

PE Hub

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PE DEALS

Baird Capital's James Benfield: eCube exit landed ahead of schedule

The company's core services include aircraft part-out and disposal, parking, customs management, crating fabrication and parts storage.

Baird Capital exited end-of-life aircraft services provider eCube ahead of schedule following several inbound offers and a successful greenfield development in Arizona, James Benfield, partner, told PE Hub.

St Athan, Wales-based eCube's core services include aircraft part-out and disposal, parking, customs management, crating fabrication and parts storage. Baird Capital sold its investment in eCube to Platinum Equity-backed Unical Aviation, a Glendale, Arizona-based aftermarket parts supplier to the global aerospace industry in early September.

The exit process from eCube was "very competitive," according to Benfield, who is based in Baird's London office. "Our original plan was to exit in 2025," he said. "We had nearly six inbounds in the first quarter of this year; all very sensible and very decent buyers. It's one of those that ended up buying it."

Expansion into the US – a move that doubled eCube's addressable market – wasn't initially in the business plan when Chicago-headquartered Baird Capital acquired the company in 2020. The company touched down in Arizona in 2022, establishing a new facility within the Coolidge Municipal Airport, 50 miles north of Aircraft Boneyard, Pinal Park. "The US business became profitable within 18 months of us starting the process of opening it," said Benfield. "It grew 200 percent, and it will be nearly 40 percent of



James Benfield, Baird Capital

the revenue by the time we exit."

Baird made a "swath" of improvements to eCube, according to Benfield. These included hiring five people for the C-suite and utilizing Baird portfolio company JMAN Group, a business that offers consulting, data science and data engineering services, to improve eCube's data side. "I think we pretty much used every item in our toolkit, other than M&A," said Benfield. "We looked at quite a few acquisitions, but didn't find one that fits."

In 2023, Baird Capital told PE Hub it had spotted an opportunity in the APAC region, even stationing a team in Singapore to evaluate a potential market entry. Flying over the Atlantic to expand in the US

was, however, enough for one ownership period. "There definitely is an opportunity in Asia and we've had quite a lot of interest from some of the Japanese trading houses," said Benfield. "I can't speak for the new owner, but there certainly is an opportunity in the future to develop in Asia."

Building pressure

The aircraft maintenance, repair and overhaul market has grown dramatically over the past 15 years, according to Benfield, providing businesses such as eCube with tailwinds. Demand for sustainably sourced parts has similarly increased. "There's additional pressure on parts companies to increase the quantity of used serviceable materials – there's pressure to recycle and reuse as much as possible," Benfield explained.

Sustainability-focused investments make up around 25 percent of Baird's dealflow, according to Benfield, who added that it is a "really good time" to be looking at these businesses.

They aren't without their challenges, as in many cases, circular economy-focused businesses are attempting to create an entirely new business model, Benfield said. "That's one of the reasons many founders are looking for a good partner to help them expand – there are no well-worn paths within the circular economy," he added. "That's what makes it such a fun and interesting place to invest in."