

September 4, 2018

TAE Aerospace expands offer to air and land-based operators in strategic acquisition

TAE Aerospace announced today that it has acquired the rights to take over the operations of Victorian-based Kidde Aerospace and Defence Australia Pty Ltd (KADA), a UTC Aerospace Systems company (UTAS). Completion of the transaction is expected to occur by the end of September 2018, following completion of closing conditions.

The deal includes an agreement with UTAS that will designate TAE Aerospace as the only licensed overhaul facility in Australia, New Zealand and much of the region for certain UTAS businesses.

According to TAE Aerospace Chief Strategy Officer, Darren Hutchinson the opportunity to take on KADA's capabilities arrived as the company was looking for ways to expand its service offer to land-based operators, as well as airlines.

"It has been part of our growth strategy for a while now to look for 'interoperability' between the platforms we service – particularly between air and land-based platforms, but also marine in the future.

"Four years ago, we signed an agreement for total logistics support of the AGT1500 tank engine that powers the Abrams main battle tank for the Australian Army.

"At the time it was considered unusual for an aerospace company to work on a tank engine, but they are both gas-turbine engines and operate in a similar way – it's just that one runs on diesel and the other on jet fuel - and we knew the skills were transferable," he said.

Darren said that the company's transition from air to land-based platforms has proved successful for both TAE Aerospace and Army, and that having local, in-country support has delivered significant benefits in responsiveness, cost and turnaround time.

Approximately half of KADA's business supports the Australian Army's fleet of land vehicles, including the M1A1 Abrams, ASLAV, Bushmaster and Hawkei vehicles.

In addition, KADA services a number of aircraft customers including Qantas, for which TAE Aerospace currently supplies wheel and brake MRO services, as well as Virgin Australia aircraft, military transport helicopters and others.

KADA General Manager, Ray Walton said that both KADA and its parent company, UTAS welcomed the deal and the benefits it would bring to their customers.

"UTAS decided that KADA would benefit from an in-country business structure and was open to partnering with a company whose operations were closely aligned with the KADA business. It wanted a partner that had the local experience, reputation and capability to support KADA's growth into the future," Ray said.

Ray said that he is looking forward to joining TAE Aerospace and will continue to manage its day-to-day operations from Hallam, Victoria following close of the transaction.

"We are excited to align our operations with those of TAE Aerospace. Their reputation as an MRO provider is unmatched in the region and we know our customers will receive the highest levels of service. We are pleased to be

part of a 100% Australian owned company that has the full backing of the OEM. We look forward to continuing to provide our customers with the quality fire protection and safety systems they expect, backed by responsive service from an in-country provider,” he said.

Darren added that from TAE Aerospace’s perspective, the deal was perfectly matched to its customer base and skill set.

“The KADA capabilities are applicable to military and civilian, air and land based customers and we have the same mix in our customer base. To service the products effectively you need deep MRO experience as well as the backing of the OEM. We have the largest MRO capability in the region, and a long history of working closely with OEMs under license arrangements. We could see the synergies and the opportunity came along just at the right time for us.”

The deal also serves to expand TAE Aerospace’s national footprint, with the company currently operating from locations in Queensland, South Australia and New South Wales and, from the date of contract commencement, in Victoria.

Speaking at Land Forces, Darren said he welcomed the opportunity to expand the relationship with Army further, as well as widen industry partnerships with land-based Defence operators in the future.

“There is an exciting opportunity for further collaboration between TAE Aerospace and Army, and a chance to build on the strong relationship that already exists.

“We have built a great relationship with Army through the AGT1500 program, recognised at the Essington Lewis awards last year where we won the minor sustainment category for the Land 907-1 Tank Replacement Project.

We welcome the opportunity to expand that relationship further, and the KADA capabilities open up many opportunities for us to do that,” Darren said.

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TAE Aerospace is a 100% Australian owned aerospace company that operates globally. We create value for customers through innovation and deliver premium quality products and services in aerospace engineering, manufacturing, turbine engine and component MRO and enabling technologies.

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