
The Next Vertical Consolidation Play: U.S.A.'s Civil Utility Helicopter Market



We Finance, Fix and Fly - Locations in New York, Pennsylvania and Texas

HELICOPTER INVESTOR LONDON

**JOE HAWKE
CHAIRMAN & CEO**

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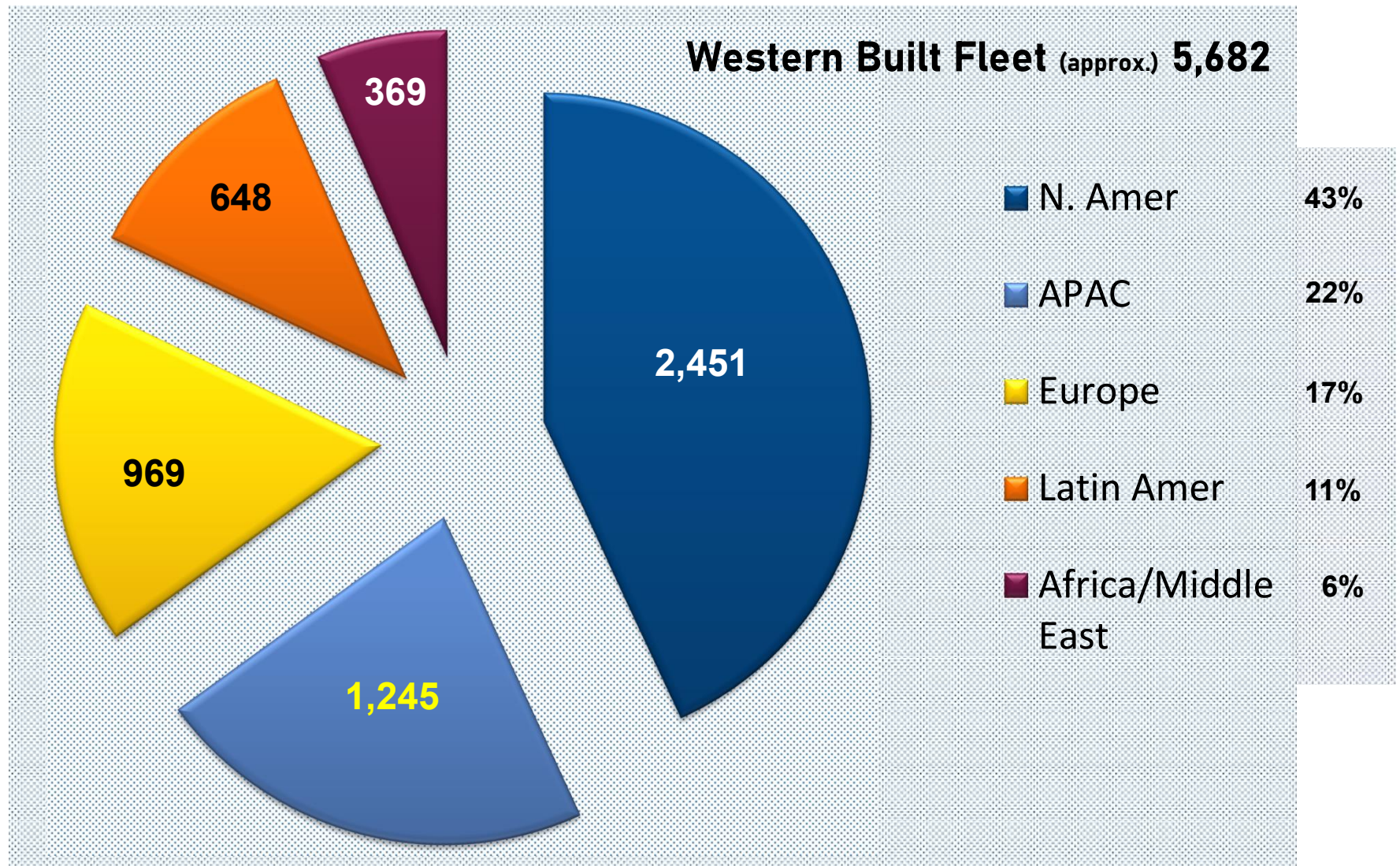
“Famous” Quotations to inform the discussion...

