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JETNET iQ Light Jet Market Report

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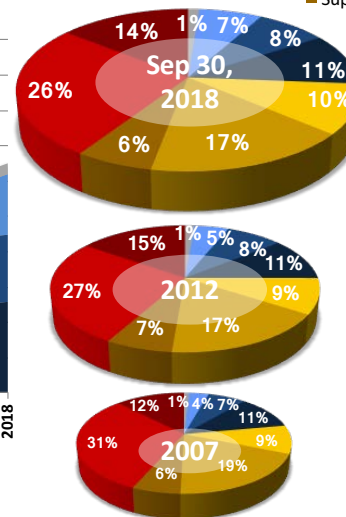
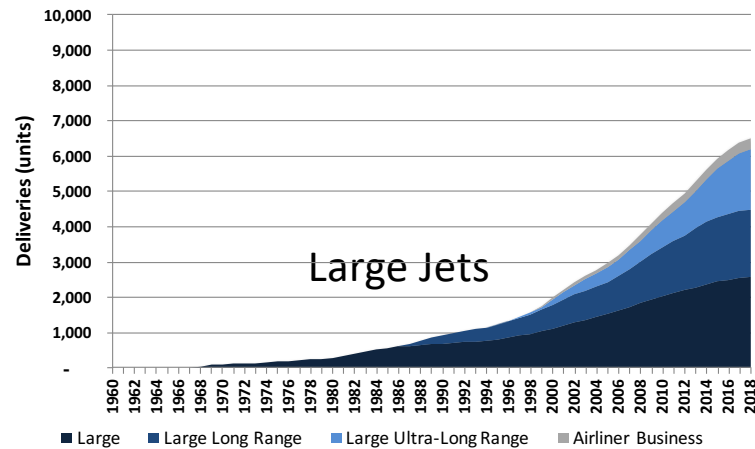
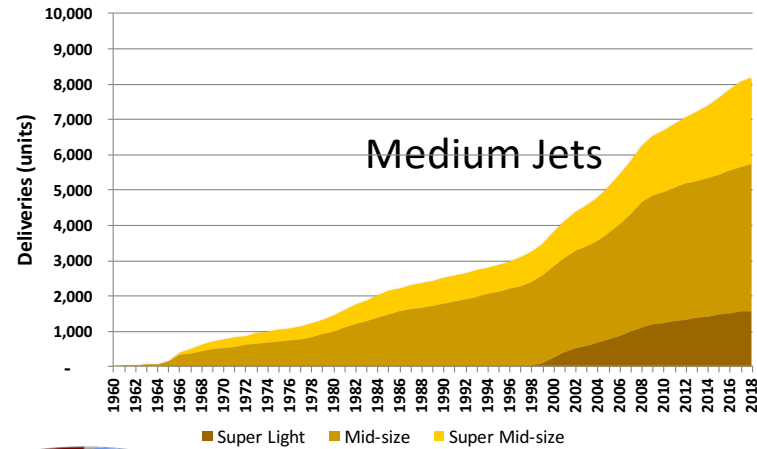
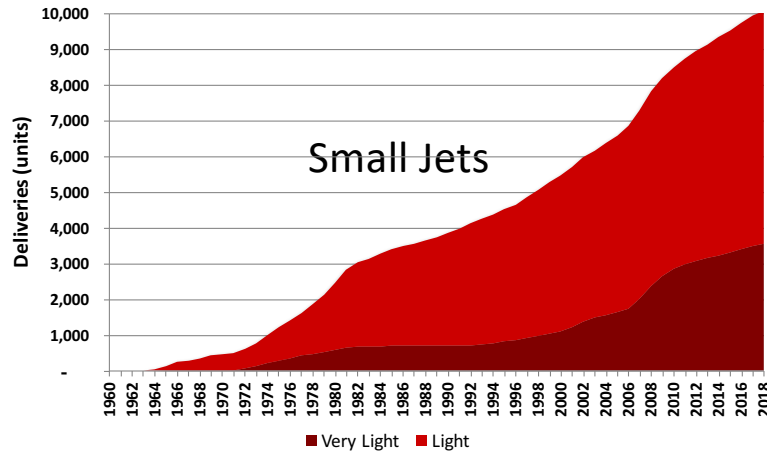
Prepared for:
JETNET iQ Light Jet Concepts Survey Respondents

November 30, 2018

JETNET iQ Light Jet Market Report - Private & Confidential

Business Jet Deliveries by Size Category

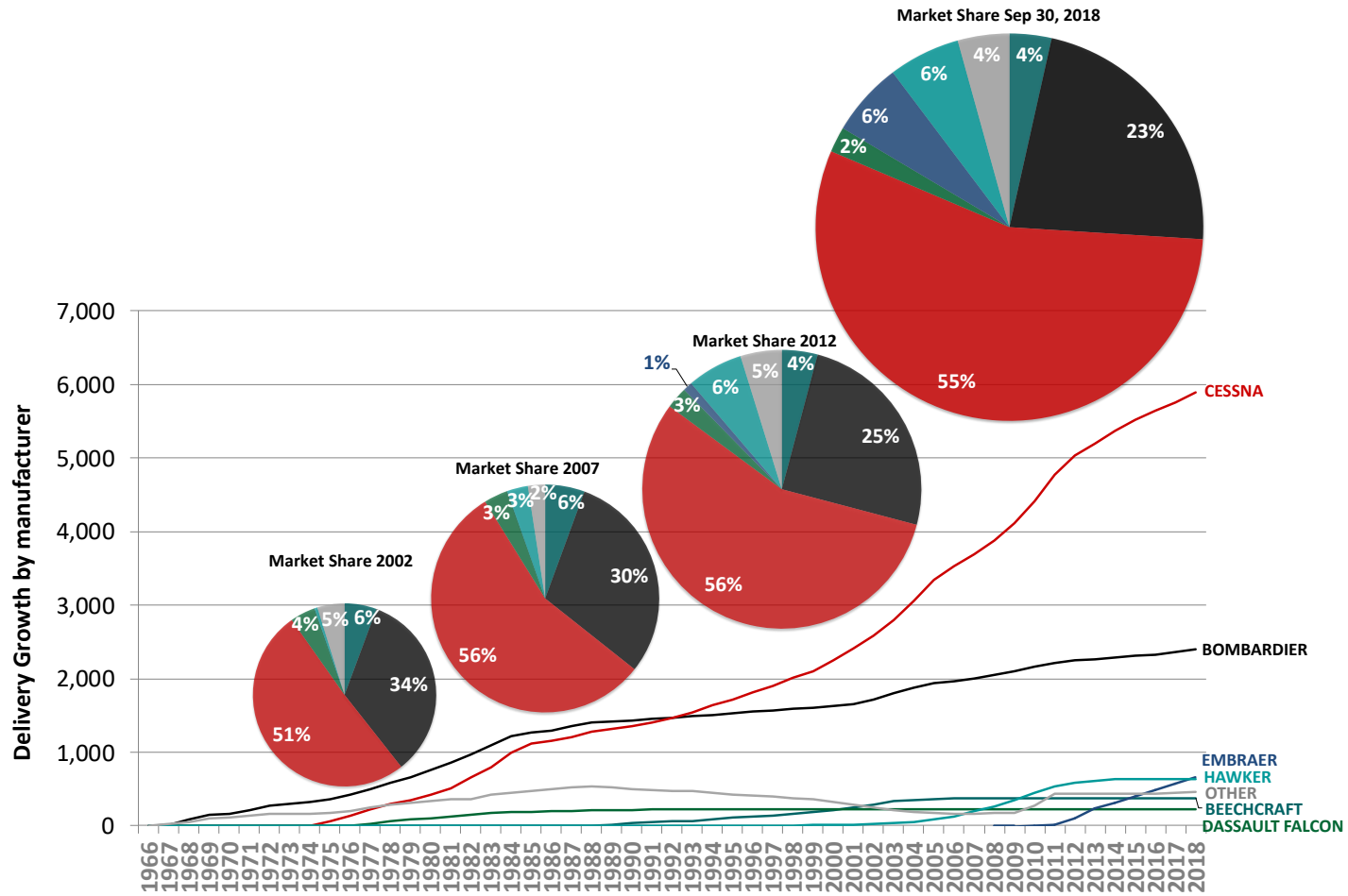
Total Ever Delivered



TOTAL DELIVERIES	September 30 2018
Airliner Business	305
Large Ultra-Long Range	1,706
Large Long Range	1,914
Large Jets	2,562
Super Mid-size Jets	2,455
Mid-size Jets	4,157
Super Light Jets	1,567
Light Jets	6,515
Very Light Jets	3,550
Personal Jets	53
Total	24,784

