

# GE Aviation: Shifting Priorities, Reshaping Horizons

## CASE STUDY

### BACKGROUND:

In 2011, Ontic acquired GE Aviation's Fuel Measurement business for \$62.5M. Based in Cheltenham, England, the business had sales of \$43M in 2010, prior to the acquisition. The business supplied new parts to OE final assembly lines, into the aftermarket, and overhauled fuel gauging and measurement systems for numerous defense and commercial airframe OEMs, airlines, and aircraft operators. The product line, serves more than 6,200 active aircraft. Key platforms include A319/320, B777, Eurofighter Typhoon, AW101 and Hawk.

The transition process from GE to Ontic was notably complex, and took place over a 12-month period. All transitional objectives as defined by GE and Ontic were accomplished to the mutual satisfaction of both companies and were delivered on time without any unplanned delay. Ontic successfully met the significant challenges of creating a new manufacturing facility, obtaining industry certification requirements, transferring and allocating assets, and acquiring and hiring key talent for engineering, operations, and management.

### OEM CHALLENGE:

GE Aviation entered the fuel gauging market in 2007 through the purchase of Smiths Industries' fuels measurement and gauging business. After supporting the business for a period of time, GE decided to exit the business for two primary reasons:

- › The underlying business and the technology that supported it did not align with their corporate strategy.
- › Without a significant investment in next-generation technology, the business would not remain a market leader. GE decided the investment cost in terms of organizational focus, people, capital, and manufacturing space was prohibitive.

GE's criteria for prospective acquiring companies was comprehensive and demanding. The nature of GE's in-place client relationships and the technical sophistication of the business required specialized expert knowledge and strategic foresight. Divesting this single product line could impact GE's industry standing or its perceived integrity as a Tier 1 aviation supplier. Only Ontic could credibly ensure a smooth transition.



“GE was looking for a partner that had the experience to maintain the complex Fuel System and could be trusted to uphold the same standards of excellence for its customers. Ontic was the only company that met all of the criteria.”

– Gareth Hall, Ontic President and Managing Director

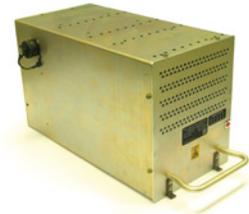
### ONTIC'S EXTENDED LIFE SOLUTION:

The Ontic Adoption Team, led by Managing Director, Gareth Hall, and the Director of Adoptions, collaborated with the GE team to a rigorous and comprehensive transition plan. "While we were negotiating the price and sale agreement, we were also determining a transition plan in lockstep with GE," Hall said. "What we ended up with was a single plan that both sides fully understood, which was fundamental to the success of the overall transition."

The product line adoption and transition was logistically complex. A typical product adoption requires 3-6 months; the 12-month completion timeframe underscores the unusual and intricate nature of this transaction. It included the construction of a new 58,000 square-foot facility near the existing GE facility in Cheltenham, and obtaining approvals and certifications from the British Standards Institute and the

UK Civil Aviation Authority. In addition, Ontic needed to accommodate GE's contractual obligations with three major aerospace clients and to ensure continuous supply to the OE final assembly lines.

Ontic's successful transition was achieved in large part because of its expert and multi-disciplined Adoption team. The team, many of whom were former GE employees, effectively addressed the core business requirements of engineering, production, supply chain, and customer management. With the experience, industry competencies, and diligent oversight of the team, this complex endeavor was a success.



This transition was a success because of the established Ontic Adoption process and the people whose dedication, expertise, and team efforts made it possible."

- Gareth Hall, Ontic President and Managing Director

## OEM Benefits

- › Through the divestment, GE was able to reallocate 40,000 square feet of manufacturing space for higher priority product lines.
- › GE received \$62.5M in capital for the acquisition, which supported research and development for next-generation technologies.
- › GE was able to free stranded capital on its balance sheet by transferring inventory and equipment to Ontic.
- › Since the acquisition, year-over-year sales for the fuels business has continued to grow under Ontic management.
- › On-time delivery (OTD) and customer acceptance levels from major airframe customers meets or exceed GE's prior performance (100% customer acceptance levels and greater than 95% OTD).
- › Ontic facilities have achieved Boeing Gold and Silver Status because of its continued success with OTD and quality levels.

## Production & Aftermarket Support

Aircraft	System Description
Airbus Helicopters	DC Probes
AW101	Active Probe & Harnesses
BAE Hawk	DC Probe Amplifier & Harnesses
BAE Typhoon	Active Probe
Beechcraft T-6	DC Probes & Harnesses
Boeing B777	Ultrasonic System
Boeing Chinook	DC Probes
Boeing T-45	DC Probe Amplifier & Harnesses
CASA 212	AC Gauging System
Learjet	AC Gauging System
Unmanned Air Vehicles	DC Probes

### Ontic also supports the following products under license for GE Aviation:

- › Temperature Controls
- › Fluid Pumping
- › Actuation

### ABOUT ONTIC:

Ontic's extensive legacy-products portfolio is managed and supported from our center-of-excellence facilities based in Chatsworth, California, Cheltenham, UK and Singapore.

Ontic is the:

- › Leading global provider of factory new parts and repair and overhaul services for legacy aerospace products in the commercial, military and business aviation markets
- › Authorized manufacturer and repair and overhaul service provider of over 4,500 unique parts that touch every major aircraft system
- › Trusted partner to a diverse, global customer base with more than 3,000 customers worldwide

Ontic is a wholly owned subsidiary of BBA Aviation plc, with more than 50 years of aerospace product manufacturing and aftermarket support experience. Ontic has partnered with the world's leading aerospace OEMs, including Honeywell, UTC Aviation Systems, Safran, Thales, Eaton, and a number of other OEMs.

## Aftermarket Support

Aircraft	System Description
Airbus A300	Harness
Airbus A318, A319, A320	DC Gauging System
BAE146/RJ146	DC Gauging System
Boeing B727	Fuel Quantity Indicator with TSU Kit
Boeing B737	Fuel Quantity Indicator with TSU Kit
Boeing B747	Fuel Quantity Indicator with TSU Kit
Boeing B757	Fuel Quantity Indicator
Boeing B767	Fuel Quantity Indicator
Boeing T-45	Fuel Quantity Indicator
DC9	Fuel Quantity Indicator
DC10	TSU Kit with Fuel Quantity Indicator
Fokker F28	DCTU & Indicator
Fokker F50	DC Gauging System
Fokker F70	DC Gauging System
Fokker F100	DC Gauging System
Hawker 125-800 (800XP)	DC Gauging System
Hawker 4000	AC Gauging System
Jetstream 32	DC Gauging System
Jetstream 41	DC Gauging System



### To learn more about Ontic Extended Life Solutions, contact:

#### Robert Sadler

+1 855 668 4235 (US/Canada Toll-Free)  
robert.sadler@ontic.com

#### Neil Perrett

+44 (0) 7717 693553  
neil.perrett@ontic.com