

# KEYNOTE INTERVIEW

## A long runway ahead



*Circumstances are ripe for ramping up aviation leasing services, say Basalt Infrastructure Partners' **John Hanna**, Unilode's **Ross Marino** and Fortbrand's **Jared Verano***

The airline industry is steadily moving away from traditional ownership of mission-critical, aviation-related infrastructure such as ground support equipment, toward an asset-as-a-service model, mirroring broader trends seen in other infrastructure and industrial sectors. Rather than tying up capital in high-cost assets like unit load devices, carriers are outsourcing ownership, asset management and maintenance. What started as selective leasing is now evolving into fully integrated service models, where providers handle life cycle management, compliance and uptime – freeing airlines to focus on their core operations and customer experience.

London and New York-based Basalt Infrastructure Partners is looking to position itself to capitalise on this shift through its investment companies,

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Unilode Aviation Solutions and New York-based Fortbrand Services, explains John Hanna, managing partner at Basalt Infrastructure Partners, as well as Ross Marino, CEO at Unilode, and Jared Verano, president and CEO at Fortbrand.

**Q What are the key drivers behind the growth in asset leasing within aviation infrastructure, and does it represent a fundamental shift in how investors define infrastructure?**

**John Hanna:** Leasing businesses provide fleets of mission-critical assets

that airlines and operators rely on, creating stable, long-term demand. For infrastructure investors, this model offers attractive downside protection through contracted revenues, while still providing exposure to long-term aviation growth. We believe the ability to reinvest capital into a scalable asset base further enhances resilience and supports sustained portfolio growth. In terms of expansion opportunities, we see a long runway ahead.

**Ross Marino:** From Unilode's perspective, the growth in asset leasing reflects a relatively recent shift by airlines towards outsourcing unit load device (ULD) management. Unilode has operated for 25 years, and its largest competitor for just over 20, but only around 30 percent of the global ULD market is currently outsourced. That

highlights the scale of the opportunity. In recent years, adoption has accelerated sharply mainly due to efficiency reasons. Unilode's pooling model allows airlines to share assets, typically reducing required fleet sizes by 15-25 percent. That enables airlines to move away from maintaining large buffer stocks and instead rely on a specialist operator to ensure assets are in the right place at the right time.

Outsourcing is also attractive because ULD management is not core to airline operations. Unilode pioneered the digitisation of ULD assets and is now close to having 100 percent of its fleet digitally enabled. Most airlines don't have digitised assets, and therefore lack the track-and-trace, sensory data and analytics capabilities this technology provides. By aggregating this data, Unilode can apply machine learning and AI to improve asset utilisation and service quality – capabilities airlines can access as a service without making the investment themselves. By shifting responsibility to a dedicated leasing provider, they can focus on their main business while reducing capital expenditure.

Airlines can also achieve sustainability gains by holding fewer assets and improved service quality through digitisation, including tracking, traceability and sensory data such as temperature, shock, humidity and light. Together, these advantages are driving growing airline adoption of the leasing model. Currently, only about 30 percent of the market is outsourced too. But Unilode is rapidly expanding, with a pipeline of over 100 airlines. Given the strong appeal of the leasing model – offering capex savings, service benefits and operational efficiency – we expect the growth we've seen in the past two years to continue in the future.

**Jared Verano:** At the macroeconomic level, growth in leasing is being driven by the post-pandemic surge in air travel and cargo, unprecedented supply-chain constraints and a heightened focus on

## Q How are managers integrating digital platforms to generate and evidence tangible returns on investment?

**RM:** Unilode's sustainability approach focuses on reducing fuel burn and emissions through multiple levers. Using lightweight, recyclable ULDs – now around 52-65kg versus over 100kg historically – cuts fuel consumption. Pooling allows airlines to operate with 15-25 percent fewer assets, reducing repositioning flights, empty equipment moves and hub repairs, all of which further lower CO2 output. Digitalisation also improves asset visibility, enabling precise fleet management and reducing buffer stocks. By quantifying these savings for each carrier, Unilode can demonstrate clear environmental and operational benefits, making the pooling model both sustainable and a driver of growth.

