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From Both Sides Now

Canadian phenom Joni Mitchell quietly burst onto the folk music scene in 1966-67 with *Both Sides Now*, a breakout hit that spoke of clouds, love, and life. Singer-songwriter, multi-instrumentalist, painter, and poet, Mitchell is an 11-time Grammy Award winner. Few know that she also has an aviation connection, from her youth growing up on RCAF bases in Western Canada where her father trained pilots for the war effort. Her works have inspired fans across the globe and of all ages. If imitation is a kind of artless flattery, *Both Sides Now* has been covered by more than 1,000 artists to date.

As analysts of the business aviation industry, we have had the privilege and responsibility to look at things from many different perspectives over the years. In retrospect, it seems that most compelling research begins with simple curiosity and good questions, which lead to insights - many of which are grounded in fact-based evidence, preferably from multiple sources. Some of the most compelling research we have performed is rooted in questions such as: "What could this mean?" and, as importantly, "What else could this mean?" In our work, the second of these questions enables deeper and more thoughtful analyses, including the consideration of alternative interpretations beyond the initial or the seemingly obvious.

Since 2011, our JETNET iQ Surveys have reached business aircraft owners and operators in more than 140 countries. With more than 27,000 respondents to date, these Surveys have revealed countless customer perspectives from a fascinating and engaged community. Transforming these and other inputs from trusted data streams into strategic and actionable intelligence is part of the secret sauce and value-add that we bring to our side of the table.

In this issue of PULSE, we delve into the complex topic of trade tariffs, which have emerged as a preferred negotiating tool in the U.S. Administration's arsenal of levers. Set aside long ago as a blunt instrument of economic power, broad-based tariffs are well known to have deep, wide-ranging, and unintended consequences. The business of civil aircraft manufacturing is incredibly complicated and increasingly global in scale and impact – yet U.S.-centered. The rules that govern aircraft certification and international operations have been largely set by the U.S. over the past century. The hallmark Agreement of Trade in Civil Aircraft (ATCA), signed more than 45 years ago to remove tariff and trade barriers, has paved the runway for the U.S. to benefit from massive and recurring trade surplus in the export sales of aircraft, engines and parts. Free trade works, no matter which side of the negotiating table you sit on. ✈️

***"Free trade works,
no matter which side
of the table you sit on."***

Rollie Vincent
JETNET iQ Creator/Director



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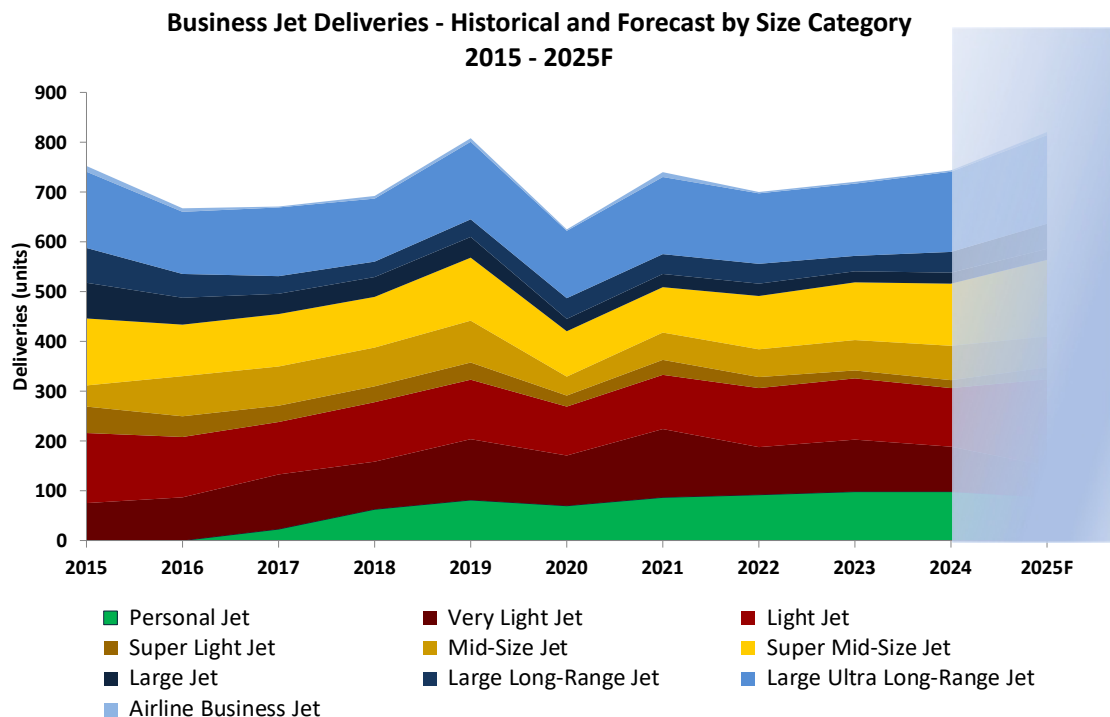
Outlook

