



Gama Aviation plc
Full year results 2022

Gama Aviation 

Financial highlights snapshot

Revenue:

\$285.6m

Up 21%

(2021: \$235.9m)

Adjusted EBIT:

\$8.8m profit

(2021: \$4.3m loss)

Loss for the year:

\$1.4m

(2021: \$6.3m)

Net debt:

\$66.4m

(2021: \$104.9m)

Operating cashflow:

\$31.4m inflow

(2021: \$5.2m inflow)

Basic loss per share:

2.6 cents

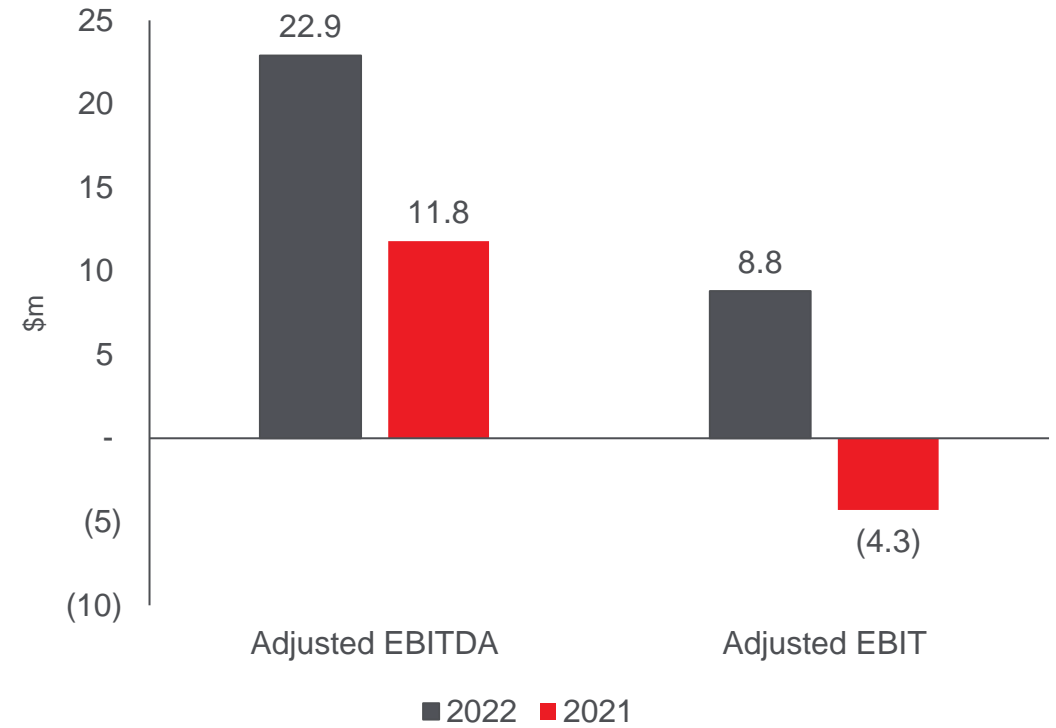
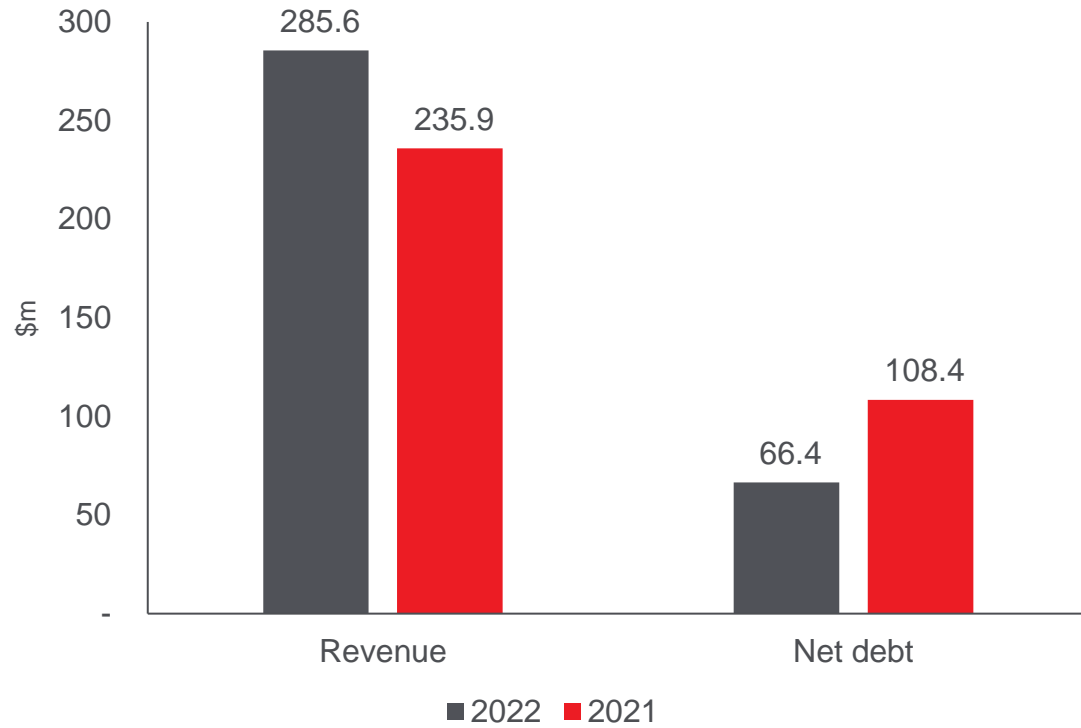
(2021: 8.7 cents)