“An observation tends to reveal more about the observer than the observed.” – Gary Boom, English Dept. (c. 1975–99), Concord High School, New Castle County Wilmington, Delaware USA

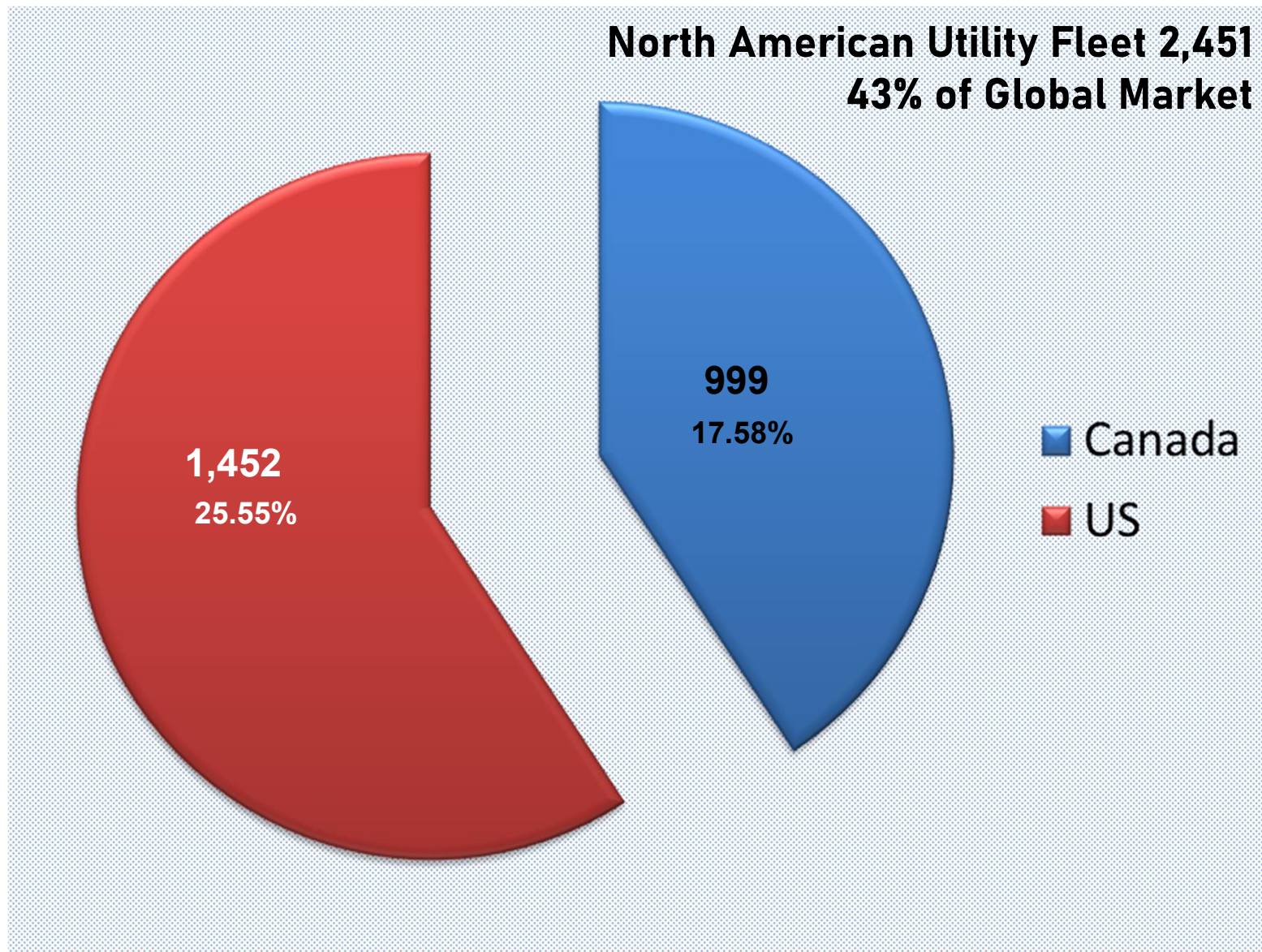


“What, me worry?!” – Alfred E. Neumann (*Mad Magazine*)

