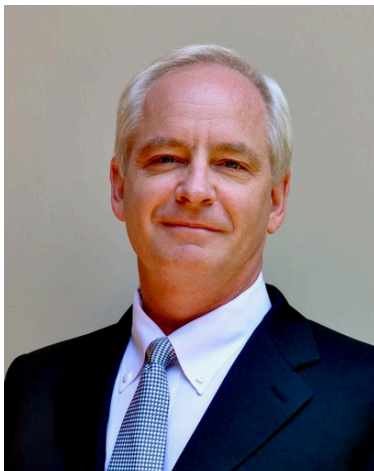


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Rollie Vincent
JETNET iQ Creator/Director



Summer in the City

With the Northern summer almost upon us, business aviation stakeholders feeling stuck in the office are probably ready for a well-deserved change of environment. For many of us, the “office” conjures up images of skyscrapers and noises of near-constant construction. These themes were echoed in *Summer in the City*, a smash hit for the American pop / folk-rock band The Lovin’ Spoonful that surged to the top of Billboard’s U.S. Hot 100 chart in August 1966.

While thoughts of getting away for a few days or even weeks have certainly been on people’s minds, the markets for business aviation’s products and services continue to be hot. Flight and transaction activity remain strong, particularly in the U.S. market where demand signals are robust. Supply constraints – quantity, quality, cost, and delivery – are not confined to any one region of the world, however, and have been impacting new aircraft production and completions, pre-owned aircraft transactions, maintenance and service delivery, and the recruitment and training of a younger and more diverse workforce. Competition for talent – the right talent – is intense, as our industry competes for the attention of new generations of people seeking meaningful work and the many associated benefits and opportunities.

Thankfully, our industry creates and delivers tangible products and services for which there is no real substitute – enabling

“...the markets for business aviation’s products and services continue to be hot [but] supply constraints...are not confined to any one region of the world”

customers to create unique experiences on their own schedules, wherever they choose to go.

We hope that you will join us in New York at our 10th JETNET iQ Summit on September 15-16 as we celebrate the end of summer. Our fly-in / fly-out venue at the 1960’s retro TWA Hotel at JFK Airport is the perfect antidote for those who want to connect with industry leaders while avoiding urban canyons and Uber experiences of the Big City altogether:

www.jetnet.com/summit

Dassault Falcon Jet Corporation (DFJ) is a subsidiary of Dassault Aviation that has called the NYC metropolitan area home since the 1960s. Headquartered at Teterboro Airport, the company oversees sales, marketing, aircraft completions, and customer support in the Americas region. The company is amongst the industry’s leaders in taking on today’s and tomorrow’s challenges of a greener future, something we can all look forward to as we experience the heat of summer.



This issue of JETNET iQ PULSE is sponsored by:



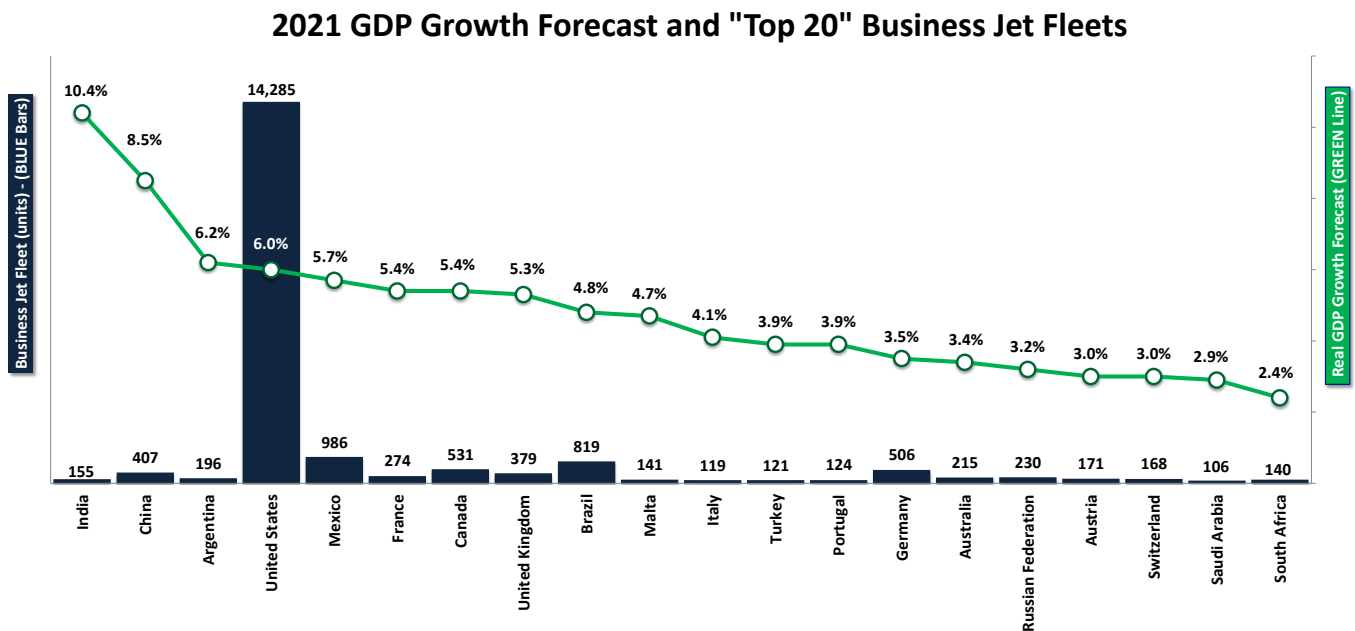
Outlook

Economic growth forecasts for some of the world’s largest business aviation markets are presented below. The green line chart represents the latest GDP growth rate forecasted for 2021, while the dark blue vertical bars represent that country’s business jet fleet size at the end of Q1 2021. For the purposes of this chart, we measure fleet by the number of in-country based aircraft. Of the “top 20” business jet country markets, 90% of them are expected to grow at 3% or higher in 2021, a very respectable performance and a welcome recovery rate after a collectively dismal 2020. As one of the primary variables in most industry demand forecast models, GDP growth at rates of 3% or above

bodes well for new business aircraft sales demand in the post-COVID recovery period. Most encouraging are the high projected economic growth rates in the country markets where the most business jets are based, including the United States, Mexico, and Canada. Amongst the world’s top markets, the 8 countries with expected GDP growth above 5.0% in 2021 together account for more than 75% of the world’s in-service fleet. While growth forecasts for 2021 no doubt benefit from “easy comparables” due to the worldwide recession last year, they look set to boost national economies to pre-COVID levels of output in short order.



Economic Growth Forecasts and Business Jet Fleets in 2021 – “Top 20” Markets



Sources: The Economist – June 10, 2021; JETNET – fleet as of March 31, 2021; JETNET IQ

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Business Conditions

GDP



The Economist's **GDP growth forecasts** for 2021 are: U.S. +6.0%, Euro Area +4.2%, U.K. +5.3%, Mexico +5.7%, Brazil +4.8%, Canada +5.4%, China +8.5%, Russia +3.2%, and Australia +3.4%



Business jet cycles (take-offs and landings) in May 2021 were up by 74% YOY for U.S. Part 91, up by 284% YOY for U.S. Part 91K, up by 161% YOY for U.S. Part 135, and up by 193% at European airports



Dow Jones Index (U.S.) was up 30%,
FTSE 100 (U.K.) was up 15%,
CAC 40 (France) was up 33%, and
DAX 30 (Germany) was up 28%
YOY from June 16, 2020 to June 15, 2021



U.S. Index of **Consumer Sentiment** was 82.9 in May 2021, versus 88.3 in Apr. 2021 and 72.3 in May 2020 YOY;
Euro Area **Economic Sentiment Indicator** was 114.5 in May 2021, versus 110.3 in Apr. 2021 and 70.2 in May 2020