Personal, Very Light, Light and Super-Light Jets represent 47.1% of all jets ever delivered

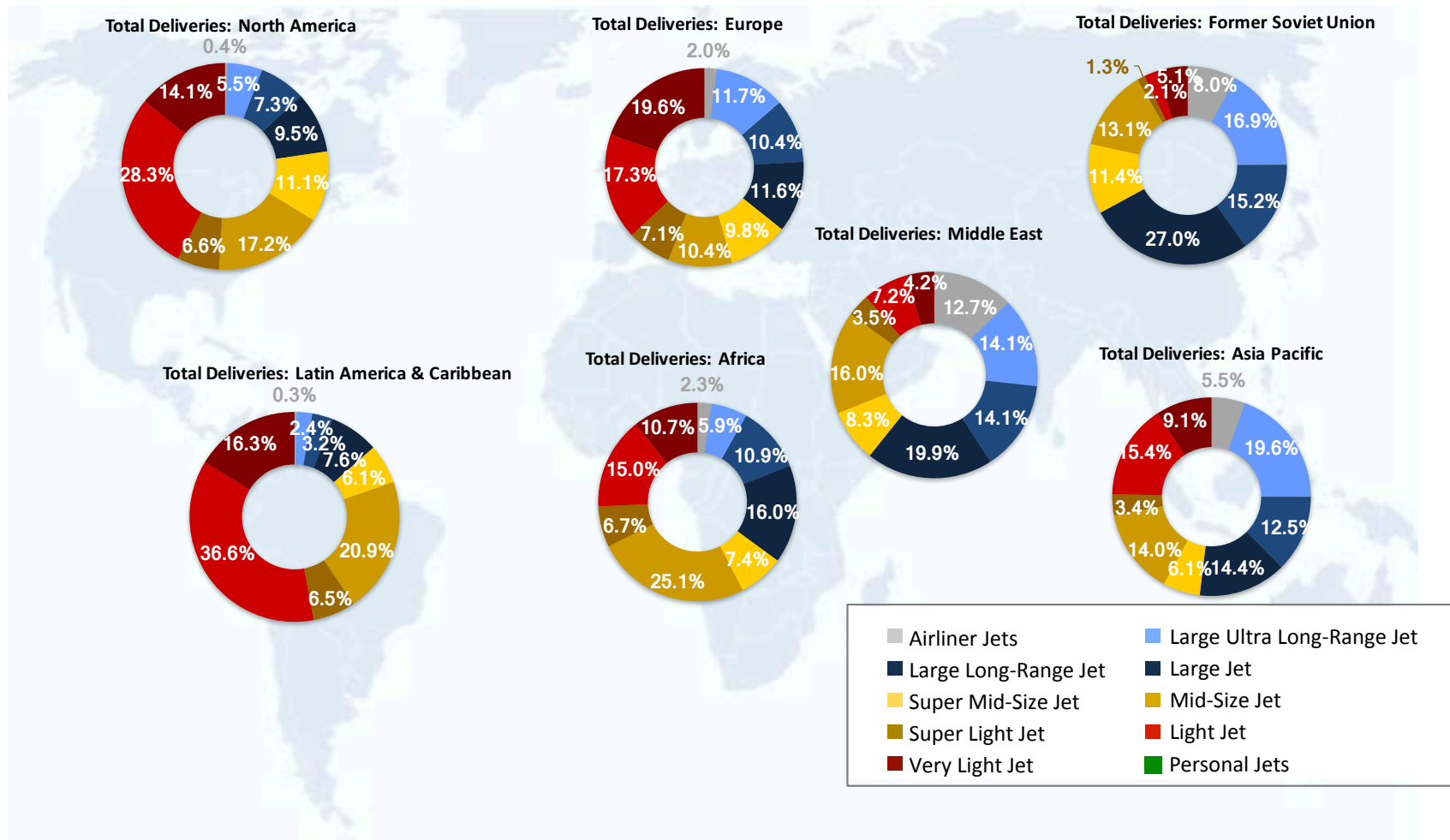
Cumulative Deliveries of Light Jet Models By Manufacturer



Textron Aviation market share (Cessna, Hawker and Beechcraft) has grown from 57% in 2002 to 65% in 2018

Business Jet Deliveries by Size Category

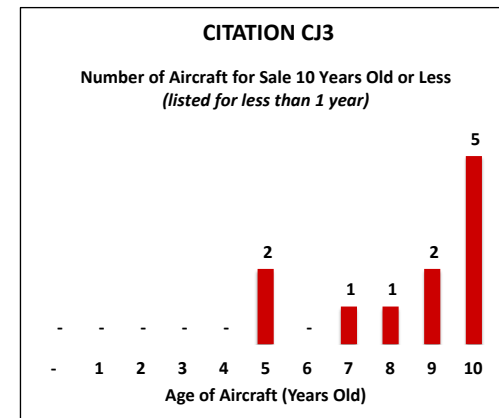
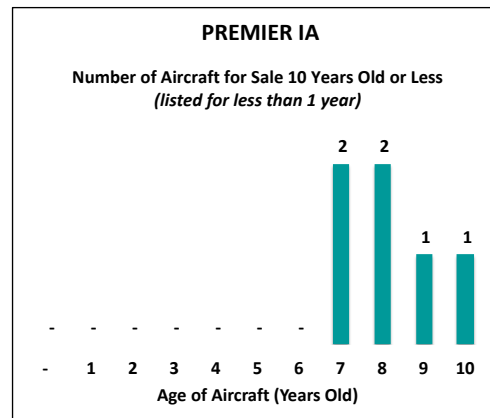
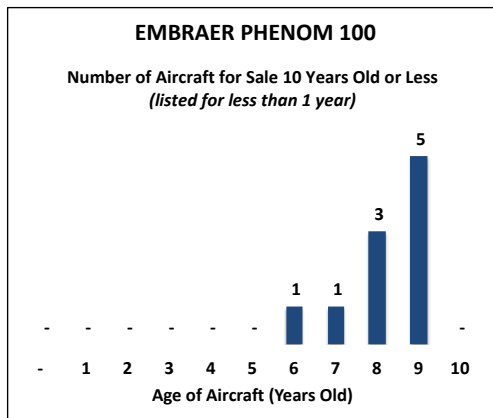
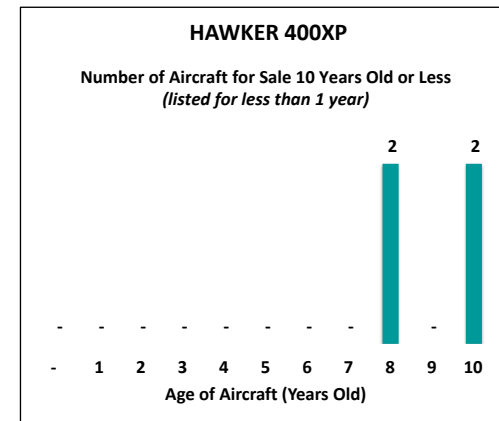
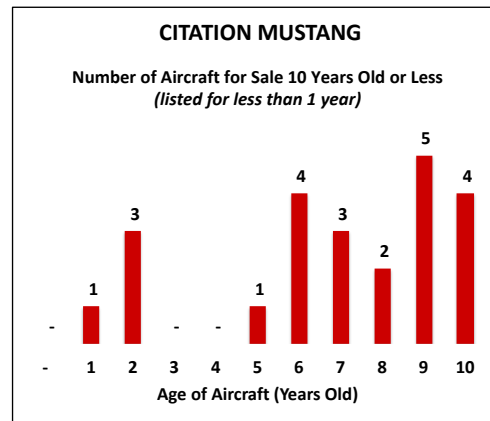
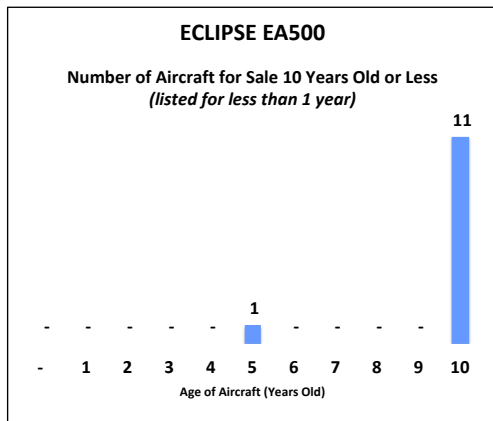
Total Ever Delivered



