



»» KNOW MORE.

# *JETNET iQ Snap! Report Q1 2018 Summary Report*

» BUSINESS AVIATION MARKET INTELLIGENCE » REPORTS » SUMMITS » CONSULTING

Prepared for:  
JETNET iQ Global Business Aviation Survey Respondents

March 31, 2018

*JETNET iQ Snap!: 1st Quarter 2018 - Private & Confidential*

# Thank You, Merci, Obrigado, Muchas Gracias, תַּדַּאֲנָק, Danke, ありがとう, Grazie, شكرا, спасибо, 謝謝

Thank you for participating in our quarterly JETNET iQ Global Business Aviation Surveys. Your opinions and inputs are vital to the many people in the industry tasked with designing and developing aircraft, providing aviation services on the ground and in the air, financing / selling / and buying aircraft, and creating the operational framework for safe and efficient flight.

JETNET has been a trusted source of aviation market intelligence since 1988. From humble beginnings in Utica, NY, we have built one of the finest research teams and business aviation databases in the industry. Our people are professional and dedicated, and our data products and services are unique and innovative. We are committed to continuous improvement as

we provide our clients with unprecedented global coverage, data connectability, and market insights wherever they are.

We continue to focus on new products and services to keep our customers better informed. “Know More” – JETNET’s familiar tagline – is what we hope you will agree is amongst the primary benefits that we bring to the aviation community. Thank you again for participating in our quarterly survey - we hope this JETNET iQ *Snap!* Report is useful to you.

## Navigating by JETNET iQ

JETNET iQ *Snap!* Reports are one of the ways we would like to say “thank you” for the time and opinions you provide us when participating in our quarterly JETNET iQ Global Business Aviation Surveys. With seemingly endless demands on your time, we appreciate your help and want to provide you useful information in return. In the attached pages you will find some of the latest market intelligence that we have collected and analyzed. Our goal is to be a resource to identify, analyze, and highlight issues that matter to the business aviation community. As an industry leader and aviation professional, you make a difference by participating in these surveys, providing us with objective and subjective perspectives into the state of the worldwide business aviation industry.

JETNET iQ *Snap!* Reports reflect the collaborative insights of you, our respondents, and our JETNET iQ research

team. Collectively, we have extensive experience in business aviation, from executive offices and boardrooms, to the cubicles, factory floors, design centers, situation rooms, cockpits, service hangars and flight lines of the industry. Much like a magnifying glass concentrates light and energy, JETNET iQ draws from a diverse set of intelligence sources to bring the power of this experience into sharp focus.

Since early 2011, our JETNET iQ research team has been reaching out to you – fixed-wing turbine aircraft owners and operators - with our quarterly JETNET iQ Global Business Aviation Surveys. As always, we hope that this latest issue of our JETNET iQ *Snap!* Report is insightful to you.

*Rolland Vincent*  
*JETNET iQ Creator / Director*  
*rollie@jetnet.com*

# JETNET

- Founded in 1988
- Privately-owned family business
- Headquarters in Utica, NY
- 70+ employees (45+ in research)
- Daily contact with aircraft owners and operators globally



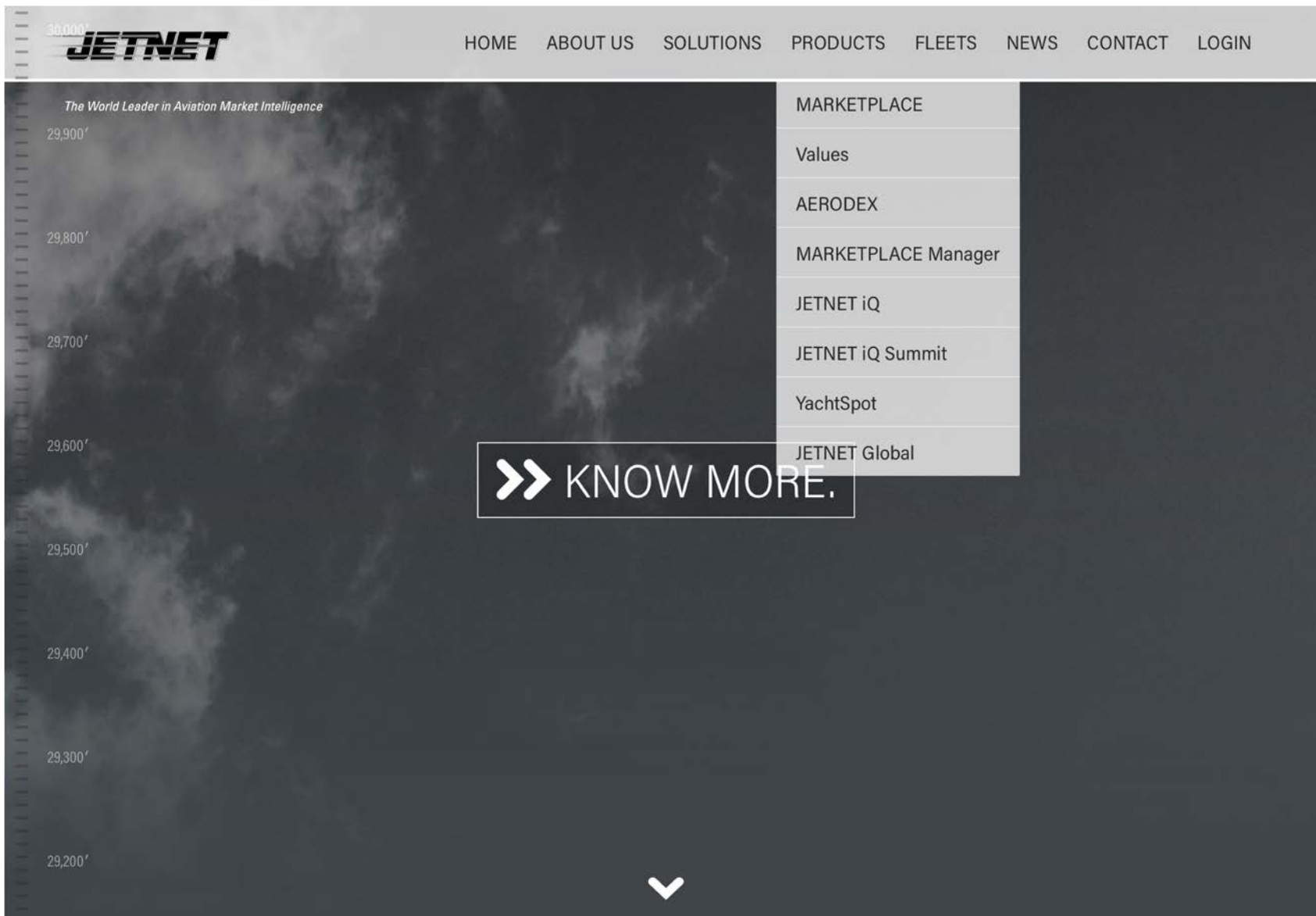
**JETNET: Worldwide leader in aviation market intelligence**

# JETNET

- Solutions and services:
  - JETNET iQ
  - Evolution Marketplace
  - Evolution Aerodex
  - Marketplace Manager
  - Values
  - JETNET Global
  - AvData Reports
- Data coverage:
  - 60,000 business aircraft (fixed and rotary wing)
  - 50,000 commercial aircraft



**JETNET: Tracking more than 110,000 business and commercial aircraft worldwide**



The screenshot shows the JETNET website homepage. At the top left is the JETNET logo. To its right is a navigation menu with links: HOME, ABOUT US, SOLUTIONS, PRODUCTS, FLEETS, NEWS, CONTACT, and LOGIN. Below the navigation is a dark banner area. On the left side of the banner is a vertical scale representing altitude, ranging from 29,200' to 30,000' in increments of 100'. The text 'The World Leader in Aviation Market Intelligence' is positioned above the scale. In the center of the banner is a large white button with the text '>> KNOW MORE.' and a downward-pointing chevron icon below it. On the right side of the banner, a vertical menu is open, listing several services: MARKETPLACE, Values, AERODEX, MARKETPLACE Manager, JETNET iQ, JETNET iQ Summit, YachtSpot, and JETNET Global.

# JETNET iQ

- *Intelligence....quarterly*
- Focus: Business aviation research & forecasting
- Main features
  - Surveys – of aircraft owners and operators
  - Reports – of current and forecast market conditions
  - Summits – of industry thought leaders

# JETNET iQ Surveys

- Turbine business aircraft owners and operators
- Quarterly
- Global
- On-line
- Multilingual
- Password-protected
- Password-linked

JETNET iQ VOICE OF GLOBAL BUSINESS & GENERAL AVIATION - Q4 2017 English

WELCOME



\* Thank you for agreeing to participate in this survey sponsored by JETNET LLC, the world's leading provider of business aviation market intelligence.

**Survey responses:**

- 1) Will be strictly confidential
- 2) Will NOT be used in any way to directly market to you or your organization
- 3) Will take approximately 20-30 minutes to complete

PASSWORD *(provided by Jetnet):*

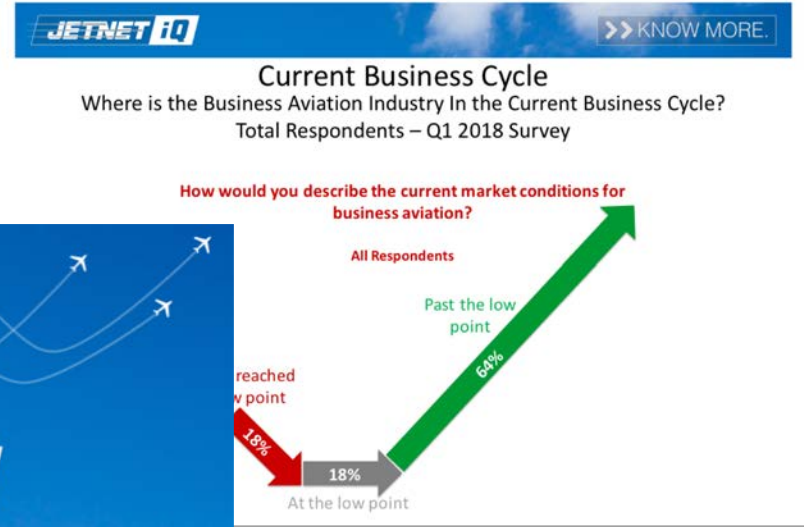
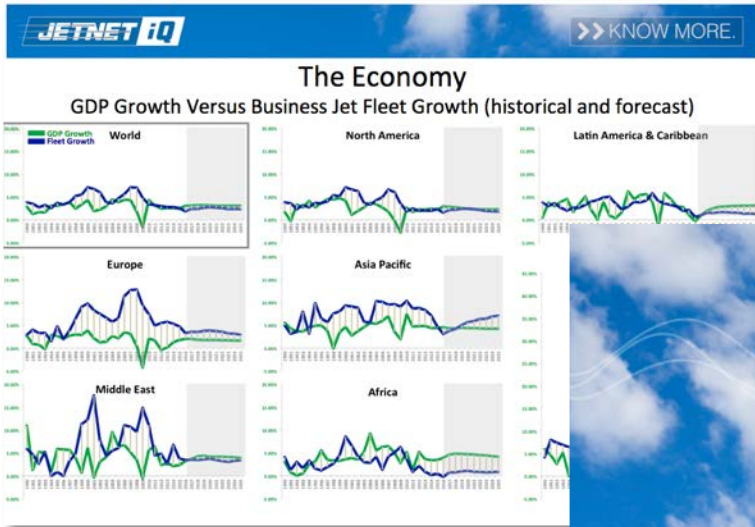


JETNET iQ Voice of  
Global Business & General Aviation

For questions about this survey, please contact:

**ROLLAND VINCENT**  
 JETNET iQ Creator / Director  
 Phone: 1-972-439-2069 (U.S. Central Time)  
 Email: rollie@jetnet.com

# JETNET iQ Reports



**JETNET iQ**

>> KNOW MORE.

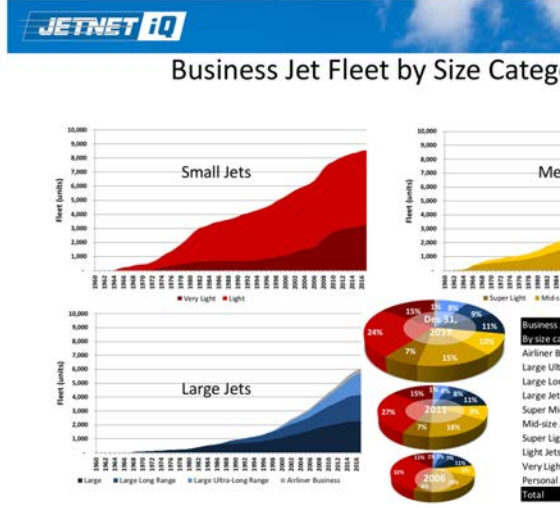
## JETNET iQ Snap! Report

### Q1 2018 Summary Report

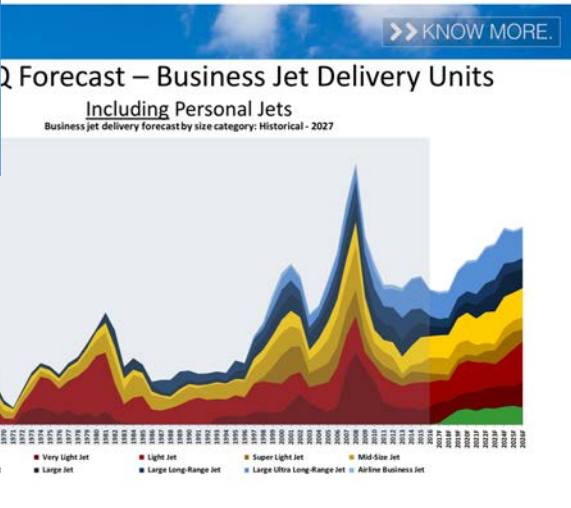
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BUSINESS AVIATION MARKET INTELLIGENCE > REPORTS > SUMMITS > CONSULTING



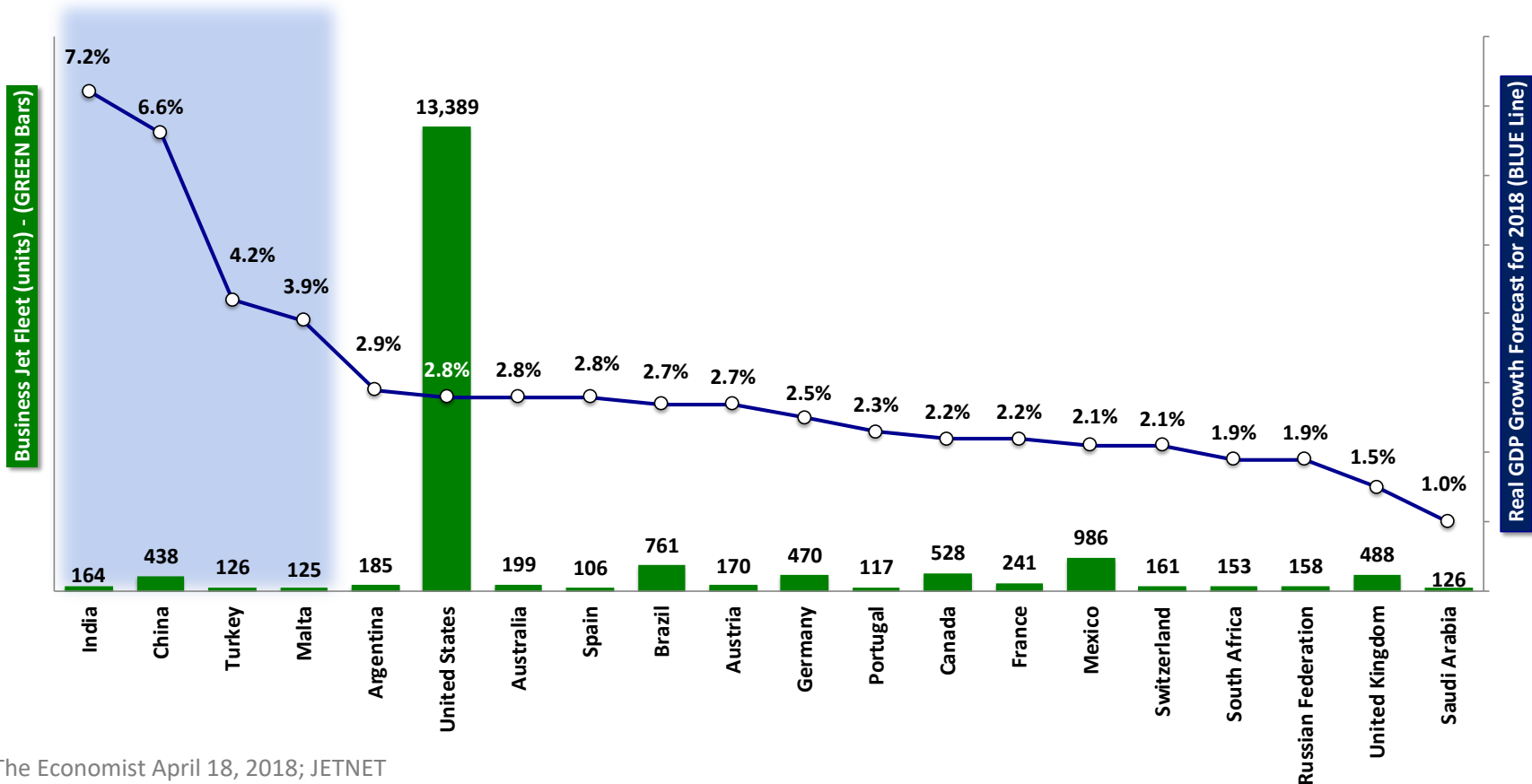
Business Jet Fleet as of Dec 31, 2017

By size category	Fleet Count
Airline Business	301
Large Ultra-Long Range	1,618
Large Long-Range	1,874
Large Jets	2,280
Super Mid-size Jets	2,168
Mid-size jets	3,297
Super Light Jets	1,538
Light Jets	5,282
Very Light Jets	3,278
Personal Jets	13
<b>Total</b>	<b>21,649</b>

# The Economy and Aircraft Fleets

Key markets with 3%+ forecasted 2018 GDP growth represent just 4% of the world business jet fleet

2018 GDP Estimates and "Top 20" Business Jet Fleets



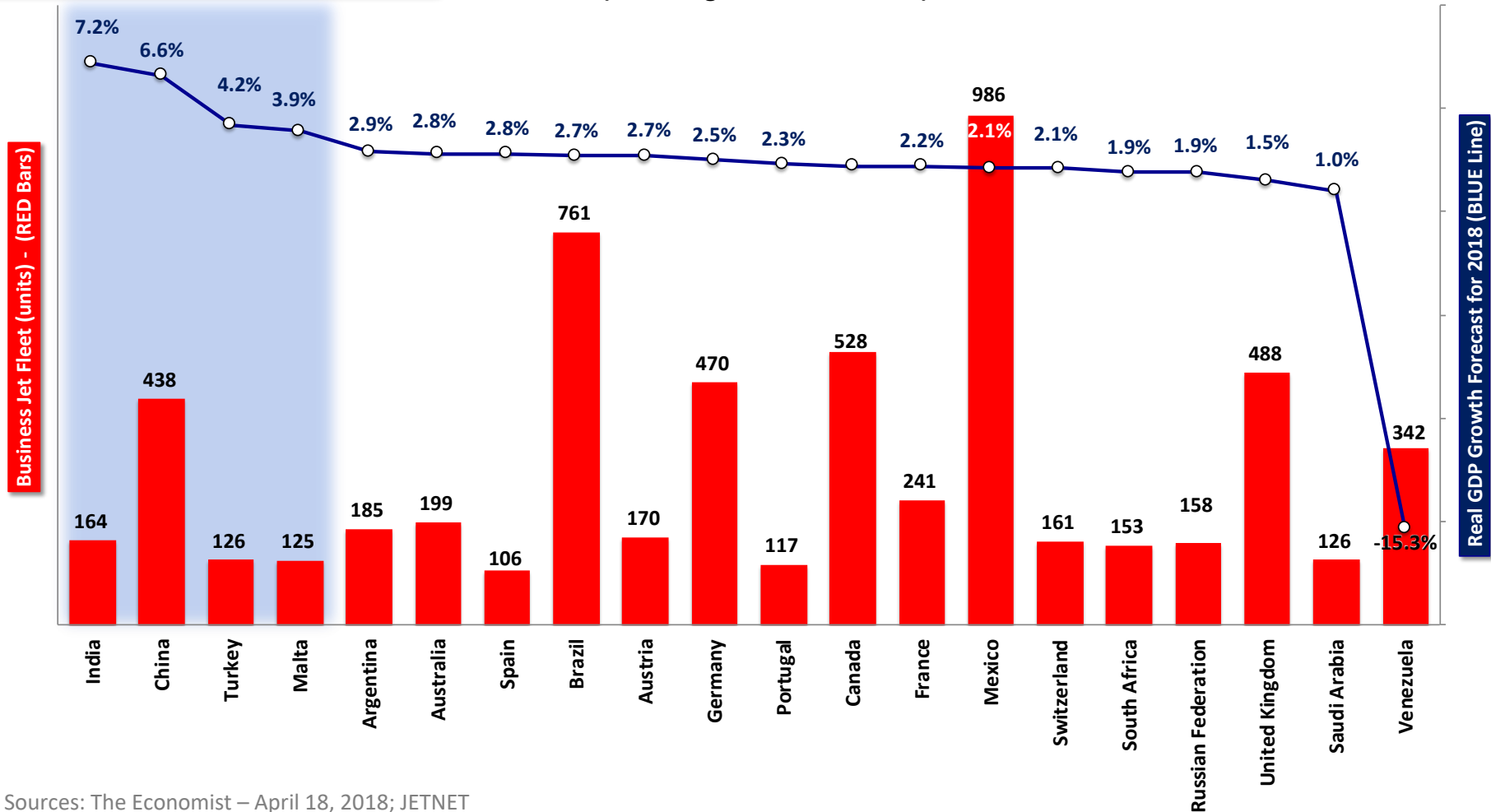
Sources: The Economist April 18, 2018; JETNET

**The U.S. economy is expected to grow by 2.8% in 2018**

# The Economy and Aircraft Fleets

Key markets with 3%+ forecasted 2018 GDP growth represent just 4% of the world business jet fleet

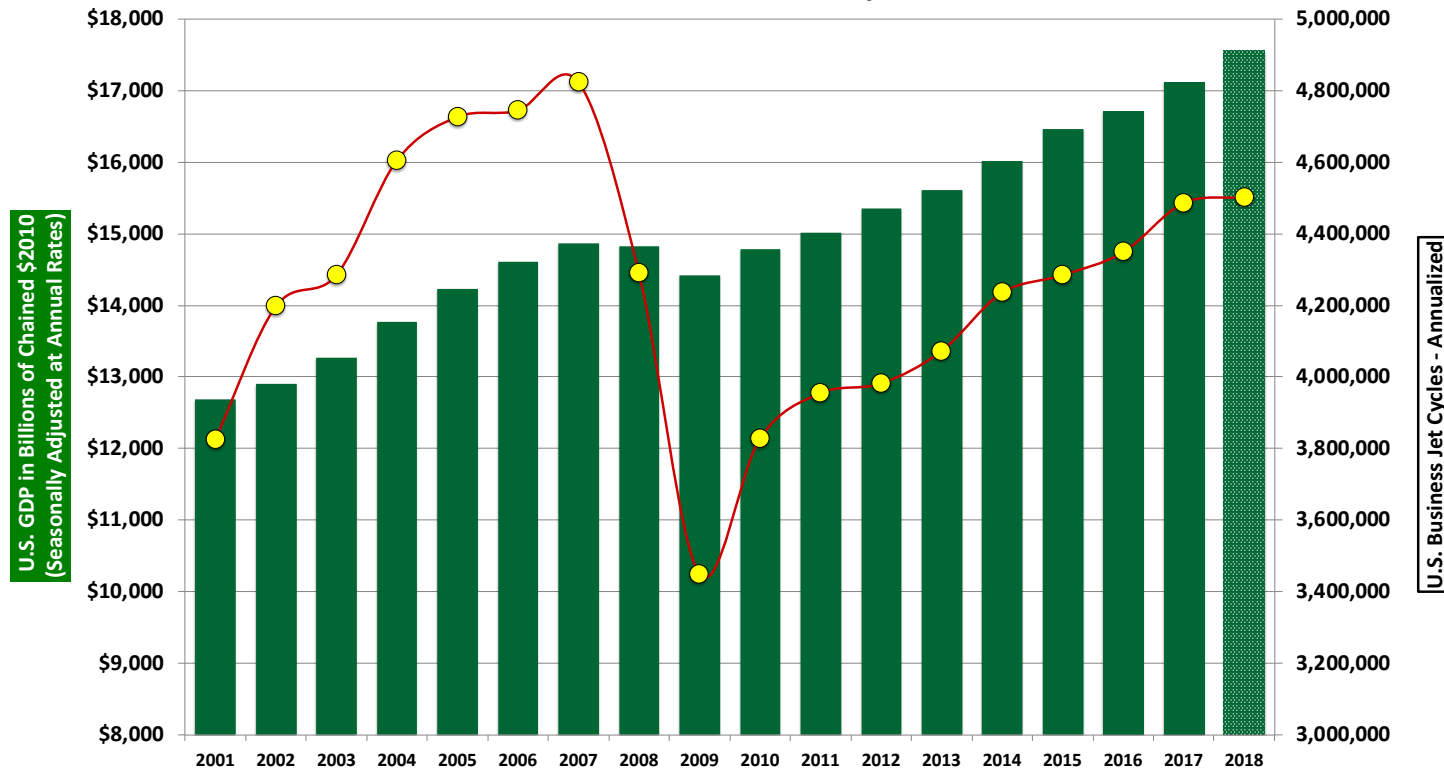
2018 GDP Estimates and "Top 20" Business Jet Fleets (excluding the United States)



Sources: The Economist – April 18, 2018; JETNET

# The Economy and Aircraft Utilization

U.S. GDP and U.S. Business Jet Cycles

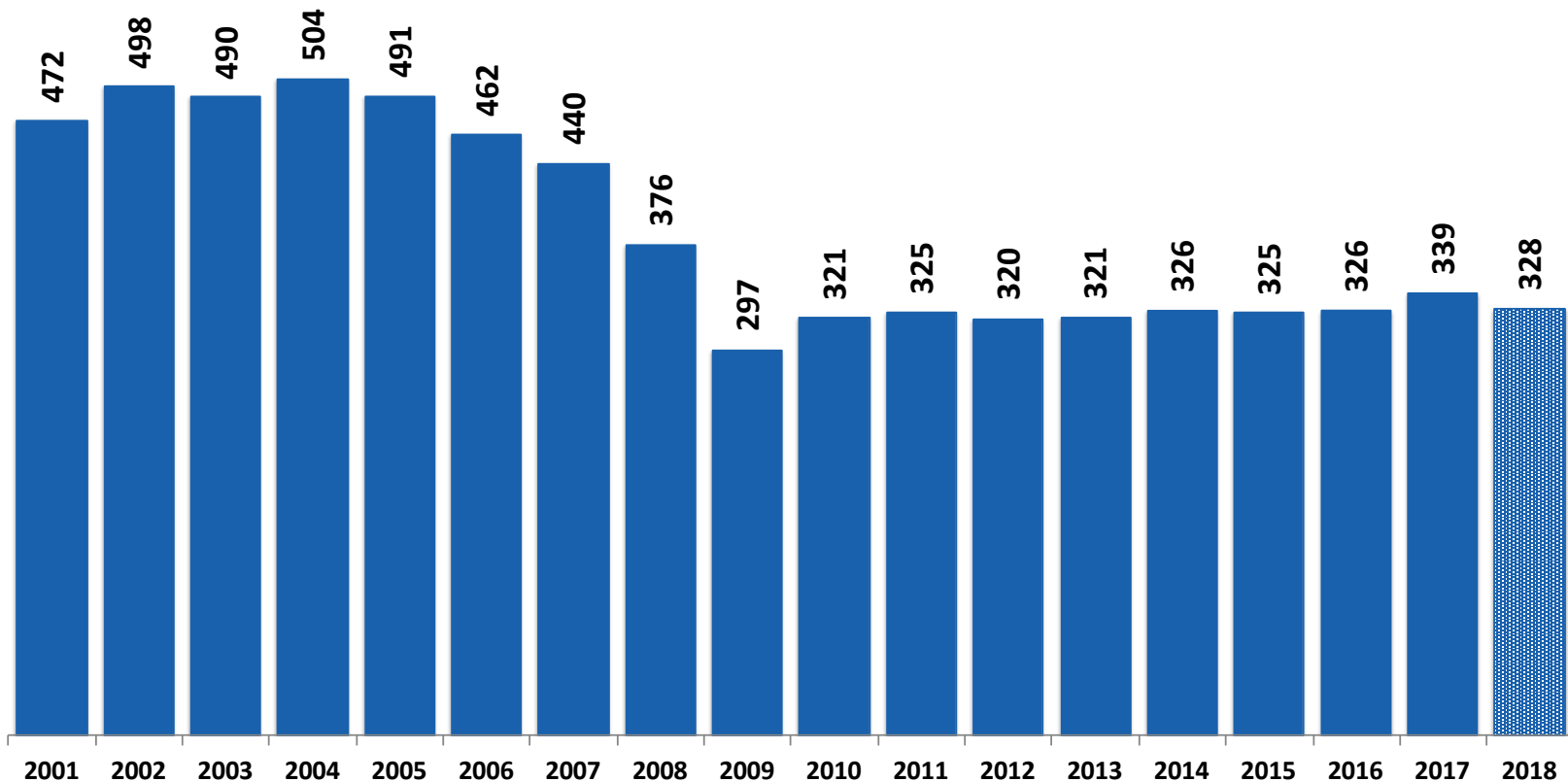


Sources: U.S. BEA, FAA; 2018 GDP is based on BEA projection and 2018 business jet cycles is based on trailing twelve months as of March 31, 2018

