SETOUCHI SELLS 12.5% STAKE IN QUEST AIRCRAFT TO JAPAN'S MITSUI

News / Finance, Manufacturer

Quest Aircraft's parent Setouchi Holdings has sold a 12.5% stake in the Kodiak single-engined turboprop manufacturer to fellow Japanese company Mitsui.

The equity sale gives Sandpoint, Idaho-based Quest more than $10 million in much-needed investment to help it expand its product portfolio and grow its share of the global utility aircraft market.

“This investment is great news for Quest,” says company chief executive Sam Hill. “We are an ambitious company and our outlook is shared by our owners.”

He declines to be drawn on the number or designs of future products, however, nor will he reveal a timescale for their launch. “All I can say is that we will be staying in the utility sector as there is so much potential here,” he says. “We are evaluating the market and talking to owners and operators within this large niche.”

Asset Image

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Quest Aircraft

Hill says trading conditions in the turboprop sector are challenging due to the weak global economy and strong US dollar. “This is hitting us particularly hard in Europe and South America, but we are making inroads into other regions such as Africa, Asia and the Middle East,” he says.

Despite this harsh economic environment, Quest delivered more Kodiaks in 2015 than in the previous year. “We shipped 32 aircraft – two more than in 2014,” says Hill. “We hope 2016 will be better still”.

He attributes Quest’s performance to a more audacious sales strategy, which the company initiated following its take-over by Setouchi in February 2015. “The business plan was revamped to be more aggressive,” Hill says.

The approach seems to be paying off, as Hill says Quest has contracts in place for 42 Kodiaks this year.

To accommodate its long-term growth the company is extending its Sandpoint headquarters by 6,970m² (75,000ft²), and is mulling a second production line outside the US. “It’s too early to say where that might be,” says Hill.

Since the first Kodiak entered service in 2007, nearly 170 of the 10-seat type have been delivered worldwide. Around 40% of the Pratt & Whitney Canada PT6A-34-powered fleet is used for commercial charter providers, with the remainder evenly split between owner-flyers and government operators and humanitarian organisations.

The Kodiak is certificated in 21 countries, with European validation next on the list. “We hope to have EASA approval by the end of the first quarter,” says Hill.

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