Strongest markets for Very Light/Light/Super-Light Jets are Latin America & Caribbean (59%) and North America (49%)

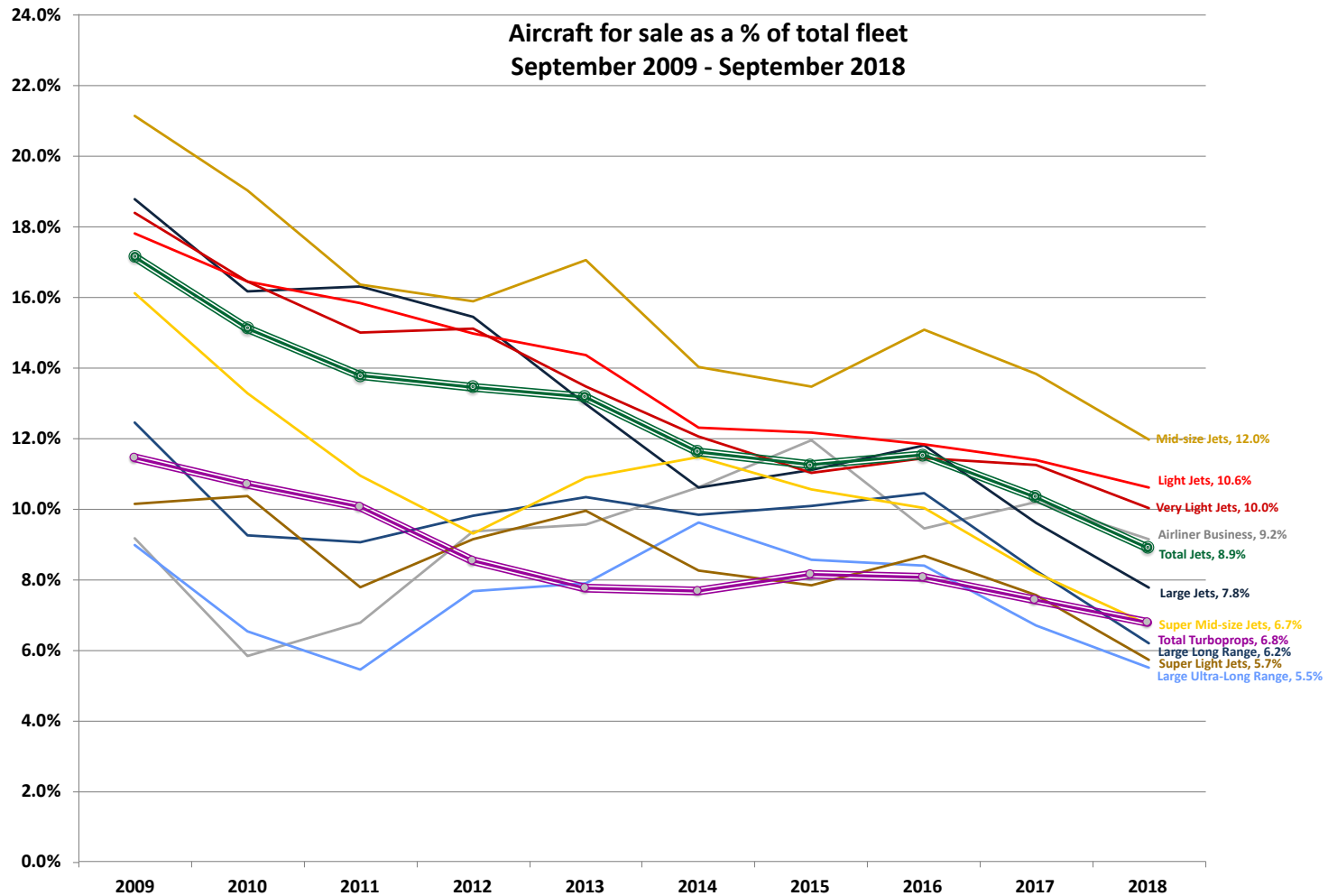
Pre-Owned Business Jet Inventory For Sale

10-Years Old or Less – Select Light Jet Models (In Units)



Approximately 89% of aircraft for sale of the light jets shown above are aircraft aged 6+ years

