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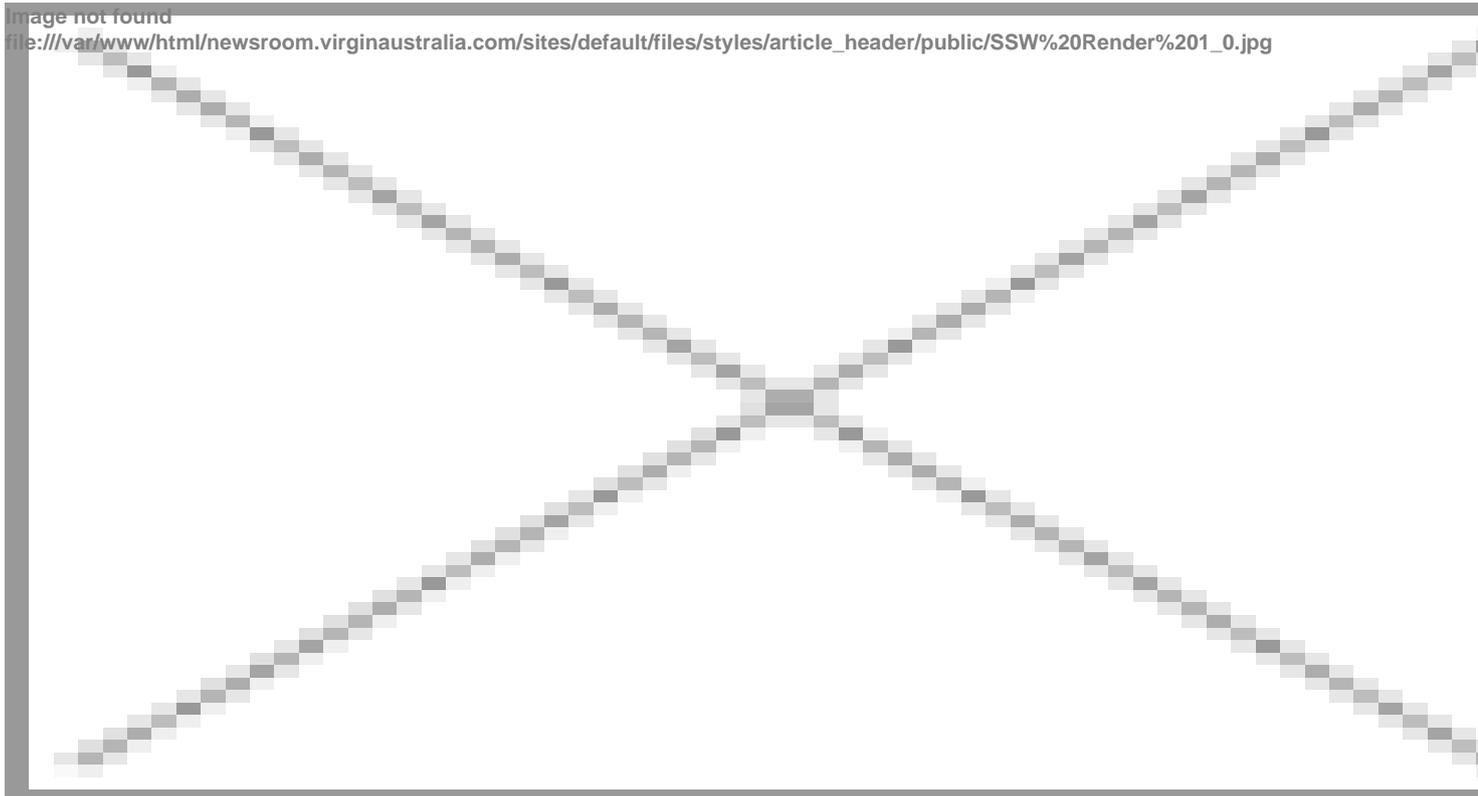
[Home](#) > [New chapter for Virgin Australia begins today as Deloitte announces completion of sale to Bain Capital](#)

17 November 2020 | [Financial](#) ^[1]

New chapter for Virgin Australia begins today as Deloitte announces completion of sale to Bain Capital ^[2]

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17 November 2020: Deloitte Restructuring Services partners, and joint Virgin Australia Voluntary Administrators Vaughan Strawbridge, John Greig, Richard Hughes and Sal Algeri today announced the completion of the sale of the Virgin Australia Group, with the shares and the entire business of the airline being transferred to Bain Capital.