Forecasting in an industry as globe-spanning, technologically complicated, and rules-based as international civil aviation and aerospace is highly specialized and surely not for the faint of heart. As much art as science, the vital details of forecasting methodologies are familiar to few, practiced well by even fewer, and lost on many. While many forecasts begin with a math equation, that is typically an initial step in the process for more experienced prognosticators, seasoned by knowledge gained in rooms around the industry where strategic decisions are made.

In our years of analyzing markets and understanding human behaviors, forecasting in today's business aviation environment seems uniquely different. During our still-nascent 21st Century, business aviation has already endured the 9/11 terrorist attacks, devastating regional wars, the Global Financial Crisis, and COVID-19. Chaotic weather patterns, ceaseless geopolitical conflicts, and tariff wars are the latest Black Swan events in our daily

dose of breaking news headlines. While the economic impacts of the U.S. Administration's focus on tariffs are unknown, policy uncertainty and unpredictability is already causing concern amongst investors, business leaders, and consumers, which is already in evidence with slower growth, higher prices, and delayed purchasing. In business aviation, the near-term outlook for new aircraft deliveries has been largely set in place for some time. Long-ago placed orders for aircraft are buried in OEM backlogs at historically high prices, shielding for now these organizations for the most part from a downturn in demand for the time being. How this plays out as order backlogs are drawn down is something to watch closely. Our near-term forecast is for ~10% higher business jet deliveries in 2025 YoY, representing the industry's highest unit output since 2009. ✈️

Business Jet Unit Deliveries and JETNET iQ Forecast for 2025 Year-End



Sources: Company reports; GAMA (historical), JETNET iQ (forecast)

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Business Conditions

GDP

The Economist's **GDP growth forecasts** (Jul. 10, 2025) for 2025 are: U.S. +0.9%, Euro Area +1.2%, U.K. +1.0%, Mexico -0.2%, Brazil +2.2%, Canada +1.0%, China +4.7%, Australia +1.7%, and Russia +0.9%



Business jet cycles (take-offs and landings) for Jan.-Jun. 2025 were down 13.8% YoY for U.S. Part 91, up 11.1% YoY for U.S. Part 91K, up 8.0% YoY for U.S. Part 135, and up 0.7% YoY for European operations



Dow Jones Index (U.S.) was up 9.5%, **FTSE 100** (U.K.) was up 9.5%, **CAC 40** (France) was up 2.5%, and **DAX 30** (Germany) was up 29.9% YoY on Jul. 15, 2025



U.S. Index of Consumer Sentiment was 60.7 in Jun. 2025 vs. 52.2 in May 2025 and 68.2 in Jun. 2024 YoY; **Euro Area Economic Sentiment Indicator** was 94.0 in Jun. 2025 vs. 94.8 in May. 2025 and 96.0 in Jun. 2024 YoY