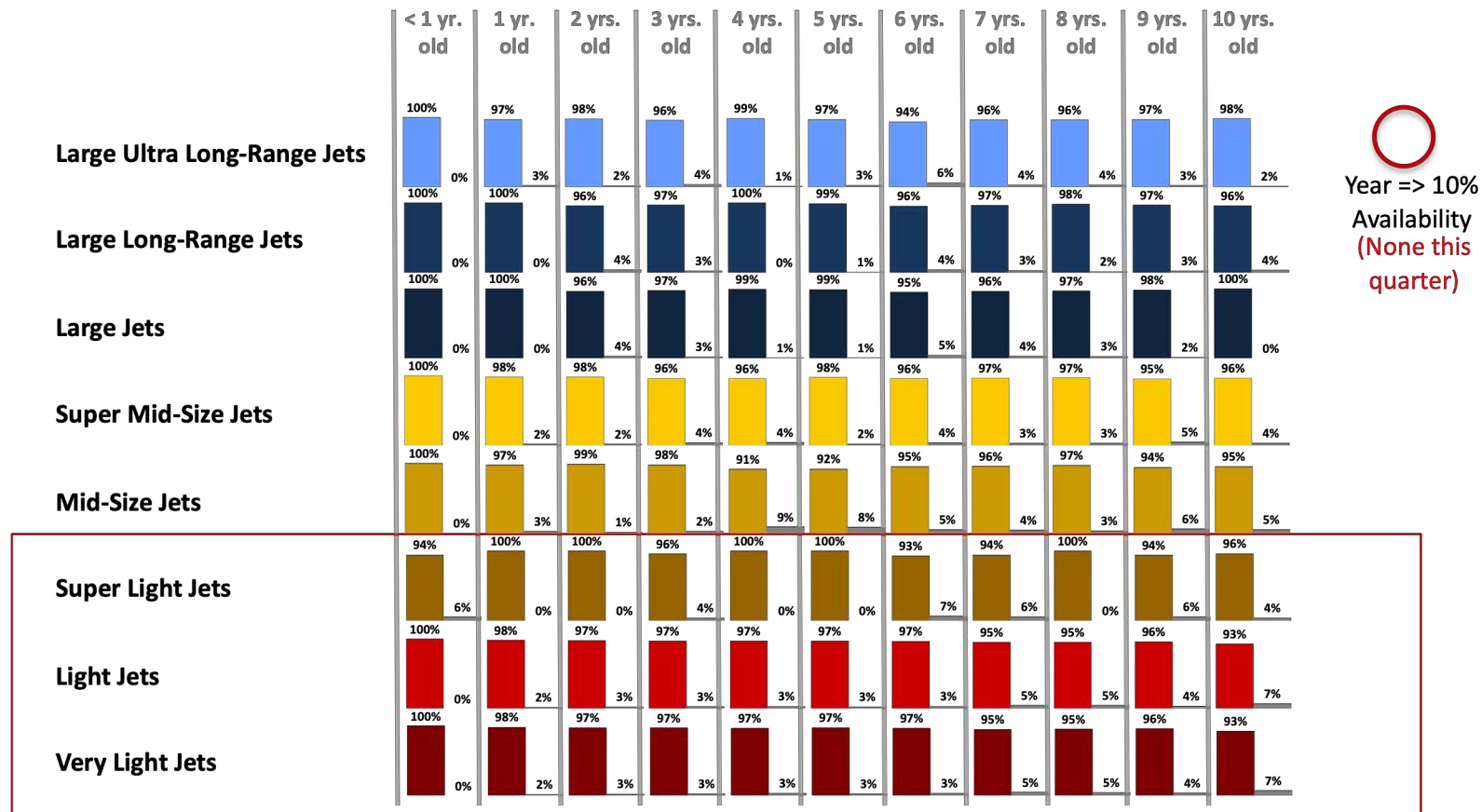
Pre-Owned Business Aircraft Inventory



Over the past 10 years, the “for sale” inventory has declined significantly in most jet categories. Light Jets and Very Light Jets have declined between 2009 and 2018 from 17.8% to 10.6% and 18.4% to 10.0% respectively

Pre-Owned Business Jet Inventory For Sale

10-Years Old or Less – % for sale and % not for sale by size category

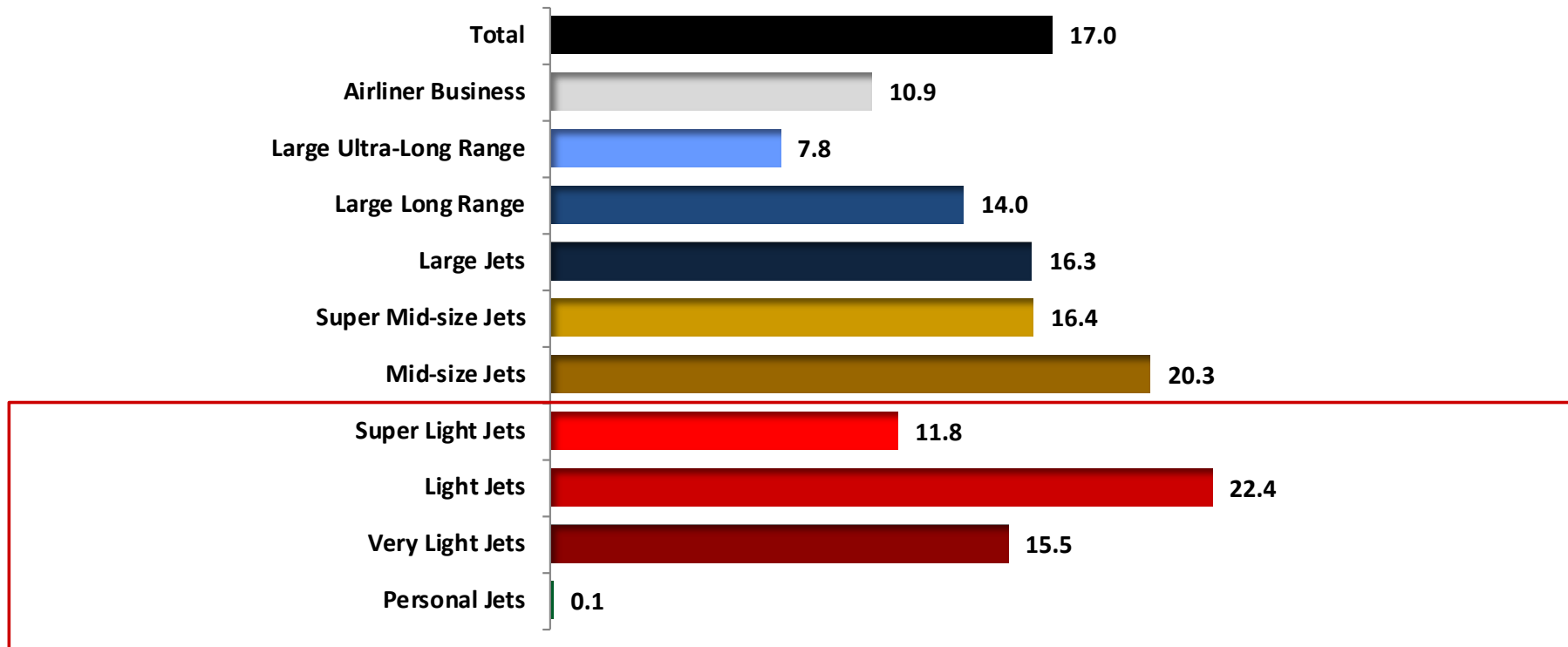


For aircraft less than 11 years old, 7% or less of aircraft are currently for sale, partly offset by older “for sale” inventory

Business Jet Fleet Age

By size category (in years)