	Dec-22	Dec-21
Revenue	\$285.6m	\$235.9m
Gross Profit	\$55.1m	\$41.5m
Gross Profit %	19.3%	17.6%
EBITDA	\$22.9m	\$11.8m
EBIT	\$8.8m	(\$4.3m)
Loss for the year	(\$1.4m)	(\$6.3m)
Loss per share (cents)	(2.6)	(8.7)

Financial highlights

- **Revenue up 21%** to \$285.6m (2021: \$235.9m)
- **Gross Profit up 33%** to \$55.1m (2021: \$41.5m)
- **Gross Profit Margin up by 1.7ppts** (at 19.3% (2021: 17.6%))
- **Adjusted EBITDA profit up \$11.1m** to \$22.9m (2021: \$11.8m)
- **Adjusted EBIT profit up \$13.1m** to \$8.8m (2021: \$4.3m loss)
- **Net cash inflow from operating activities of \$31.4m** (2021: \$5.2m cash inflow).
- **Group cash balances were \$22.4m (2021: \$10.2m) of cash** and \$9.0m of the Group's US \$15.0m revolving credit facilities (RCF) 2021: \$12.1m of Group \$50m revolving credit facilities) was undrawn as of 31 December 2022
- **Net debt**, inclusive of \$52.7m (2021: \$48.0m) of lease obligations, **decreased to \$66.4m** (2021: \$104.9m).
- **As at 7 June 2023 cash balances were \$12.5m**

Financial highlights



Strategic highlights

Jet East facility in Statesville, NC



Bond Helicopters, AW139



Wales Air Ambulance, H145

- **Jet East.** Significant growth and improved profitability within the US MRO. Acquisition of a hangar in Statesville, North Carolina
- **Strategic JV.** Bond Helicopters JV with Peter Bond to target Energy & Offshore, Special Mission market
- **Special Mission contract growth.** Wales Air Ambulance Charity contract, finalised in February 2023. New 5 year, multi aircraft North Sea contract via Bond Helicopter's JV
- **Debt facility.** Successful restructuring of the Group's debt facility and full repayment of legacy expiring facilities.
- **Fix & optimise.** Across core lines of business.

