Coast-to-coast coverage
- 1.5 millions miles travelled supporting clients
- High levels of repeat business driven by service

US full year (Dec 31st) performance breakdown

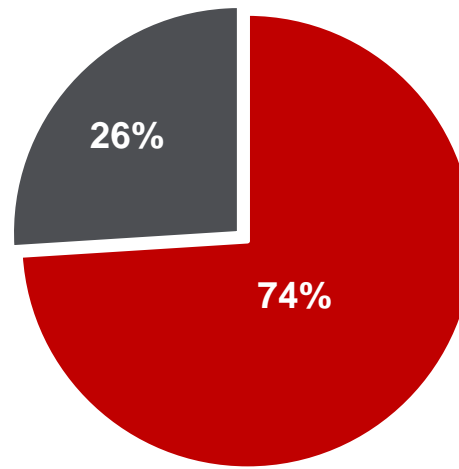


Revenue (\$190.2m)



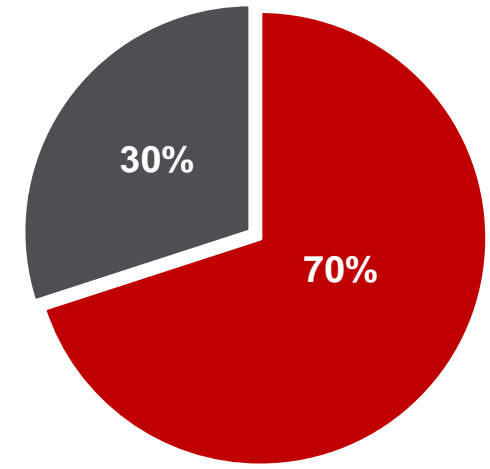
■ Air ■ Ground

Gross profit (\$19.1m, 10%)



■ Air ■ Ground

Adjusted EBITDA (\$7.4m, 3.9%)



■ Air ■ Ground

Europe & Africa performance to Dec. 31st

In numbers:

Air

Revenue ('000):	\$142,518
Gross profit:	9.9%
Adjusted EBITDA:	1.5%

Ground

Revenue ('000):	\$47,660
Gross profit:	53.4%
Adjusted EBITDA:	31.7%

2016 outlook

Air



Ground



“Positive overall performance despite challenges in the Air division.”

Air

- Continuing softening market
- Optimisation and cost control initiatives to right size the business
- Proven resilience via long-term contracts

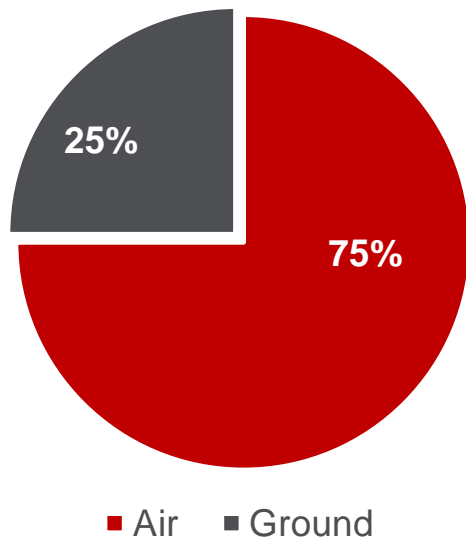
Ground

- Strong performance
- Niche, high value competencies
- Excellent reputation

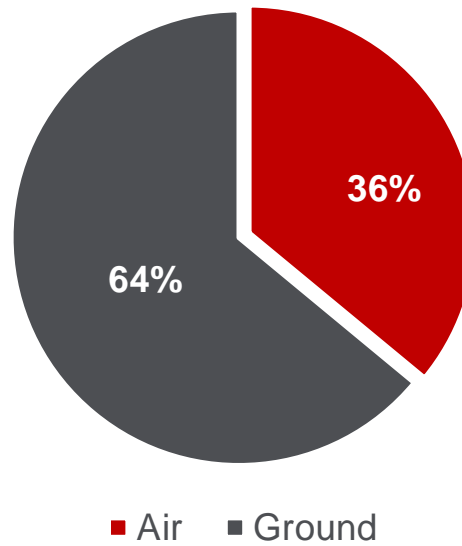
Europe & Africa full year (Dec 31st) performance breakdown