U.S. unemployment rate (seasonally adjusted) was 5.8% in May 2021 representing ~9.3 million people, down 559K from April 2021 (6.1%)



U.S. **Purchasing Manager Index** (Manufacturing PMI) was 61.2 in May 2021, versus 43.1 in May 2020;
Euro Area **Business Climate Indicator** was 1.50 in May 2021, versus -2.38 in May 2020



Transactions of pre-owned business aircraft in Jan.-Apr. 2021 were 870 jets and 479 turboprops, up 37% and up 33% YOY; days-on-market in April 2021 were 255 days for jets (vs. 384 YOY) and 236 days for turboprops (vs. 312 YOY) (JETNET as of June 16, 2021)



Business aircraft deliveries in 2021 YTD are 200 jets (including Cirrus, Boeing, Airbus) and 89 turboprops (JETNET as of June 16, 2021)

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New Business Jet Deliveries

Year-to-Date Through June 15, 2021

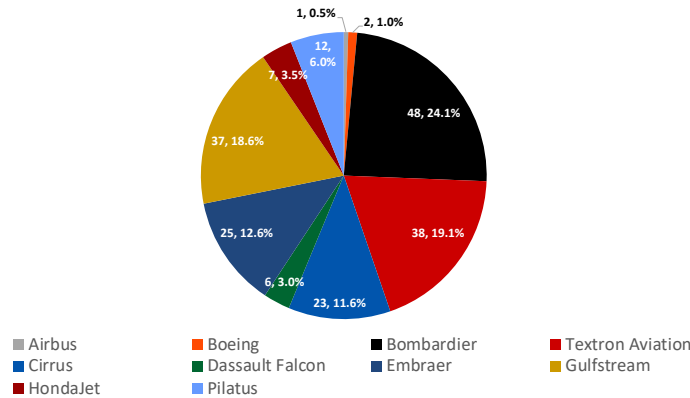
GAMA's Q1 2021 Aircraft Shipments Report provided details on 113 new business jet shipments in the first 3 months of this year, led by Textron Aviation and Gulfstream (each with 28 units and ~25% share), followed by Bombardier (26 units and 23% share). The much-anticipated Q2 2021 GAMA report is scheduled for release on August 19.

Through mid-June 2021, JETNET databases had recorded 199 new business jet deliveries year-to-date, led by Bombardier

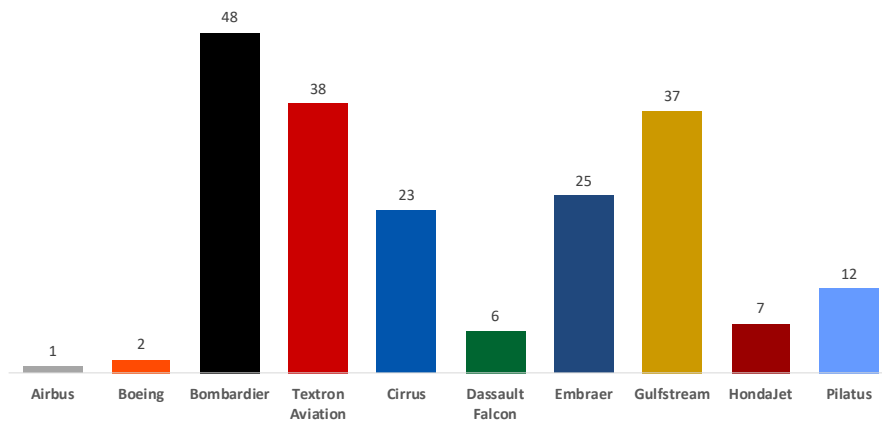
(48 units, 24% share), Textron Aviation (38 units, 19% share), and Gulfstream (37 units, ~19% share).

Stronger 2nd half deliveries are a recurring pattern in the business jet segment, when ~60% of the industry's annual output is typically achieved. At this point in time, and with our forecast of 10% higher output this year, the industry's supply chain will be challenged to maintain cost, quality, and delivery targets through the balance of the year.

