Executive Jets Asia interested in fund raising to increase fleet and expand regionally, CEO says

Executive Jets Asia would be interested to talk to both strategic and financial investors about raising USD 15m for a stake of up to 49%, CEO and co-founder Prithpal Singh said.

The Singapore-based jet chartering company had revenues of SGD 10m last year and has no debts. The company is currently in preliminary talks with two Singapore-based private equity firms, he added. Singh and Director Mohammed Yunos each hold a 40% stake in the company, while director David Ho holds 20%.

The funds would be used to double its fleet size, which currently stands at four, and to set up operations in Bangkok, Jakarta and Bali, he said. Each additional aircraft would bring in SGD 4m a year, he said, noting that the company currently cannot keep up with demand. It has about 50 to 60 regular clients.

Ideal investors could be US or European jet chartering or maintenance repair and overhaul (MRO) companies looking to enter Asia, he said.

Founded in 2004, the company has just started building a new 70,000 sq ft aircraft hangar, built on 2.5 acres of land at Senai International Aviation Park in Malaysia, with an investment of MYR 40m (USD 13.26m), due to be completed in February 2012.

This new facility will have enough capacity to allow the company to offer MRO services to third parties along with servicing its own fleet, he said. MRO could potentially be a far more lucrative business, he said, citing Hawker Pacific which is able to pull in USD 35m a year by providing MRO services in Singapore. That facility is half the size of the one Executive Jets is building in Malaysia, he said.

The company's four aircraft, each with a capacity of seven to eight passengers, are stationed in Singapore, although Indonesia, its biggest market, generates 40% of its revenues. The remaining comes from the rest of Asia, Russia, and Dubai.

Its competitors include Jet Aviation and Hawker Pacific, he said.

by Andrew Cheng