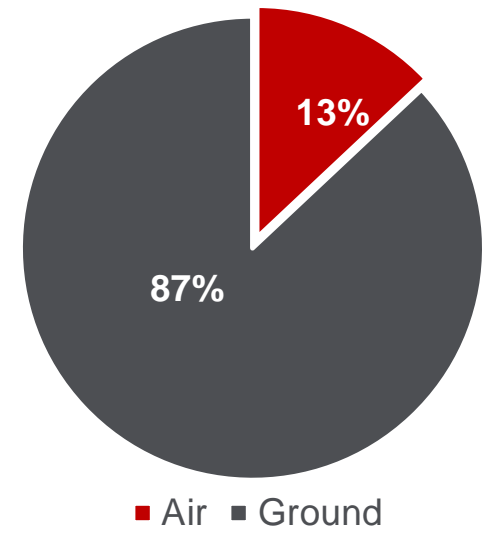
Revenue (\$190.1m)



Gross profit (\$39.5m, 20.8%)



Adjusted EBITDA (\$17.2m, 9%)



MENA performance to Dec. 31st

In numbers:

Air

Revenue ('000):	\$21,431
Gross profit:	6.5%
Adjusted EBITDA:	(-0.1%)

Ground

Revenue ('000):	\$3,776
Gross profit:	32.4%
Adjusted EBITDA:	(-5.4%)

2016 outlook

Air



Ground



“Well placed to scale up leading to profitable growth.”

Air

- Scaling phase
- Healthy aircraft management pipeline
- Opportunity for special missions

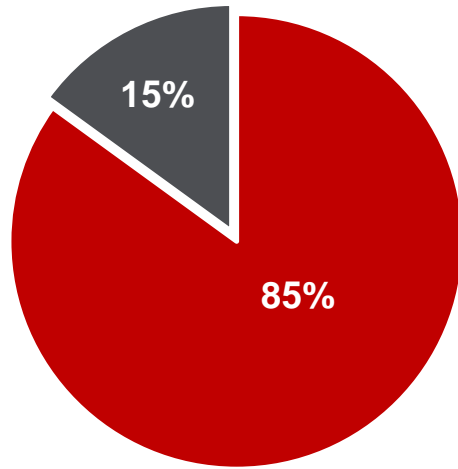
Ground

- Still in its start-up phase
- Key building blocks are in place to build scale
- Sharjah facility green light

MENA full year (Dec 31st) performance breakdown

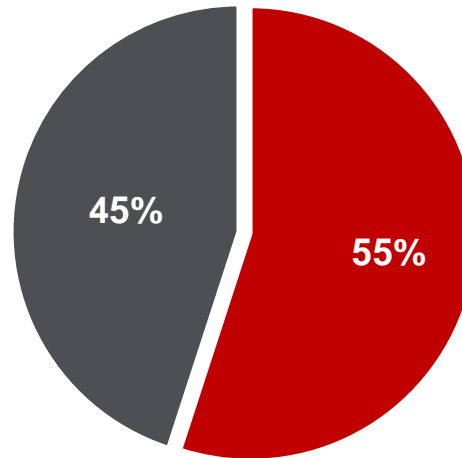


Revenue (\$25.1m)



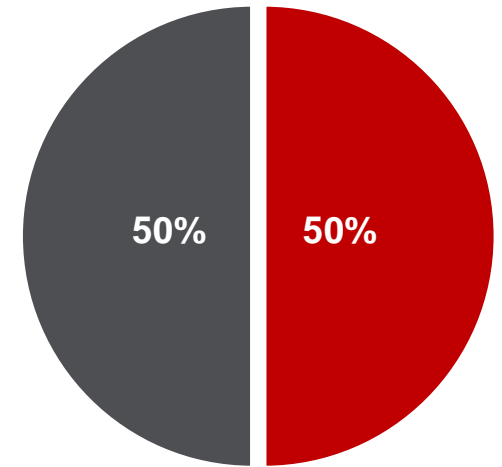
■ Air ■ Ground

Gross profit (\$2.6m, 10.4%)



■ Air ■ Ground

Adjusted EBITDA (\$0.04m loss, -1.6%)



■ Air ■ Ground

Asia performance to Dec. 31st

In numbers:

Air

Revenue ('000):	\$6,539
Gross profit:	4.6%
Adjusted EBITDA:	-

Ground

Revenue ('000):	\$0
Gross profit:	0%
Adjusted EBITDA:	0%

Outlook 2016

Air 

Ground 

“Great start enhancing brand awareness.”