U.S. unemployment rate (seasonally adjusted) was 4.1% in Jun. 2025 representing 7.0 million unemployed people, compared to 4.1% in Jun. 2024



U.S. Purchasing Manager Index (Manufacturing PMI) was 49.0 in Jun. 2025, up from 48.5 in May 2025 and from 48.3 in Jun. 2024; **Euro Area Business Climate Indicator** was -0.78 in Jun. 2025, down from -0.57 in May 2025 and from -0.48 in Jun. 2024



Transactions of pre-owned business aircraft in the first 4 months of 2025 were 824 jets and 381 turboprops, up 24.7% and up 3.3% respectively YoY (JETNET as of May 1, 2025; whole retail transactions only)



Business aircraft deliveries registered YTD in 2025 are 341 jets (including Cirrus and Boeing / Airbus single-aisle) and 135 turboprops (Source: JETNET – as of Jul. 15, 2025)

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Q2 2025 JETNET iQ Survey: Tariff Impacts on Aircraft Purchases

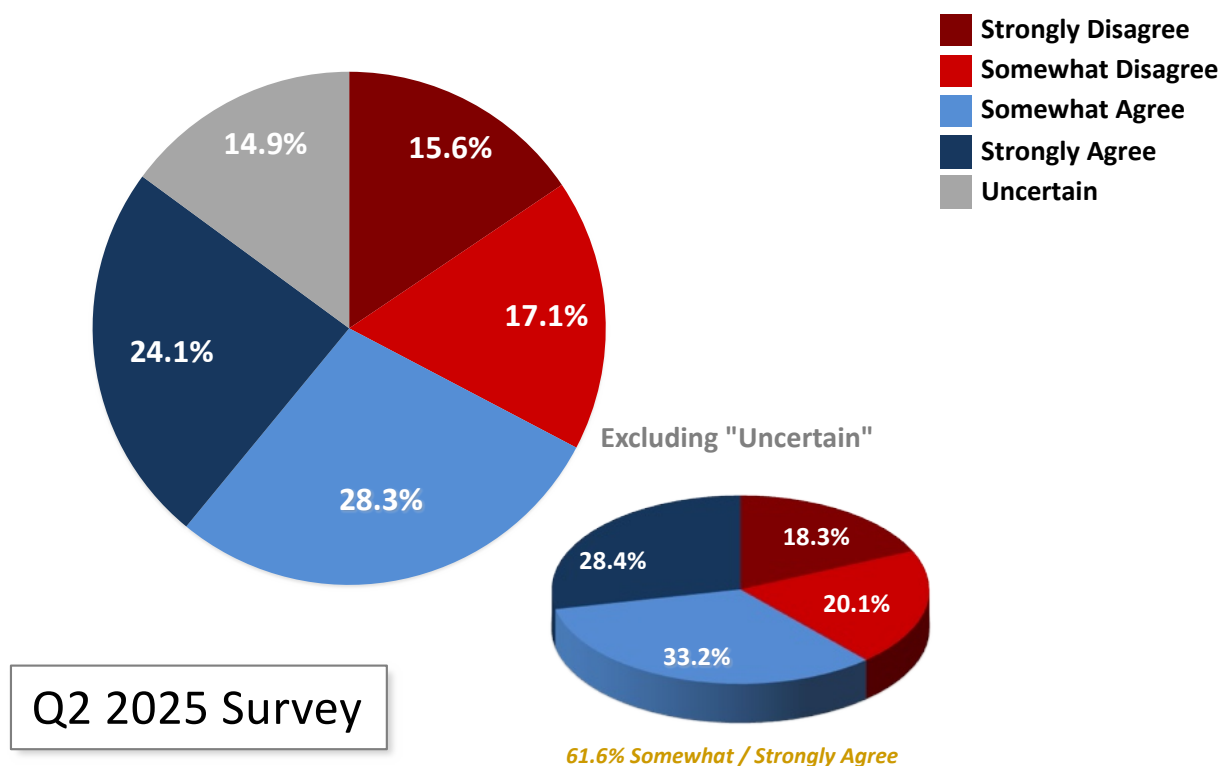
Business aircraft owners / operators who responded to our Q2 2025 JETNET iQ Survey expressed considerable concern about tariff-related uncertainties with regards to their new aircraft purchase plans over the next 12 months. Almost 62% of respondents with an opinion agreed that uncertainties about the impacts of tariffs would delay their new aircraft purchase plans. While most OEMs have strong backlogs representing 1.5-2 years of production, insights like these will