Business aircraft average fleet age as of Sep 30, 2018

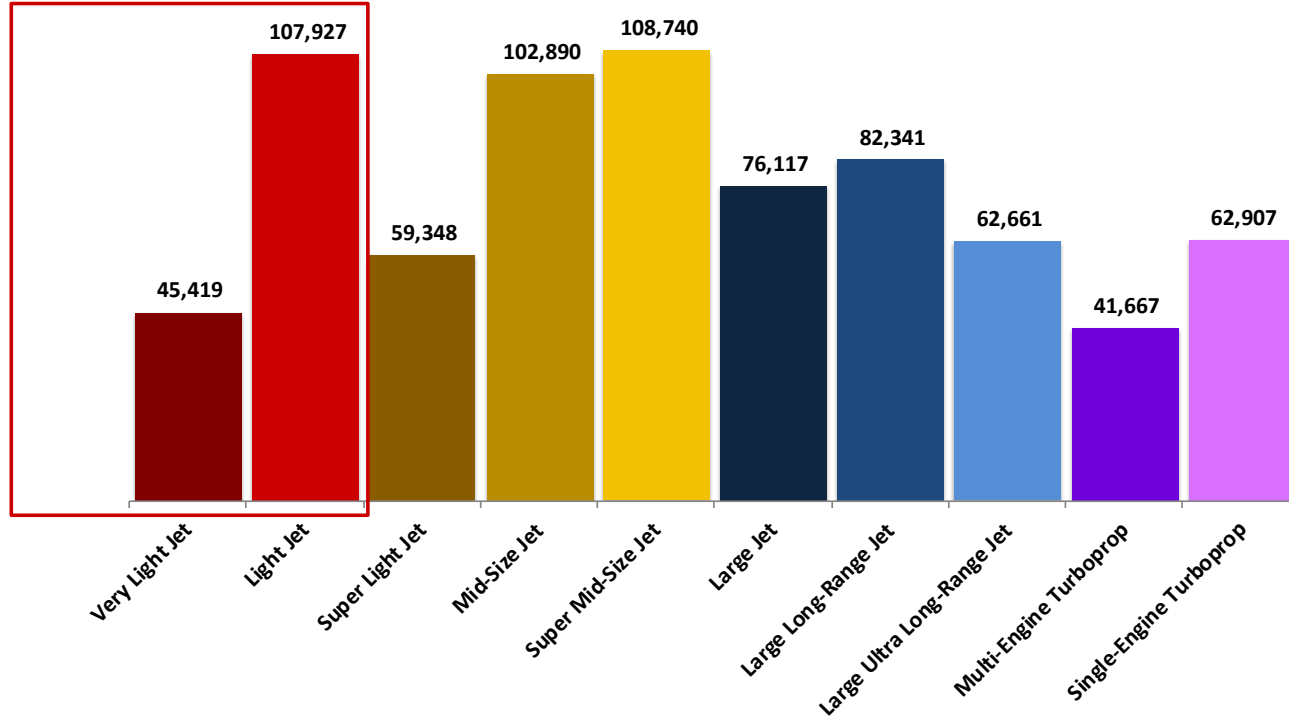


The Light Jet fleet has the highest average age of any size category, followed by Mid-Size Jets

U.S. Business Aircraft Utilization

Number of Flights by Size Category
 Oct 1, 2017 - Sept 30, 2018
 Key Business Aviation Airports

21 Key U.S. Airports for Business Aviation	
Dallas Addison, TX	ADS
Anchorage, AK	ANC
Denver Centennial, CO	APA
Aspen, CO	ASE
Boston Hanscom Field, MA	BED
Seattle Boeing Field, WA	BFI
Dallas Love Field, TX	DAL
Fort Myers, FL	FMY
Ft. Lauderdale Executive, FL	FXE
Houston Hobby, TX	HOU
Westchester White Plains, NY	HPN
Washington Dulles International, VA	IAD
Las Vegas International, NV	LAS
Long Beach, CA	LGB
Chicago Midway, IL	MDW
Morristown, NJ	MMU
West Palm Beach International, FL	PBI
Chicago Executive, IL	PWK
Phoenix Scottsdale, AZ	SCF
Teterboro, NJ	TEB
Van Nuys, CA	VNY



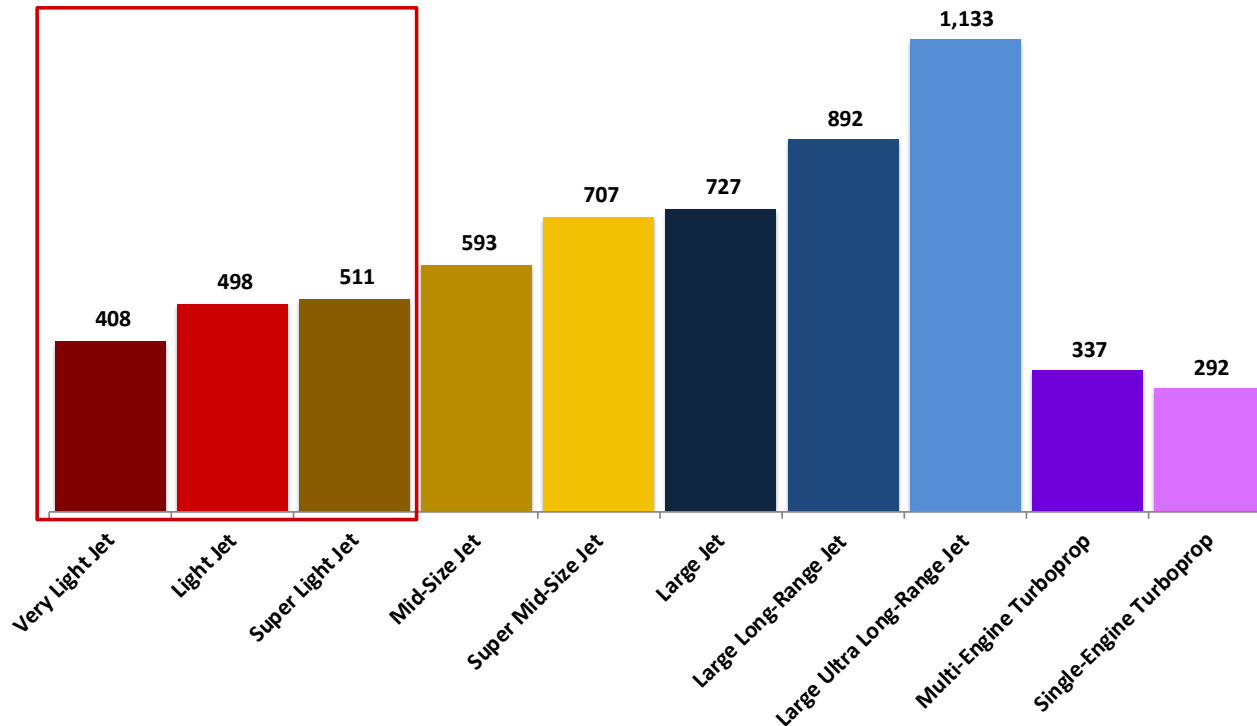
Source: U.S. FAA

Although Very Light, Light and Super-Light Jets represent 49% of the current North American fleet, they represent only 33% of flights flown to 21 key business aviation airports in the U.S.

U.S. Business Aircraft Utilization

Average Flight Distance (nm) by Size Category
 Oct 1, 2017 - Sept 30, 2018
 Key Business Aviation Airports

21 Key U.S. Airports for Business Aviation	
Dallas Addison, TX	ADS
Anchorage, AK	ANC
Denver Centennial, CO	APA
Aspen, CO	ASE
Boston Hanscom Field, MA	BED
Seattle Boeing Field, WA	BFI
Dallas Love Field, TX	DAL
Fort Myers, FL	FMY
Ft. Lauderdale Executive, FL	FXE
Houston Hobby, TX	HOU
Westchester White Plains, NY	HPN
Washington Dulles International, VA	IAD
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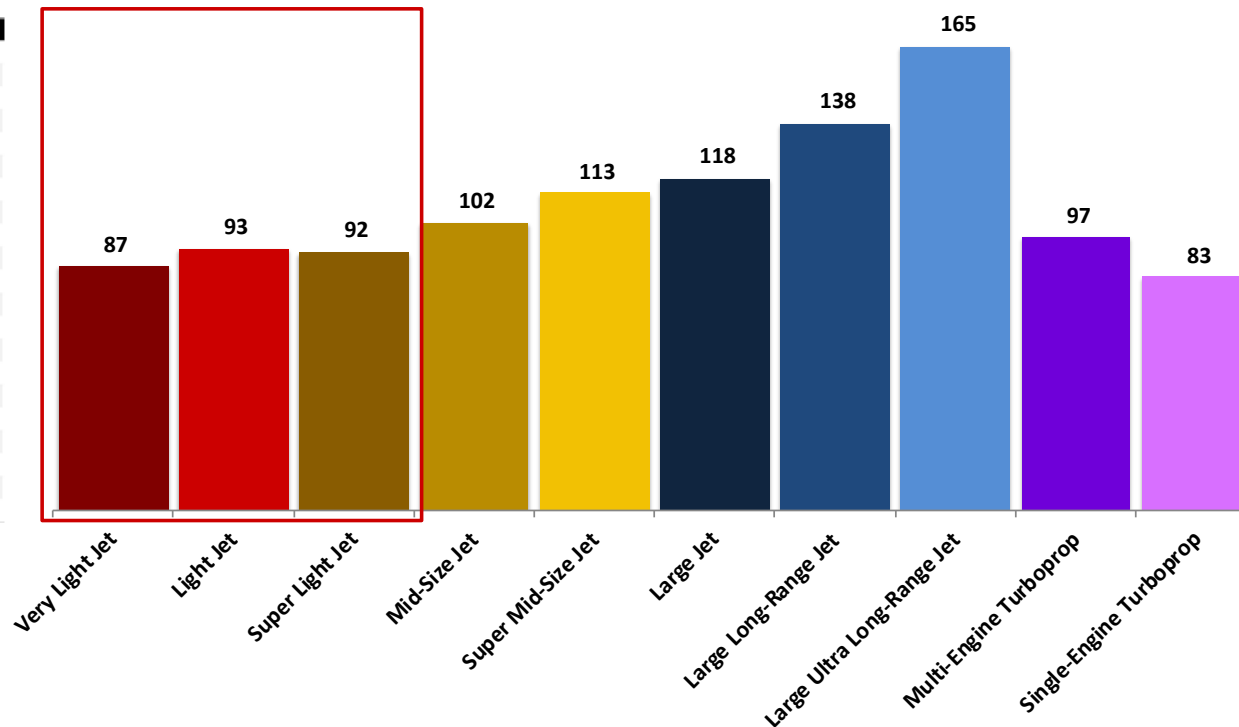
Source: U.S. FAA