U.S. business jet cycles have steadily increased but remain well below pre-2008 levels

# Aircraft Utilization

Average Number of Business Jet Cycles per Aircraft Per Year - USA



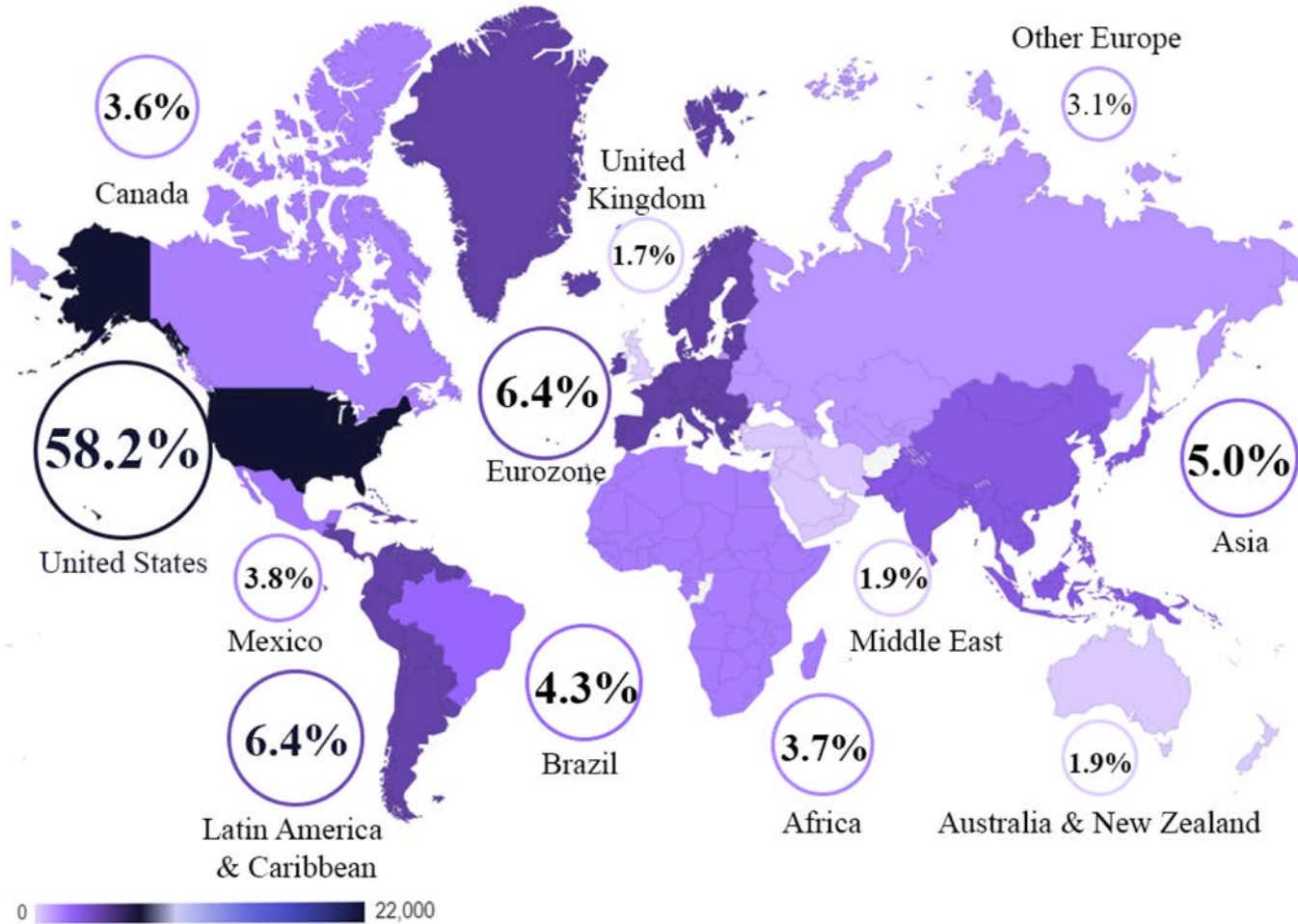
Sources: U.S. FAA; Cycles data for latest year are YTD on a Trailing Twelve Months (TTM) basis for the most recent period available; U.S. fleet from JETNET

**Cycles per U.S.-based business jet remain well below pre-financial crisis levels**

# Business Aircraft Fleet by Region

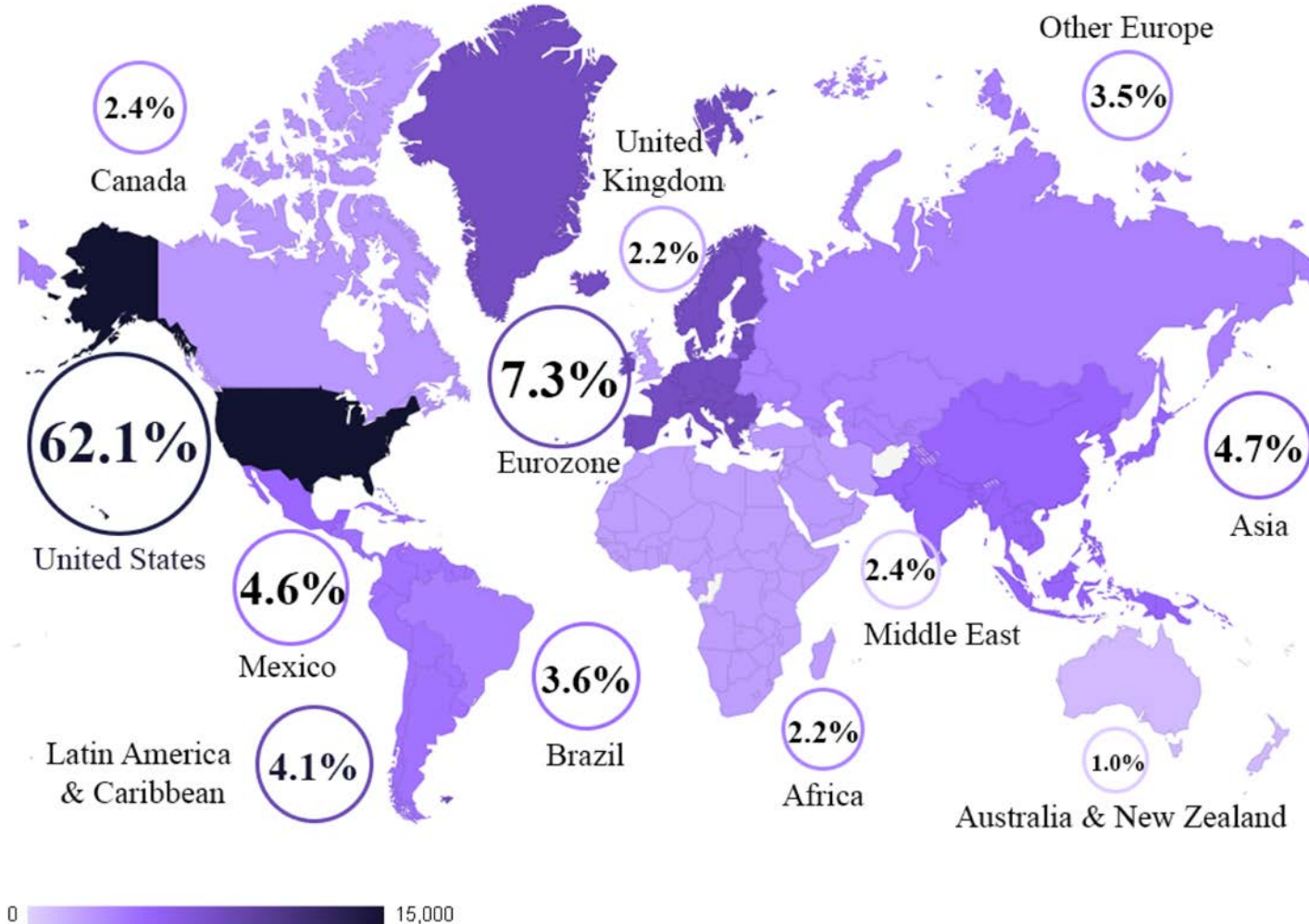
## Share of Business Aircraft Fleet by Region

*As of Q4 2017*



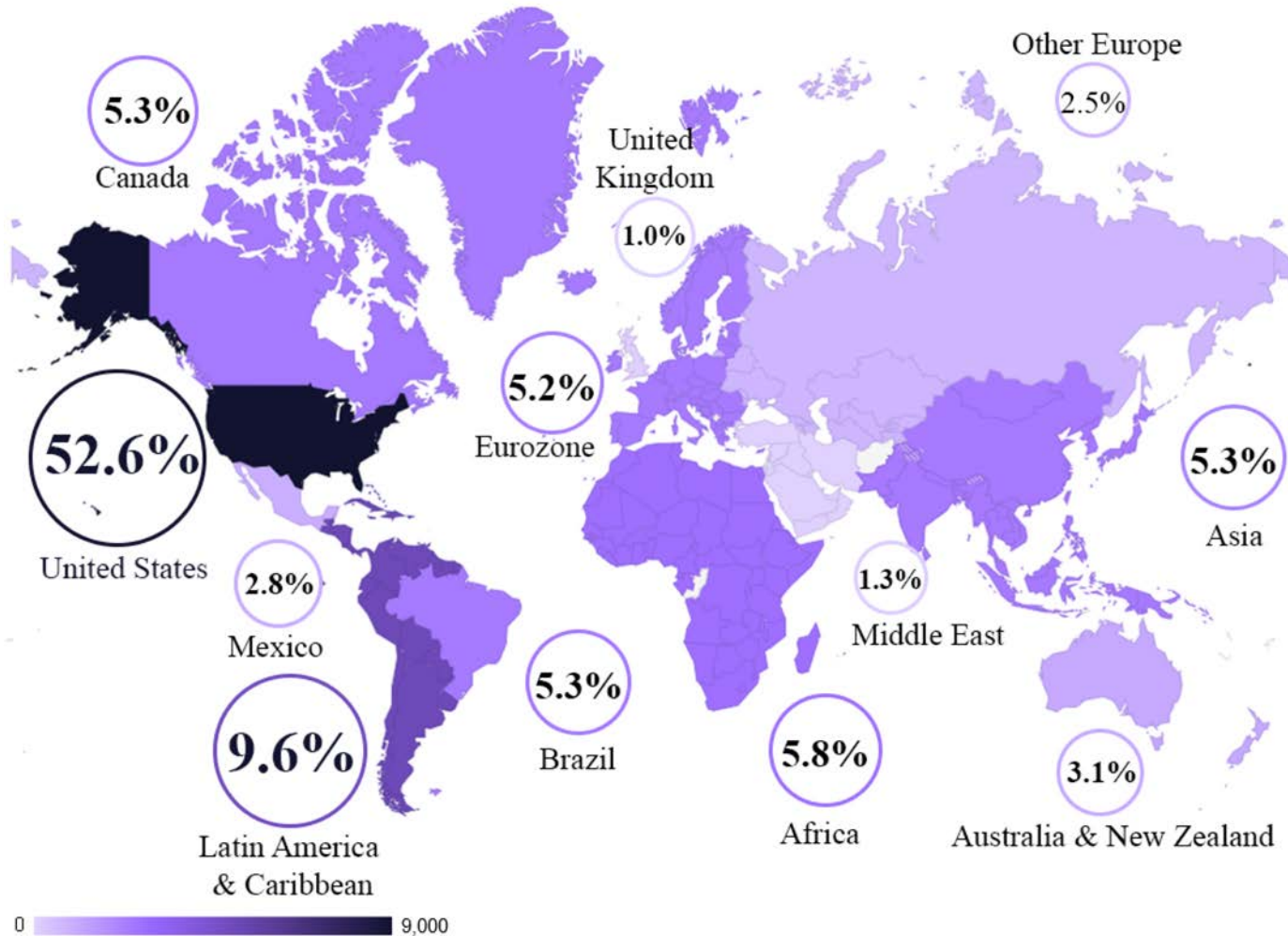
# Business Jet Fleet by Region

Share of Business Jet Fleet by Region  
As of Q4 2017



# Turboprop Fleet by Region

Share of Turboprop Fleet by Region  
As of Q4 2017



# Business Jet Fleet by Manufacturer

<b>NORTH AMERICA OEM</b>	<b>Fleet as of Mar 31 2018</b>
Beechcraft	234
Bombardier	3,031
Cessna Citation	4,941
Dassault Falcon	1,370
Embraer	606
Gulfstream	1,876
Hawker	1,216
Other	643
<b>Total</b>	<b>13,917</b>

<b>EUROPE OEM</b>	<b>Fleet as of Mar 31 2018</b>
Beechcraft	22
Bombardier	611
Cessna Citation	860
Dassault Falcon	441
Embraer	194
Gulfstream	204
Hawker	165
Other	105
<b>Total</b>	<b>2,602</b>

<b>FORMER SOVIET UNION OEM</b>	<b>Fleet as of Mar 31 2018</b>
Beechcraft	-
Bombardier	66
Cessna Citation	16
Dassault Falcon	25
Embraer	26
Gulfstream	37
Hawker	36
Other	22
<b>Total</b>	<b>228</b>

<b>MIDDLE EAST OEM</b>	<b>Fleet as of Mar 31 2018</b>
Beechcraft	4
Bombardier	114
Cessna Citation	49
Dassault Falcon	61
Embraer	52
Gulfstream	106
Hawker	57
Other	79
<b>Total</b>	<b>522</b>

<b>LATIN AMERICA &amp; CARIBBEAN OEM</b>	<b>Fleet as of Mar 31 2018</b>
Beechcraft	61
Bombardier	664
Cessna Citation	829
Dassault Falcon	133
Embraer	233
Gulfstream	212
Hawker	317
Other	179
<b>Total</b>	<b>2,628</b>

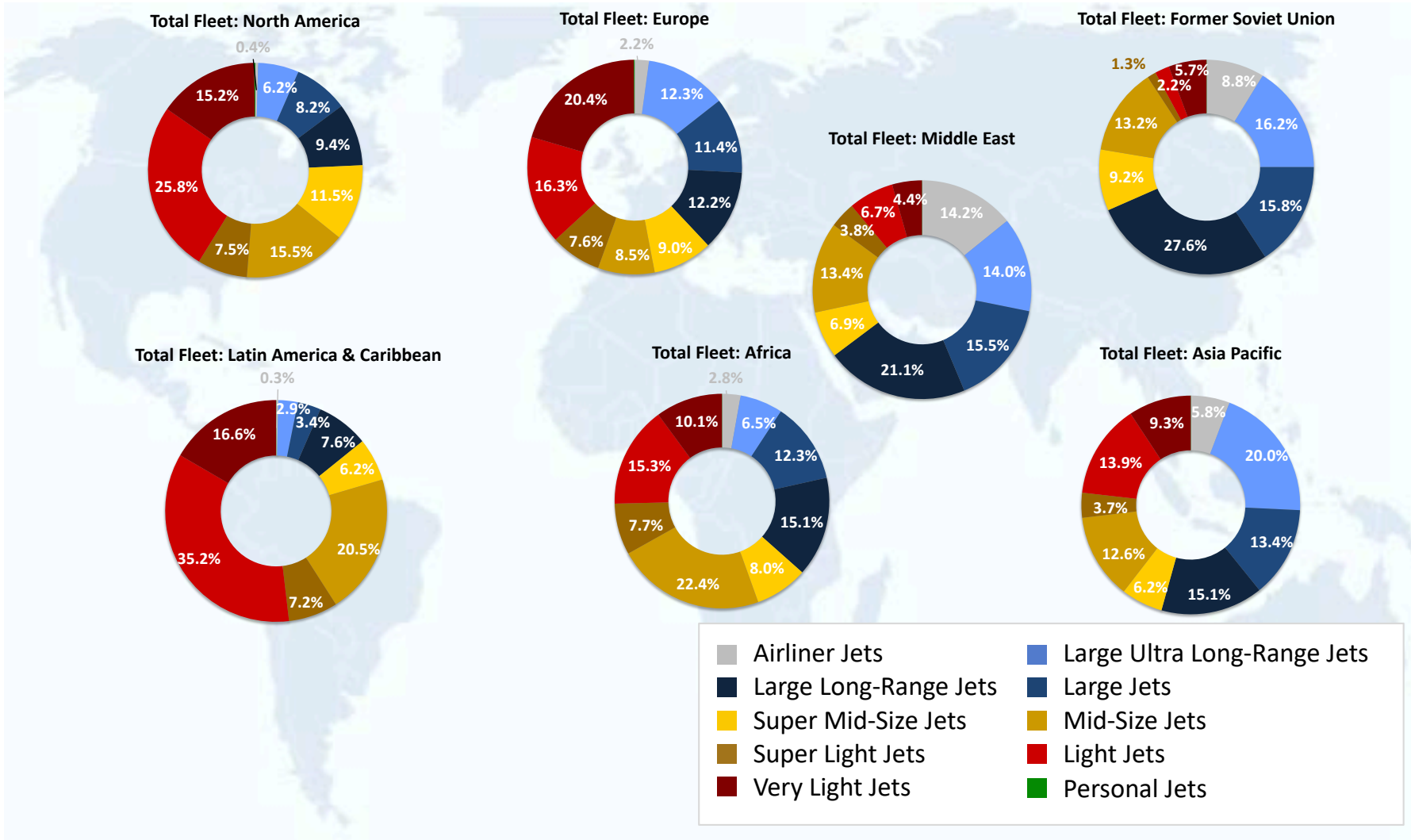
<b>AFRICA OEM</b>	<b>Fleet as of Mar 31 2018</b>
Beechcraft	2
Bombardier	94
Cessna Citation	103
Dassault Falcon	65
Embraer	19
Gulfstream	63
Hawker	98
Other	21
<b>Total</b>	<b>465</b>

<b>ASIA PACIFIC OEM</b>	<b>Fleet as of Mar 31 2018</b>
Beechcraft	10
Bombardier	303
Cessna Citation	237
Dassault Falcon	107
Embraer	83
Gulfstream	307
Hawker	124
Other	79
<b>Total</b>	<b>1,250</b>

**World business jet fleet was 21,612 jets on March 31, 2018**

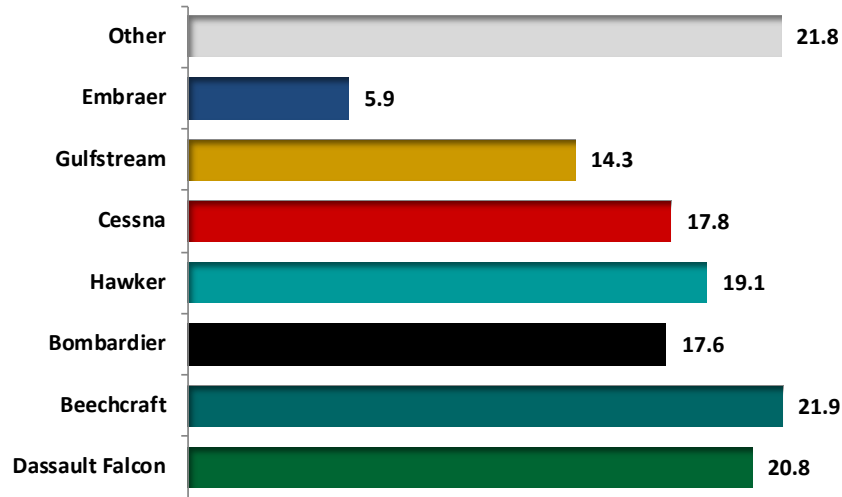
# Business Jet Fleet by Size Category

As of March 31, 2018

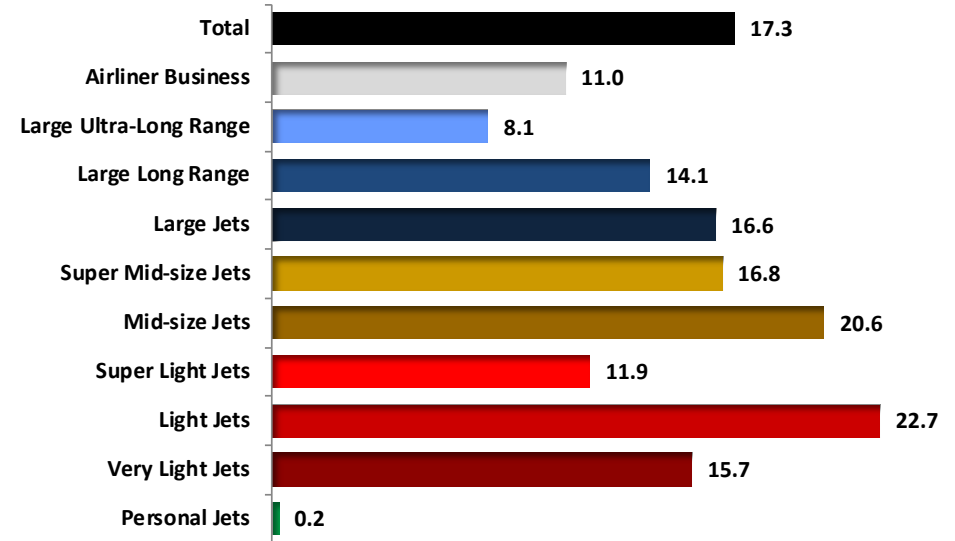


# Business Jet Fleet Age (Years)

Business aircraft average fleet age as of March 31, 2018

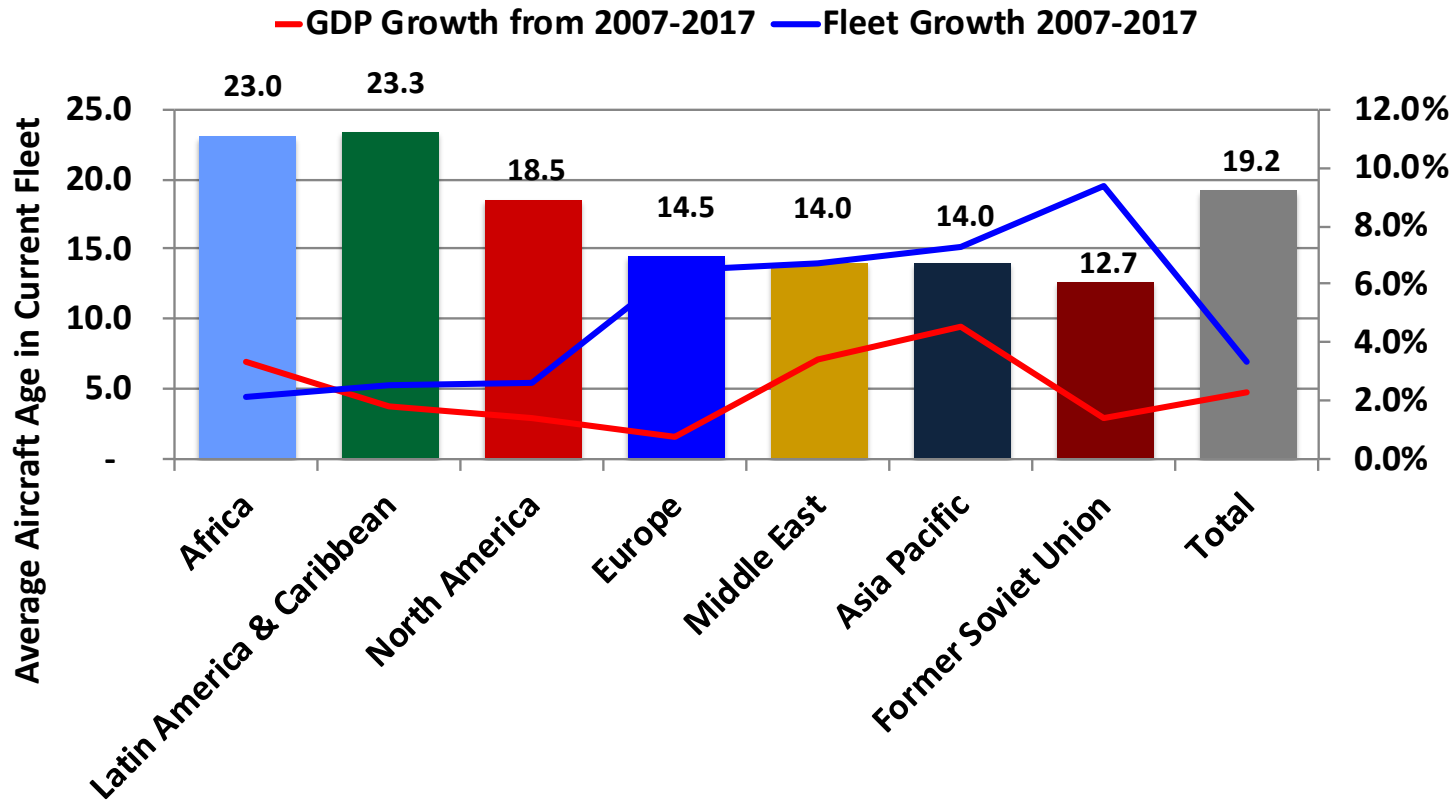


Business aircraft average fleet age as of Mar 31, 2018

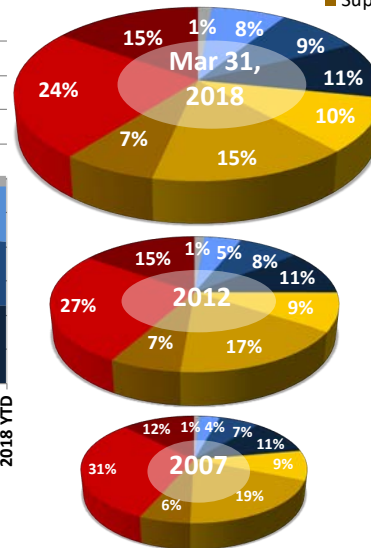
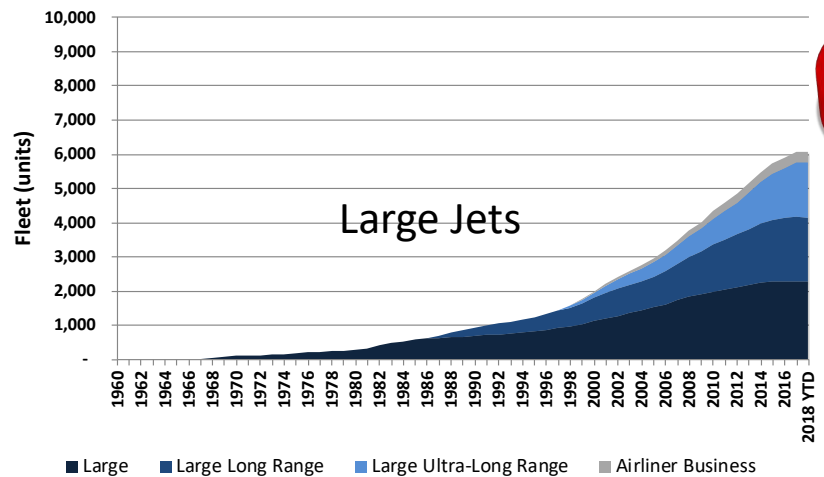
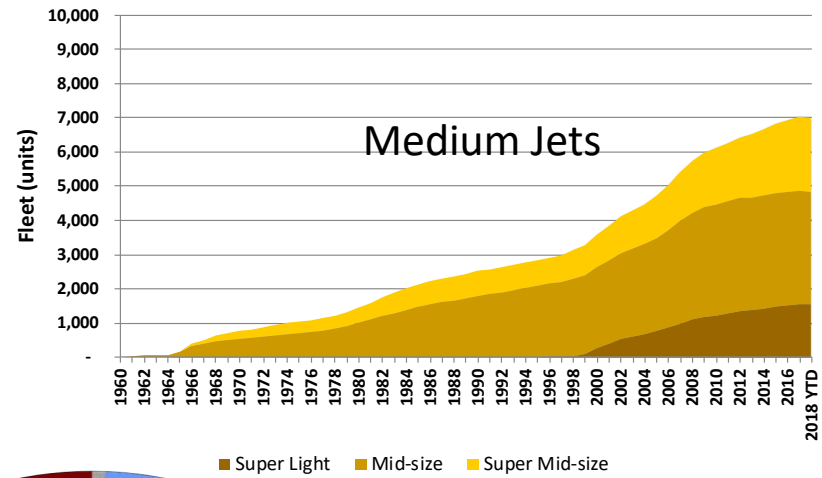
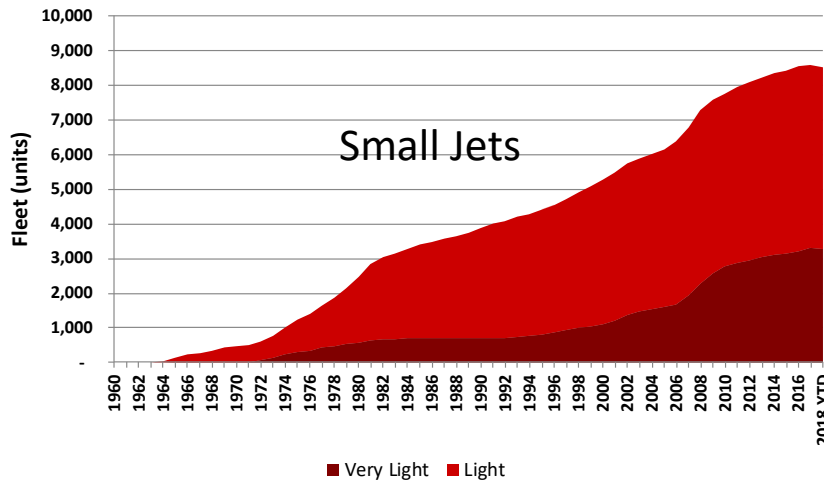