hopefully compel policymakers to sit up and take notice. Business aviation has thrived for 45+ years in what has been an essentially tariff-free international trading environment which has served stakeholders very well. Through the first half of 2025, uncertainty and unpredictability appear to have become the norm rather than the exception for many business aircraft customers and their organizations. ✈️

Impact of Tariffs on New Aircraft Purchase Plans

Worldwide - Q2 2025 JETNET iQ Survey

"Uncertainty about the impact of tariffs will delay my/our purchase plans for a new aircraft within the next 12 months"



Source: Q2 2025 JETNET iQ Survey (n= 360 owner / operator respondents from 48 countries)

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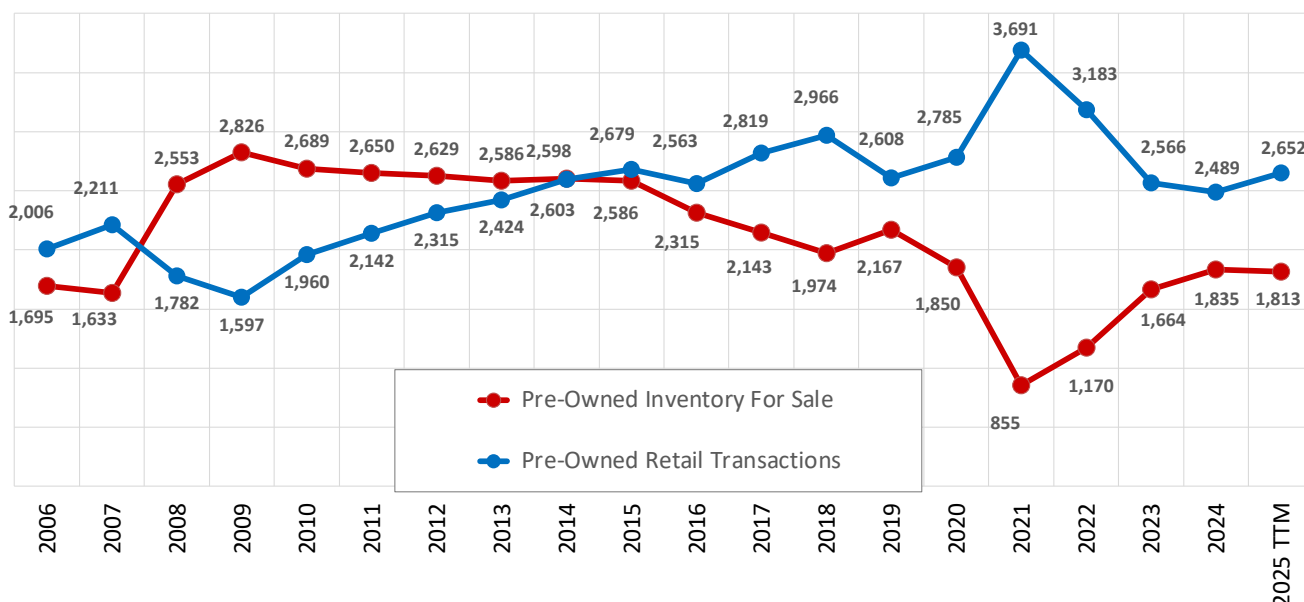



