

PRESS RELEASE
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BaltCap is the largest buy-out, growth capital and private equity infrastructure investor in the Baltic States.

BaltCap has strong presence in all three Baltic countries with local offices and experienced team.

Since 1995, BaltCap has been managing several private equity funds with total capital of over EUR 370 million and has made more than 70 investments.

BaltCap is a member of Invest Europe (www.investeurope.eu), Estonian Private Equity and Venture Capital Association (www.estvca.ee), Latvian Venture Capital Association (www.lvca.lv) and Lithuanian Venture Capital Association (www.vca.lt).

BaltCap is a signatory of the United Nations Principles for Responsible Investment (UNPRI) since 2008.

BaltCap exits Magnetic MRO

BaltCap together with minority shareholders sells 100% of the shares in Magnetic MRO to Guangzhou Hangxin Aviation Technology (“Hangxin”) for €43 million (equity value). Magnetic MRO is a full-service aircraft maintenance company headquartered in Tallinn.

Indicative closing date is planned at the end of March after all regulatory requirements and other closing conditions have been fulfilled.

“Magnetic MRO management has been actively looking for opportunities to expand into Asia, the highest growth market in aviation,” said the CEO of Magnetic MRO Risto Mäeots. “Hangxin’s location and service portfolio is complementary to Magnetic MRO, creating substantial synergies and new business opportunities. For the management Hangxin is a perfect match and we are thrilled to start working with their highly professional and energetic team.”

“During BaltCap’s ownership Magnetic MRO has grown from small regional player to a profitable global company,” said Kristjan Kalda, the Chairman of the Supervisory Board of Magnetic MRO and Partner of BaltCap. “This is the largest exit transaction in BaltCap’s history and proves our ambition to create highly competitive Baltic companies. I would like to thank the fantastic team in Magnetic, this strategic move is definitely a huge leap for the company.”

“We are very pleased to welcome Magnetic MRO to the Hangxin team. Magnetic MRO and their team have developed a high-quality, reliable, customer-focused MRO business,” said Mr. Lv Haibo, Vice President of Hangxin. “We fully support the existing strategy and executive management team, and will support Magnetic MRO’s focus on continuing to deliver value to their existing customers as well as expanding global MRO presence.”

Magnetic MRO sales increased exponentially in 2010-2017 and are expected to grow with the same rate over the upcoming years. The number of employees has increased from 160 to over 440.

The sellers were advised by Superia Corporate Finance, Seabury Securities and law firm COBALT.

Magnetic MRO is an EASA and FAA-certified total technical care and asset management organisation headquartered in Tallinn, Estonia, offering integrated MRO services. The company has a well-established reputation in innovative solutions in digitalised MRO services and proven track record as a one-stop total technical care organization for airlines, asset owners, OEMs and operators. In 2017, Magnetic MRO received Company of the Year and Exporter of the Year awards in Estonia.

Guangzhou Hangxin Aviation Technology is a privately-owned company providing aircraft component maintenance services, based in Guangzhou, Guangdong Province in China. Hangxin services components for over 20 aircraft types. Hangxin serves over 50 airlines in Asia, Middle East, Europe and North America. Hangxin is listed on Shenzhen Stock Exchange and has market capitalisation over €700 million. Management controls 46% of the shareholder votes and, along with employees, 61%.

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