# Business Jet Fleet Age (Years) by region

**Regional profile of current average fleet age and regional GDP and fleet growth (2007-2017)**

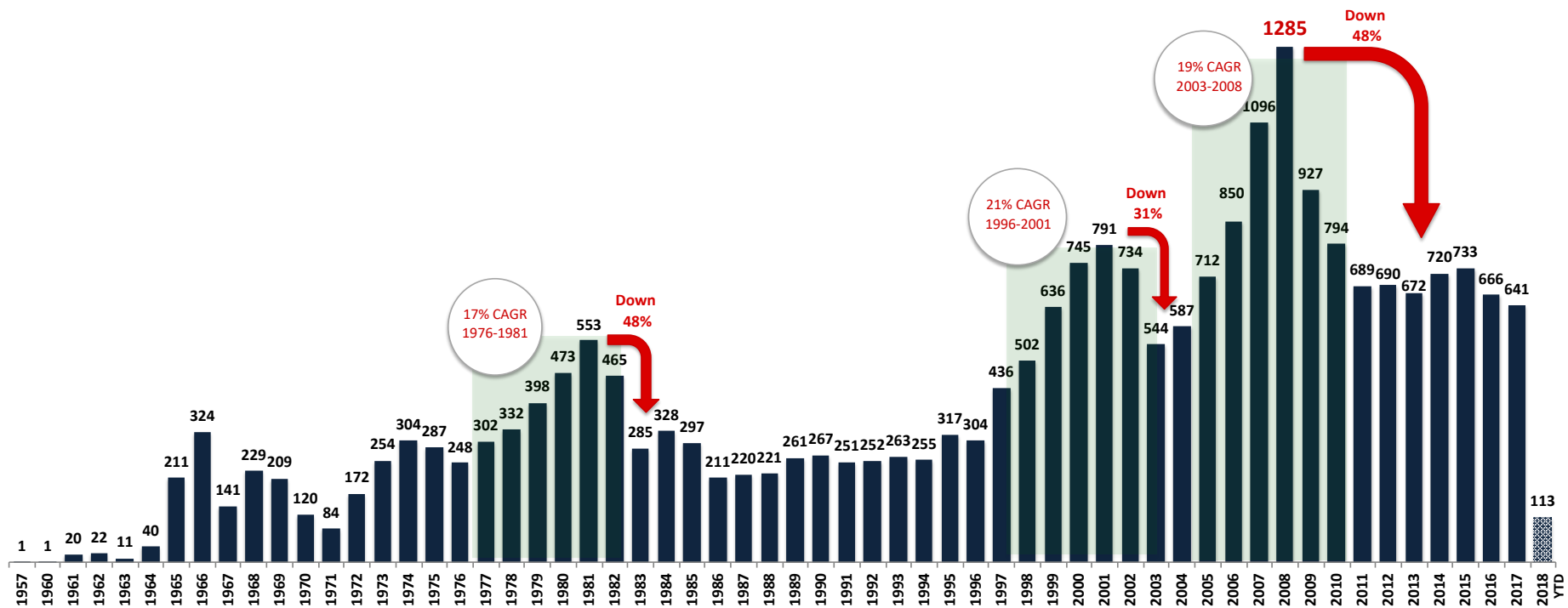


## Business Jet Fleet by Size Category Fleet in Years From 1960 – March 31, 2018



Business Jet Fleet as of Mar 31, 2018 By size category	
Airliner Business	302
Large Ultra-Long Range	1,640
Large Long Range	1,876
Large Jets	2,264
Super Mid-size Jets	2,170
Mid-size Jets	3,279
Super Light Jets	1,542
Light Jets	5,232
Very Light Jets	3,281
Personal Jets	26
<b>Total</b>	<b>21,612</b>

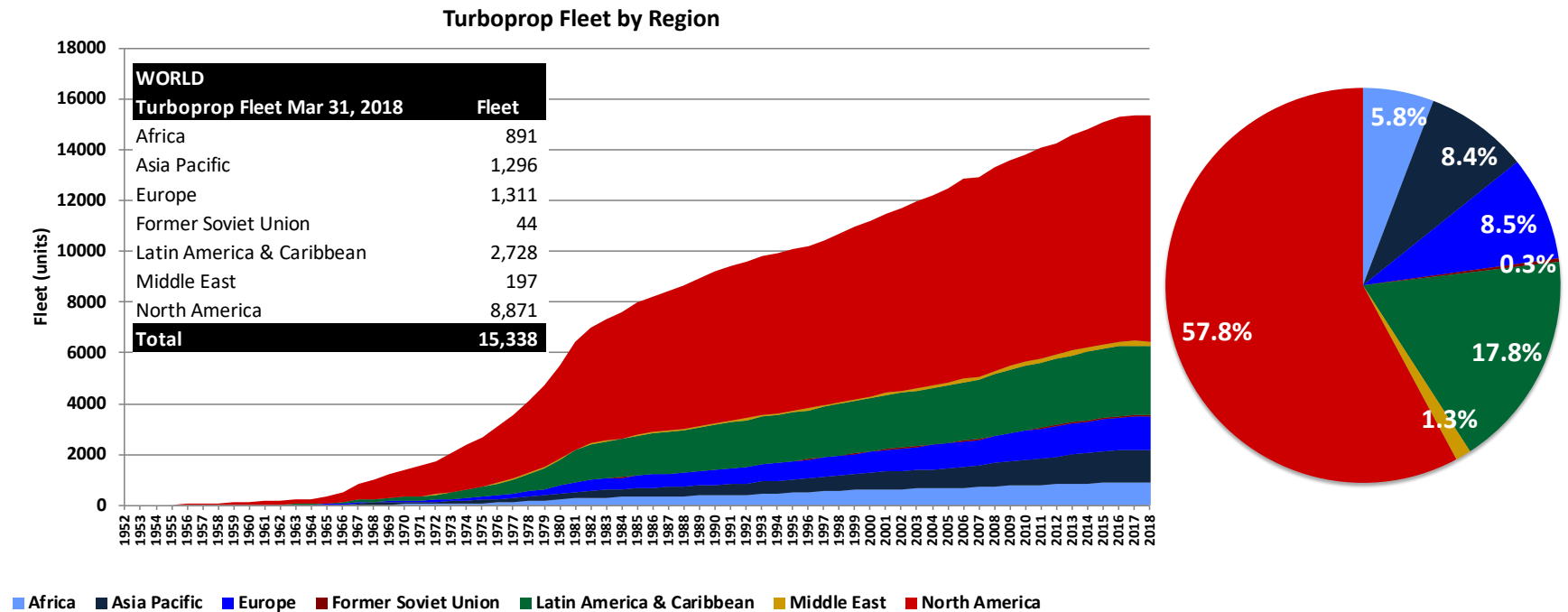
# Business Jet Deliveries (Units)



Source: JETNET; includes Personal Jets; 2018 data are year-to-date through March

New business jet delivery units have remained relatively flat for 7 years

# Business Turboprop Fleet by Region



# Business Turboprop Fleet by Manufacturer

NORTH AMERICA	
Turboprop Fleet Mar 31, 2018	Fleet
Cessna	1,333
Daher Socata	640
Beechcraft	3,749
Pilatus	1,069
Piper	1,022
Turbo Commander	349
Other	-
<b>Total</b>	<b>8,871</b>

EUROPE	
Turboprop Fleet Mar 31, 2018	Fleet
Cessna	161
Daher Socata	118
Beechcraft	394
Pilatus	183
Piper	238
Turbo Commander	26
Other	-
<b>Total</b>	<b>1,311</b>

FORMER SOVIET UNION	
Turboprop Fleet Mar 31, 2018	Fleet
Cessna	10
Daher Socata	-
Beechcraft	11
Pilatus	6
Piper	8
Turbo Commander	-
Other	-
<b>Total</b>	<b>44</b>

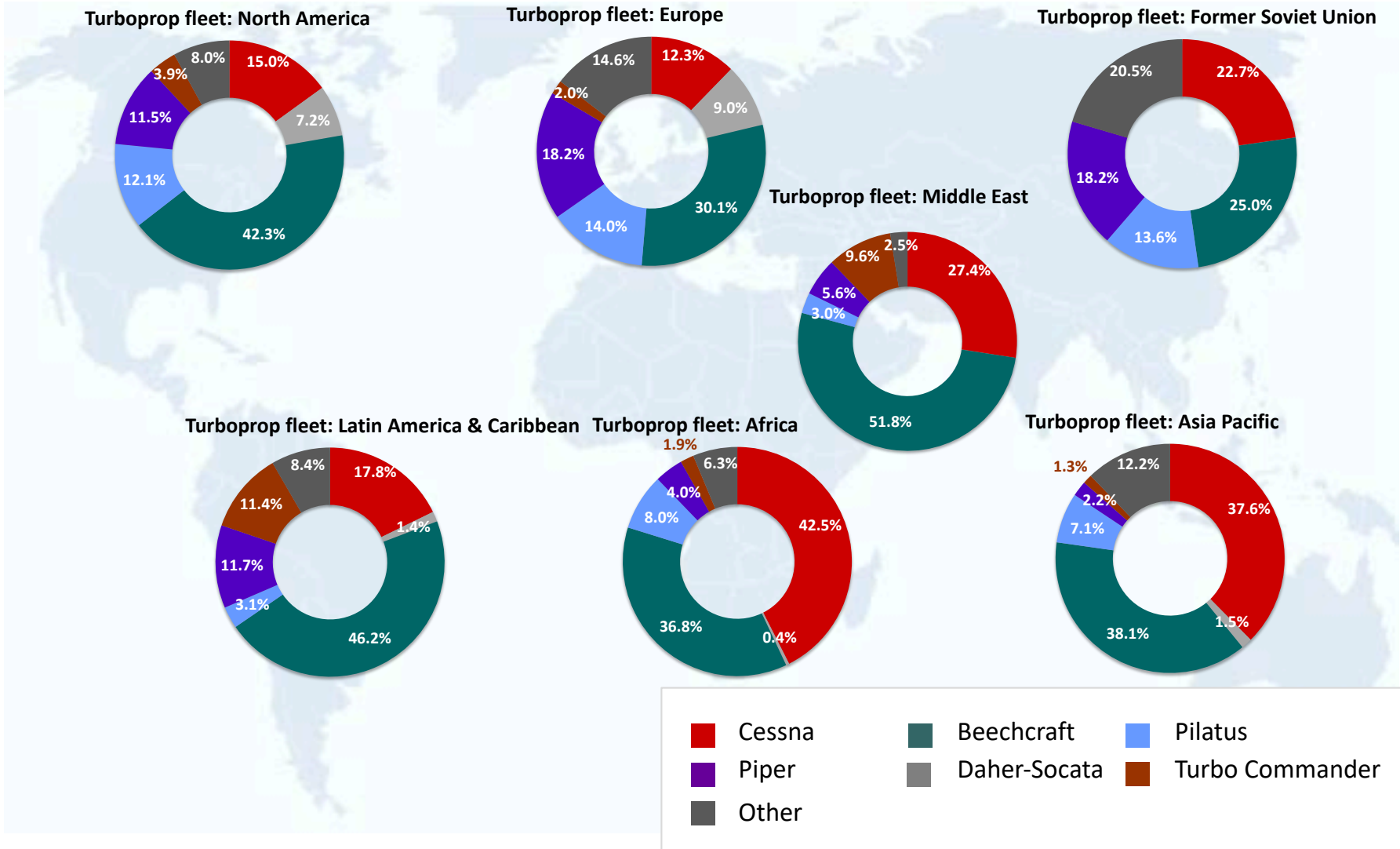
MIDDLE EAST	
Turboprop Fleet Mar 31, 2018	Fleet
Cessna	54
Daher Socata	0
Beechcraft	102
Pilatus	6
Piper	11
Turbo Commander	19
Other	0
<b>Total</b>	<b>197</b>

LATIN AMERICA & CARIBBEAN	
Turboprop Fleet Mar 31, 2018	Fleet
Cessna	485
Daher Socata	39
Beechcraft	1,261
Pilatus	84
Piper	319
Turbo Commander	312
Other	-
<b>Total</b>	<b>2,728</b>

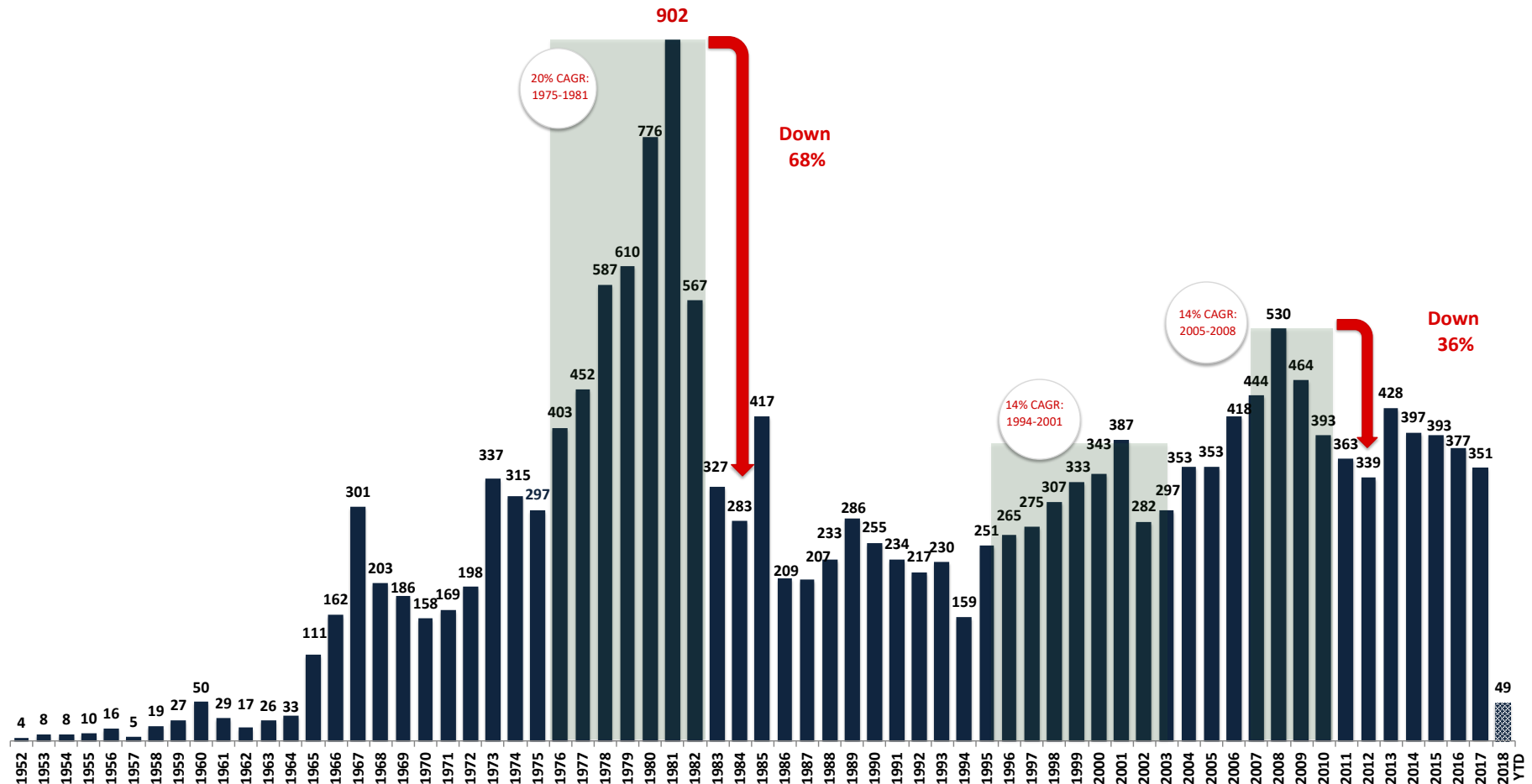
AFRICA	
Turboprop Fleet Mar 31, 2018	Fleet
Cessna	379
Daher Socata	4
Beechcraft	328
Pilatus	71
Piper	36
Turbo Commander	17
Other	-
<b>Total</b>	<b>891</b>

ASIA PACIFIC	
Turboprop Fleet Mar 31, 2018	Fleet
Cessna	487
Daher Socata	20
Beechcraft	494
Pilatus	92
Piper	28
Turbo Commander	17
Other	-
<b>Total</b>	<b>1,296</b>

# Business Turboprop Fleet by Manufacturer



# Business Turboprop Deliveries (Units)

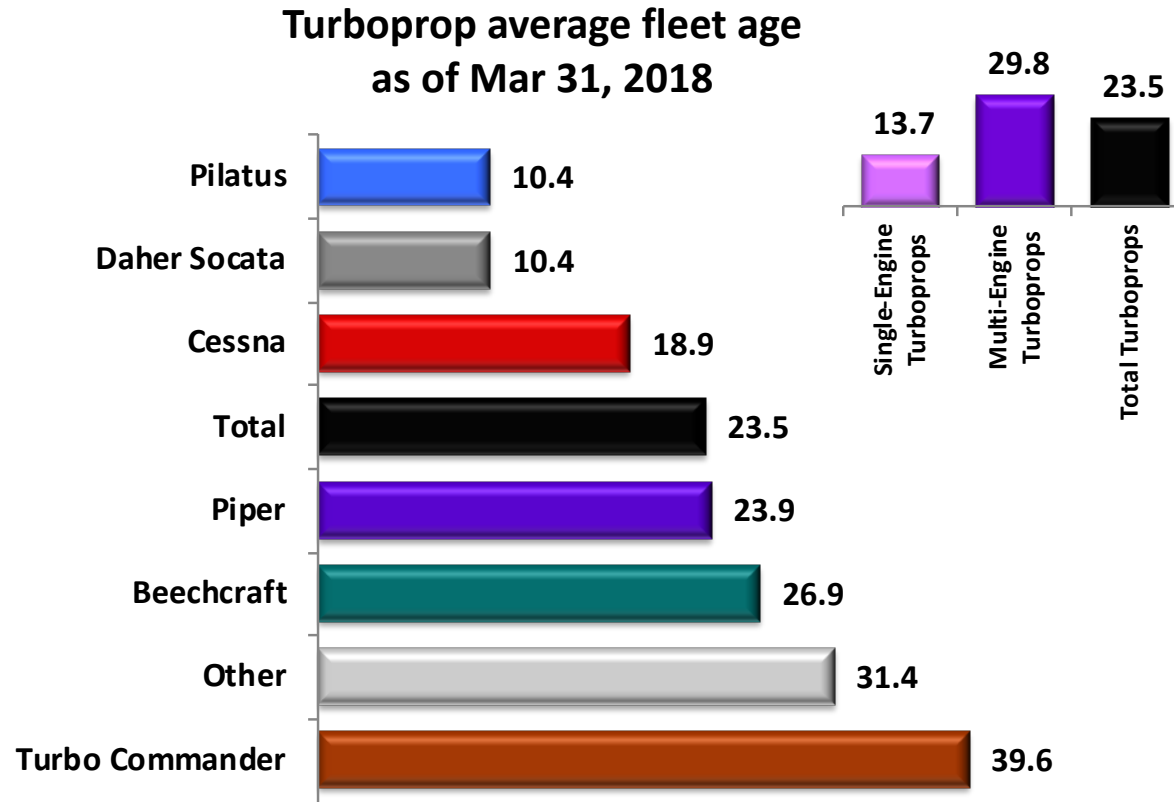


Source: JETNET; 2018 data are year-to-date through March

March 31, 2018

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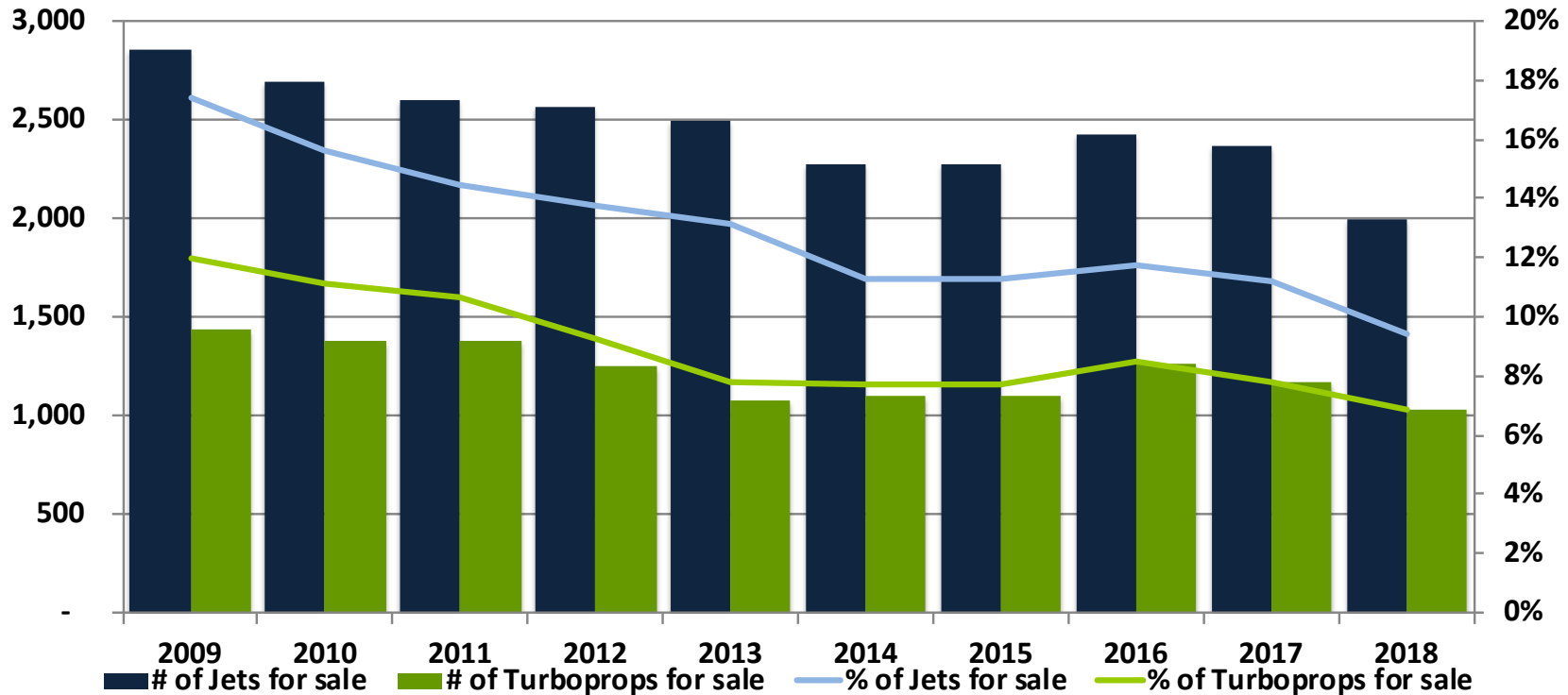
# Business Turboprop Fleet Age (Years)



# Pre-Owned Business Aircraft Inventory

Business Jets and Turboprops for sale

Mar 2009 - Mar 2018

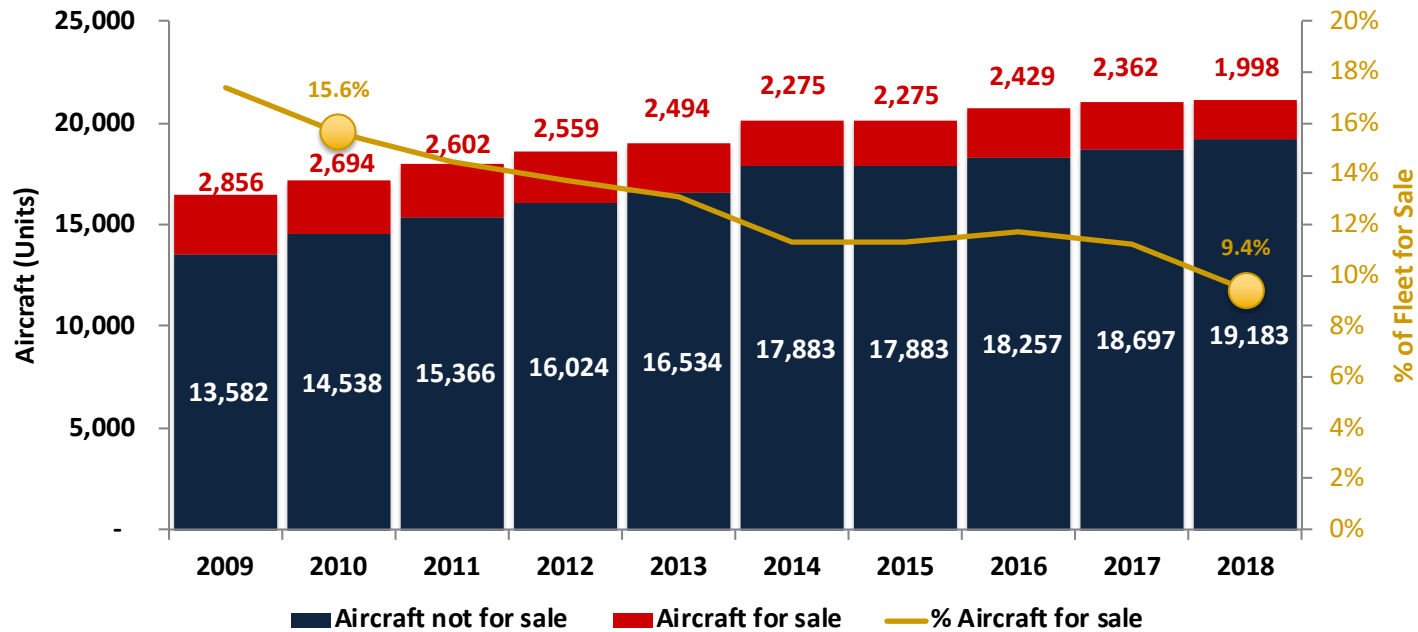


	Aircraft Available for Sale as % of World Fleet (as of March 31)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business Jets	17.4%	15.6%	14.5%	13.8%	13.1%	11.3%	11.3%	11.7%	11.2%	9.4%
Turboprop	12.0%	11.2%	10.7%	9.2%	7.8%	7.7%	7.7%	8.5%	7.8%	6.9%