Global Utility (Civil Multi-Role) Helicopter Fleet



North American Utility (Civil Multi-Role) Helicopter Fleet



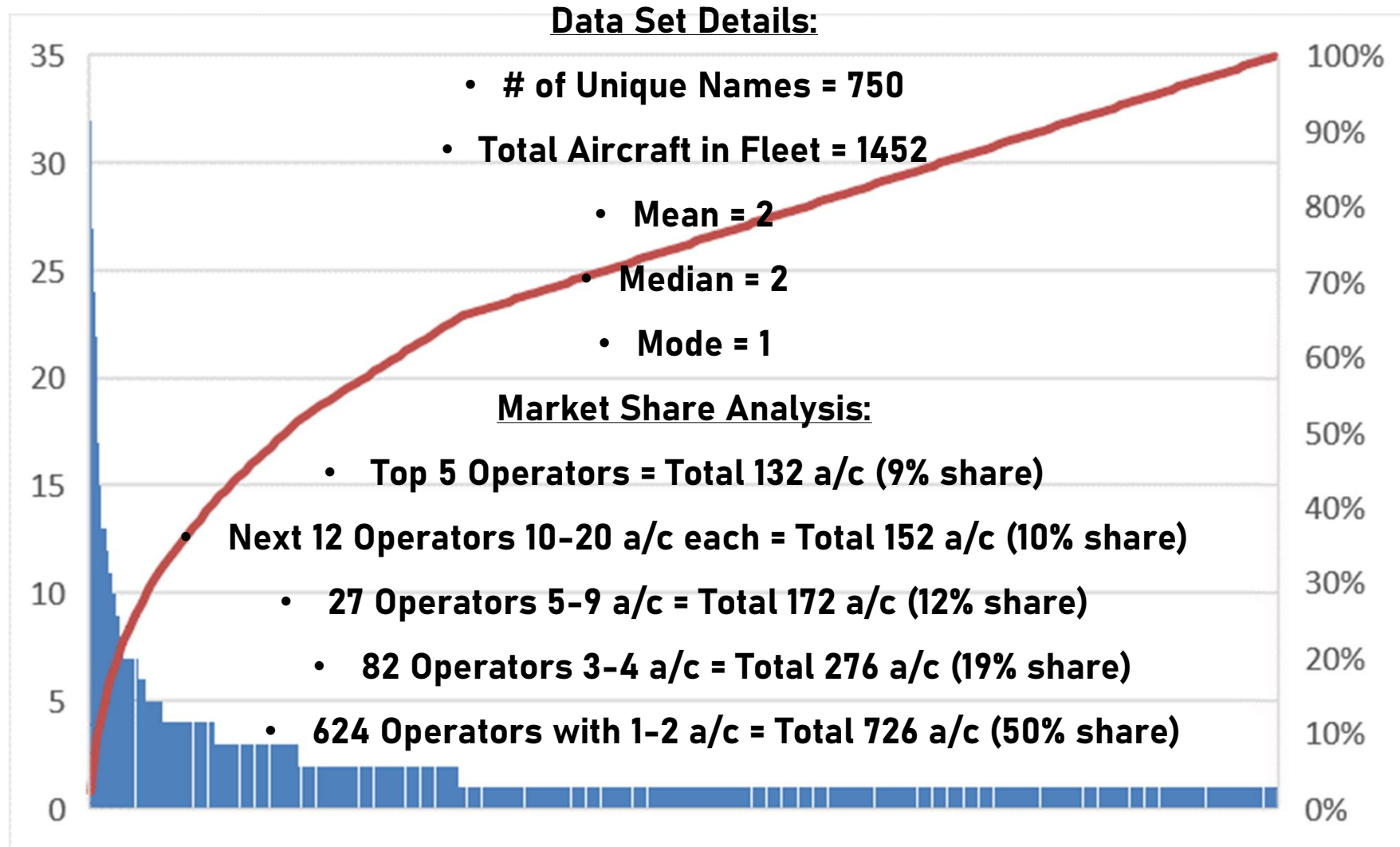
Utility (Civil Multi-Role) Helicopter Fleet, Exclusions:

ENG	# of Helos		Actionable Opportunity Set
	US	Global	
	127	277	
Heavy Lift/Sling Load/Logging			
	100	165	

LE			Not Actionable in the U.S. Currently
	US	Global	
	983	2513	

- In addition to EMS and Offshore O&G as already rationalized, mature end-markets (U.S. based, if not Global)