Air

- Three aircraft under management
- Building a good pipeline
- Strong JV partner
- Start-up business

Ground

- Various opportunities under consideration
- Expect to be revenue generative late 2016



Group Financial update

05

Condensed consolidated interim statement of comprehensive income



	Dec 2015	Dec 2014 (Pro-forma)
Revenue ¹	\$413m	\$359m
Direct costs	\$350.6m	\$310.1m
Gross Profit ²	\$62.4m	\$48.9m
Gross profit Margin	15.1%	13.6%
Overheads	\$38.3m	\$36.8m
Adjusted EBITDA ³	\$20.9m	\$9.8m
EBITDA ³ Margin	5.1%	2.7%
Adjusted PBT ⁴	\$7.2m	(\$27.4m)
Adjusted EPS ⁵	\$41.75c	\$14.88c

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Financial highlights & commentary

- Revenue ¹ up 15%
- GP up 28%
- Adjusted EBITDA ³ up >100%
- Adjusted PBT ⁴ \$7.2m
- EBITDA ³ margin up 88%
- Financials include the results of the associates and reflect constant currency
- Discontinued operations related to owned aircraft held for sale
- Exceptional costs of \$7.1m comprising \$3.6m transaction costs, \$3.5m costs associated with the integration.
- Synergies delivered in H2 in line with expectations
- Overheads down 0.5%, against gross profit increase of 28%, illustrating the benefits of scale

Condensed consolidated interim statement of financial position



	Dec 2015	Dec 2014 (Pro-forma) ¹
Non-current assets	\$66.5m	\$22.1m
Current assets	\$68.5m	\$105.7m
Current liabilities	\$71.0m	\$132.9m
Net current liabilities	(\$2.4m)	(\$27.2m)
Non-current liabilities	(\$8.4m)	(\$10.2m)
Net assets / (liabilities)	\$55.7m	(\$15.3m)

Commentary

- Cash of \$8.5m (2014: \$5m)
- Group borrowings of \$10m (2014: \$18m)
- Goodwill \$40m
- Assets held for sale \$3.1m
- Trade and other receivables of \$49m net of a prudent provision of \$6.1m

1 – Pro-forma balance sheet including the balance sheet of Hangar 8 at December 31st 2014 as released in the RNS March 2015.



Summary

06

In summary



- A strong, full year performance
- Optimisation & 'right sizing' will continue in order to enhance performance across the divisions during 2016
- Market dynamics continue to favour our strategy, with further acquisitive growth expected that is value accretive and earnings enhancing
- This is complemented by an organic growth pipeline that is strong in most geographies and divisions
- We enter our 33rd year with an enhanced management, operational and financial platform.



Q&A

07

Thank you



Appendix. Strategy

A01

Market backdrop & strategy



Situation

We are a **top five industry player** globally but we operate just 0.5% of the US fleet and 1.6% of the European fleet. No single operator has more than a 4% share, 80% of fleet operators in Europe manage 2-5 aircraft and only 9 fleet operators in Europe manage more than 20.

Strategy

Build organically

We will deliver sustainable and profitable **organic growth** using our scale, breadth and depth to grow the value of new and existing client relationships.



Consolidate the market

We will deliver sustainable and profitable **growth via acquisition** deepening our service offer while building on our existing breadth & depth.

Our strategy will be delivered by focusing on four imperatives



1. SCALE

Grow air & ground to leverage scale for competitive advantage

Increase market share in a fragmented market:

- Grow naturally
- Acquire

2. BREADTH

Grow our capability to meet our clients' needs now & in the future

- Reinforcing existing footprint
- Entering new / growing markets
- Customer led geographical growth

3. DEPTH

Maximise the potential value from every client engagement

Extend customer touch points:

- By geography
- By capability
- By both

4. CROSS SELL

Build our capability to sell across disciplines and across markets.

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