**For-sale inventory of pre-owned business aircraft has steadily declined since 2009**

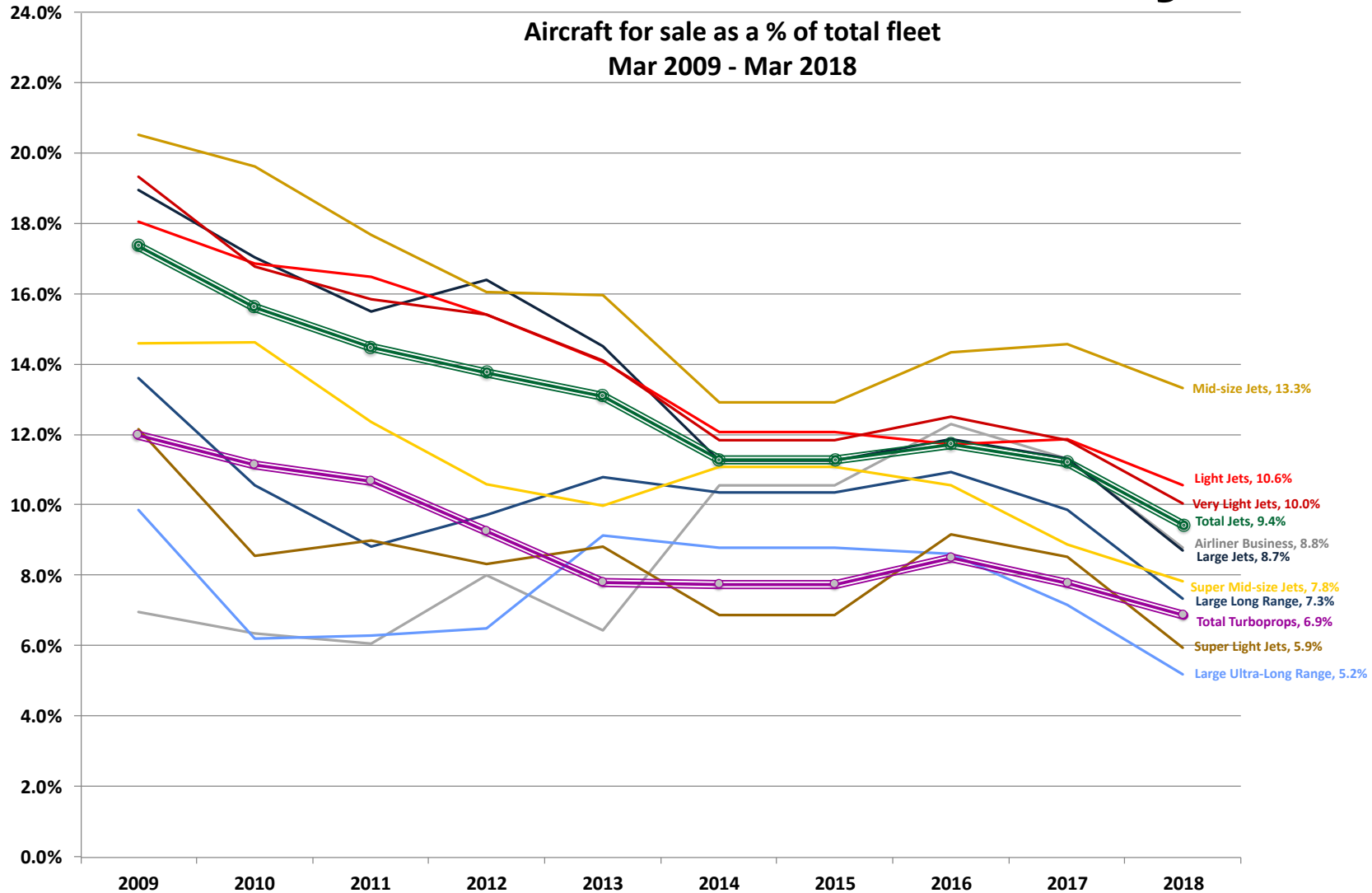
# Pre-Owned Business Jet Inventory

Business Jets for sale - March 31, 2009-2018



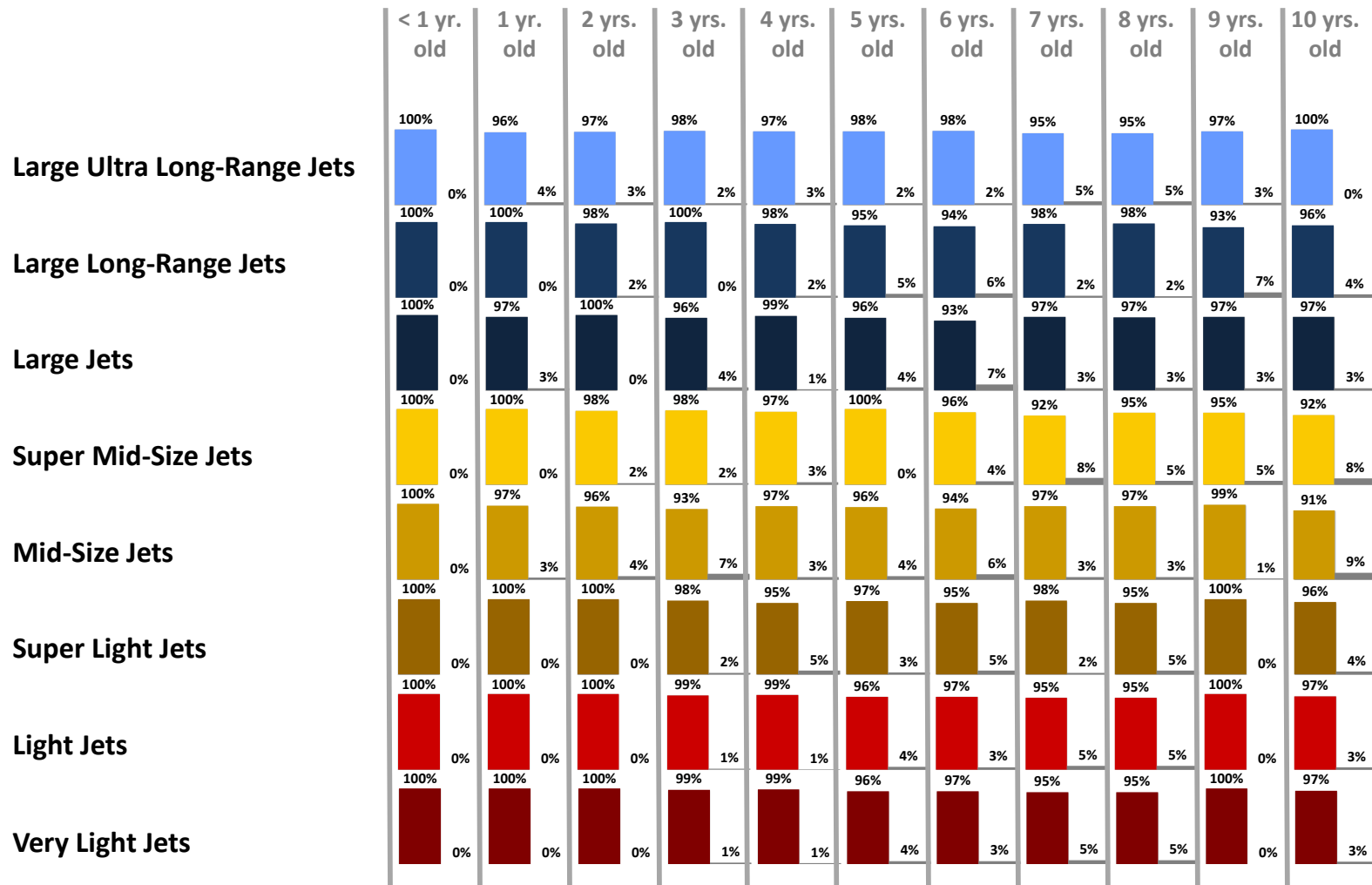
Jets Available for Sale as % of World Fleet (as of March 31)									
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
17.4%	15.6%	14.5%	13.8%	13.1%	11.3%	11.3%	11.7%	11.2%	9.4%

# Pre-Owned Business Jet Inventory



# Pre-Owned Business Jet Inventory

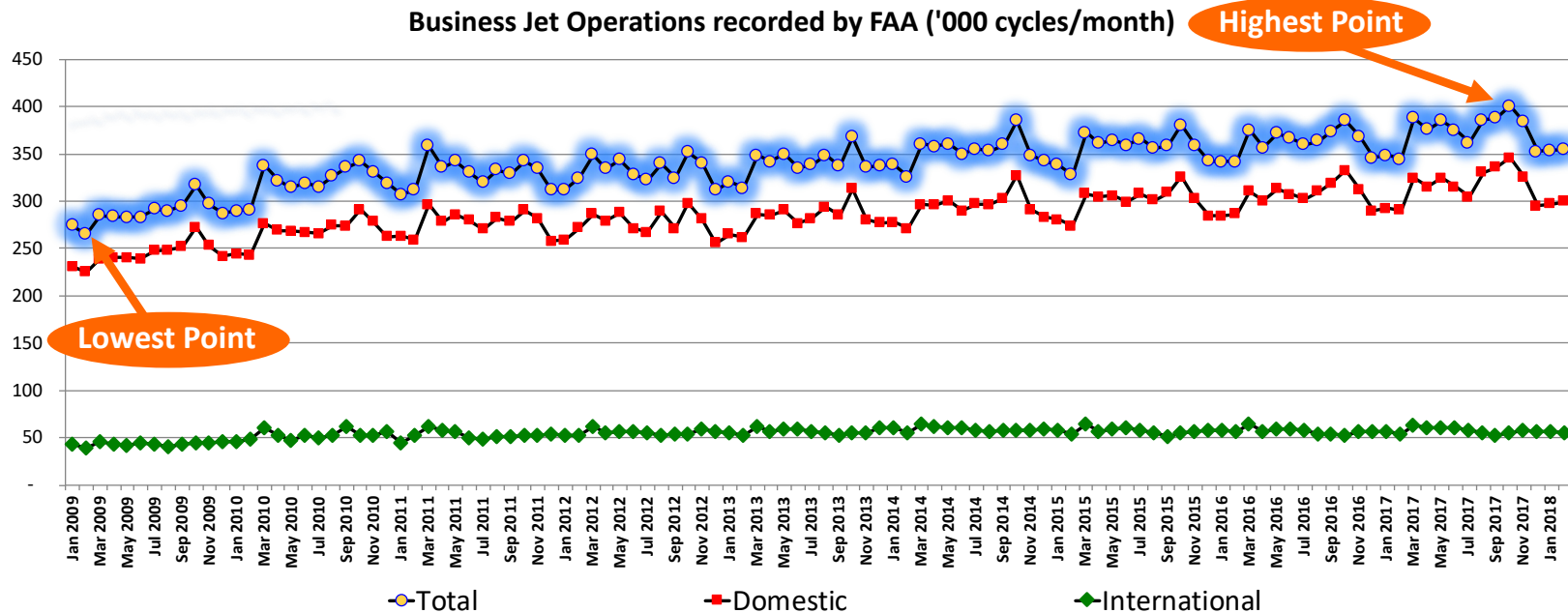
10-Years Old or Less – % for sale and % not for sale by size category



# U.S. Business Jet Utilization

U.S. business jet cycles increased 3.3% YOY in February 2018 on a trailing twelve months (TTM) basis, with a 3.6% increase in domestic flights and a 2.0% increase in international flights. Cycles have only returned to 2003/2004 levels of activity, despite an almost doubling of the U.S. fleet since then.

FAA BUSINESS JET OPERATIONS - FEB 2018		Trailing 12 Months
TOTAL CYCLES		
Total Cycles	354,410	4,503,356
Change vs. prior month	0.1%	0.2%
Change vs. prior year	3.0%	3.3%
Change vs. 24 months ago	3.7%	4.7%
DOMESTIC CYCLES		
Total Domestic Cycles	299,716	3,811,498
Change vs. prior month	0.9%	0.2%
Change vs. prior year	3.2%	3.6%
Change vs. 24 months ago	4.8%	5.4%
INTERNATIONAL CYCLES		
Total International Cycles	54,694	691,858
Change vs. prior month	-3.7%	0.1%
Change vs. prior year	1.9%	2.0%
Change vs. 24 months ago	-1.9%	0.8%



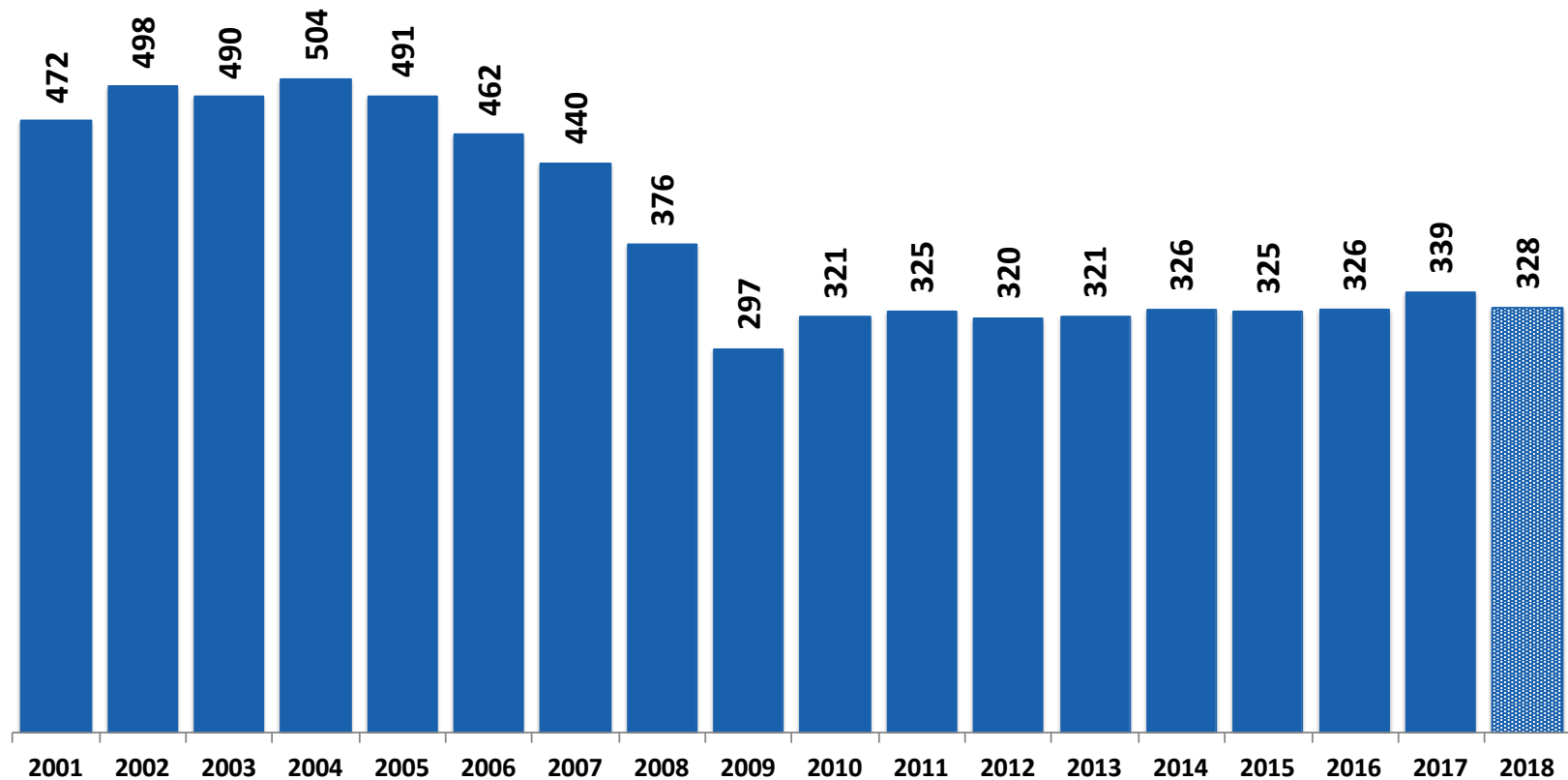
Source: U.S. FAA

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# Estimated U.S. Business Jet Cycles

Average Number of Business Jet Cycles  
per Aircraft Per Year - USA

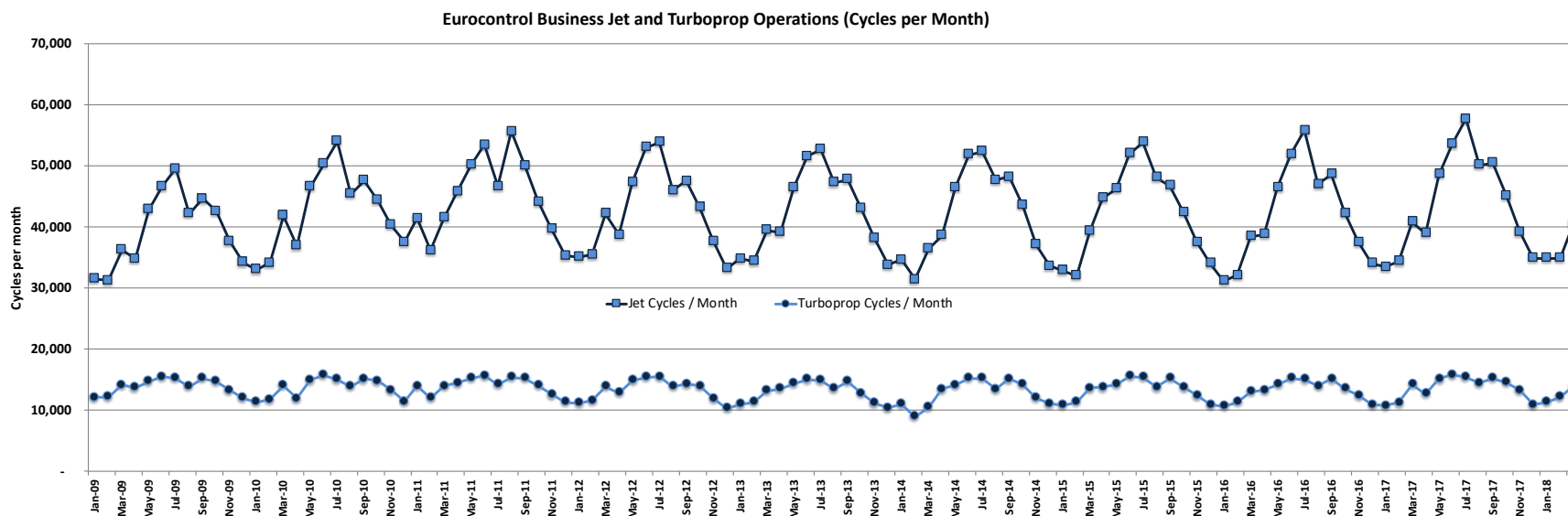


Sources: U.S. FAA, JETNET, JETNET iQ analysis

# European Business Aircraft Utilization

March 2018 business aircraft cycles in Europe were up 3.5% for jets and up 3.0% for turboprops on a year-over-year (YOY) trailing twelve months (TTM) basis. European utilization rates fluctuate with the seasons, an indication of considerable non-business “North-South” flying. The outlook for European business aircraft utilization remains positive, reflecting an improved economic outlook for the Euro Area in 2018.

EUROCONTROL BUSINESS JET & TURBOPROP OPERATIONS - MAR 2018		Trailing 12 Months
<b>BUSINESS JETS (EXCLUDING AIRLINERS)</b>		
Total Cycles	40,612	529,119
Change vs. prior month	16.4%	0.0%
Change vs. prior year	-0.6%	3.5%
Change vs. 24 months ago	5.5%	4.2%
<b>TURBOPROPS</b>		
Total Cycles	13,992	165,196
Change vs. prior month	14.8%	-0.2%
Change vs. prior year	-1.7%	3.0%
Change vs. 24 months ago	7.5%	2.9%

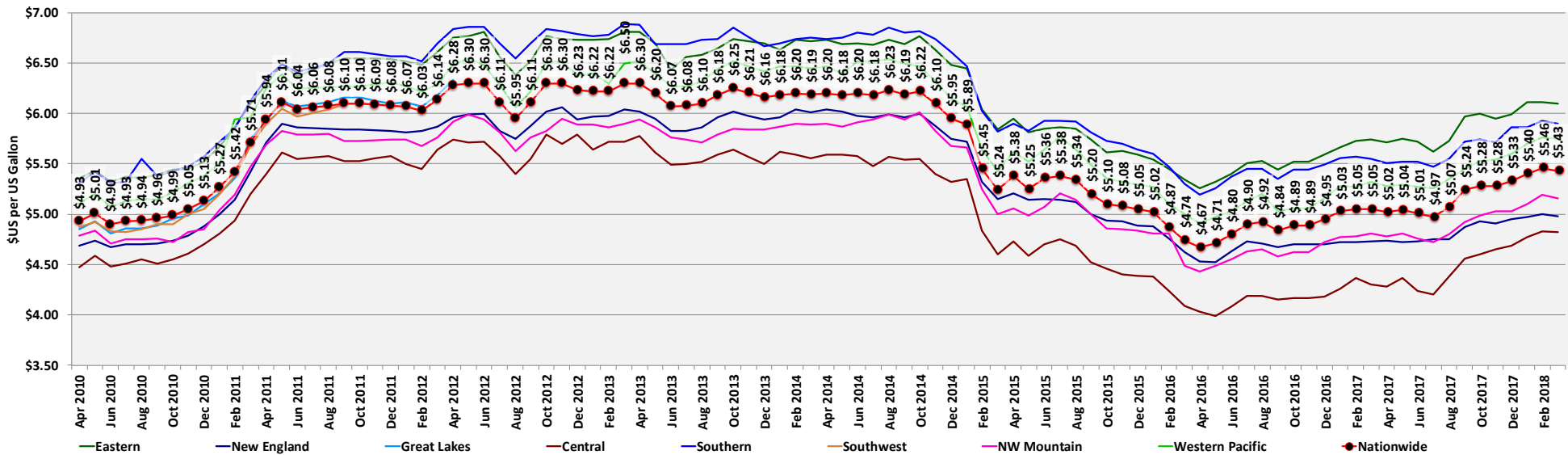


Source: Eurocontrol

March 31, 2018

# Jet-A Fuel Prices at U.S. FBOs

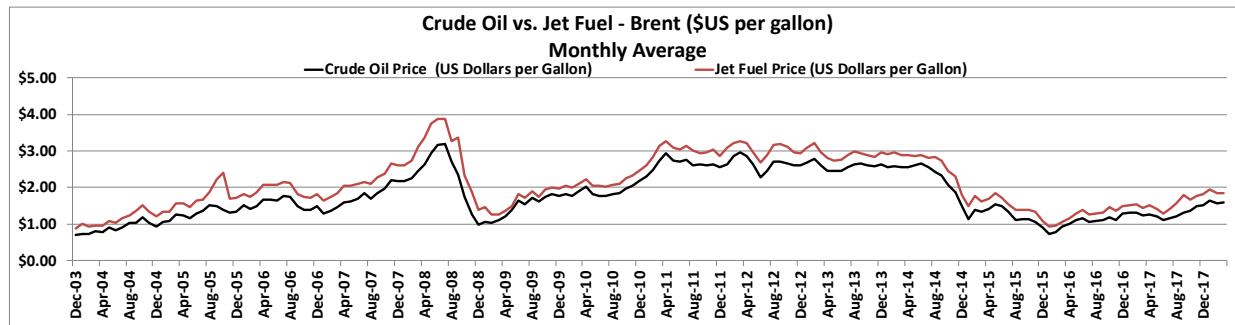
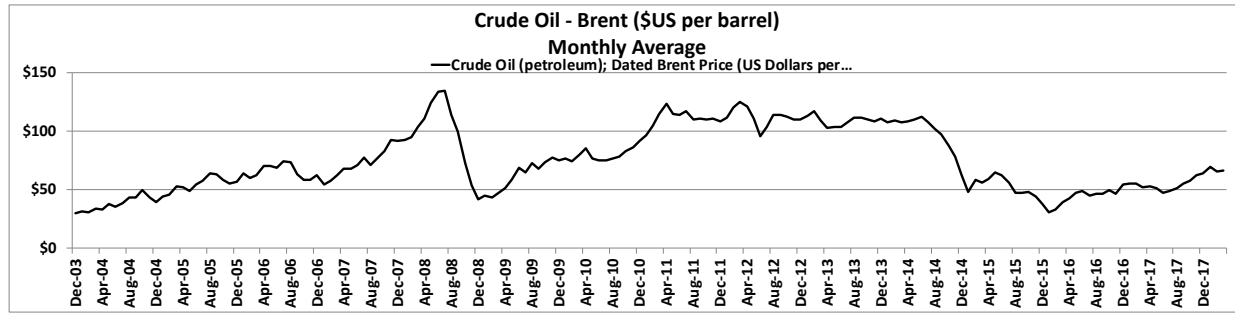
Average Jet-A Fuel Prices recorded by B&CA - Regional USA



Source: [Business & Commercial Aviation](#)

Jet-A fuel prices in March 2018 are averaging about \$5.43 at U.S. FBOs, up 7.5% from \$5.05 year-over-year

## Crude Oil and Jet Fuel Prices



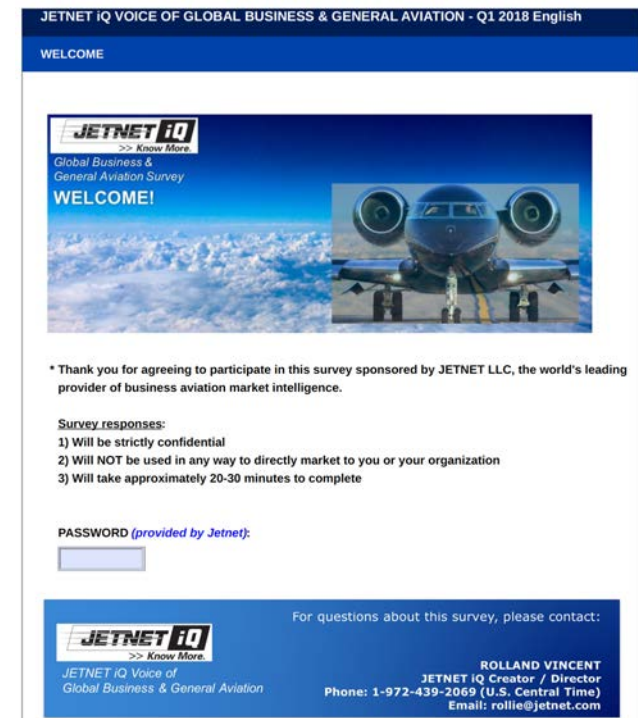
IATA Fuel Price Monitor	Share in	Index Value	vs. 1 week	vs. 1 month			
Apr 13 2018	World Index	2000= 100	ago	ago			
	\$/US gallon			vs.1 yr ago			
<b>Jet Fuel Price</b>	<b>100%</b>	<b>\$ 2.086</b>	<b>\$ 87.60</b>	<b>239.50</b>	<b>6.5%</b>	<b>13.1%</b>	<b>30.8%</b>
Asia & Oceania	22%	\$ 2.063	\$ 86.60	247.50	6.2%	12.2%	30.7%
Europe & CIS	28%	\$ 2.106	\$ 88.40	238.30	6.4%	11.7%	32.0%
Middle East & Africa	7%	\$ 2.044	\$ 85.80	256.30	6.4%	13.3%	32.3%
North America	39%	\$ 2.087	\$ 87.60	233.00	6.7%	14.6%	30.0%
Latin & Central America	4%	\$ 2.134	\$ 89.60	248.30	7.1%	13.4%	28.3%

*Global average price paid at the refinery for aviation jet fuel - IATA*

Source: IndexMundi; IATA from PLATTS

## JETNET iQ Quarterly Surveys

- Multilingual owner / operator surveys
  - Utilization patterns and expectations
  - Brand perceptions
  - Purchase criteria / inhibitors
  - Purchase / selling intentions
  - New product preferences
  - Special topics of interest (examples)
    - New products
    - The environment
    - Mood of the market



JETNET iQ VOICE OF GLOBAL BUSINESS & GENERAL AVIATION - Q1 2018 English

WELCOME

**JETNET iQ**  
Global Business & General Aviation Survey  
WELCOME!

\* Thank you for agreeing to participate in this survey sponsored by JETNET LLC, the world's leading provider of business aviation market intelligence.