US-Based Firefighting and Utility Helicopter Fleets



U.S.-based Air Medical Market

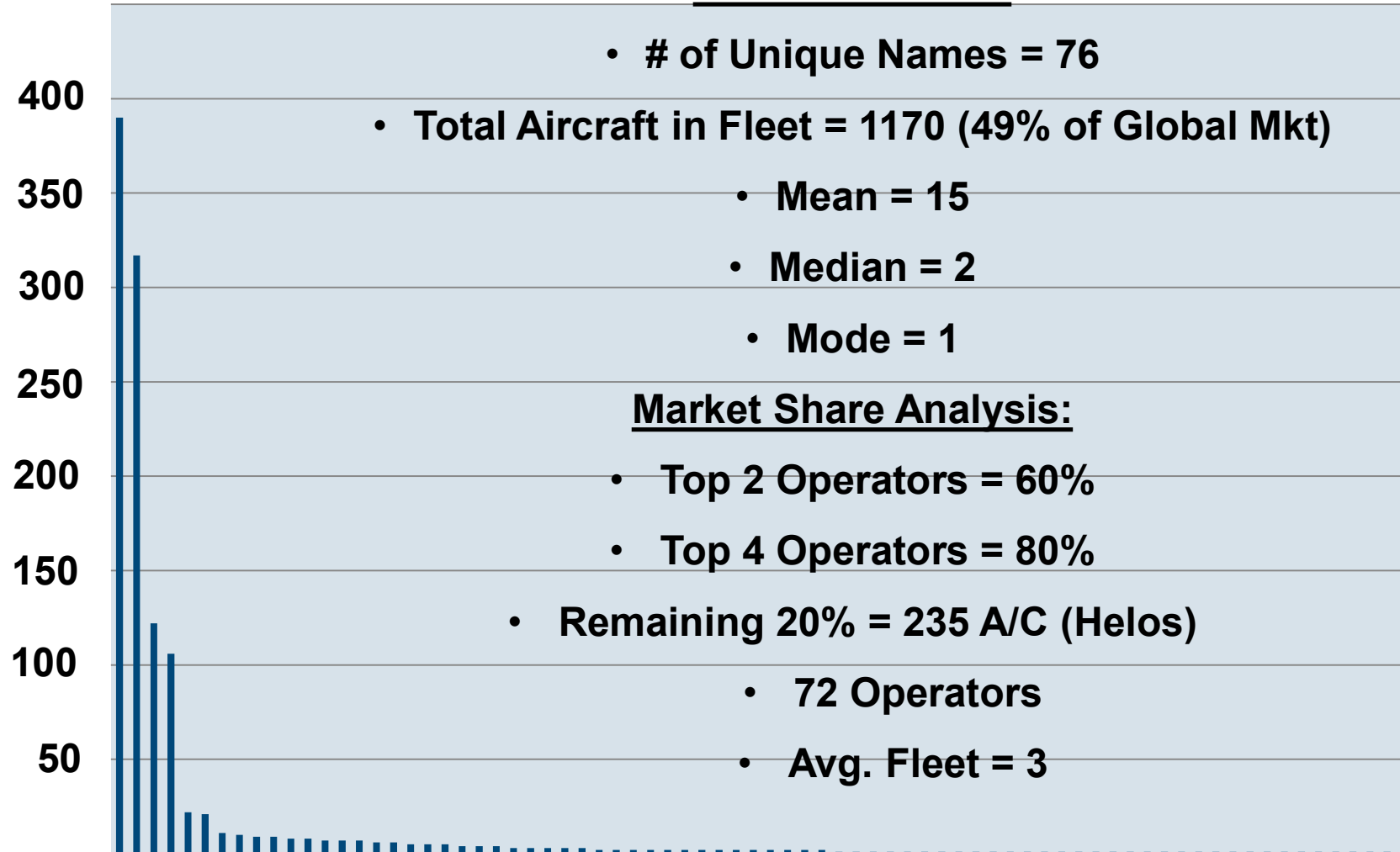


Data Set Details:

- # of Unique Names = 76
- Total Aircraft in Fleet = 1170 (49% of Global Mkt)
 - Mean = 15
 - Median = 2
 - Mode = 1

Market Share Analysis:

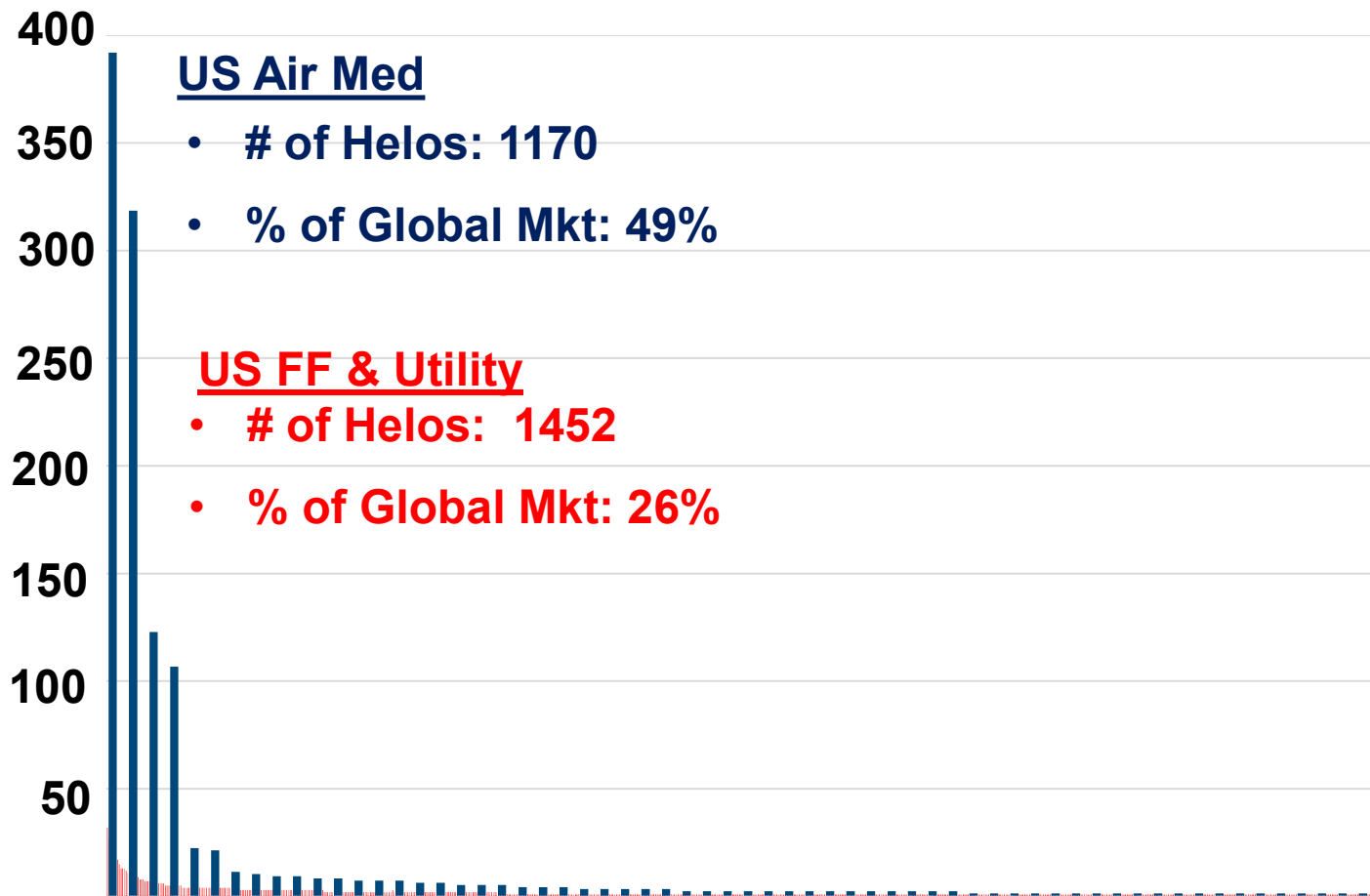
- Top 2 Operators = 60%
- Top 4 Operators = 80%
- Remaining 20% = 235 A/C (Helos)
 - 72 Operators
 - Avg. Fleet = 3



Commercial Markets Compared



US Air Med vs. US FF & Utility



In the land of the blind ...