Group operational performance

SBU	2022			2021		
	Revenue	GP	EBIT*	Revenue	GP	EBIT*
 Business Aviation	\$224.3m	\$37.3m	0.0	\$170.1m	\$19.1m	(8.8)
 Special Mission	\$55.5m	\$13.8m	5.4	\$56.7m	\$14.5m	4.5
 Technology & Outsourcing	\$5.2m	\$3.5m	(0.9)	\$5.3m	\$4.2m	0.0
Branding fees	\$0.6m	\$0.06m	0.6	\$3.8m	\$3.8m	3.7
Associates	-	-	-	-	-	(1.5)
Corporate	-	-	3.7	-	-	(2.3)
Total	\$285.6m	\$55.1m	\$8.8m	\$235.9m	\$41.5m	(4.4)

* Adjusted EBIT

Adjustments to EBIT

\$m	2022	2021
Transaction income	(0.4)	-
Transaction costs	0.7	0.6
Integration and business reorganisation costs	0.3	0.1
Lease derecognition	-	(1.6)
Legal costs	0.2	0.3
Other prior year items	-	(0.1)
Onerous contract provision	0.9	-
Total exceptional items	1.7	(0.7)
Impairment of assets under construction	2.5	-
Impairment of right of use assets	-	1.9
Impairment of property, plant and equipment	0.1	-
Impairment of goodwill and acquired intangibles	0.8	-
Impairment of investment in associate	-	-
Total impairments	3.4	1.9
Share based payments	0.4	0.3
Amortisation of acquired intangibles	1.2	1.2
Other long-term employee benefits expense	1.8	1.8
Reversal of impairment of equity accounted investments	-	(1.5)
Total adjustments to EBIT	8.5	3.0

Cash flow and net debt

\$m	2022	2021
Cash flows from operating activities	31.4	5.2
Investing activities	21.2	(11.0)
Financing activities	(40.8)	(0.1)
Net increase/(decrease) in cash and cash equivalents	11.8	(5.9)
Cash and cash equivalents at the beginning of the year	10.2	16.1
Effect of foreign exchange rates	0.4	-
Cash and cash equivalents at the end of the year	22.4	10.2
Borrowings	(36.1)	(67.2)
Obligations under leases	(52.7)	(47.9)
Net debt	(66.4)	(104.9)

Simplified balance sheet

\$m	2022	2021
Goodwill and intangibles	32.3	37.9
PPE & ROU assets	60.0	89.9
Long term trade receivables	1.4	0.3
Current working capital	14.8	31.1
Cash	22.4	10.2
Borrowings	(36.1)	(67.2)
Obligations under leases	(52.7)	(48.0)
Deferred revenue	(9.2)	(8.9)
Provisions	(3.1)	(1.1)
Tax	4.4	3.3
Net assets	34.2	47.5

Outlook



The Aircraft Management & Charter team support of globally renown artists increased post COVID. The team are supporting several bands globally and during the European segments of their tours.

- The reported progress is very encouraging.
- Confident that progress could be sustained through the coming year.
- Circumspect in our outlook for 2023
 - high inflation,
 - high interest rates
 - protracted conflict in Europe.
- Firmly focused on the execution of our strategy by:
 - capturing organic growth opportunities
 - optimising the operational performance of the business



Strategy

01

Strategy. Focus for growth

Our FBO network continues to build traffic and market share



Architect's render of the proposed facility at Jersey Airport which has started the planning process



“The Board believes there is considerable scope for margin improvement by more effective, focused delivery of highly valued services within the Business Aviation, Special Mission and T&O sectors in service areas where the Group has full management control and established competitive advantage.”