Worldwide Business Jet Deliveries (Units) and Market Share (%)
2021 Year-to-Date
All OEMs - 199 New Business Jets in Total as of June 15, 2021



2021 Business Jet Deliveries by Manufacturer
All OEMs - 199 New Business Jets in Total as of June 15, 2021
(Source: JETNET)



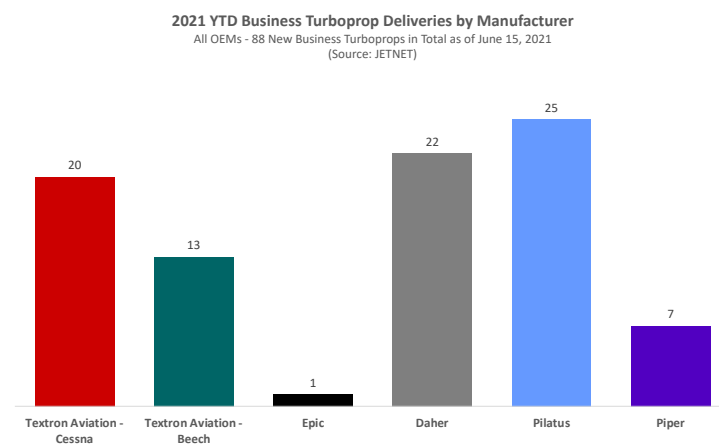
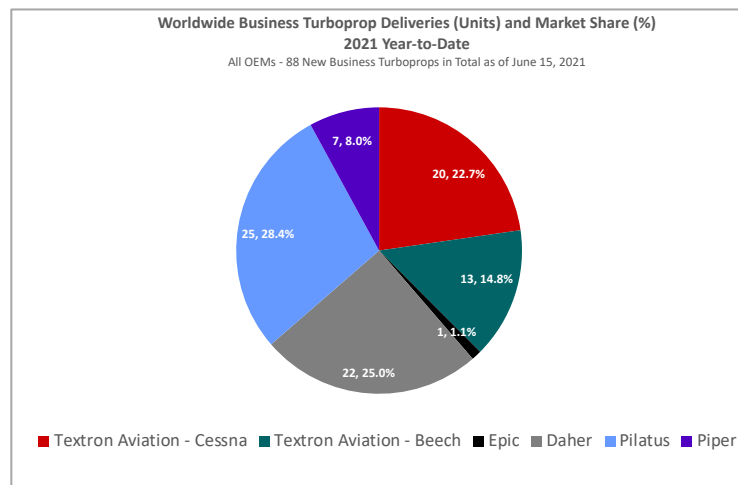
Source: JETNET / JETNET IQ

New Business Turboprop Deliveries

Year-to-Date Through June 15, 2021

GAMA's latest shipments report indicated that there were 40 business turboprop shipments in Q1 2021, led by Textron Aviation (14 aircraft) and Daher (12 aircraft). JETNET databases updated through June 15, 2021, provide details

on 88 new business turboprop shipments year-to-date, with Textron Aviation (33 deliveries, 37.5% share) and Pilatus (25 deliveries, representing ~28% share) setting the pace to date.