**JV:** Fortbrand complements these sustainability efforts by enabling airlines and airports to transition from traditional combustible equipment to electric alternatives. We've invested in electric fleets and supporting infrastructure, including portable units for locations without grid access, which helps our customers adopt cleaner operations. This approach reduces carbon emissions and creates significant growth and service opportunities. Last year, we announced our partnership with JFK Terminal 6 where Fortbrand will manage and operate a pooled fleet of all-electric ground support equipment (e-GSE). This is a first-of-its kind programme, and will make JFK's Terminal 6 the first in North America to deploy pooled e-GSE.



financial flexibility. At the operational level, rapid advances in equipment and technology are improving efficiency and safety but require significant capital investment. Leasing allows customers to access these upgrades quickly, partner with specialists and modernise fleets without waiting for internal capex approval or budget cycles.

## Q How critical is the ability to bridge European and

### North American markets as a differentiator for scaling niche infrastructure businesses such as aviation asset leasing?

**JH:** We believe Basalt benefits from its transatlantic approach by targeting markets at different maturity stages. European infrastructure markets, like ground support equipment (GSE) leasing, are relatively mature and concentrated, while the US remains early-stage and fragmented – only

*“Airlines can achieve sustainability gains by holding fewer assets and improved service quality through digitisation”*

ROSS MARINO

about 5 percent of ground support equipment is outsourced. This creates opportunities for strategic investment and consolidation, as demonstrated by Basalt's acquisition and merger activity via Fortbrand.

In Europe, infrastructure investors have largely focused on airports, in countries such as the UK, France and Italy. In contrast, US airports are almost entirely publicly owned, and past privatisation efforts faced resistance from airlines, limiting private capital involvement. As a result, many infrastructure investors have historically overlooked the US aviation market. We believe Basalt's presence in both regions allows us to identify opportunities across the two markets that others focused solely on Europe might miss.

**JV:** The US GSE market is less mature than Europe, largely because electric conversion adoption has been slower, and the market is fragmented across many airports.

Due to the physical presence required, it's been historically challenging for one player to offer a full-service leasing solution across the global market. However, due to technology advancements and infrastructure investment, this has become an achievable model.

**RM:** Unilode's ULD pooling model relies on global scale to be effective. We have by far the largest global ULD fleet, with assets located across 750 airports and operations spanning every continent. This enables us to cover 100 percent of a typical airline network. Our extensive global presence makes our leasing and management services highly attractive, allowing airlines to access ULDs wherever they operate, while Unilode continues to expand scale to ensure asset availability every time.

### **Q Is growth primarily driven by organic expansion or consolidation of regional players?**

**JH:** Both organic growth and selective acquisitions are important. Unilode has primarily expanded organically by winning customers globally, as few comparable ULD management businesses exist to acquire. We believe Fortbrand presents both strong organic growth potential and opportunistic M&A prospects. For Basalt, the key focus across both businesses is continued investment to meet growing demand and support platform expansion. By backing high-quality teams at these two companies, both have been able to win contracts and expand their businesses.

**JV:** Fortbrand's recent acquisition of Xced Aviation immediately expanded our footprint and increased our ability to better serve our customer base. We were able to add a great group of people to our existing team and bring in a portfolio comparable to ours, some additional facilities, and just a better overall physical presence in North America.

### **Q Looking ahead to the next five years, what are the key growth drivers, and how do they influence leasing structures, risk pricing and return expectations?**

**JV:** The aviation market is expected to grow steadily over at least the next

five years, which will create ongoing opportunities. Advances in technology, financial flexibility and service-oriented solutions from Unilode and Fortbrand will help address industry pain points, attract new customers and drive continued organic growth, while also keeping the door open for future acquisitions.

**RM:** Unilode sees significant growth potential in airline outsourcing, with much of the market still untapped. Key drivers will be pricing flexibility, digitisation and advanced data analytics, including AI and machine learning. We're able to leverage 25 years of operational data to optimise forecasting, route planning and asset utilisation. These capabilities also support sustainability, such as CO2 reduction through the pooling model. In addition to ULDs, Unilode continues to expand into adjacent areas like galley car management and maintenance, repair and operations services, creating multiple avenues for future growth.

### **Q How important is the balance between downside protection and upside optionality in leasing structures, and how is risk assessed and actively managed?**

**JH:** In our view, the asset leasing, or 'asset-as-a-service', model fits well within a balanced infrastructure portfolio because it combines resilience with growth potential. Both Unilode and Fortbrand demonstrated stability during crises like the pandemic due to long-term contracts and essential-service assets, providing downside protection.

At the same time, outsourcing penetration in aviation remains low, which offers significant long-term growth opportunities. We believe the combination of strong asset backing, predictable unit economics and scalable platforms makes these businesses attractive for investors seeking both core stability and growth upside. ■