Announcing the milestone, lead administrator Vaughan Strawbridge said: "Today is an important day for the future of Virgin Australia as Bain Capital takes custody of the airline after one of the most challenging administrations in Australia's corporate history, not least as a business, an employer of thousands of people, and a key contributor to national and state economies. Triggered by the COVID-19 pandemic, it has been a process like no other in Australian corporate history.

"This has been a very complex insolvency appointment further complicated by the fact that the process was undertaken and completed during Australia's Covid-19 shutdown. Since our appointment on 20 April this year, the approach we have taken, including how the sale was structured, has involved significant amounts of work and innovative approaches to a wide range of tasks and issues, many of which have not been encountered previously in either Australian or international market contexts.

?We have certainly had our fair share of challenges, but we have remained focused - undertaking a process with the objective of ensuring the business continued, to maximise job retention and ensuring the best outcome for all creditors.?

On behalf of the Deloitte team, Strawbridge said: ?The successful conclusion of the administration is a tribute to the assistance and support given to our team by Virgin Australia?s dedicated, hard working and loyal management and staff, who kept the airline flying throughout, the unions who supported them and Virgin?s service providers, all working together to ensure that Australia?s aviation sector will remain vibrant and competitive in the post-COVID era.

?In such extraordinary circumstances, with the COVID-19 induced crisis impacting every airline in the world, it was critical we conducted a process to protect the business and create a platform for its restructure and re-emergence from administration. It was clear from the start we needed to achieve a market-led solution for the airline.?

Acknowledging his fellow administrators, John Greig, Sal Algeri and Richard Hughes, Strawbridge said: ?We have done everything in the administration together, every decision, every step, and been supported by our amazing teams who we are so very proud to work with. As well, a special mention to my fellow Deloitte Restructuring Services partners, David Orr, Grant Sparks, Tim Heenan, Matt Donnelly, Sam Marsden and Kathryn Evans, who have played an important role in getting us to where we are today.?

Strawbridge also thanked the Virgin Australia management team and all Virgin Australia staff: ?It goes without saying that these have been extraordinarily difficult circumstances under which they have continued to work, not least the patience they have shown while on stand down from normal operations. There is an amazing culture at Virgin and it has continued to shine, and will no doubt be intrinsic to the airline?s future.

?We also thank the unions that have supported their members and worked with us throughout this difficult period, and of course, we could not have continued to trade without the support of, and agreement with, lessors and financiers, service providers to the business and partners. The Federal Government also played a critical role with its industry support package and underwriting of certain key flights which has been essential to operations, and we thank them for that.?

OPTIONALITY AND COMPETITIVE TENSION FOR THE BEST OUTCOME

Commenting on the administration process Strawbridge said the role of Voluntary Administrators is always a challenging one, and inevitably undertaken in challenging circumstances.

?That has certainly been the case here, but we have remained determined to ensure the best outcome for the Virgin team, all creditors and the industry as a whole. Nor can we forget the circumstances in which we found ourselves and the need for an efficient and effective process, given the funding constraints we faced,? he said.

?From the outset, our team strove to create options for the airline?s survival; committed to maintaining staff levels so the airline?s people could remain connected to the business and also access JobKeeper while the sale process was worked through; and understood more fully the implications of COVID-19 on the business, the likely future shape of the business and

the speed of recovery of the industry in Australia, which has been very different to the experience around the world given the disruption to internal markets from state border closures.

?Then creating competitive tension in the sale process was the key element to ensuring a successful outcome to deliver a restructure of the business and survival of the airline.