Source: JETNET / JETNET IQ

New Business Turboprop Deliveries

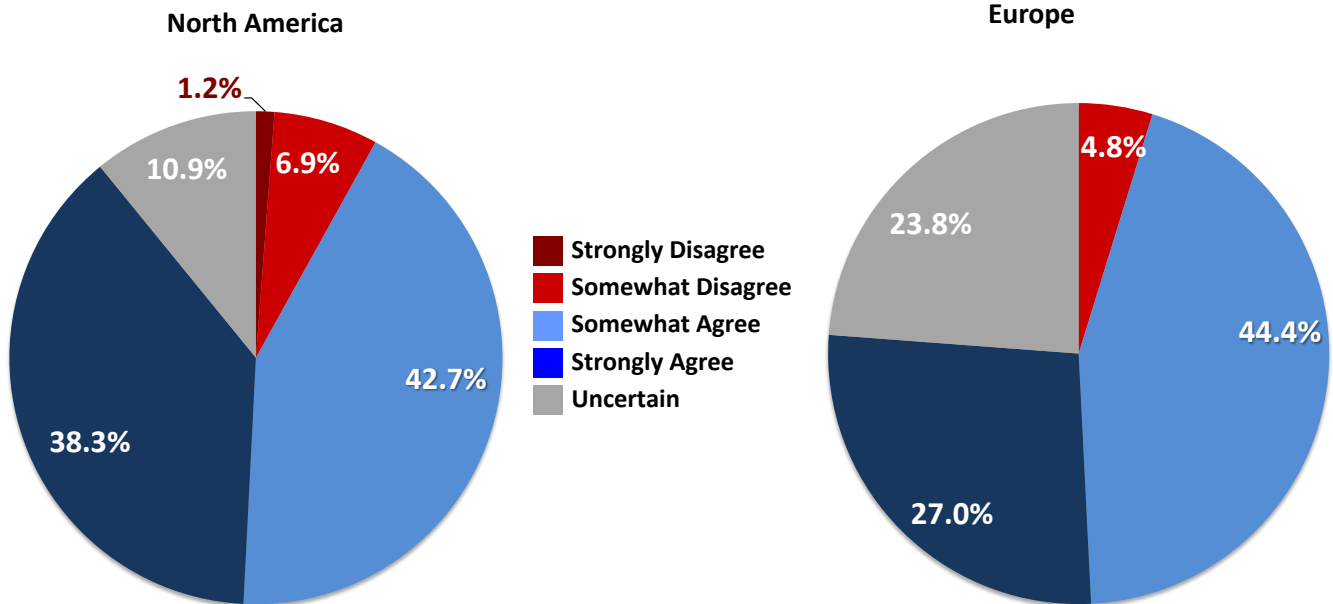
Year-to-Date Through June 15, 2021

Respondents to the Q2 2021 JETNET iQ Survey (in progress) strongly believe that higher fractional program and charter flight utilization rates that have been evident over the past 6 months will continue. This is particularly the case in North America (U.S. and Canada), where 91% of decided

respondents (excluding Uncertain / Do Not Know) agree. While almost 24% of European-based respondents are uncertain, ~94% of the decided group are also in agreement. This bodes very well for this segment of the industry, a key point of entry for many customers.



I believe that increased utilization in fractional / charter operations seen over the past six months will continue into the future



Source: JETNET iQ Q2 2021 Survey (in progress);
n = 413 respondents (~83% complete towards target of 500+ respondents)

Fractional and Charter Utilization: Hot! Hot! Hot!

Q2 2021 JETNET iQ Survey (in progress): By Region

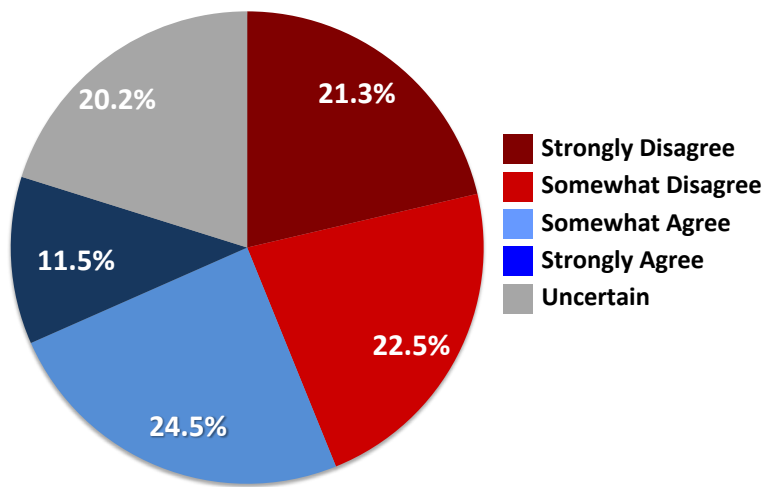
With renewed policy focus on climate change, sustainable aviation fuel (SAF) is becoming more widely recognized as a means of reducing aviation’s environmental impact. A growing number of aircraft owners and operators, including those who are responding to our Q2 2021 Global Business