The average distance flown by Very Light, Light and Super-Light Jets to 21 key U.S. business aviation airports was 482 nm

U.S. Business Aircraft Utilization

Average Flight Time (minutes) by Size Category
Oct 1, 2017 - Sept 30, 2018
Key Business Aviation Airports

21 Key U.S. Airports for Business Aviation	
Dallas Addison, TX	ADS
Anchorage, AK	ANC
Denver Centennial, CO	APA
Aspen, CO	ASE
Boston Hanscom Field, MA	BED
Seattle Boeing Field, WA	BFI
Dallas Love Field, TX	DAL
Fort Myers, FL	FMY
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Houston Hobby, TX	HOU
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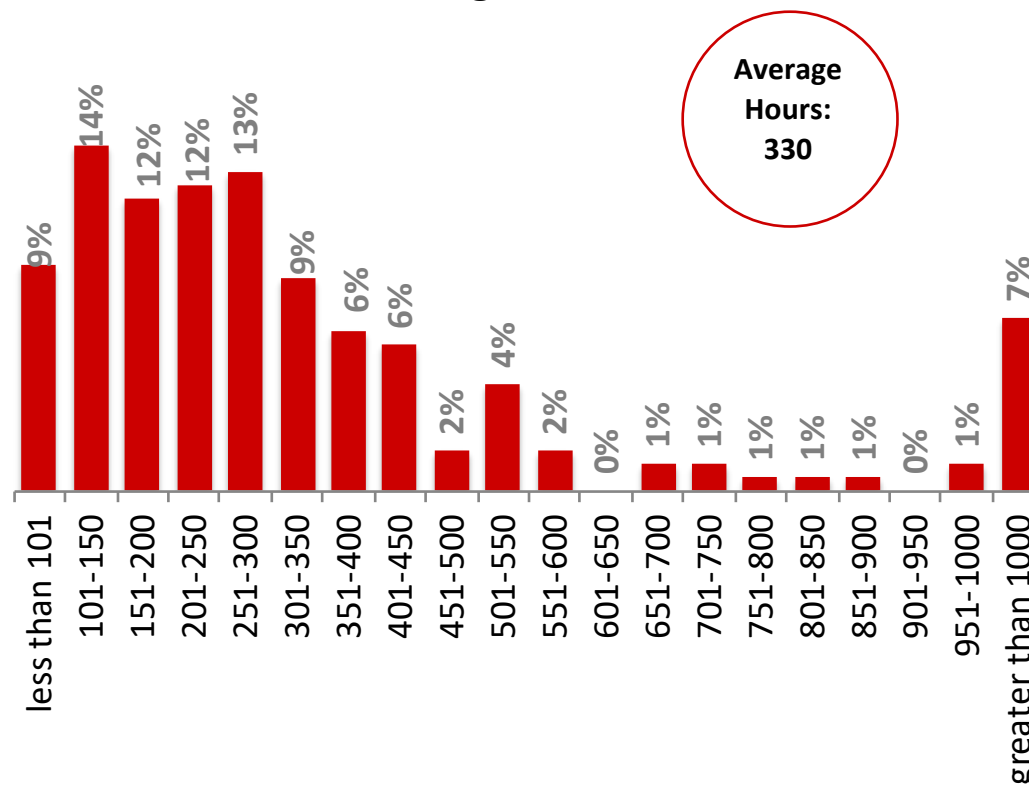
Source: U.S. FAA

The average flight time of Very Light, Light and Super-Light Jets to 21 key U.S. business aviation airports was 91 minutes

Flight Hour Utilization Profile for Light Jet Operators

Last 12 Months – Q3 2018 Survey

Annual Flight Hours Per Aircraft Light Jets

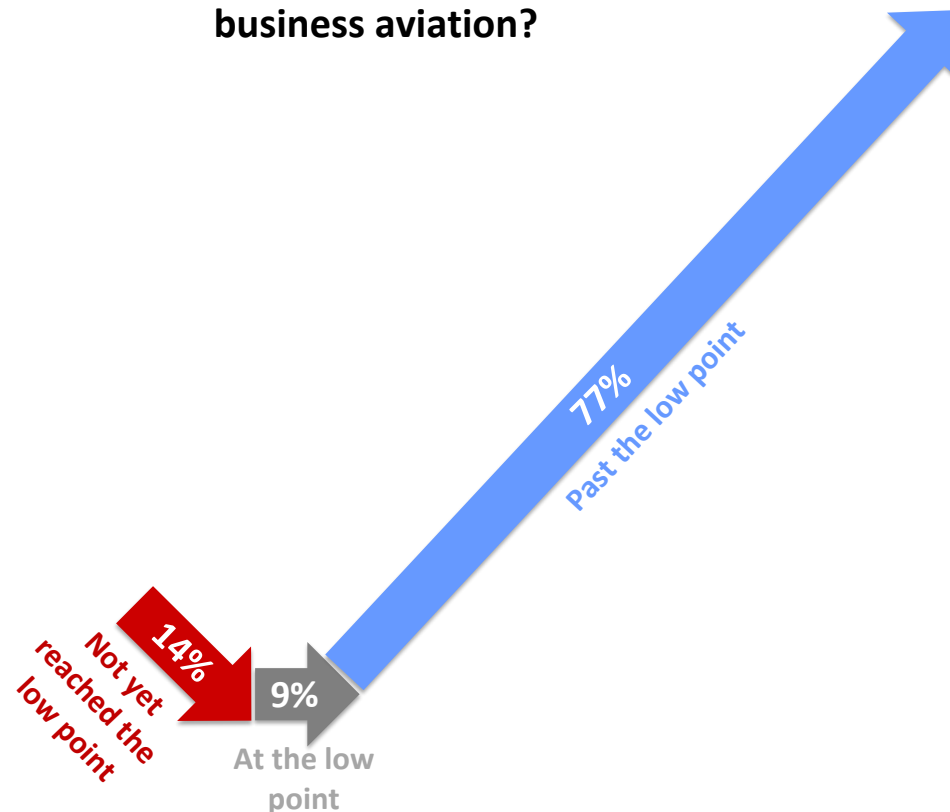


The average hours flown by Light Jets was 300 hours per year compared to 345 for large size categories

Current Business Cycle

Optimism of Light Jet Operators – Q3 2018 Survey

How would you describe the current market conditions for business aviation?

