



High Hopes: Helping Trans Maldivian Airways Return to the Skies

Trans Maldivian Airways (“TMA”), the world’s largest seaplane operator with a fleet of over 56 seaplanes transporting tourists from the Velana International Airport in Maé to the Maldivian atolls, was suddenly grounded in early 2020 due to the COVID-19 pandemic-induced breakdown in travel.

“TMA is now an operationally strong business with an experienced management team and clear competitive advantages. We are pleased to have helped facilitate the consensual restructuring of the airline’s outstanding debt. The transaction helped return the firm to solid financial footing and pave the way for TMA to focus on enhancing its world-class seaplane operations as it expands its key role in facilitating tourism and supporting jobs in the Maldives.”



Kenneth Fung
Senior Managing Director,
Corporate Finance & Restructuring, Hong Kong

SITUATION

Following the closure of the Maldivian borders and the suspension of operations, the company found itself in a difficult position with no income and was therefore unable to service its interest and principal obligations on its ~US\$305 million senior debt facilities. TMA and its private equity sponsor requested a standstill on its crippling debt obligations. The Asia-based senior lender group, comprising over 11 financial institutions, engaged FTI Consulting as financial advisors to advise and negotiate the terms of the standstill.

After the expiry of the initial standstill period and with the company’s dwindling cash position, the senior lenders appointed FTI Consulting as receivers to safeguard their interests in TMA. In addition, representatives from FTI Consulting were appointed to the board of directors in order to stabilise the situation and provide support to the management of the company.

Throughout the entire process, distressed funds and special situation investors sought to capitalise on the situation and eventually replaced the majority of the original lenders in the senior lenders group.

OUR ROLE

FTI Consulting's primary role was to protect the interests of the senior lenders and to ensure the survival of the underlying business. FTI Consulting acted as financial advisors, receivers and reconstituted the majority of the board of directors.

Our role as receivers was to help facilitate a restructuring of the company's existing capital structure and/or to execute a sale of the business as a going concern. The FTI Consulting team assumed board roles to stabilise the business and ensure a smooth continuation of operations as travel resumed. We assessed the financial position and performance of the business, raised DIP financing to support the ongoing operations and working capital needs, reviewed strategic opportunities to increase revenue streams and minimised costs.

“The successful restructuring of TMA showcases FTI Consulting's ability to preserve enterprise value and achieve positive outcomes for all stakeholders involved. Our senior professionals help drive successful turnarounds, including guidance on stabilising finances and operations to reassuring all parties that proactive steps are being taken to enhance value.”



John Batchelor
Senior Managing Director,
Corporate Finance & Restructuring, Australia

OUR IMPACT



FTI Consulting commenced an M&A sale process of the underlying business which elicited significant interest from private equity and distressed funds.



Having acted as financial advisor to the senior lenders, FTI Consulting helped facilitate the consensual restructuring of the seaplane operator's outstanding US\$312 million senior debt.



A successful restructuring of TMA's senior and mezzanine debt facilities was completed with certain senior lenders becoming owners of the seaplane operator.

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KENNETH FUNG

Senior Managing Director
Corporate Finance & Restructuring
+852 3768 4617
kenneth.fung@fticonsulting.com

JOHN BATCHELOR

Senior Managing Director
Corporate Finance & Restructuring
+613 9604 0628
john.batchelor@fticonsulting.com