Aviation Survey, are considering flying with biofuels in the next 24 months. A combination of favorable demand / supply forces and policy initiatives to encourage SAF production and adoption are amongst the factors at play as the industry charts its path to a greener future.

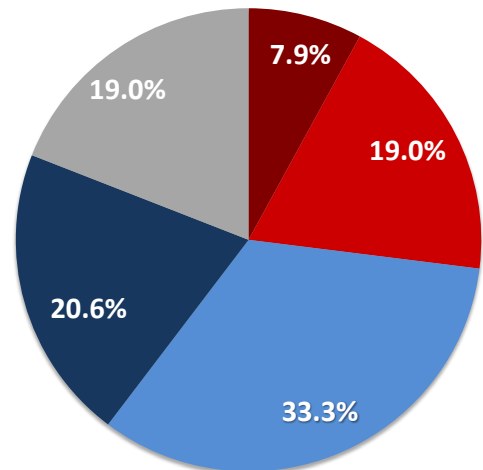


I/we will seriously consider flying with sustainable aviation fuels (SAF) in the next 24 months

North America



Europe



Source: JETNET iQ Q2 2021 Survey (in progress);
n = 413 respondents (~83% complete towards target of 500+ respondents)

About JETNET iQ

JETNET iQ is a business aviation market research, analysis and forecasting service consisting of three main elements:

- **JETNET iQ Reports** are the definitive analytical reference for business aviation, incorporating quarterly state-of-the-industry analyses, owner / operator surveys, and detailed delivery and fleet forecasts;
- **JETNET iQ Summits** are annual industry conferences providing unique data, insights and networking opportunities; and
- **JETNET iQ Consulting** provides customized research and analysis for clients on a project-by-project basis.

JETNET iQ Reports are available in various formats on a subscription basis, and are published regularly by JETNET LLC, 101 First Street, Utica, NY 13501 - **currently offered at 11 different levels**. JETNET iQ is a partnership between JETNET LLC of Utica, New York and Rolland Vincent Associates, LLC, of Plano, Texas.

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Since late 2010, JETNET has conducted quarterly surveys of the worldwide community of business aircraft owners and operators in order to gauge customer sentiment, brand perceptions, aircraft purchase, selling, and utilization expectations, and other factors. JETNET iQ Global Business Aviation Surveys are password-protected and by invitation-only. Potential respondents are drawn randomly from the JETNET worldwide database of business jet and business turboprop owners and operators; they are initially contacted by telephone and/or e-mail by JETNET's team of multilingual researchers. Target respondents include chief pilots, directors of aviation, and senior management. Each survey includes at least 500 respondents in 50 or more countries each quarter, and respondents closely reflect the worldwide distribution of the business jet and turboprop community.

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Tel: 315-797-4420, ext. 254

e-mail: paul@jetnet.com

Appendix

Data sources:

Real GDP growth forecasts (2021): The Economist – June 10, 2021

<https://www.economist.com/economic-and-financial-indicators/2021/06/10/economic-data-commodities-and-markets>

Stock Markets:

Dow Jones Industrial Average: <http://ca.spindices.com/indices/equity/dow-jones-industrial-average>

London Stock Exchange (FTSE 100): <https://www.londonstockexchange.com/indices/ftse-100>

Euronext Paris (CAC 40): <https://live.euronext.com/en/product/indices/FR0003500008-XPAR>

Frankfurt Stock Exchange (DAX 30): <https://www.boerse-frankfurt.de/indices/dax?mic=XETR>

