

Wheels Up Secures \$490 Million Funding Amidst Quarterly Challenges

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Wheels Up, the on-demand aviation operator based in Teterboro, faced operational challenges in the third quarter of 2023, with a decline in active users, a reduction in operated flights, and lower revenue per flight compared to the same period in 2022. However, the company managed to secure a substantial \$490 million in new capital from various investors, including Delta Air Lines, steering clear of financial turmoil.

In a filing with the New York Stock Exchange (NYSE) on November 9, 2023, Wheels Up highlighted that despite the quarter's operational hurdles, it marked the company's best financial performance since 2021. The reported net loss of \$144,813 showed a 3% improvement from the same quarter in 2022. However, active member numbers saw a 10% decrease, operated flights were down by 21%, and revenue earned per flight experienced a 2% dip.

Wheels Up operates as a private jet charter service, allowing members to book short- and medium-haul private flights at an all-inclusive hourly rate. With 10,775 active members as of September 30, the company provides access to a diverse fleet of over 1,500 aircraft across the United States, ranging from Beech King Airliners to large jets. The booking process is facilitated through an app, employing dynamic pricing models similar to those used by ride-sharing services like Uber.

Despite the quarterly challenges, Wheels Up CEO George Mattson emphasized the company's commitment to providing a seamless connection between private and premium commercial travel. The recent infusion of \$490 million in funding, which includes an additional \$40 million from credit investor Kore Capital and alternative asset manager Whitebox Advisors, underscores investor confidence in Wheels Up's long-term potential.

This new capital injection complements existing investments from Delta, Certares Management, Knighthead Capital Management, and Cox Enterprises. Wheels Up's credit facility now consists of a \$390 million term loan and a \$100 million revolving credit facility, positioning the company for continued growth and resilience in the competitive private aviation sector.