Survey responses:

- 1) Will be strictly confidential
- 2) Will NOT be used in any way to directly market to you or your organization
- 3) Will take approximately 20-30 minutes to complete

PASSWORD (provided by Jetnet):

For questions about this survey, please contact:

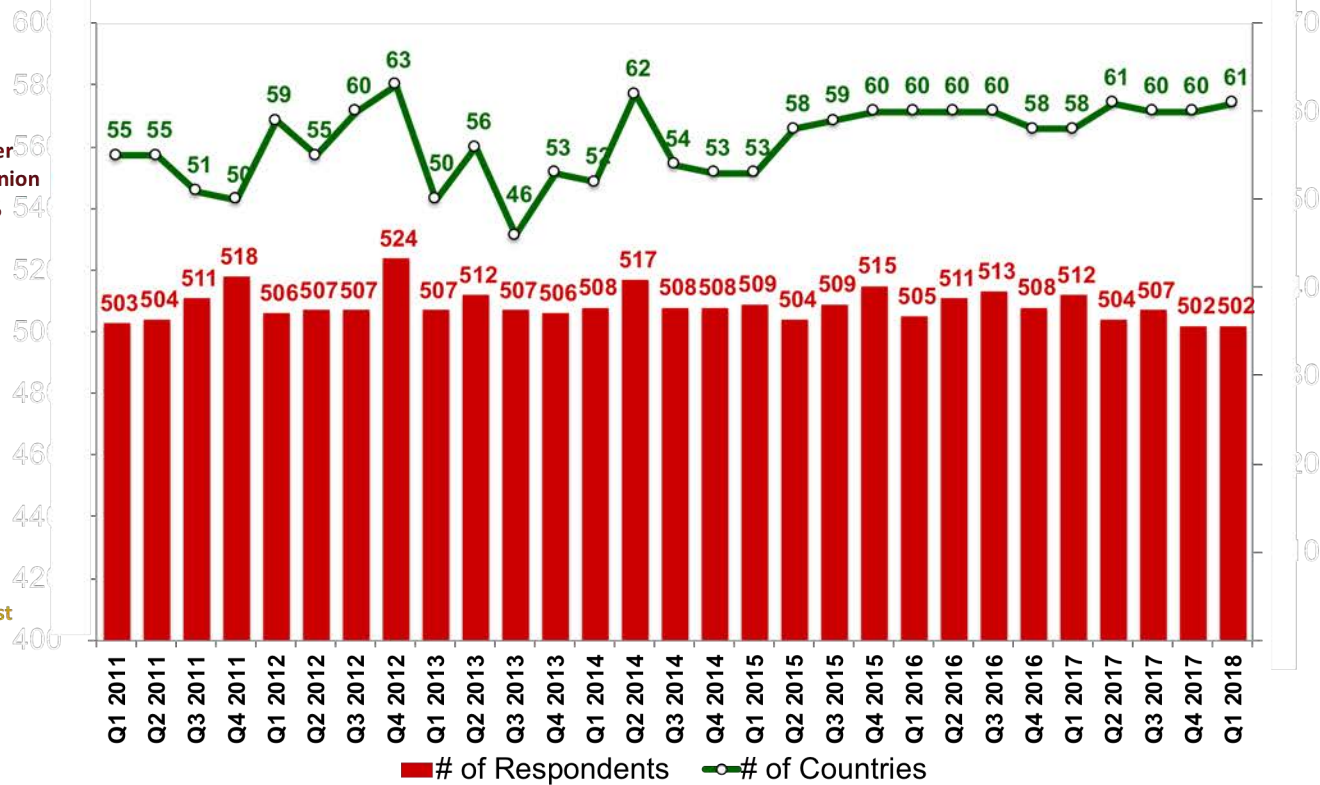
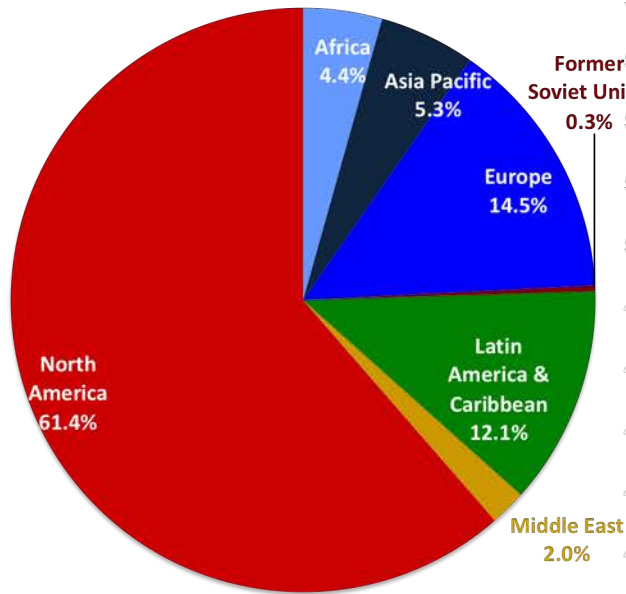
**JETNET iQ**  
JETNET iQ Voice of Global Business & General Aviation

ROLLAND VINCENT  
JETNET iQ Creator / Director  
Phone: 1-972-439-2069 (U.S. Central Time)  
Email: rollie@jetnet.com

JETNET iQ Surveys: Quarterly, multilingual, worldwide

## JETNET iQ Survey Respondents

Respondent Location Q1 2011 - Q1 2018



	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Total
# of Respondents	503	504	511	518	506	507	507	524	507	512	507	506	508	517	505	511	513	508	512	504	505	511	513	508	512	502	502	502	502	14,754
# of Countries	55	55	51	50	59	55	60	63	50	56	46	53	57	62	60	60	60	60	58	58	60	60	60	60	60	61	60	61	61	129

JETNET iQ Surveys: Since Q1 2011, >14,700 respondents from 129 countries



## Survey Respondents' Roles

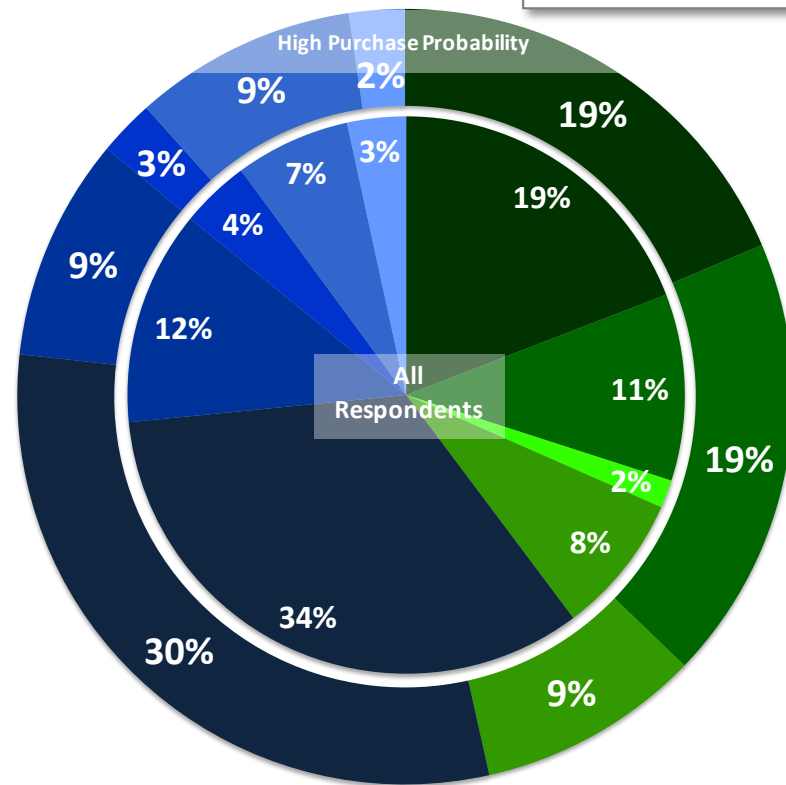
### By Job Title

Q1 2018 Survey

Title of respondent	Completed
Business owner / shareholder / partner	129
C-Level / President / Managing Director	73
Vice President / Senior Management	11
General Manager / Director	55
Chief Pilot / head of flight operations	227
Dispatcher / Scheduler / Flight Coordinator	84
Head of maintenance	27
Pilot	45
Vice President / Director of Aviation	23
<b>Total</b>	<b>674</b>

Note: Respondent was able to chose whichever applied

Aviation Professionals	406	60%
Senior Management / General Manager	268	40%



- Business owner/shareholder/partner
- C-Level/President/Managing Director
- Vice President/Senior Management
- General Manager/Director
- Chief Pilot/Head of flight operations
- Dispatcher/Scheduler/Flight Coordinator
- Head of maintenance
- Pilot
- Vice President/Director of Aviation

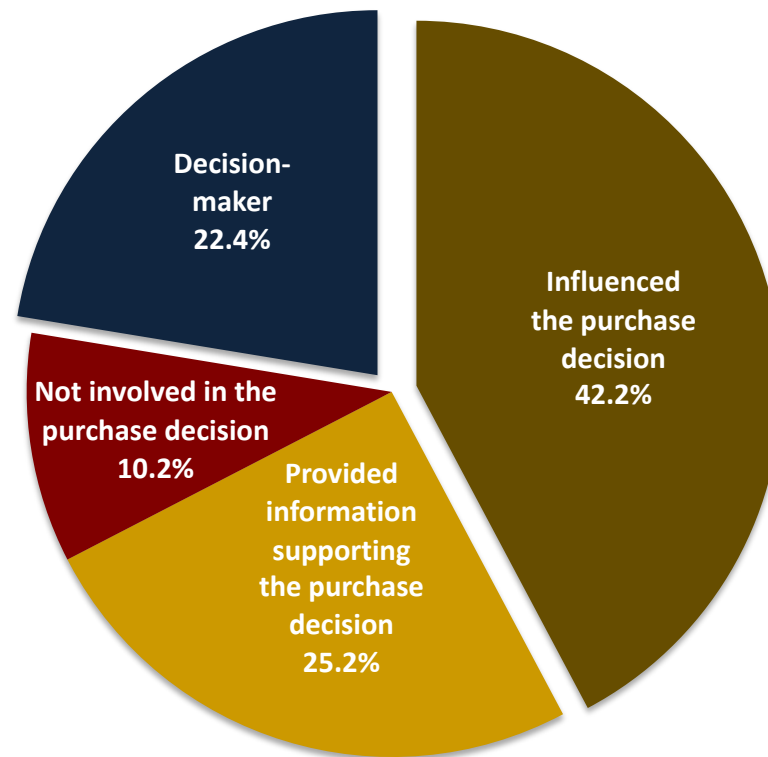


Note: Respondents may have multiple job titles and organizational roles

# Survey Respondents' Roles

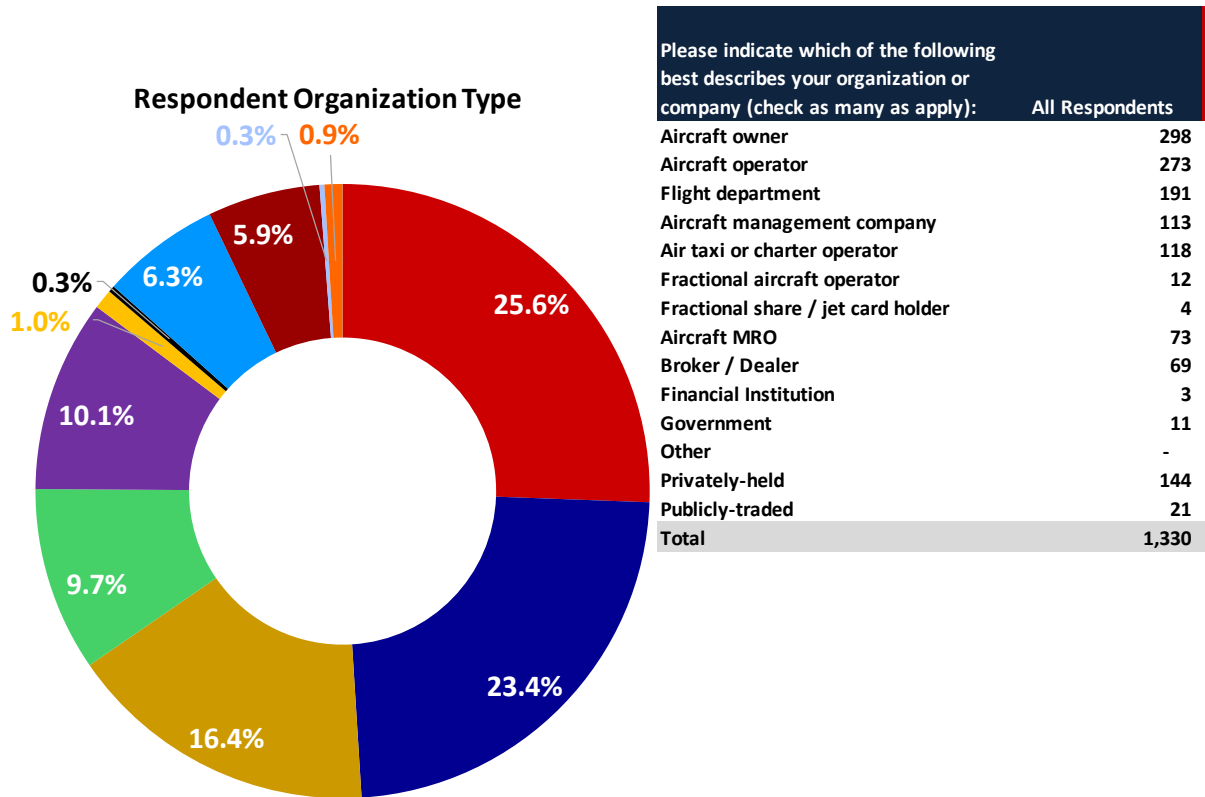
By Involvement in Last Fixed-Wing Turbine Aircraft Purchase

Q1 2018 Survey



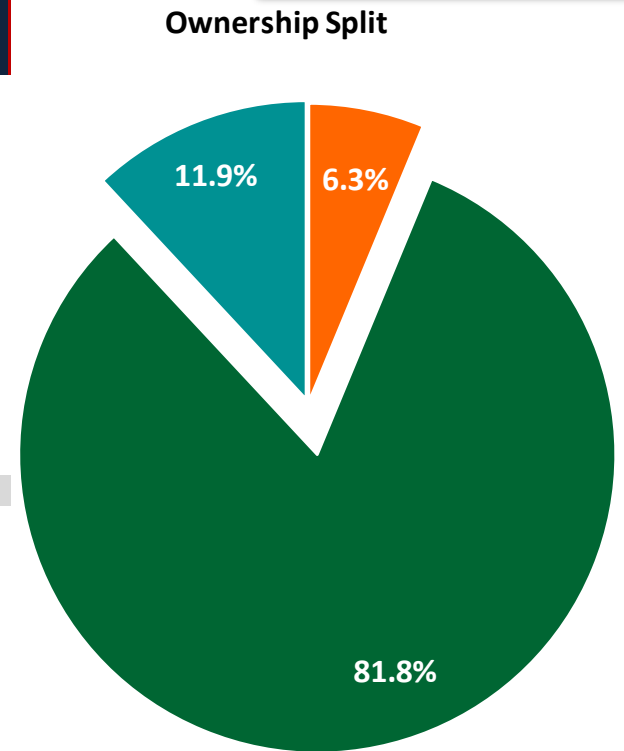
# Survey Respondents' Organization

Q1 2018 Survey



Please indicate which of the following best describes your organization or company (check as many as apply):

	All Respondents
Aircraft owner	298
Aircraft operator	273
Flight department	191
Aircraft management company	113
Air taxi or charter operator	118
Fractional aircraft operator	12
Fractional share / jet card holder	4
Aircraft MRO	73
Broker / Dealer	69
Financial Institution	3
Government	11
Other	-
Privately-held	144
Publicly-traded	21
<b>Total</b>	<b>1,330</b>



Breakdown for Respondents who indicated ownership

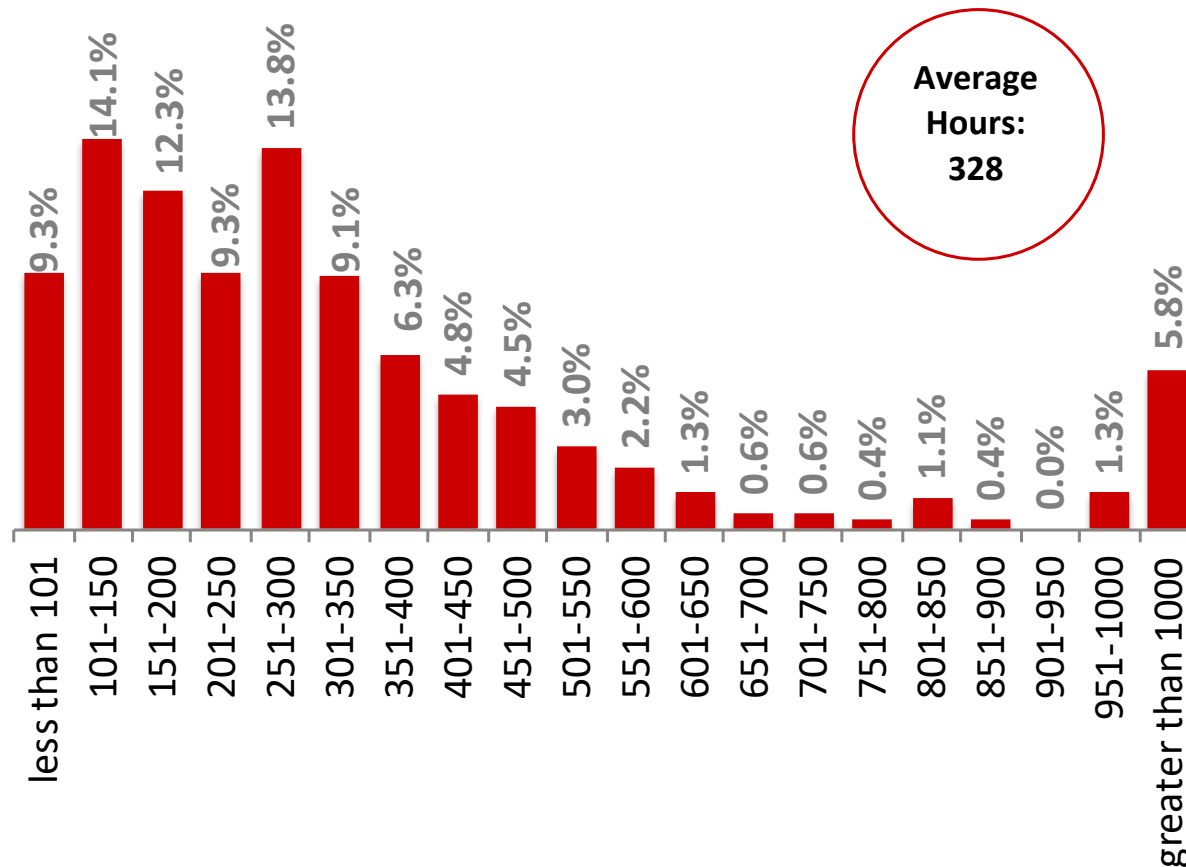
<span style="color: red;">●</span> Aircraft owner	<span style="color: purple;">●</span> Air taxi or charter operator	<span style="color: red;">●</span> Broker / Dealer	<span style="color: orange;">●</span> Government
<span style="color: blue;">●</span> Aircraft operator	<span style="color: yellow;">●</span> Fractional aircraft operator	<span style="color: lightblue;">●</span> Financial Institution	<span style="color: green;">●</span> Privately held
<span style="color: gold;">●</span> Flight department	<span style="color: black;">●</span> Fractional share / jet card holder	<span style="color: orange;">●</span> Government	<span style="color: teal;">●</span> Publicly held
<span style="color: green;">●</span> Aircraft management company	<span style="color: cyan;">●</span> Aircraft MRO	<span style="color: grey;">●</span> Other	

Note: Respondents may have chosen multiple organizational types

# Survey Respondents' Flight Operations

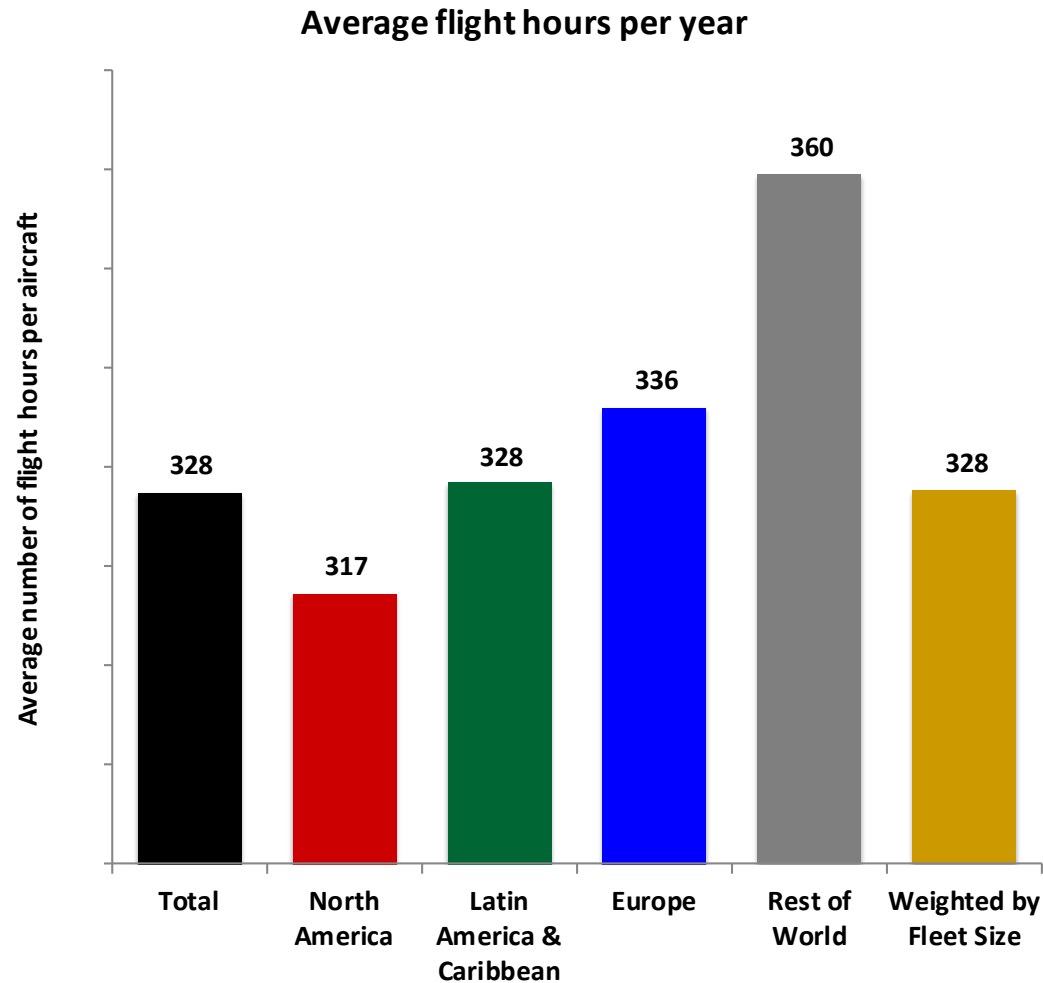
Last 12 Months – Worldwide (Fixed-Wing Business Jets and Turboprops Only)  
Annual Flight Hours Per Aircraft

Q1 2018 Survey



# Survey Respondents' Flight Operations

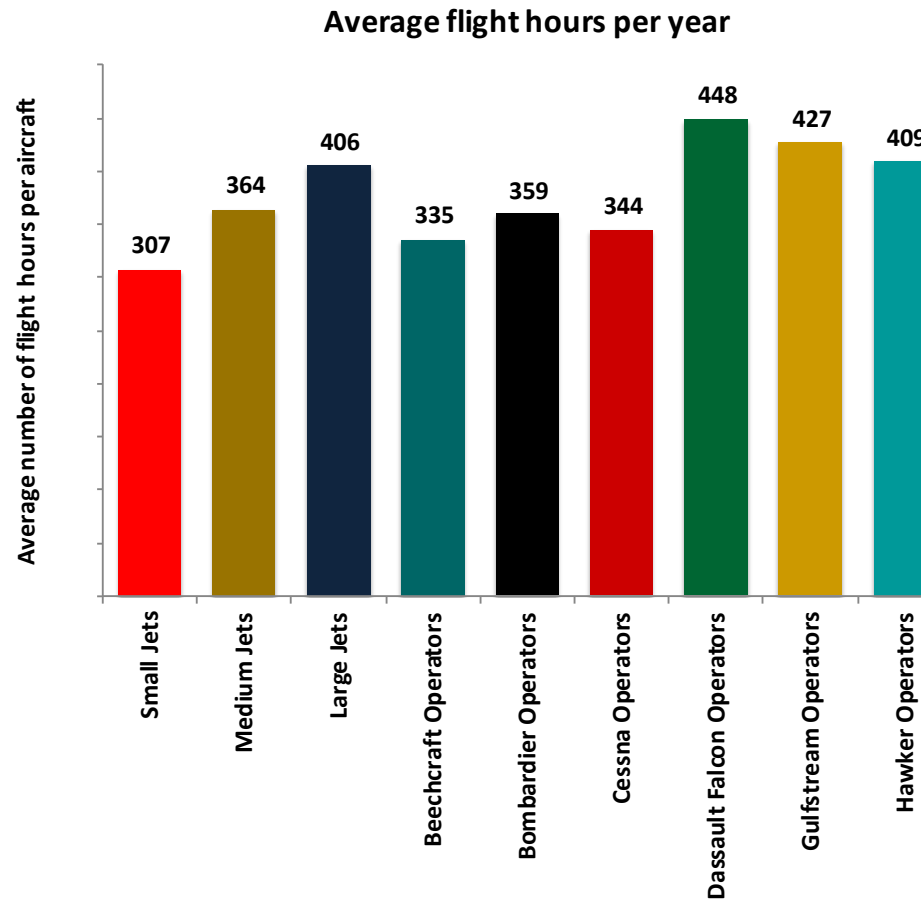
## Regional Average Utilization per Aircraft in Prior 12 Months



