WH IRELAND REPEATS 'BUY' ON AVATION AFTER AIRBUS ACQUISITION COMPLETES

News / Manufacturer

The broker **WH Ireland repeated its buy** ‘advice’ and 206p price target on aircraft leasing firm Avation (LON:AVAP), which has just completed the acquisition of an **Airbus** A320-200 on lease to Air France.

The broker pointed out that on a 0.8 times net book value and 5.5 times forward earnings, Avation is valued at a significant discount to its peers.

Yet, as WHI points out, none of its peers has Avation’s “growth trajectory”.

“We anticipate further aircraft acquisitions being made as the group deploys the capital it raised from the US$100m bond issue in May 2015,” analyst Ian Berry said.

“We anticipate Avation will continue to execute its aggressive growth strategy, growing revenue, earnings and net assets whilst also lowering its cost of capital and reducing its customer risk

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profile by adding new airlines."

At 8.50, the shares were 1% higher at 137.5p each.

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