Our focus for growth strategy will be underpinned by:

- Focusing on our clients
- Focusing on our business model
- Focusing on our people
- Focusing on our place in society

Strategy reflected in simplified, focused, organisational construct

Old divisional structure (2015 to 2020)

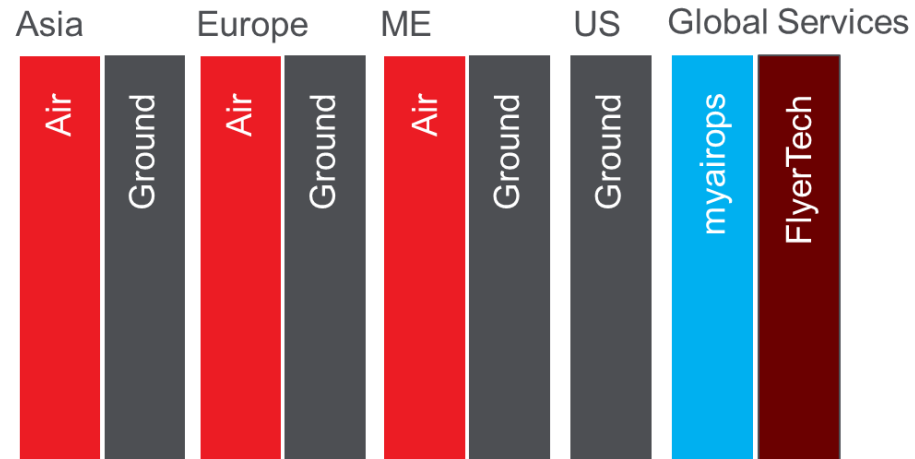
Consolidating a fragmented market

Margin improvement comes from creating scale in the business aviation market that drives internal economies & external demand.

2021 -

Focused, market share growth

Margin improvement comes from focusing on building market share in high value markets within which the Group has an established presence that can be scaled effectively to improve operational gearing.



Focus for growth



Technology & Outsource

- Maintain a world class SaaS product suite.
- Increase the share of the flight operations outsource market.
- Build new competencies in high value / high margin advisory services.
- Focus on sales development & pipeline conversion.
- Partner with the Special Mission SBU.



Special Mission

- Penetrate the UK charity Air Ambulance market.
- Build market share in UK government ISR projects.
- Develop an unmanned aerial systems ("UAS") capability.
- Enter the wind segment of the Energy & Offshore market.



Business Aviation

- Grow the US maintenance business.
- Grow the European maintenance business.
- Creating a centre of excellence for aircraft management.
- Rebuild the charter offer.
- Continue to drive value from the strategic positions occupied by our FBOs.

Fix & Optimise - change program

- Growth flight department contracts
- Outsourcing of airline operations

- Wales Air Ambulance contract
- Perenco North Sea contract
- Convertible opportunities in Air ambulance & Defence

- Solid growth in strong US market via the Jet East brand
- FBO & charter solid performance

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For the purposes of the following disclaimers, references to this ‘document’ shall be deemed to include references to the presenters’ speeches, the question and answer session and any other related verbal or written communications.

This document contains certain ‘forward-looking statements’ with respect to the financial condition, results of operations and business of Gama Aviation plc (Gama) and to certain of Gama’s plans and objectives with respect to these items. Forward-looking statements are sometimes but not always identified by their use of a date in the future or such words as “anticipates”, “aims”, “due”, “could”, “may”, “should”, “expects”, “believes”, “intends”, “plans”, “targets”, “goal”, or “estimates” (or the negative thereof). By their very nature, forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or will occur in the future.

There are various factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include but are not limited to, changes in the economies, political situations and markets in which the Group operates; changes in government priorities due to programme reviews or revisions to strategic objectives; changes in the regulatory and competition frameworks in which the Group operates; the impact of legal or other proceedings against or which affect the Group; changes to, delays in or commercial discussions relating to programmes in which the Group is involved; the completion of any acquisitions and divestitures and changes in commodity prices, inflation or exchange rates.

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No statement in this document is intended as a profit forecast and no statement in this document should be interpreted to mean that underlying operating profit for the current or future financial years would necessarily be above a minimum level, or match or exceed the historical published operating profits or set a minimum level of operating profit.

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