# Survey Respondents' Flight Operations

## Operator Size and Brand Utilization per Aircraft in Prior 12 Months

Q1 2018 Survey



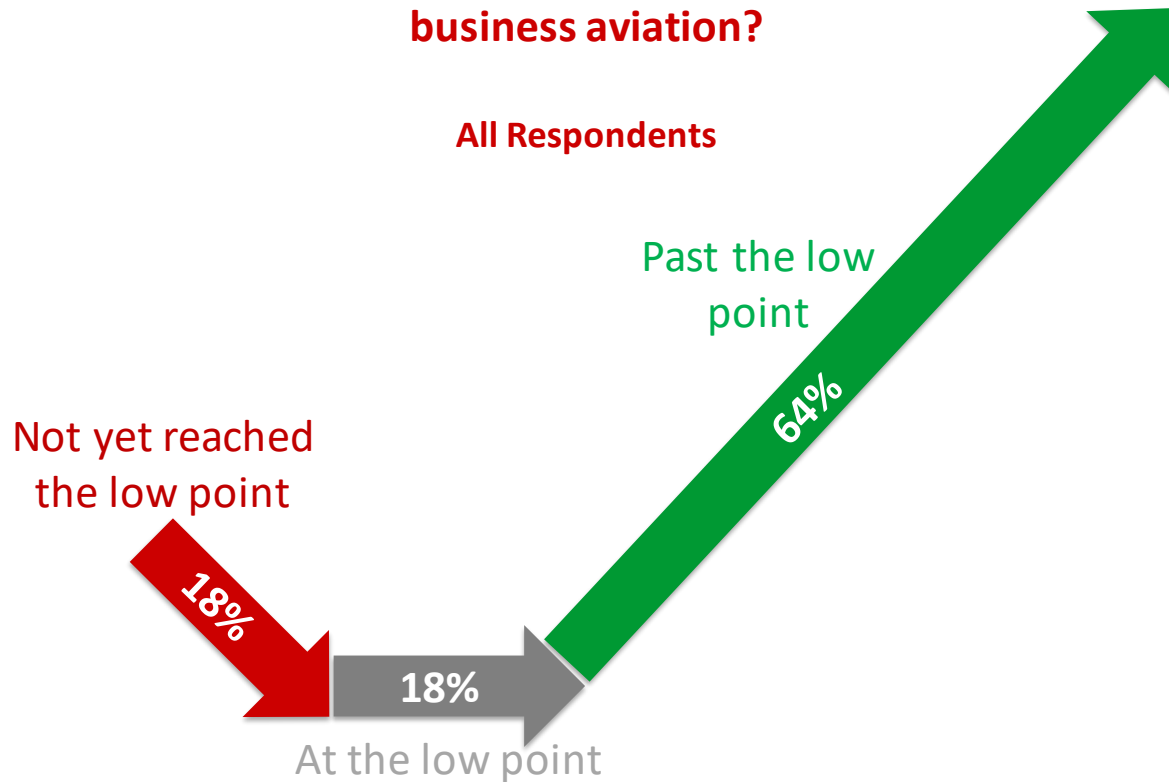
# Survey Respondents' Sentiment

## Current Market Sentiment

Q1 2018 Survey

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

All Respondents



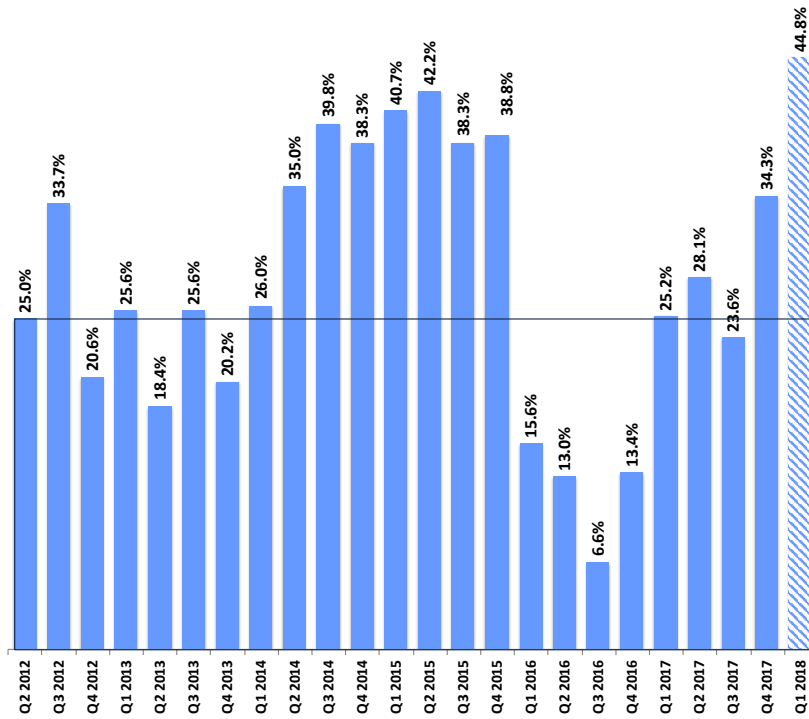
# Survey Respondents' Sentiment

## Current Market Sentiment

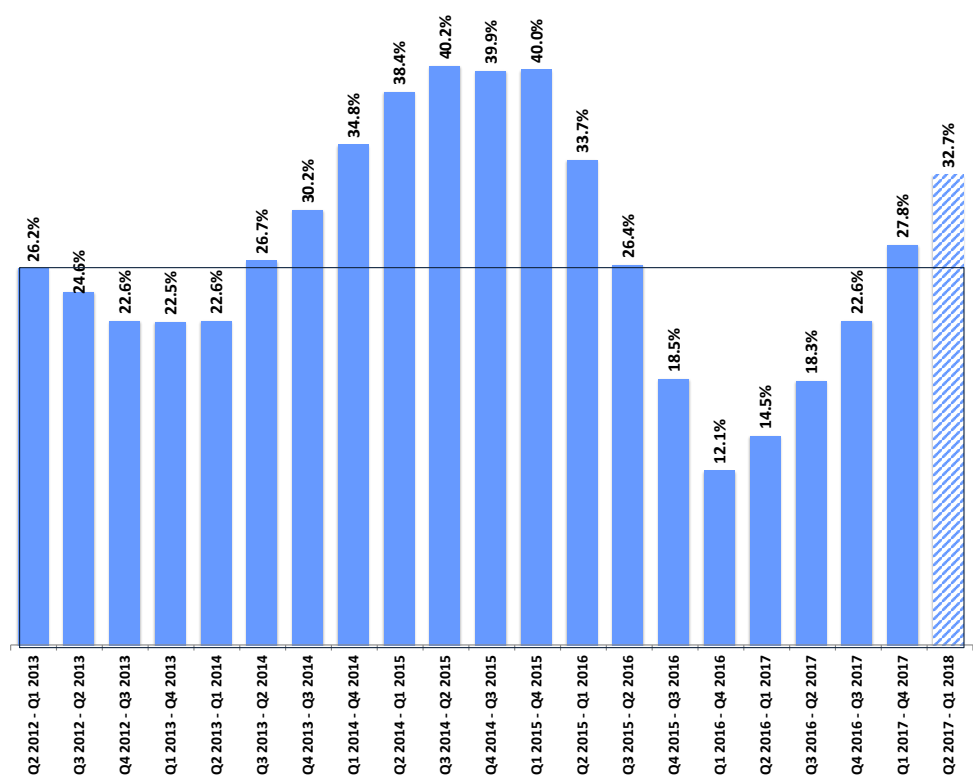
Q1 2018 Survey

Net optimism = "Past the low point" minus "Not yet reached the low point"

Overall Worldwide Net Optimism by Quarter



Overall Worldwide Net Optimism 4-quarter Rolling Average



Highest net optimism we have measured since Q2 2012

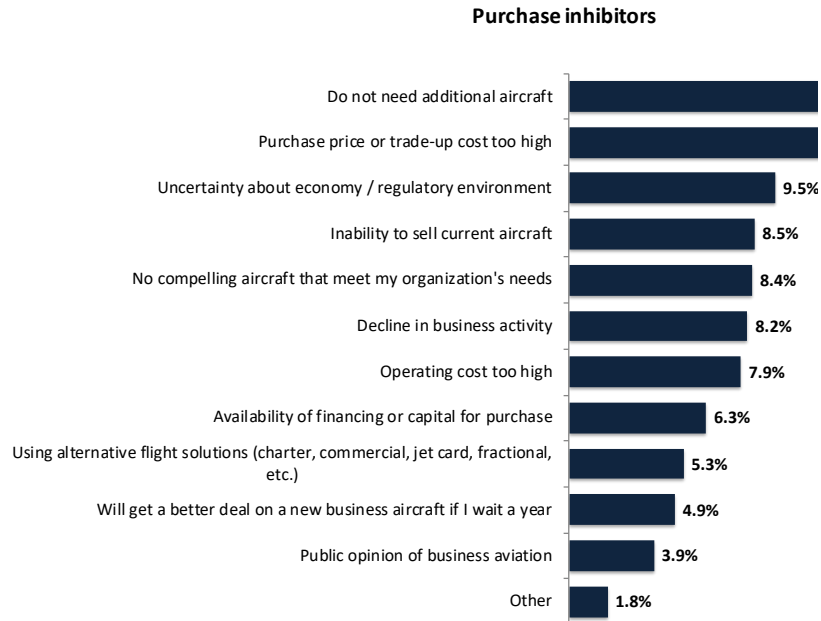
# Aircraft Purchase Inhibitors

## Inhibitors – Weighted Average

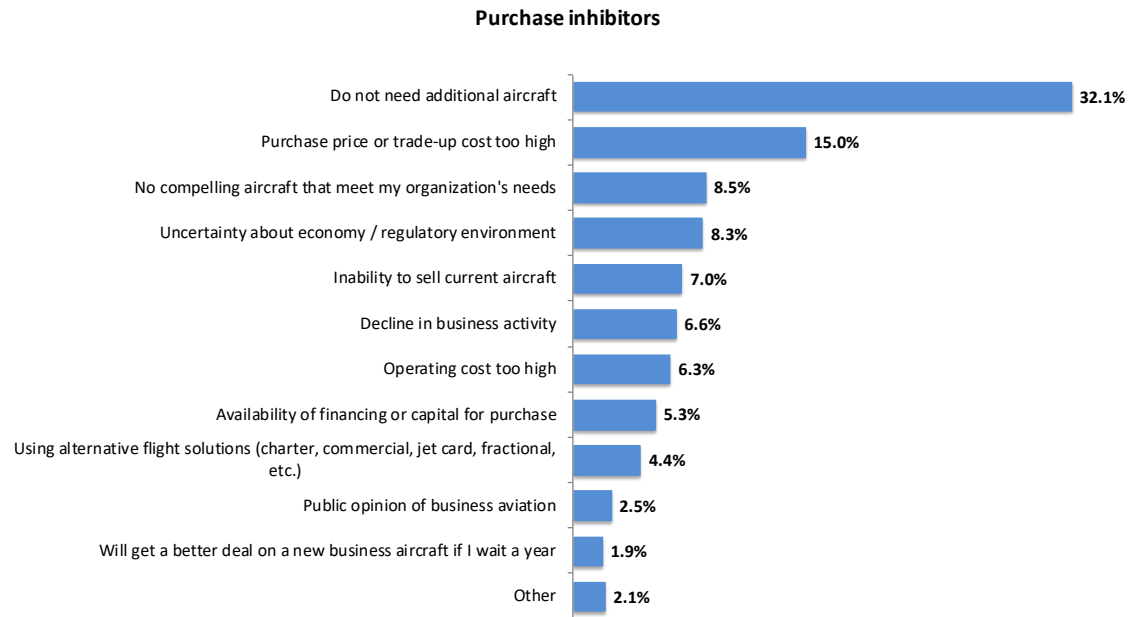
Q1 2018 Survey

*“Which of the following factors are most likely to prevent or delay your organization from purchasing a business aircraft over the next 12 months?”*

**Weighted Average Importance of Factors**



**Chosen as “Most Important” factor**



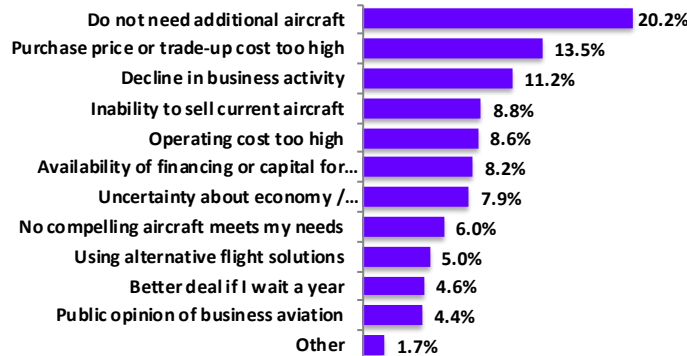
# Aircraft Purchase Inhibitors

## Top 5 Inhibitors – Weighted Average

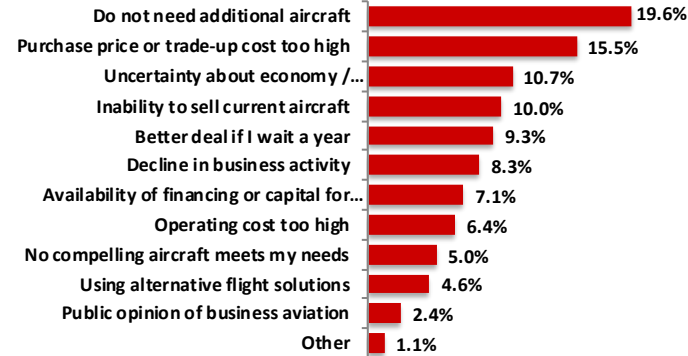
Q1 2018 Survey

*“Which of the following factors are most likely to prevent or delay your organization from purchasing a business aircraft over the next 12 months?”*

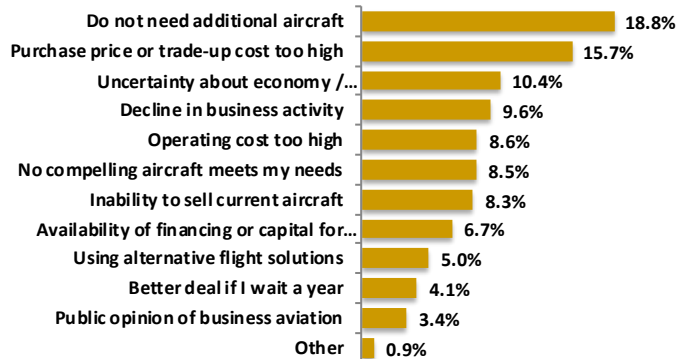
**Turboprop Operators**



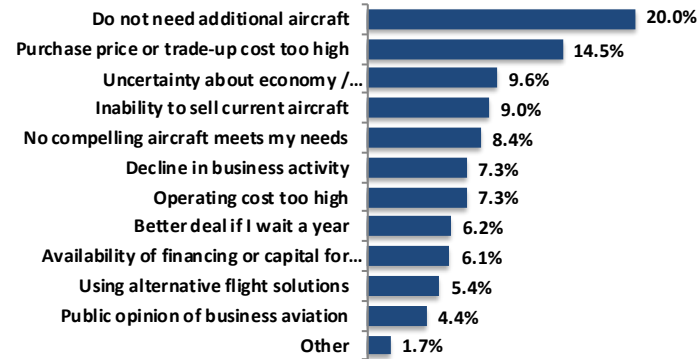
**Small Jet Operators**



**Medium Jet Operators**



**Large Jet Operators**

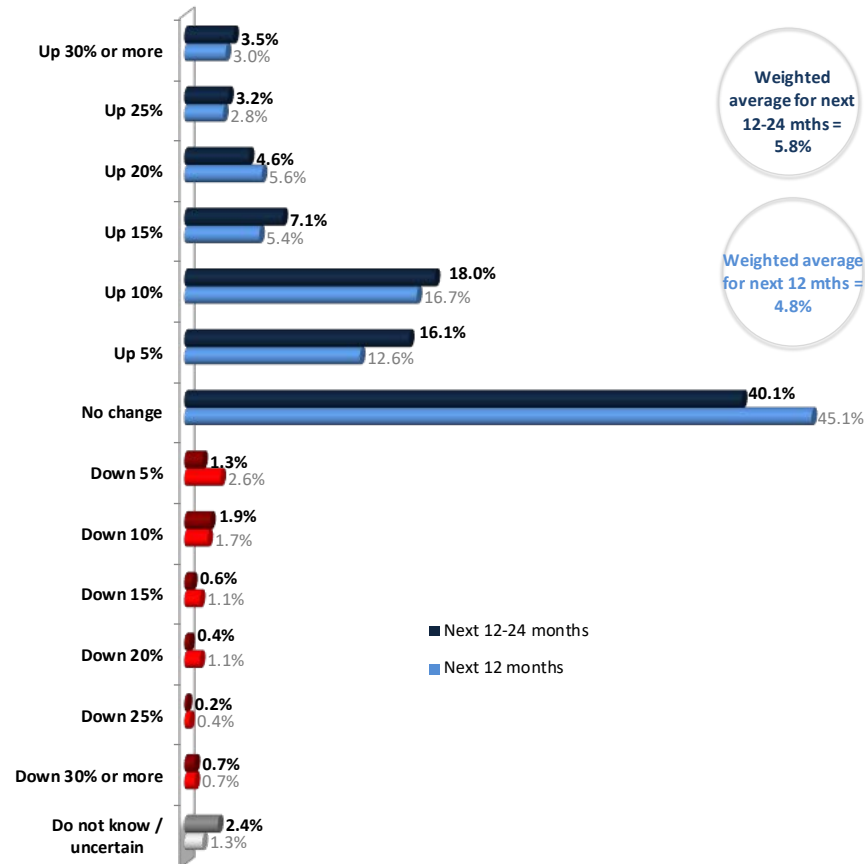


# Aircraft Utilization

## Next 12 and 12-24 Months versus Prior 12 Months

Q1 2018 Survey

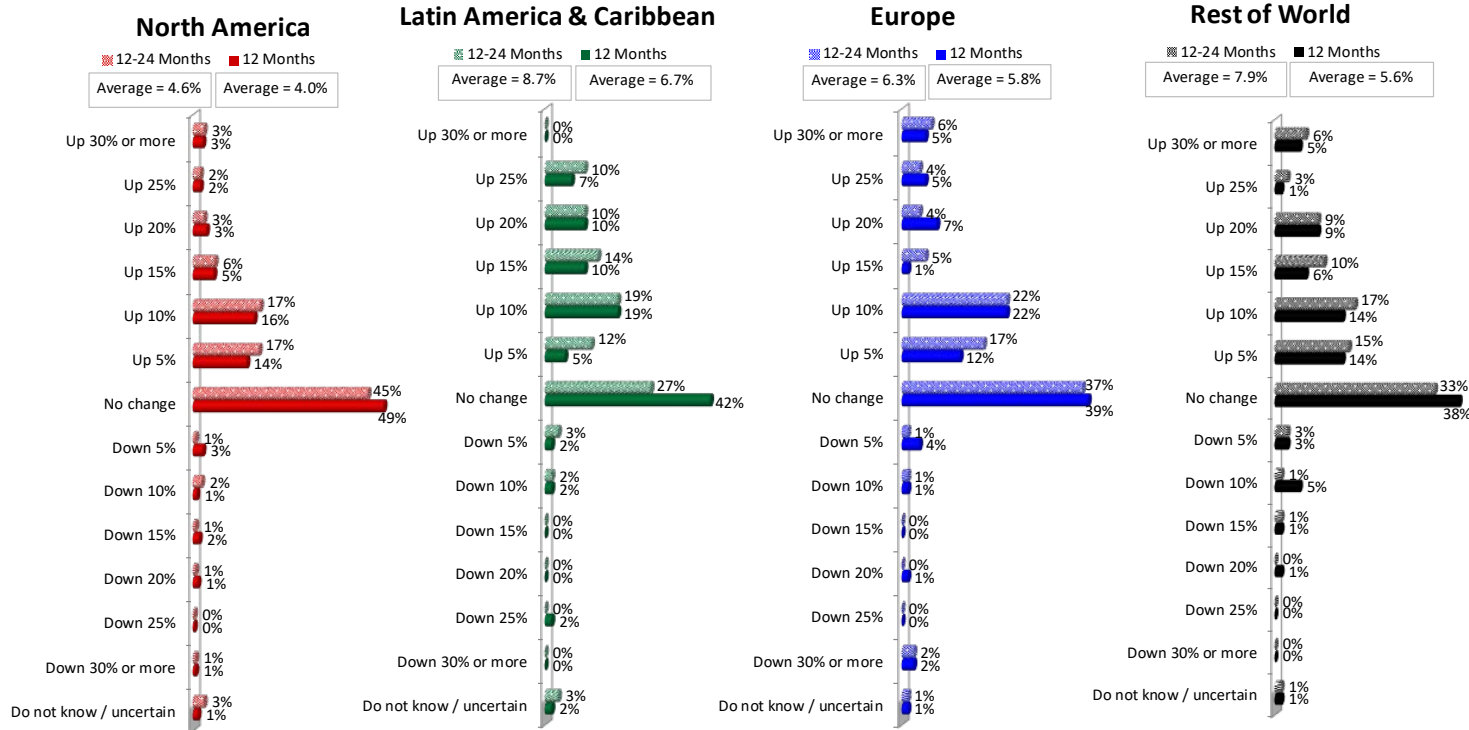
Compared with your past 12 months, what changes do you expect in your total annual flight hours over the next 24 months?



**Respondents expect to fly 4.8% more hours in the next 12 months vs. prior 12 months and 5.8% in the next 24 months – about the same as last quarter’s expectations**

## Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months by region Q1 2018 Survey



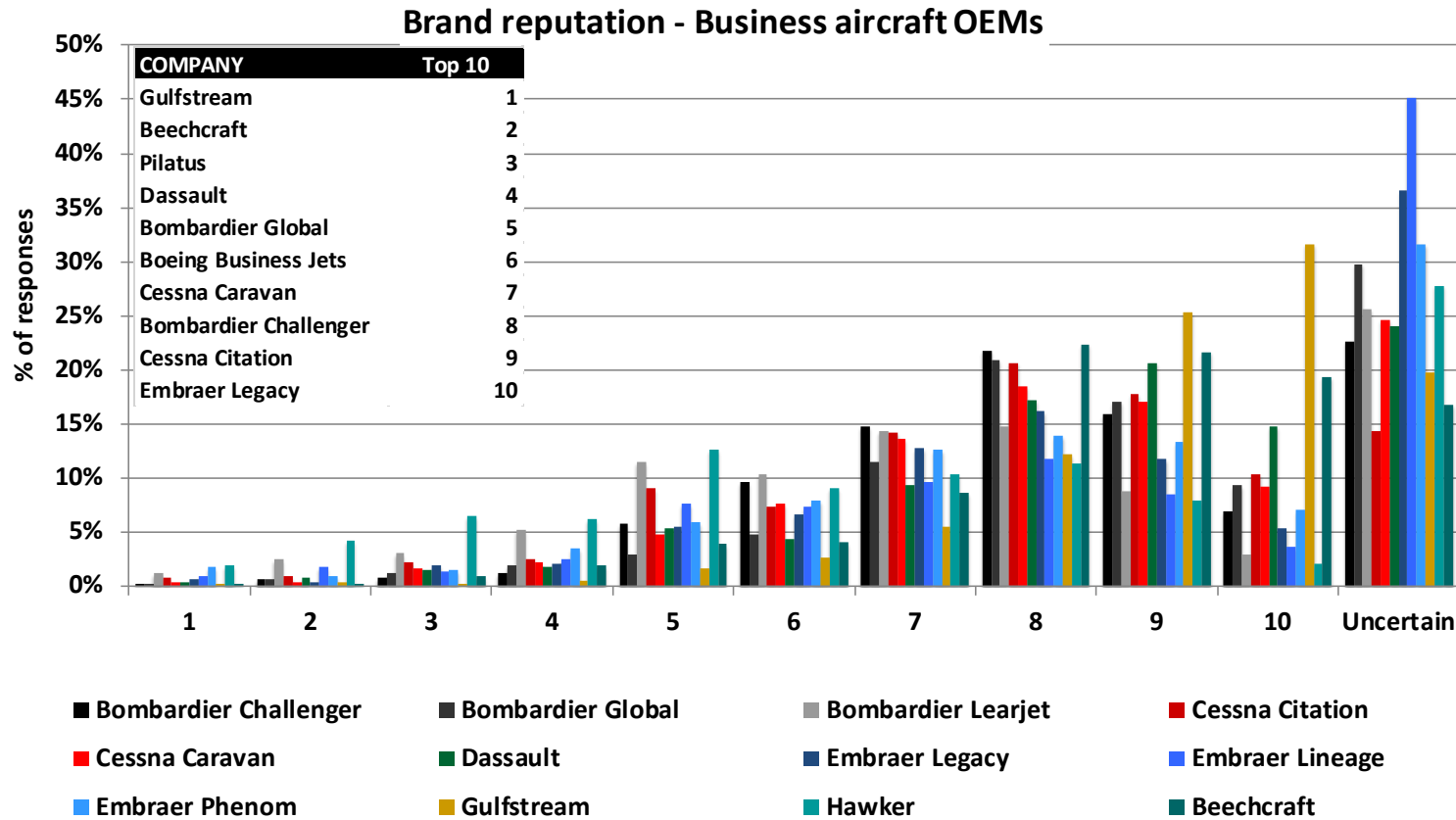
Region	Next 12 months	Next 12-24 months	Next 12 months	Next 12-24 months
North America	43%	47%	51%	64%
Latin America & Caribbean	7%	5%	5%	5%
Europe	52%	57%	8%	5%
Rest of World	50%	60%	10%	5%

Respondents expect to fly 4.8% more hours in the next 12 months vs. prior 12 months and 5.8% in the next 24 months – about the same as last quarter’s expectations

