

DATE

March 02, 2023

SECTORS

Financial Services

DEAL LOCATIONS



DEAL TEAM



Youngjin Lee

Managing Director, Head of
Investment Banking, South
Korea

DC Advisory advised VIG Partners on its KRW 145BN acquisition of Eastar Jet

VIG PARTNERS

EASTAR JET

Background

- VIG Partners is a private equity firm with comprehensive experience in mid-market buyout sector in South Korea
- Established in 2007, Eastar Jet Co., Ltd. (Eastar Jet) is a low-cost airline based in Seoul, South Korea
- In March, 2020, Eastar Jet temporarily suspended all domestic and international services due to Covid-19, which led South Korea's Ministry of Land, Infrastructure and Transport to suspend its air operator's certificate in May, 2020
- Seoul Bankruptcy Court approved Eastar Jet's application to terminate its corporate rehabilitation procedures on March 22, 2022

Process

- DC Advisory (DC) was engaged by VIG Partners to provide buy-side advice on the acquisition of Eastar Jet, including:
 - Financial modelling and drafting IC Memo materials

The acquisition of Eastar Jet by VIG Partners is subject to regulatory approvals and other conditions.

- Transaction multiplies valuation, analysis and comparisons to estimate the value of Eastar Jet
- Creating case studies of successful acquisitions of airlines by global financial investors
- Submitting reports to the Ministry of Land, Infrastructure and Transport to receive the AOC

Outcome

- VIG Partners acquired a 100% stake in Eastar Jet for KRW 35BN, and then re-issued the new shares in Eastar Jet worth KRW 110BN
- This deal showcases DC's ability to advise on multilevel transactions and further strengthens the track record of international delivery

"The ability to complete an off-market deal to a tight timetable at high speed is a credit to the DC team. DC team played a key role in closing the deal."

Changhoon Shin
Partner, VIG Partners

"This transaction was truly brilliant given the potential for new business opportunities that could arise from the pending KAL-Asiana merger. VIG was able to identify the slots and routes that the merged entity will have to forgo and the growth opportunity that Eastar Jet can benefit from. It was a breathtaking job to get approvals from multiple authorities in a pressing timeline but VIG took harmonious steps with the DC team to finish the race."

Youngjin Lee
Managing Director, DC Advisory Seoul