Initial Unemployment Claims: Bureau of Labor Statistics (U.S.); <https://www.dol.gov/ui/data.pdf>; “SA” = seasonally adjusted

Unemployment: Bureau of Labor Statistics (U.S.); <https://www.bls.gov/news.release/pdf/empisit.pdf>

Consumer Confidence: University of Michigan Survey of Consumers (U.S.); <http://www.sca.isr.umich.edu>

European Commission (Euro Area) – Economic Sentiment Indicator; https://ec.europa.eu/info/sites/info/files/full_bcs_2021_02_en.pdf

Business Confidence: U.S. ISM Manufacturing PMI (U.S.)

<https://www.ismworld.org/globalassets/pub/research-and-surveys/rob/pmi/rob202103pmi.pdf>

Eurostat (Euro Area); <https://ec.europa.eu/eurostat/databrowser/view/teibs010/default/table?lang=en>

https://ec.europa.eu/eurostat/databrowser/view/ei_bsci_m_r2/default/table?lang=en

Business aircraft fleet, deliveries, transactions, days-on-market (DOM), utilization: JETNET; GAMA

Survey results: JETNET iQ Global Business Aviation Surveys (Quarterly)

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Definitions and Abbreviations:

For the purposes of these Reports, business aircraft may be classified into 4 primary categories, reflecting propulsion, price, performance, and weight class differences. These categories are: Turboprops (Single-Engine Turboprops - SETP and Multi-Engine Turboprops - METP), Small Jets (Personal Jets, Very Light Jets, Light Jets), Medium Jets (Super-Light Jet, Mid-Size Jet, Super Mid-Size Jet), and Large Jets (Large Jet, Large Long-Range Jet, Large Ultra Long-Range Jet, Airline Business Jet). The “Personal Jet” category includes single-engine turboprop-powered models, today represented by the Cirrus Vision Jet.

B&GA: Business & General Aviation
EIS: Entry in Service
FBO: Fixed Base Operator (private air terminal)
FTSE: Financial Times Stock Exchange (London)
GAMA: General Aviation Manufacturers Association
GDP: Gross Domestic Product

HNWI: High Net Worth Individual
MTOW: Maximum Takeoff Weight
NGO: Non-Governmental Organization
OEM: Original Equipment Manufacturer
QOQ: Quarter over Quarter
QTD: Quarter to Date

S&P: Standard & Poor's
TTM: Trailing Twelve Months
WHO: World Health Organization
YOY: Year over Year
YTD: Year to Date

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Certain statements in this report constitute forward-looking statements or statements which may be deemed or construed to be forward-looking statements. The words “forecast”, “anticipate”, “estimate”, “project”, “intend”, “expect”, “should”, “believe”, and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve, and are subject to known and unknown risks, uncertainties and other factors which could cause actual results, performance (financial or operating) or achievements to differ from the future results, performance (financial or operating) or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on beliefs, assumptions and estimates based on information currently available to JETNET LLC (JETNET), and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated, depending on a variety of factors, including: significant disruptions in air travel (including as a result of terrorist acts), regulatory and tax changes, labor disruptions, currency exchange rate fluctuations, aerospace program development and management risks, aerospace supplier and customer financing issues, economic and aviation/aerospace market stability, competition, consolidation and profitability. Should one or more of these risks or uncertainties materialize adversely, or should underlying assumptions or estimates prove incorrect, actual results may vary materially from those described. All forward-looking statements attributable to JETNET and its officers, directors, shareholders, employees, agents, and affiliates herein are expressly qualified in their entirety by the abovementioned cautionary statement. JETNET disclaims any obligation to update forward-looking statements contained in this report, except as may be required by law. JETNET makes no representations or warranties concerning the accuracy and adequacy of any data, analyses, forecasts, or reports it provides, and shall not be liable, in any manner, for the Customer's reliance on this information. In no event shall JETNET be liable for any direct, indirect, special or consequential damages in connection with or arising out of furnishing data, analyses, forecasts, or reports to the user.

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