# Brand Reputations

Aircraft Manufacturers on a 1-10 Scale, where “10” = Highest

Q1 2018 Survey

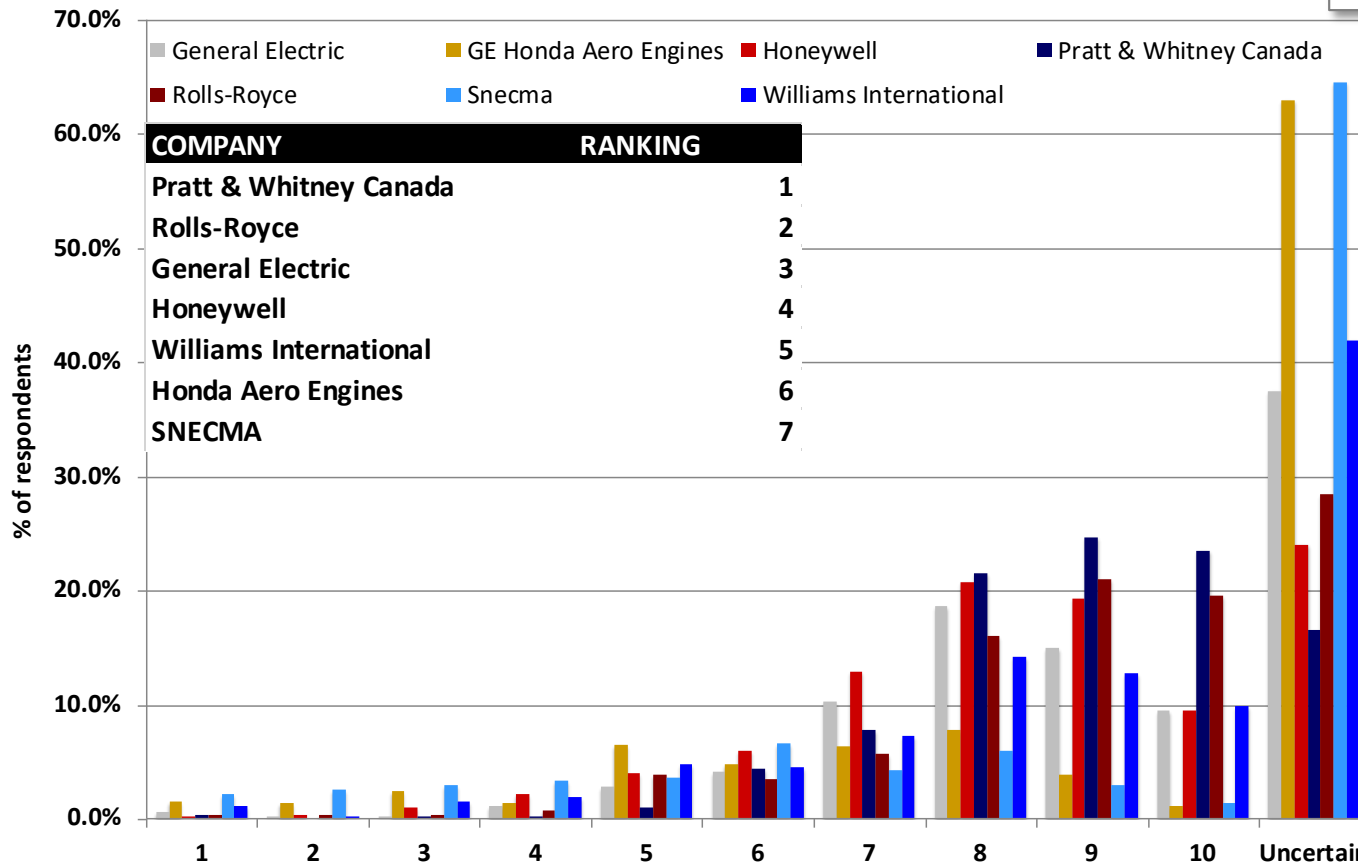


**Gulfstream, Beechcraft, and Pilatus are the top rated business aircraft brands**

# Brand Reputations

Jet Engine Manufacturers on a 1-10 Scale, where “10” = Highest

Q1 2018 Survey

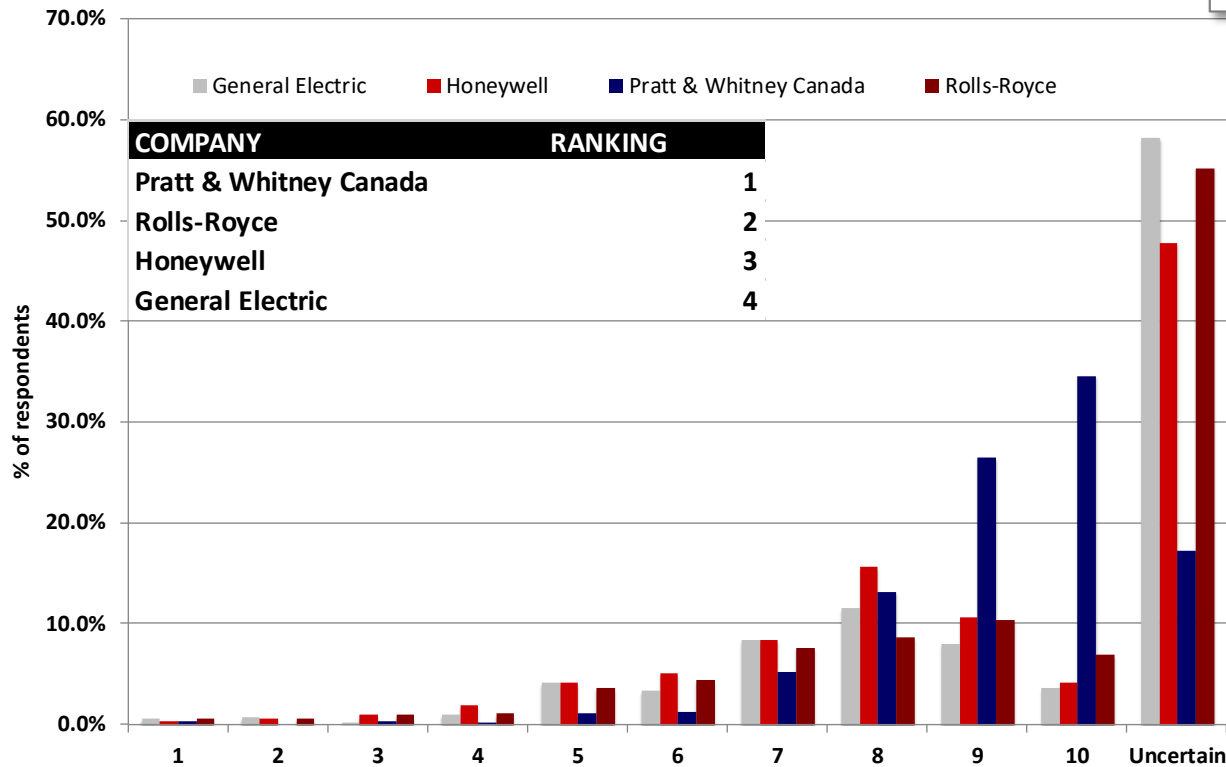


**Pratt & Whitney Canada, Rolls-Royce, and General Electric are the top-rated jet engine manufacturer brands**

# Brand Reputations

Turboprop Engine Manufacturers on a 1-10 Scale, where “10” = Highest

Q1 2018 Survey

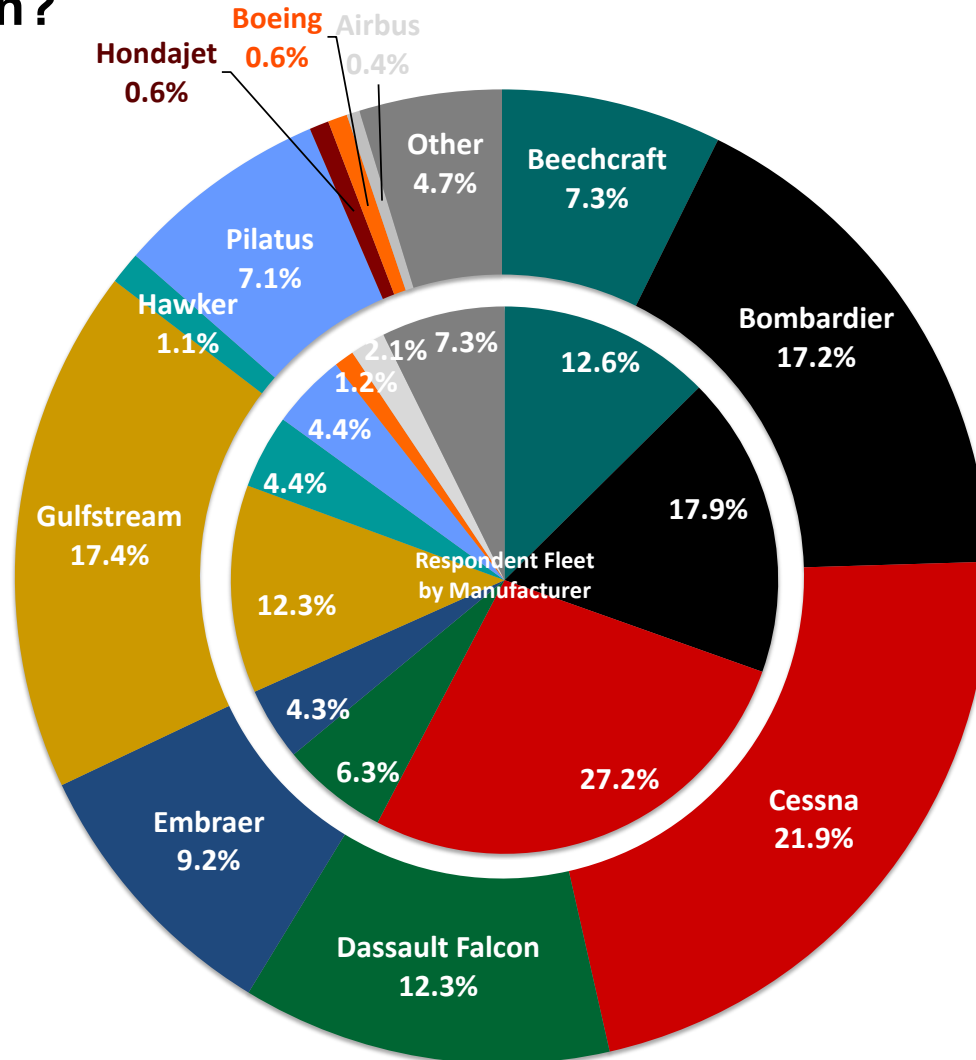


**Pratt & Whitney Canada is the highest rated turboprop engine manufacturer brand, well ahead of Rolls-Royce, Honeywell, and General Electric**

# Aircraft Brands for Next Purchase

Which aircraft brand are you most interested in for your next business aircraft acquisition?

Q1 2018 Survey

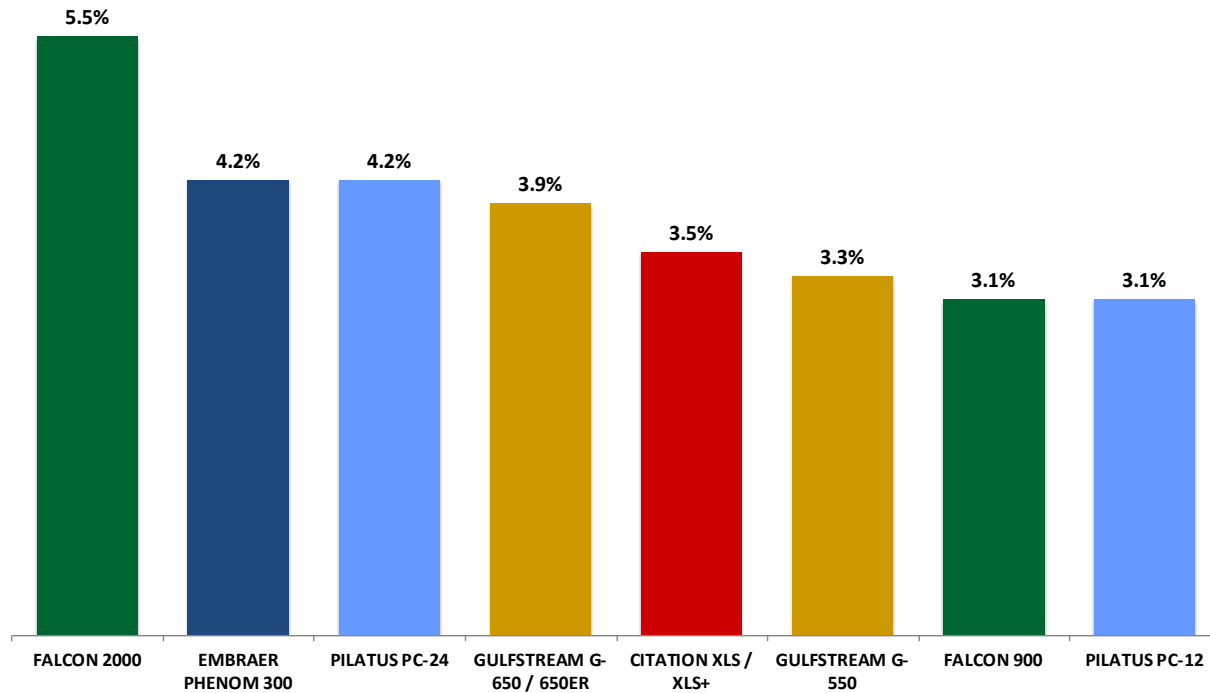


# Aircraft Models for Next Purchase

Which aircraft brand are you most interested in for your next business aircraft acquisition?

Top 8 models - worldwide  
Model most interested in for next purchase  
Q1 2018

Q1 2018 Survey



Top models respondents most interested in for next purchase are Falcon 2000, Embraer Phenom 300, Pilatus PC-24 and Gulfstream G650/650ER

# Aircraft Owner / Operator Opinions

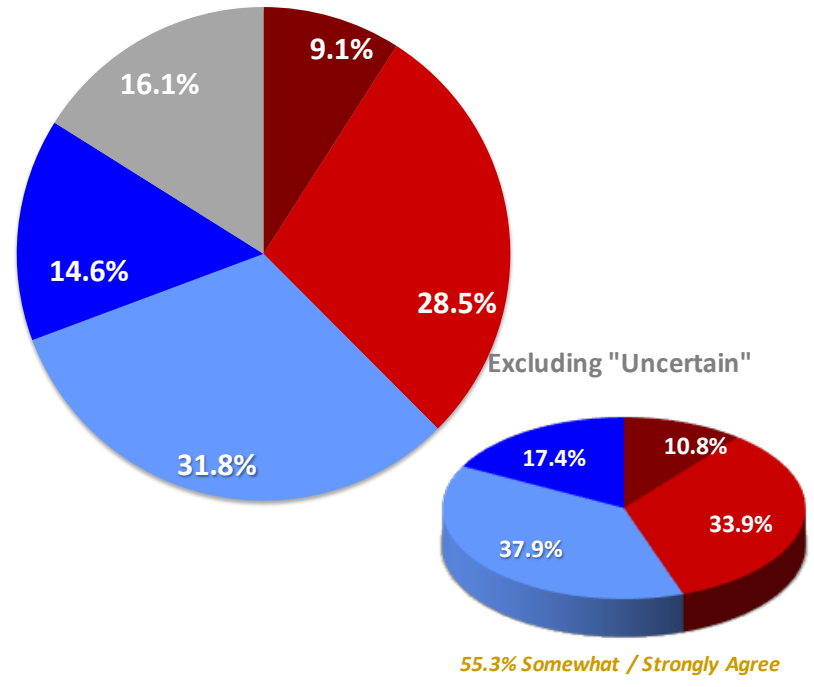
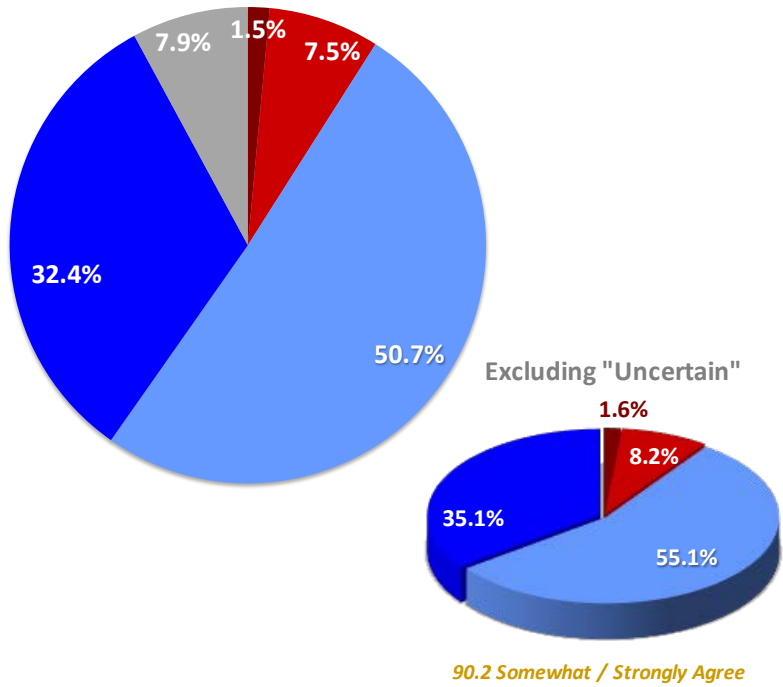
Please evaluate these statements and indicate the extent to which you agree or disagree:

■ Strongly Disagree    
 ■ Somewhat Disagree    
 ■ Somewhat Agree    
 ■ Strongly Agree    
 ■ Uncertain

Q1 2018 Survey

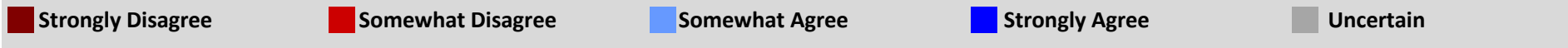
The global economy and international trade will strengthen in 2018 relative to 2017

Development of an Uber-style business model will bring new customers into business aviation



# Aircraft Owner / Operator Opinions

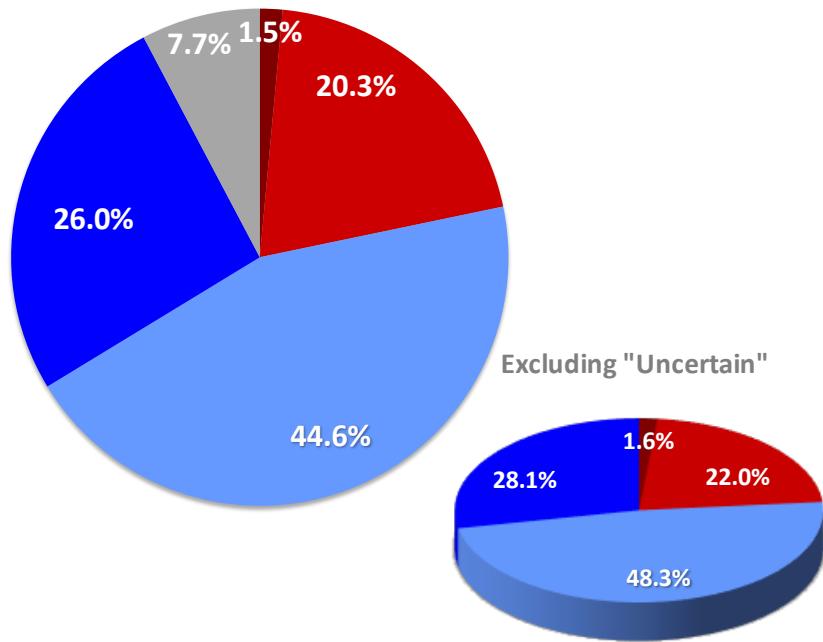
Please evaluate these statements and indicate the extent to which you agree or disagree:



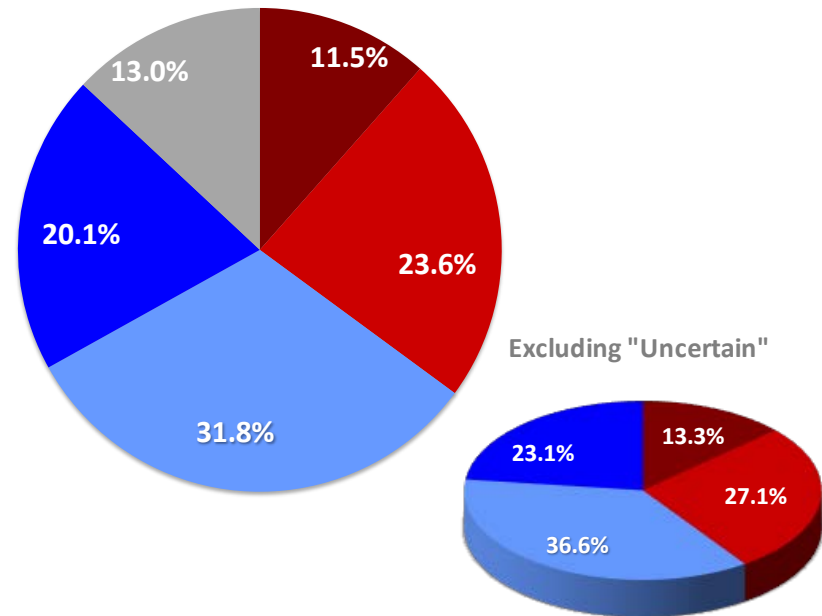
Q1 2018 Survey

Speed is the next frontier in business aviation

Hybrid or electric engines are the next generation of propulsion in business aviation



76.4% Somewhat / Strongly Agree



59.7% Somewhat / Strongly Agree

## Aircraft Owner / Operator Opinions

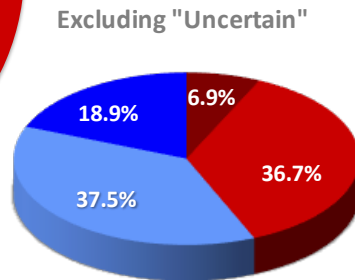
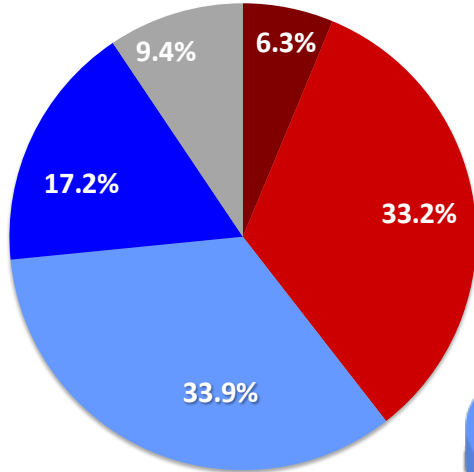
Please evaluate these statements and indicate the extent to which you agree or disagree:

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 ■ Somewhat Disagree    
 ■ Somewhat Agree    
 ■ Strongly Agree    
 ■ Uncertain

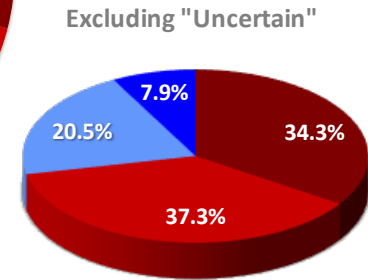
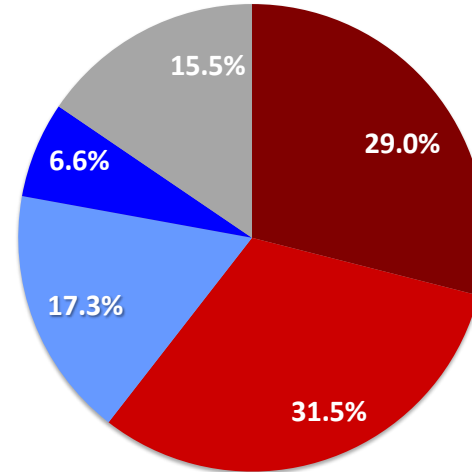
Q1 2018 Survey

There are too many aircraft models currently in production

I/we will seriously consider flying with alternative jet fuels in 2018



56.4% Somewhat / Strongly Agree



28.4% Somewhat / Strongly Agree

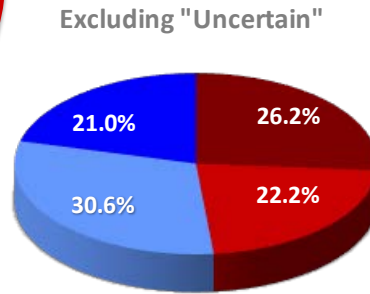
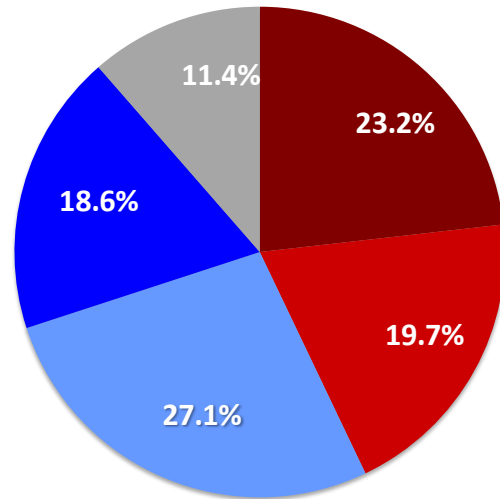
# Aircraft Owner / Operator Opinions

Please evaluate these statements and indicate the extent to which you agree or disagree:

■ Strongly Disagree    
 ■ Somewhat Disagree    
 ■ Somewhat Agree    
 ■ Strongly Agree    
 ■ Uncertain

Q1 2018 Survey

I/we will seriously consider upgrading our aircraft WiFi system in 2018

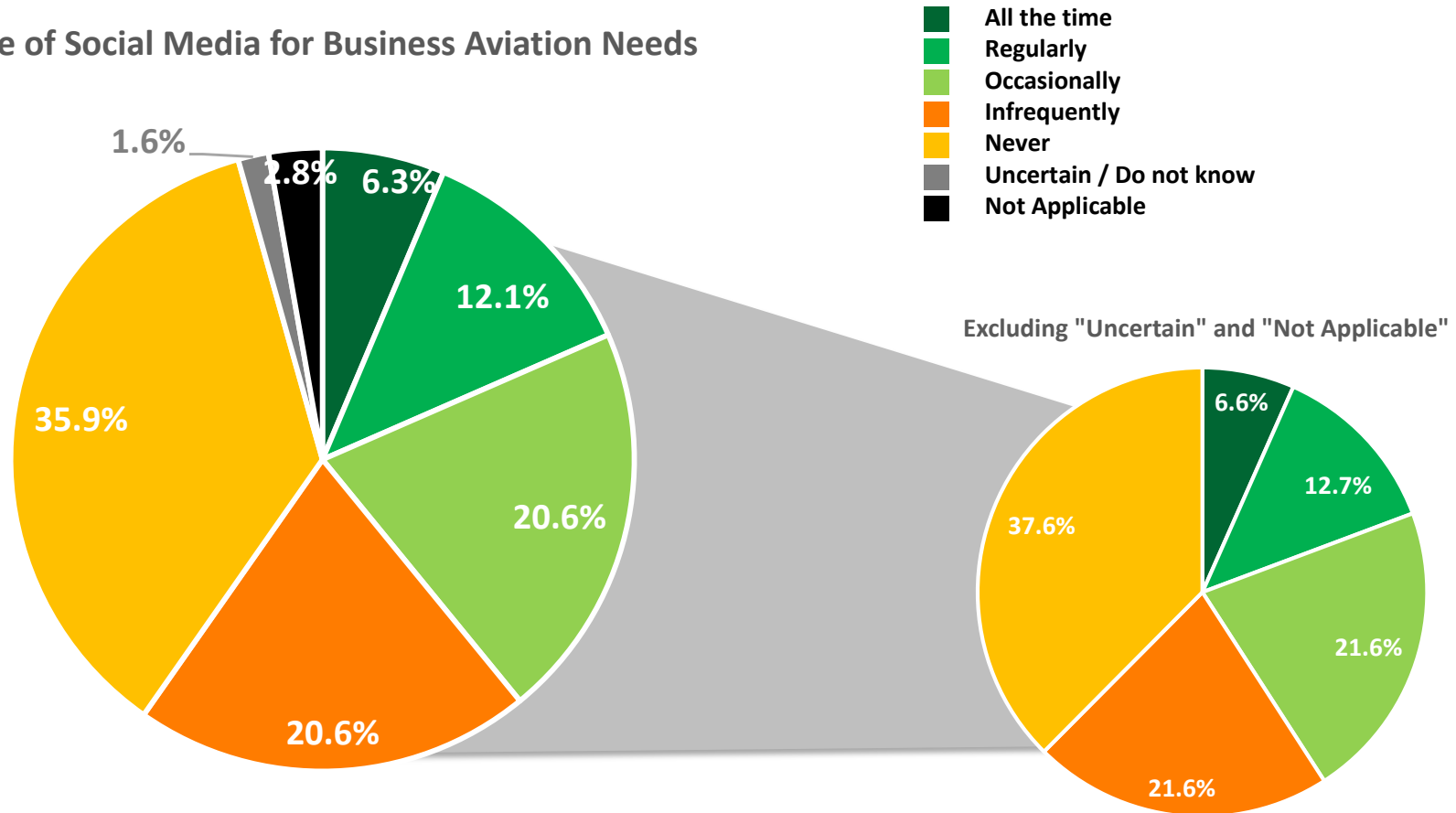


51.6% Somewhat / Strongly Agree

# Social Media

“How often do you use social media for your business and general aviation needs?”

