

Israil Set to Purchase A320 Aircraft to Bolster Fleet

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Israil, based at Tel Aviv Ben Gurion, has disclosed plans to purchase an Airbus A320-200, currently leased, to enhance its fleet. The acquisition, detailed in a stock exchange filing, is valued at approximately USD24 million, with the transaction anticipated to be finalized by March 12, 2024.

The aircraft, registered as 4X-ABT and with a serial number of 6200, has been part of Israil's operations since July 2021. The airline intends to finance the purchase with a mix of a USD14.6 million bank loan, for which approval has already been secured, and the issuance of convertible bonds to cover the remaining costs. An advance payment of around USD2 million is also part of the agreement.

Israil has expressed that acquiring the aircraft is a strategic move aimed at strengthening its fleet and enhancing its financial metrics such as capital structure, EBITDA, and cash flow in 2024 and beyond. Moreover, the airline believes that this step will support its operations amidst the ongoing conflict between Israel and Hamas.

Owned by lessor AviLease, the 9.64-year-old A320 is powered by International Aero Engines V2500 engines. AviLease's portfolio includes 150 aircraft, with Israil becoming one of its significant clients through this acquisition.

Following this transaction, Israil's fleet will consist of six A320-200 aircraft, with half being owned by the company and the remainder leased. This purchase marks a pivotal development for Israil as it seeks to solidify its position in the competitive aviation industry while navigating the challenges posed by regional instability.