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Pre-Owned Business Jet Transactions and Inventory

The pre-owned business jet marketplace continues to rebalance following unprecedented demand in 2021 through mid-2022 in the immediate aftermath of COVID-19. There were 824 retail pre-owned jet transactions (whole aircraft only) in the first 4 months of 2025 according to JETNET records, up an impressive 24.7% YoY and a fast start to the new year. The return of 100% bonus depreciation in the U.S. is widely anticipated to provide further lift to business aircraft sales, especially in the 2nd half of 2025. In the full year 2024, retail pre-owned jet transactions were down ~3% YoY while year-end inventory was up ~10% versus where it finished 2023.

As usual, the most attractive inventory of young, pedigreed models remains in short supply, with virtually no availability in some cases depending on the model and vintage of greatest interest to the buyer. JETNET databases indicate that there were 145 business jets delivered new since the beginning of 2020 that were listed as for sale in mid-July 2025, representing just 0.6% of the in-service fleet worldwide. In the popular Super Mid-Size Jet segment, just 7 aircraft that delivered new since the beginning of 2020 were listed as for-sale in mid-July 2025, including not a single example of the segment-leading Challenger 350 / 3500. ✈️



Sources: JETNET; JETNET iQ analysis; RTM = Rolling Twelve Months (i.e., annualized through April 30, 2025)

JETEX



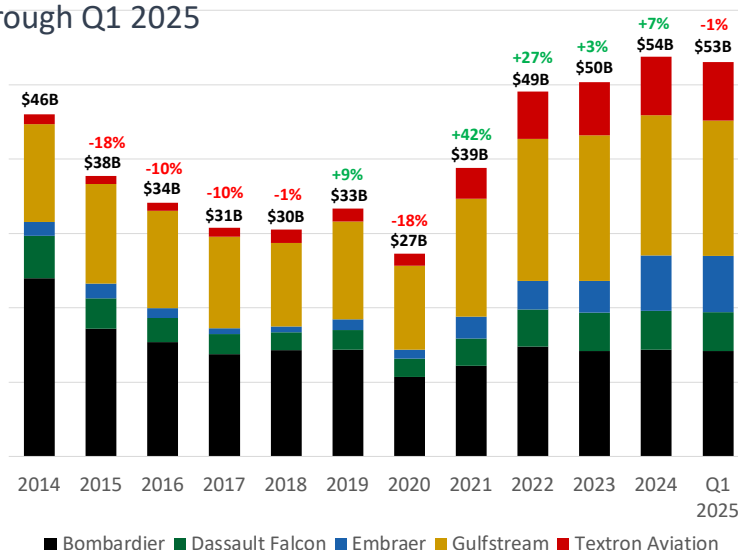
OEM Order Backlogs and Book-to-Bills

Total order backlog value at the 5 largest business aircraft manufacturers has remain relatively stable for the last 2-3 years near \$53-54B, representing 18-24 months of production at recent rates. While book-to-bill performance has downshifted from (frankly) unsustainable levels in 2021 and into 2022, efforts to accelerate production continue to be

constrained by supply chain bottlenecks (albeit at fewer suppliers) and lingering staffing challenges in an historically tight labor market. New aircraft prices have reportedly now begun to come back from their recent near-stratospheric levels, as demand signals are complicated by tariff and broader macroeconomic uncertainty and unpredictability. ✈️