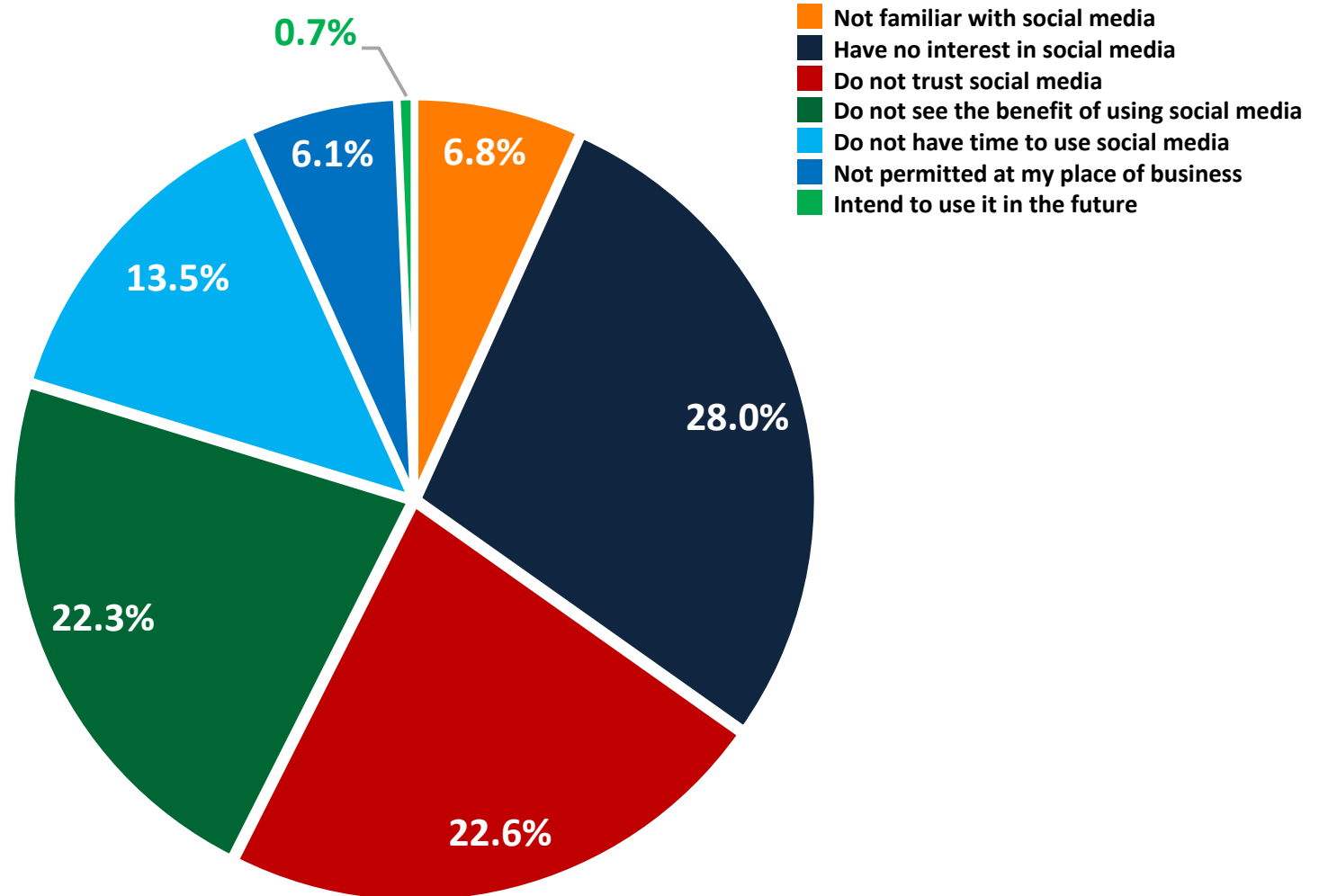
Use of Social Media for Business Aviation Needs



# Social Media

Q1 2018 Survey

Respondents who do not use social media: “Why do you not use social media for your business and general aviation needs? (Please choose as many as apply)”

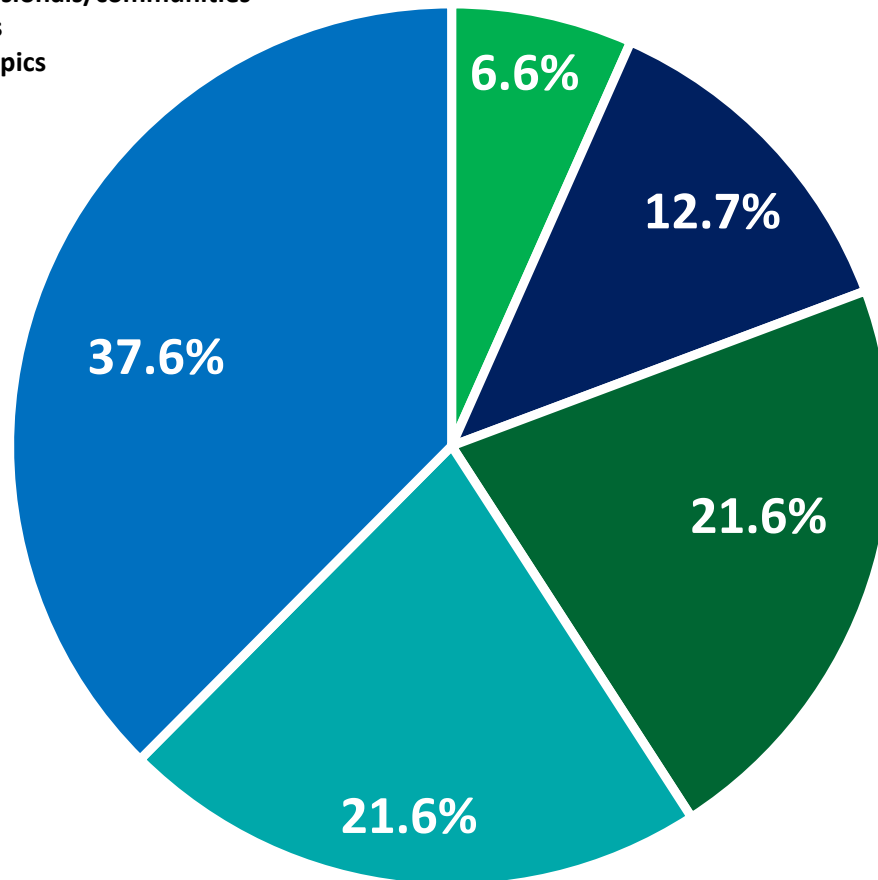


# Social Media

Q1 2018 Survey

Respondents who do use social media: “What do you use social media for in business and general aviation? (Please choose as many as apply)”

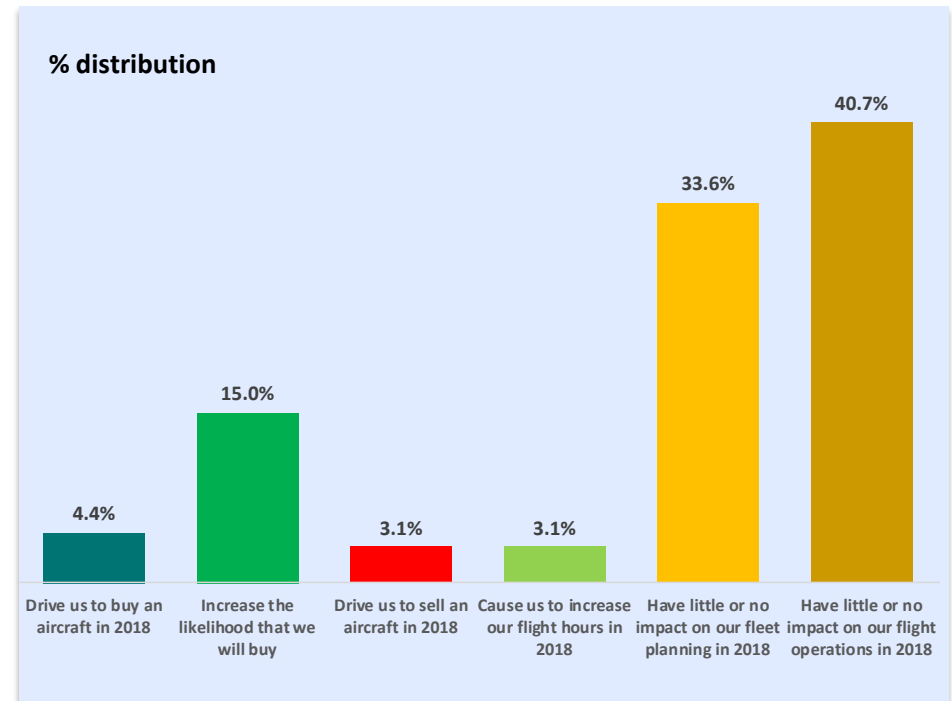
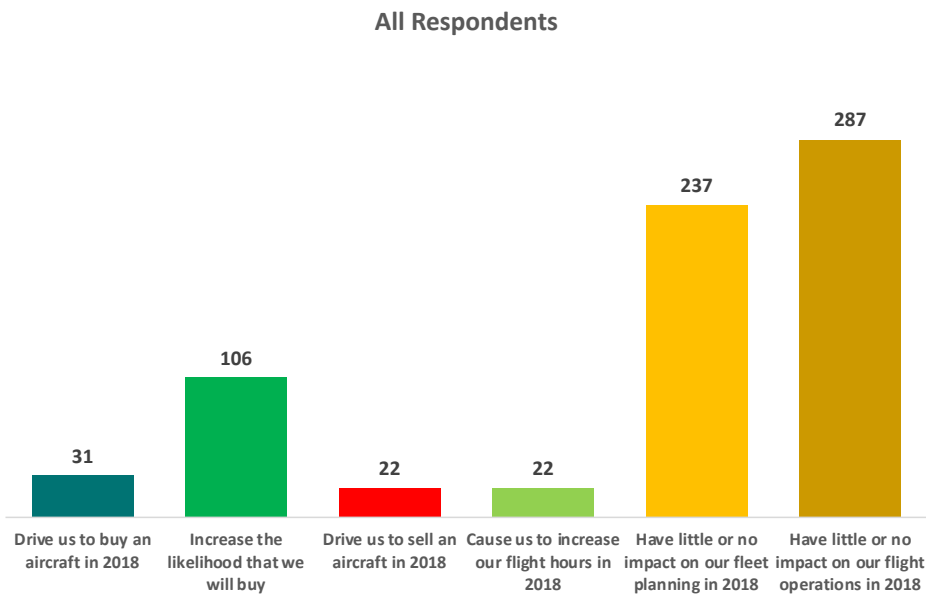
- Comparing/identifying aviation service providers
- Finding/recruiting talent
- Communicating with like-minded professionals/communities
- Trouble-shooting aviation-related issues
- Learning more about aviation-related topics



# New U.S. tax and depreciation laws adopted at the beginning of 2018 will:

(Choose as many as apply)

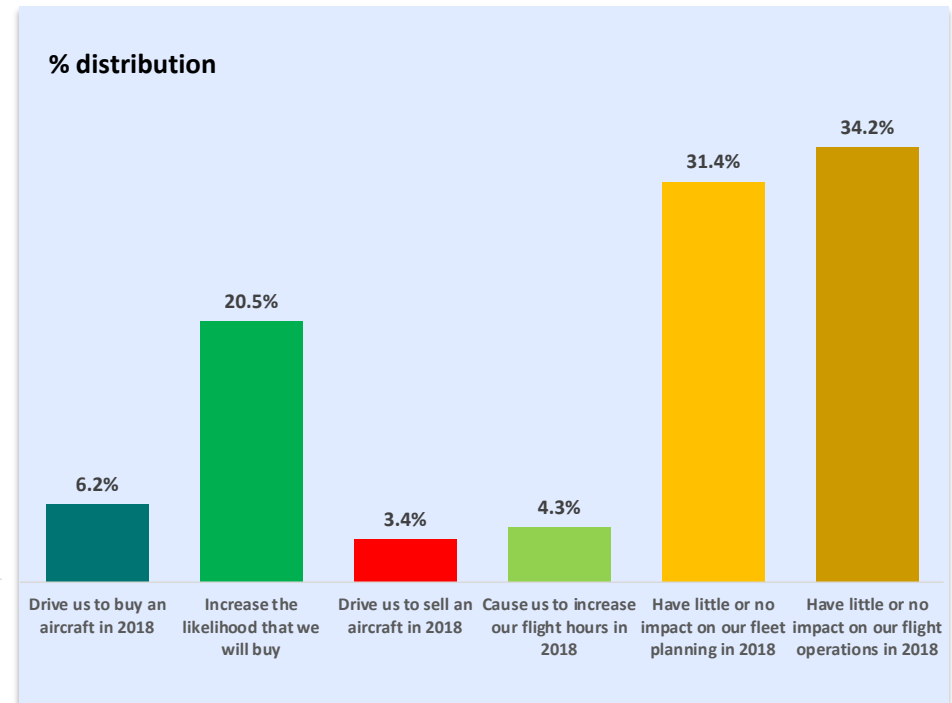
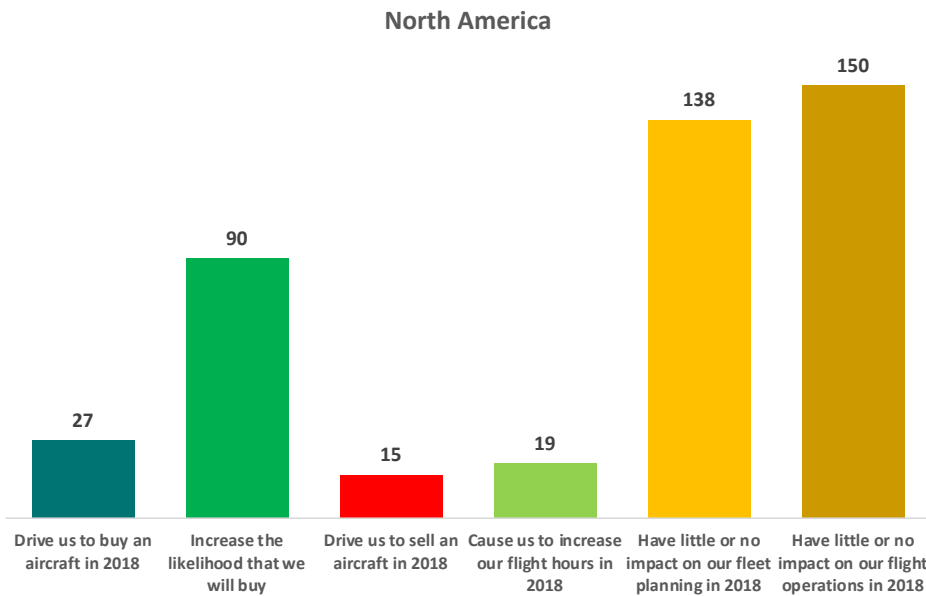
Q1 2018 Survey



# New U.S. tax and depreciation laws adopted at the beginning of 2018 will:

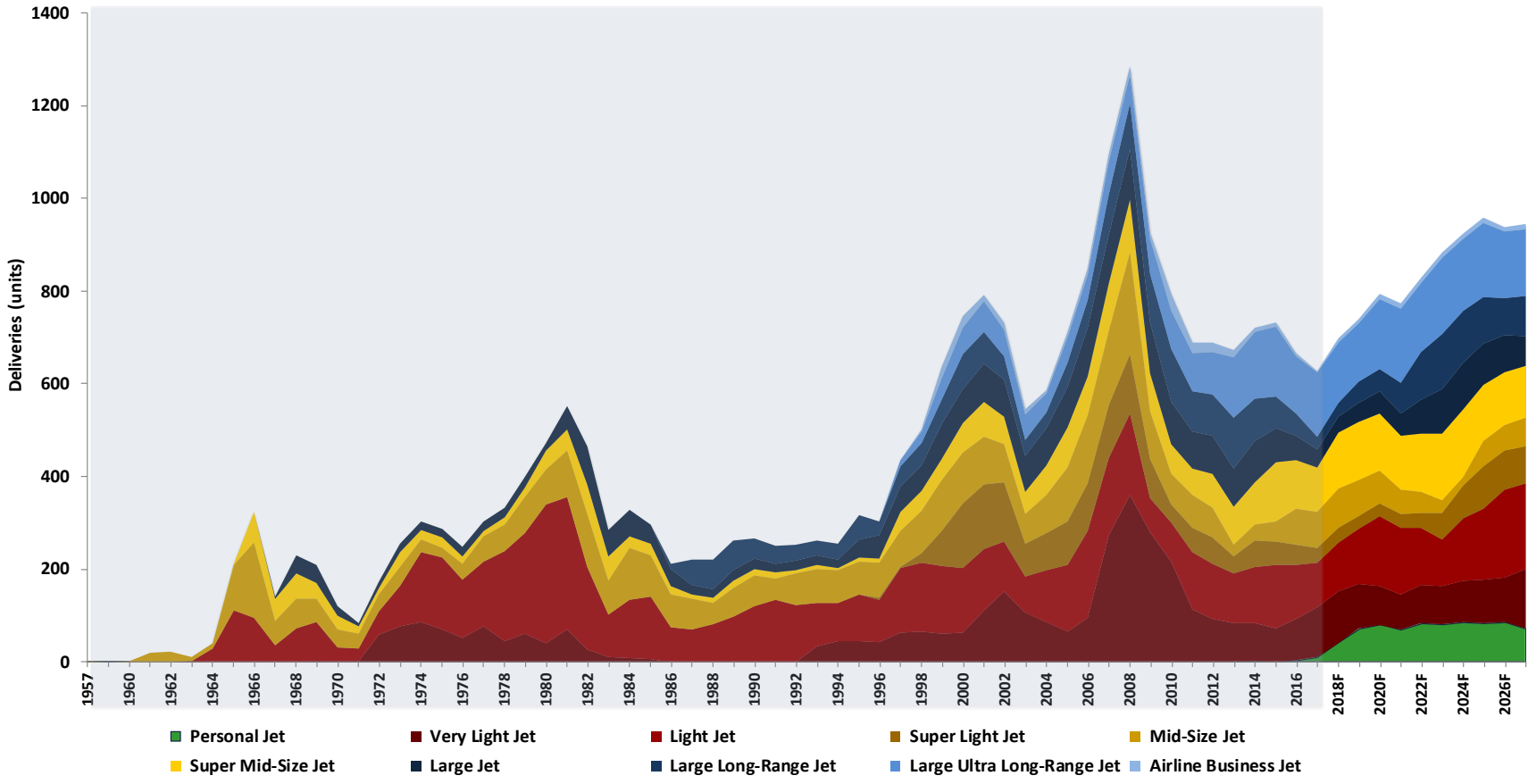
(Choose as many as apply)

Q1 2018 Survey



# Business Jet Delivery History & Forecast

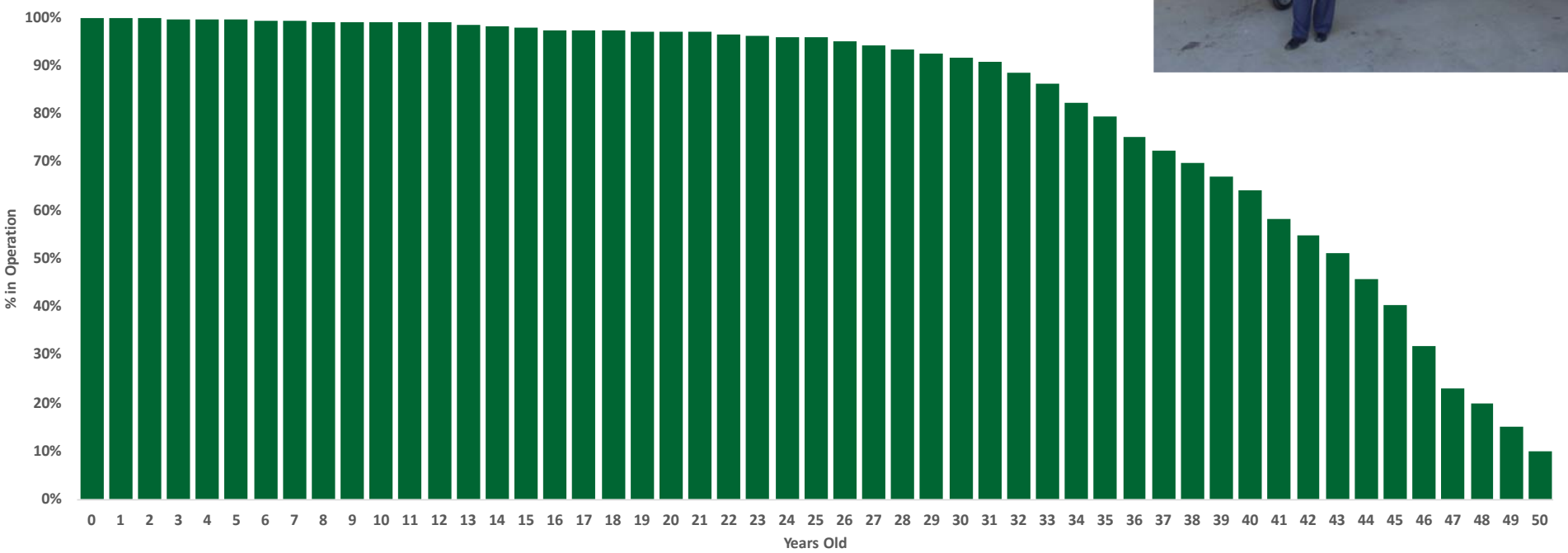
Business jet delivery forecast by size category: Historical - 2027



**JETNET iQ 10-year forecast for 2018-2027 is for 8,483 new business jet deliveries (including Personal Jets) valued at \$229 billion in \$2017**

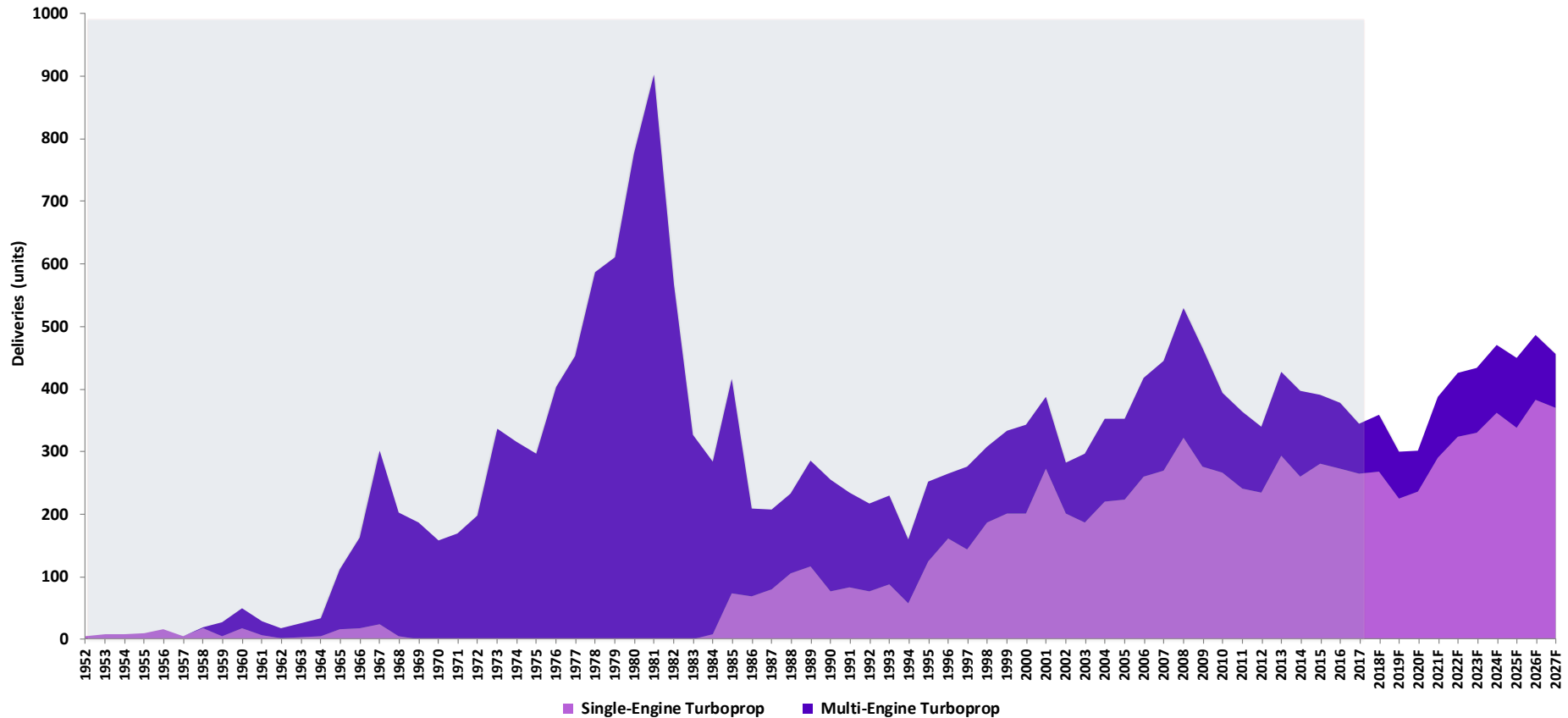
## Business Jet Survivor Curve

Survivor Curve  
Business Jets



# Turboprop Delivery History & Forecast

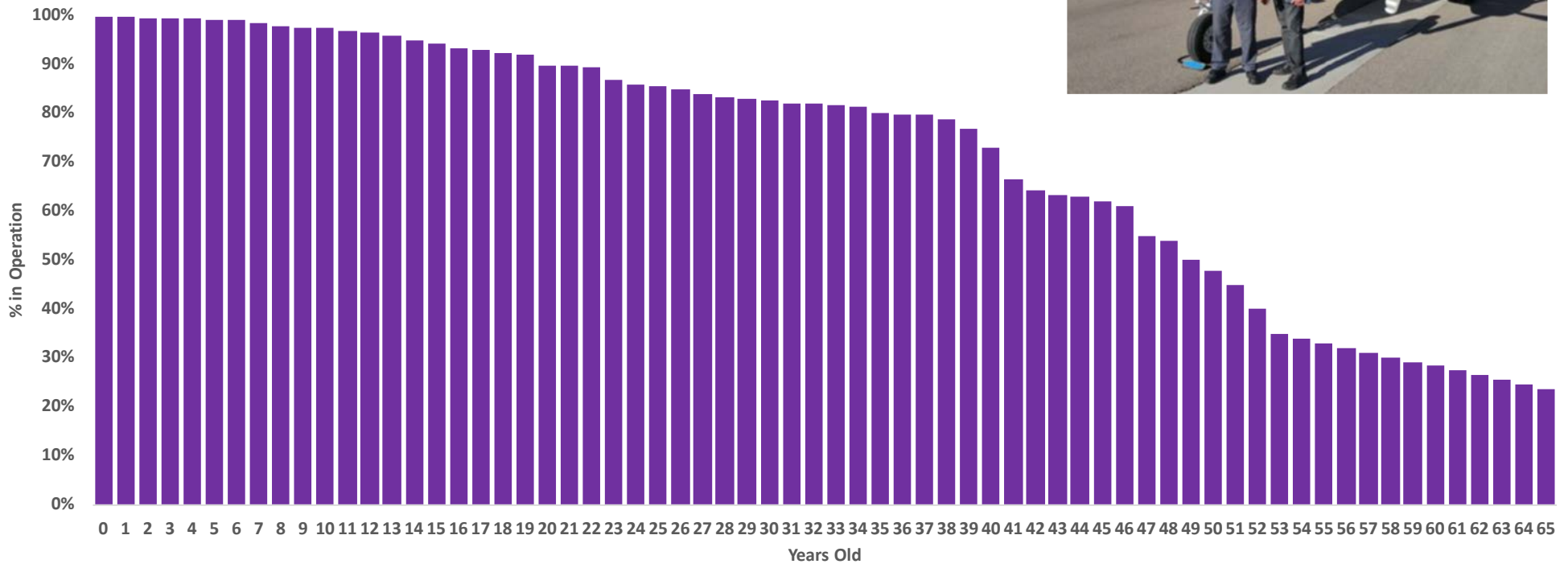
Turboprop delivery forecast by size category: Historical - 2027



**JETNET iQ 10-year forecast for 2018-2027 is for 4,070 new turboprop deliveries valued at \$19.4 billion in \$2017**

# Turboprop Survivor Curve

Survivor Curve  
Turboprops



## 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](http://www.jetnetiq.com) or contact Rolland Vincent, JETNET iQ Creator / Director at 1-972-439-2069 or [rollie@jetnet.com](mailto: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](http://jetnet.com) or contact Paul Cardarelli, JETNET Vice President of Sales, at 800-553-8638 (USA) or [paul@jetnet.com](mailto: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](mailto:karim@jetnet.com).