

DATE

August 09, 2024

SECTORS

Consumer, Leisure & Retail

DEAL LOCATIONS



DEAL TEAM



Youngjin Lee

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Executive Director

DC Advisory acts as exclusive advisor to JKL Partners on the KRW 189.7bn divestment of Tway



SONO
HOSPITALITY GROUP

Background

- Established in 2010, T'way Air Co., Ltd (Tway) is a leading Korean low-cost airline with a market cap of c. KRW 550bn, listed on KOSPI since Aug 2018
- Established in 2001, JKL Partners (JKL) is one of the largest private equity firms in Korea, led by three co-founders specialized in acquiring mid-market targets and distressed investments
- In early 2024, due to their strong existing franchise relationship, DC Advisory was made aware of JKL's appetite to divest their significant minority stake in Tway

Process

- DC Advisory was exclusively engaged by JKL to advise on the opportunity to divest their significant minority stake in Tway and tested the water with potential investors
- DC Advisory screened and selected the trading and transaction comparable multiples, creating case study materials of successful acquisition and divestment

cases of airlines in Korea

- DC Advisory identified Sono Hospitality Group (Sono) – an industry leading leisure and infrastructure company in South Korea – as the definitive buyer of this transaction

Outcome

- JKL divested a 14.9% stake of Tway for KRW 105.6bn (3,290 KRW per share) to Sono on June 28, 2024, and Sono additionally acquired a call option for the remaining 11.87% shares of Tway owned by JKL Partners
- The call option for the remaining 11.87% shares has been exercised on August 1, 2024, bringing Sono’s stake to 26.77%, valued at KRW 189.7bn. The transaction has been closed accordingly

“We are proud to share the success story of our recent engagement with JKL on their divestment of Tway. The partnership between DC Advisory and JKL exemplifies the power of collaboration and strategic execution in achieving significant milestones. As a private equity fund, it was clear that JKL’s goal was to maximize return on their investment in Tway through a swift and strategic divestment. From the outset, our team worked diligently to understand their key objectives and craft a tailored strategy to meet their goals. Throughout the process, we maintained rigorous and transparent communication with JKL’s leadership team, ensuring alignment and facilitating swift decision making. The outcome of this divestment is a testament to the effective collaboration between JKL, Tway and DC Advisory. The transaction has not only provided significant financial returns for JKL but also positioned Tway for continued success under new circumstances. We look forward to supporting JKL in future endeavors.”

Youngjin Lee
Managing Director, DC Advisory South Korea