Compare & Contrast: US EMS c. 2000 vs. Utility today

Factor	EMS (c. 2000-2010)	Utility
Fragmented Market	Yes	Yes
Rising Revenue	Increased cost recovery scheme	Merging of Utility, Fire Fighting, <i>et al</i> disaster response Customers trending towards risk mitigation vs. cost minimization
Demand Driven Growth	Rural multipliers incentivized fleet deployment to effect policy objective of access to care	Aging electrical grid and gas pipeline infrastructure; fire suppression and related liability
Access to Capital Historically	Limited; relationship-based banking. Primarily founder-owned; limited PE participation (prior to 2000)	Limited; relationship-based banking. Primarily founder-owned; limited PE participation other than for largest players
Strategic / Public Market Interest	Yes: AIRM	Yes: PWR, AIR

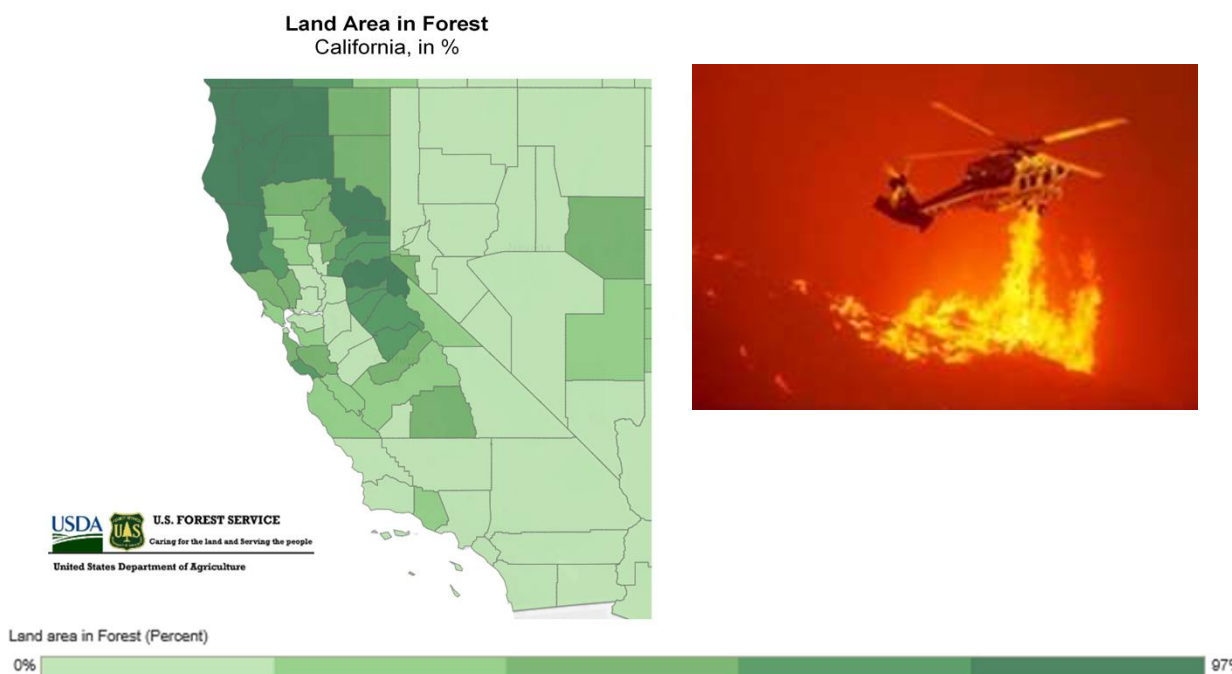


PG&E – Wildfire Risks



Wildfire Risk Background

PG&E faces significant wildfire challenges due to the size and geography of its service area.



