

TRAVEL AND HOSPITALITY

Wheels Up capital growth to fuel membership growth, market expansion

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Wheels Up is continuing to disrupt the private aviation sector. Image credit: Wheels Up

By STAFF REPORTS

Private aviation firm Wheels Up has raised more than \$200 million of capital to continue growing and expanding its membership-based business.

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The aviator announced Oct. 6 that it had completed an equity capital raise of \$117.5 million, after initially setting out to raise \$100 million. The private aviation space is increasingly crowded, and to set themselves apart, brands must secure capital to enhance and execute service at a higher level than their peers to stay competitive.

Funds to fly

During the funding round, Wheels Up raised \$117.5 million from Fidelity Management & Research Company. T. Rowe Price Associates, Inc. led the round and was joined by existing investor, NEA and new institutional investors.

In June, Wheels Up completed a \$90 million aircraft financing facility with KKR.

Wheels Up, following the completion of the capital raise, is now valued at approximately \$700 million. The private aviator's enterprise value is more than \$1 billion.



Wheels Up is valued at more than \$1 billion. Image credit: Wheels Up

The aviator's latest round of financing will fund growth initiatives such as adding to its exclusive fleet of Beechcraft King Air 350i planes. The funding will also go toward membership growth, sales and marketing and a planned expansion into Western Europe and other markets ([see story](#)).

Wheels Up is also considering adding Citation X aircraft to its private fleet as soon as the first quarter of 2018.

"The follow-on investments from Fidelity Management & Research Company, funds and accounts advised by T. Rowe Price and NEA and the addition of KKR and others to our institutional backers, validates all that Wheels Up has achieved in the four short years since our launch," said Kenny Ditcher, founder and CEO of Wheels Up, in a statement.

"We share a common vision with our investors that Wheels Up can build on its market-leading position and further disrupt the space through enhanced digital offerings," he said.

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