?Creating deal certainty was critical from both the buyer and our perspectives, particularly given the investment the buyer was being asked to make and the importance to the economy that Virgin Australia remain a competitive force. To achieve the best outcome for everyone, it was also vital that as many jobs as possible be preserved. Given the second COVID-19 wave in June, our innovative sale structure became hugely significant in achieving, firstly, the survival of the company, and then the successful outcome we see today.

?Since our appointment in April this year, the process has taken seven months to get to this point ? a point where the business is ready to hand over to new owners in Bain Capital.

?This rigorous and competitive administration, restructuring and sale process now provides certainty for employees and customers, a return to creditors, opportunities for suppliers and financiers to continue to trade with Virgin Australia, as well as maintaining a competitive Australian aviation industry for the benefit of consumers.?

TEAM EFFORT OVERCOMES COMPLEXITY

The Administrators have faced an enormous amount of challenges throughout the process, but navigated through these with the support of the Deloitte team, the Virgin team, the legal advisors in Clayton Utz, led by Timothy Sackar, and sale advisors, Houlihan Lokey and Morgan Stanley.

?There are a lot of people who have contributed to the success of this restructure and transaction and we will be eternally grateful to them for their extraordinary contribution. It truly has been a team effort,? Strawbridge said.

?The administration involved a large number of work streams covering every part of the business and that have required close and productive relationships and support from day one with multiple stakeholders in Australia and overseas ? from Virgin Australia management and employees, to unions, governments, equipment lessors, Velocity Frequent Flyer members & partners and potential and, now, new owners.

?In difficult circumstances, the focus has always been on the interests of creditors and ensuring that a strong and viable business could emerge from external administration under new and committed owners, and as a contributor to a competitive Australian aviation industry.?

DEEDS OF COMPANY ARRANGEMENT (DOCA'S) - KEY POINTS

?While our formal role with the airline comes to an end, we do continue to represent the interests of creditors as we manage the process to assess claims and make distributions to creditors,? Strawbridge said.

?We would also like to commend the work of Bain Capital, the speed in which they acted to be in a position to commit to buying the airline, and the unrelenting resilience they have shown to get to completion has been exceptional.?

The DOCAs, formally approved by creditors on 4 September 2020, provide for:

- ? Unsecured creditors receiving between 13 and 9 cents in the dollar on their claims (from a pool of funds of between \$462 million and \$612 million)
- ? The value of all customer travel credits and prepaid flights provided post-administration
- ? Continued employment for the majority of employees and entitlements paid in full, including for those leaving the business
- ? Continuation of the Velocity Frequent Flyer program
- ? Retention of aircraft and equipment
- ? Interim funding and acceptance of economic risk by Bain from 1 July 2020.

TAKING CARE OF PEOPLE

?Virgin Australia has a truly unique culture, and is a business and brand loved by its employees. This has also been the most challenging part of the administration, the human element, seeing the impact on so many people, their industry in turmoil and the impact on the careers they have chosen,? Strawbridge said.

?Recognising the human impact of the airline going into administration, we have used this as motivation to make sure we remained one hundred percent focused on achieving the outcome we have, driving through adversity and challenges as they arose, and there were a lot.

?While the outcome of the process is extraordinary, as Administrators we do acknowledge it has come at a cost for many Virgin Australia employees who have lost their jobs, and suppliers and creditors who will not receive all of the monies owed to them and investors who will receive nothing.?

In conclusion, Strawbridge said the next stage in the life of this great airline will be in the hands of Bain Capital.

?Bain Capital has demonstrated its commitment to bringing the business out of administration and through the added hardship, brought about by COVID-19 and rebuilding the airline to compete effectively for the long term,? he said.

?We wish the Bain Capital team, and all Virgin Australia employees the very best as they now focus on the future.

?The environment remains challenging for the business and the aviation industry, but the airline is now in the best possible place to meet those challenges and be ready for opportunities that will undoubtedly emerge once COVID is no longer.?

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