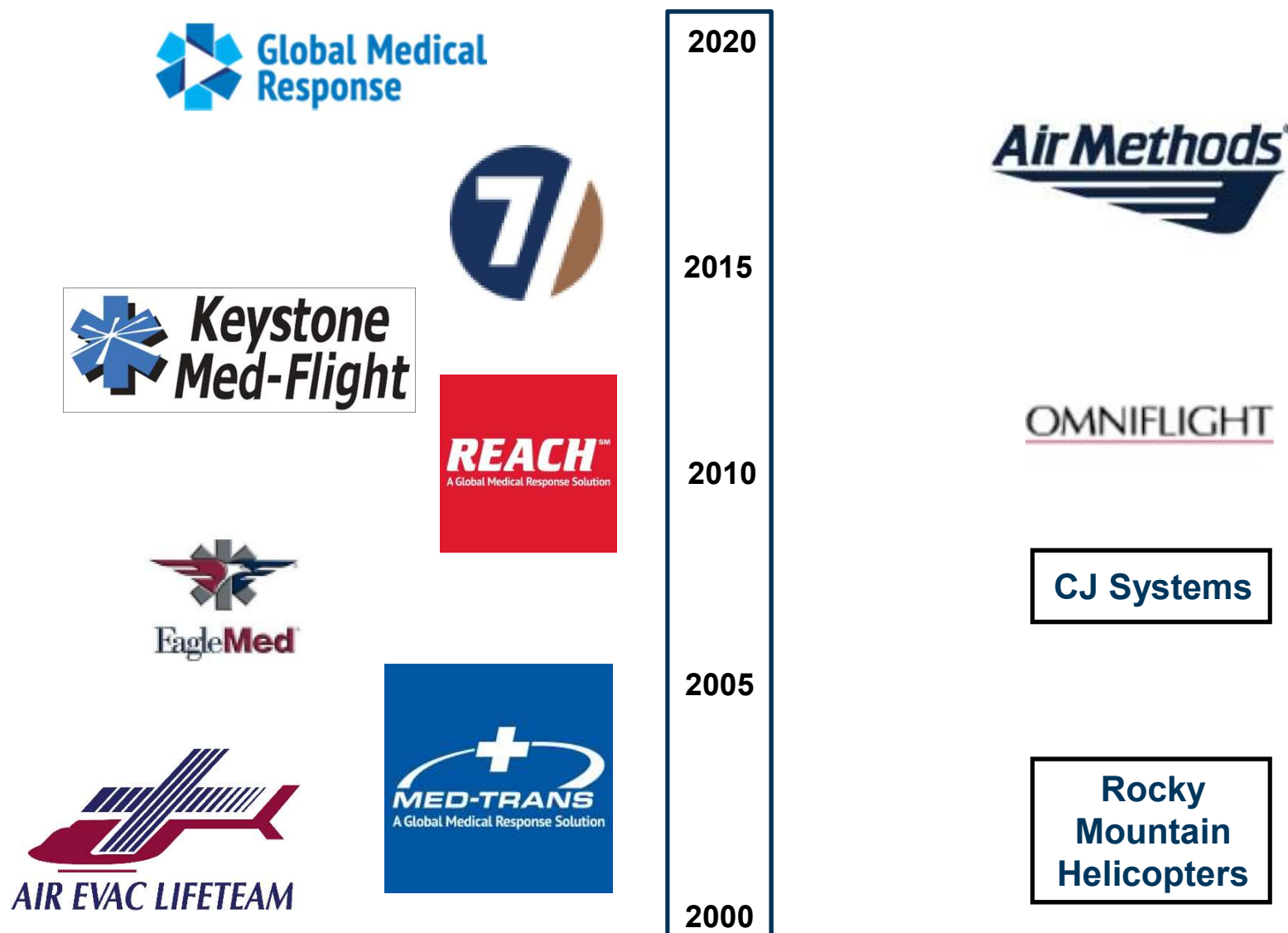
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Following the wildfires in 2017 and 2018, some of the changes included in this presentation are contemplated as additional precautionary measures intended to further reduce future wildfire risk.

Source: <https://www.pge.com/>



The US HEMS Duopoly: 20 Years in the Making ...



Note: Indicative activity showing certain acquisitions; not intended to be fully inclusive of all acquisitions completed by either party.

Strategic Acquirers in the Civil Helicopter Utility Space



2020



(FULL SERVICE, INCL. HEC)



2015

(CONSTRUCTION)



(FORMER BLACKWATER FLEET)

2010





The Case for Consolidation: Ingredients for Success

- ❖ Fragmented Market – Prerequisite for market consolidation
- ❖ Rising Demand and Increasing Prices
 - Fee Schedule (US EMS 2002-2006) // Fire Risk, Public Safety
 - Promotes organic growth → Highest ROI (vs. M&A)
- ❖ Access to Capital
 - Historically underserved, marginally bankable
 - Public market experience has been mixed
- ❖ Benefits of Scale
 - Operating leverage goodness (fixed cost / greater # of units)
 - Increased flexibility to address customer demands
- ❖ Success Begot Success
 - The top of the PE Food Chain entered the fray:
 - Bain/KKR – AMGH/GMR
 - AmSec – AMC
 - Strategic interest in place for Utility // PE entry ... ?

The Opportunity is Ripe for the Picking ...



So... who will come out to play?