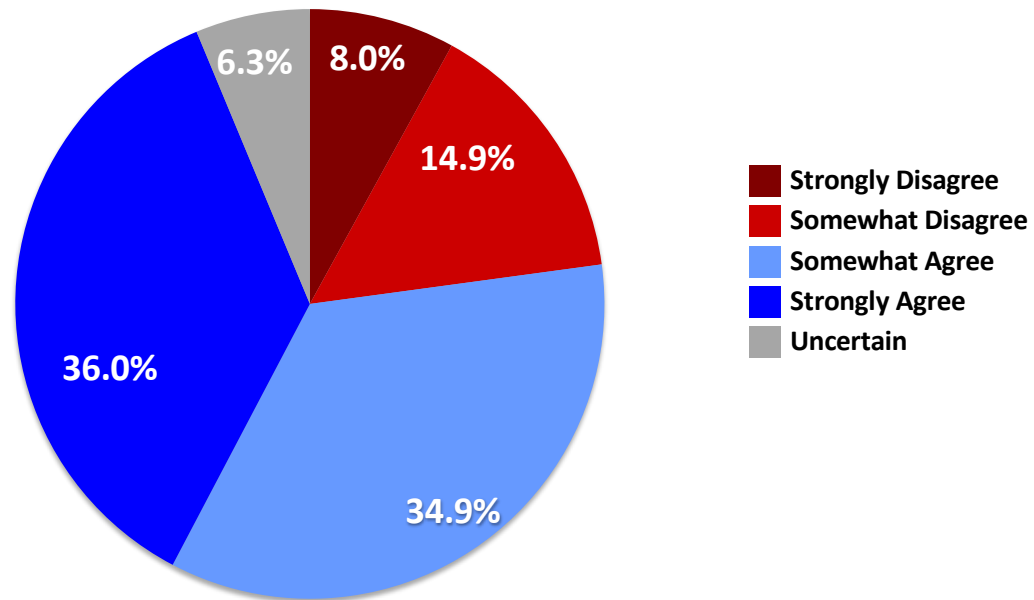


Net optimism for Very Light/Light/Super-Light Jet operators (measured by subtracting “Not yet reached the low point” from “Past the low point”) was 63% in Q3 2018, the highest optimism shown since we began measuring in Q2 2012

Perspectives on Business Aviation

Difficulty Recruiting Aviation Staff Q3 2018 Survey – Light Jet Operators

We are experiencing difficulties recruiting and retaining aviation-related staff (pilots, mechanics, technicians, etc.)



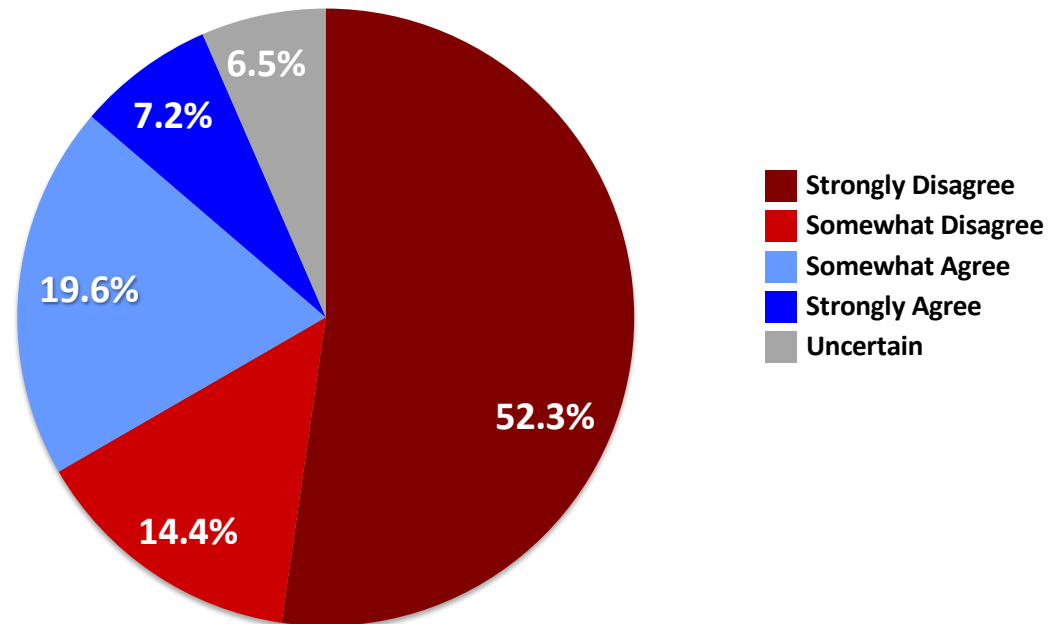
71% of respondents somewhat or strongly agreed that they are experiencing difficulties recruiting aviation-related staff

Perspectives on Business Aviation

Consider Fractional for Supplemental Lift

Q3 2018 Survey – Light Jet Operators

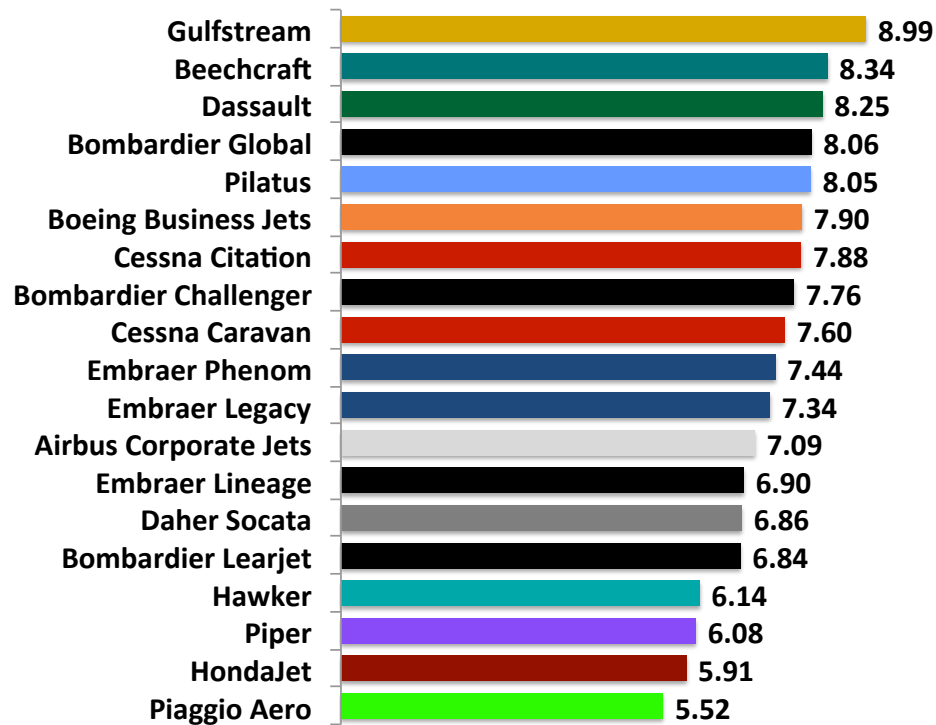
We would consider a fractional provider should we need supplemental lift within the next 12 months



27% of respondents somewhat or strongly agreed that they would consider fractional for supplemental lift

Brand Reputation

Light Jet Operators – JETNET iQ Survey Q3 2018
 On a scale of 1-10, where 10 is highest rating



Gulfstream, Beechcraft and Dassault Falcon receive top 3 ratings from Light Jet Operators

Most Recent Aircraft Purchase Light Jet Operators – Top 5 Purchase Criteria JETNET iQ Q3 2018 Survey



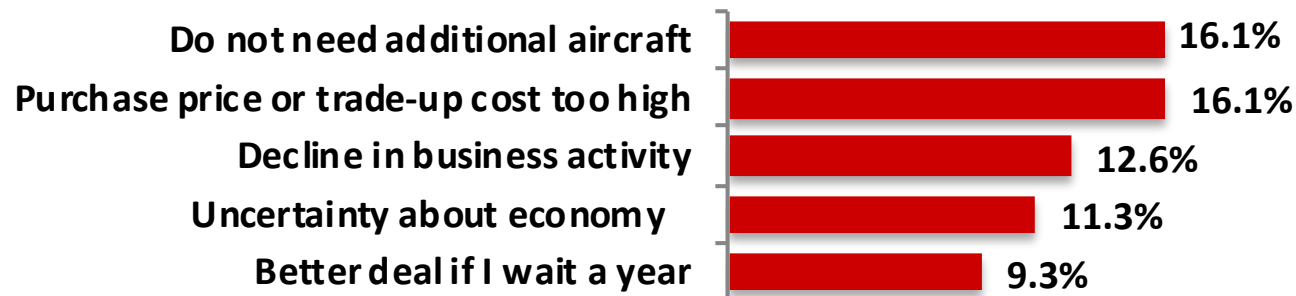
“In the decision to purchase the [model indicated], what were the most important purchase criteria?”