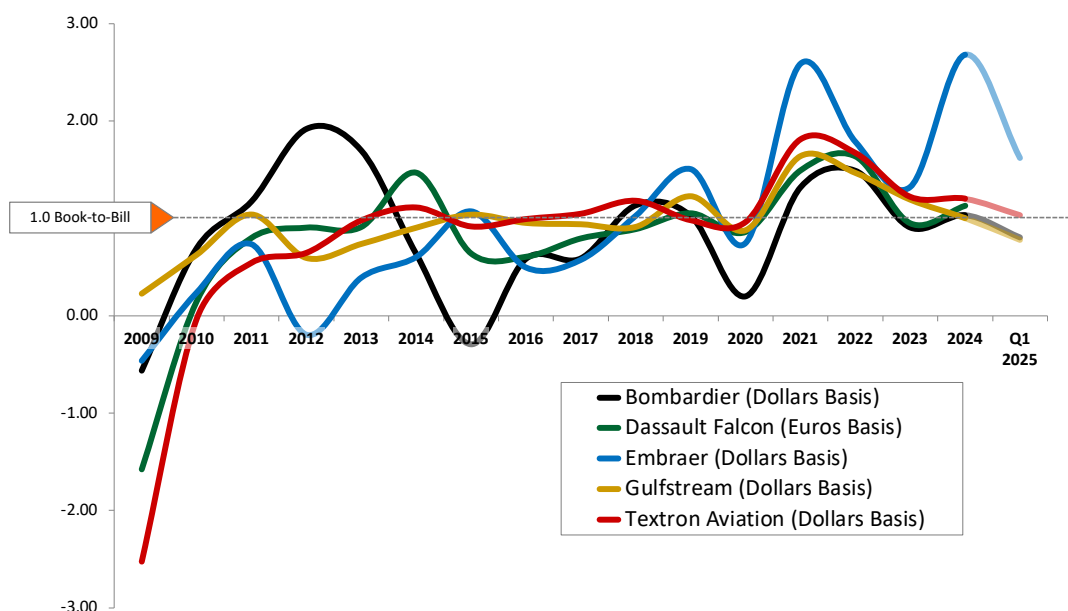
“Big 5” Business Aircraft OEM Backlogs

\$U.S. in Billions - Through Q1 2025



“Big 5” Business Aircraft Book-to-Bills

Through Q1 2025



Source: Company reports; JETNET iQ analysis and estimates

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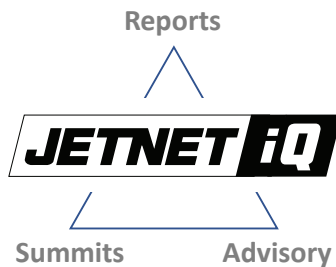


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About JETNET iQ

JETNET iQ is a market research, strategy, and forecasting service for business aviation with 3 main elements:



- **JETNET iQ Reports** are the definitive analytical reference for business aviation, incorporating quarterly state-of-the-industry analyses, aircraft owner / operator surveys, and detailed aircraft delivery and fleet forecasts.
- **JETNET iQ Summits** are unique conferences providing industry insights, thought leadership, and networking opportunities with titans of the industry.
- **JETNET iQ Advisory** services include bespoke research, analytics, insights, forecasts, and recommendations for clients on strategic topics including market intelligence and next-generation products and services.

JETNET iQ's proprietary quarterly surveys of the worldwide community of business aircraft owners and operators are carefully designed to generate statistically sound data that gauge customer sentiment, brand perceptions, aircraft purchase / selling / utilization expectations, and areas of topical interest in a fast-changing marketplace. JETNET iQ Surveys are password-protected and by invitation-only to ensure superior quality. Survey respondents include both aviation professionals and senior management and closely reflect the worldwide distribution of the business jet and turboprop community. Since Q1 2011, more than 27,000 respondents from 140+ countries and territories have participated in JETNET iQ Global Business Aviation Surveys, generating the largest commercially available database of its kind in the world.

JETNET iQ, a respected source of industry intelligence and voices-of-the customer research, is a result of a long-term partnership between Rolland Vincent Associates (RVA) and JETNET. RVA is an advisory service specializing in business aviation industry analytics, market and competitive intelligence, and forecasts that support leadership decision-making. Established in 1988, JETNET powers investment, growth, operations, and safety through the most comprehensive data and actionable intelligence in aviation worldwide.

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