Over one third of respondents prioritize “purchase price”, “performance”, “operating costs”, “mission” and “value for price” as top purchase criteria in their last aircraft purchase

Inhibitors to New Aircraft Purchase

Light Jet Operators – Weighted Average Response – Top 5 Inhibitors

Factors MOST LIKELY to prevent or delay your organization from purchasing a business aircraft over the next 12 months?

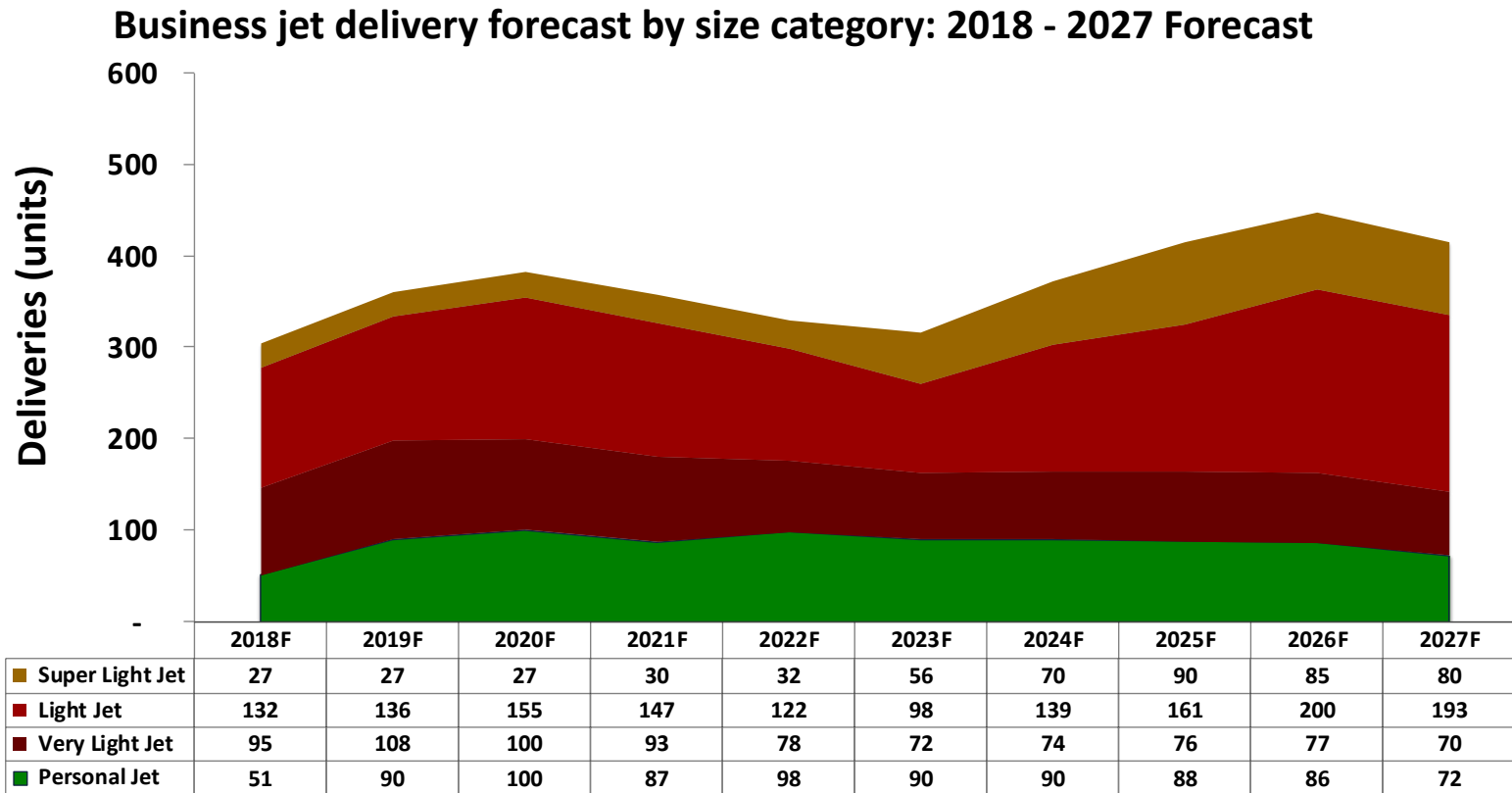


Note: Respondents were asked to indicate inhibitors to purchase - % score was determined by weighting responses by a factor of 4, 3, 2 and 1 respectively for "Most Likely", "Extremely Likely", "Very Likely", and "Somewhat Likely"; Respondents may operate aircraft from multiple manufacturers and size categories

From a list of 12 factors, almost two thirds of respondents chose the inhibitors above as most likely to prevent or delay the purchase of a business aircraft over the next 12 months, with "Do not need ..." and "Price too high ..." as the top 2

JETNET iQ Forecast – Business Jet Delivery Units

Light Jets (Including Personal Jets)



A total of 3,702 Personal, Very Light, Light, and Super-Light Jets are forecast to be delivered worldwide between 2018 and 2027 at a total value of \$23.6B

About JETNET iQ

Launched in January 2011, JETNET iQ is a forecasting and premium advisory service for the business aviation market, designed to help customers “Know More”. Available on an annual subscription basis, JETNET iQ has 3 main elements:

1) JETNET iQ REPORTS are the definitive analytical reference for the business aviation industry, incorporating state-of-the-industry analyses, proprietary aircraft owner/operator surveys, and detailed 10-year delivery and fleet forecasts, updated quarterly.

2) JETNET iQ SUMMITS provide fast-paced thought-provoking insights into the state of the industry, and unique networking opportunities.

3) JETNET iQ CONSULTING serves the needs of clients with customized research and analysis requirements on a project-by-project basis.

For more information on JETNET iQ, please log on to www.jetnetiq.com or contact Rolland Vincent, JETNET iQ Creator / Director at 1-972-439-2069 or rollie@jetnet.com.

About JETNET

Since 1988, JETNET has delivered the most comprehensive and reliable business aircraft research to its exclusive clientele of aviation professionals worldwide. JETNET is the ultimate source for information and intelligence on the worldwide business, commercial, and helicopter aircraft fleet and marketplace, comprised of more than 110,000 airframes. Headquartered in its state-of-the-art facility in Utica, NY, JETNET offers comprehensive user-friendly aircraft data via real-time internet access or regular updates.

For more information on JETNET LLC, please log on to jetnet.com or contact Paul Cardarelli, JETNET Vice President of Sales, at 800-553-8638 (USA) or paul@jetnet.com; for International inquiries, please contact Karim Derbala, JETNET Managing Director of Global Sales, at 41.0.43.243.7056 or karim@jetnet.com.