

- 1 Editorial
- 2 Outlook
- 3 Business Conditions
- 5 Time for a Trans-Atlantic Call?
- 6 Where to Look for Support and Intelligence in Aircraft Purchasing
- 7 Issuing a Speeding Citation
- 8 About JETNET iQ

All You Have To Do Is Call

Whether in Winter, Spring, Summer, or Fall, buyers and sellers are wise to recognize the high-value stakes at play when making decisions about business aviation. Exciting and technology-oriented, our industry naturally attracts attention from prospective customers and investors alike. As with many industries, getting past the jargon and into the vital details is a journey best navigated in the company of trusted advisors who have the experience and expertise to ensure mutually beneficial outcomes. In this issue of *JETNET iQ PULSE*, we provide evidence of a surge in reliance on trusted advisors in the business aircraft transaction process. While seasons are constantly changing, being 'in the know' never loses its appeal.

".... we provide evidence of a surge in reliance on trusted advisors in the business aircraft transaction process"

Singer-songwriter Carole King penned *You've Got A Friend* when the business aviation industry was still in its early days and humans were blasting off for the first time to explore the Moon. At the time, the name 'Citation' meant nothing to aviators except those who loved horse racing and remembered a Triple Crown thoroughbred by the same name. Today, and after more than 8,500 Citations have been delivered from the Air Capital of

the World in Wichita, KS, few may remember the brand's equine connection, which is best exemplified in the high-spirited Citation X. With a muscular athletic appearance and highly refined aerodynamics, Citation Xs remain hugely popular with their owners and operators, particularly in the on-demand charter segment. While prices have become more attainable for many would-be buyers, buying or selling a complex aircraft is a project best accomplished with a team of trusted advisors. Specialists in the nuances of high-performance aircraft and the details that can make or break a deal, the best advisors have literally been around the track many times before. They are good people to know and work with on what is for most an infrequent, expensive, and one-at-a-time transaction.

While the Northern Summer will soon be upon us, many industry key players will be flocking to Geneva during the week of May 27 for EBACE. If you are there, we look forward to welcoming you at the show and at Booth #C44 at the Palexpo convention center. On September 24-25, 2024, we invite you to join us in New York City for our 13th JETNET iQ Summit. A gathering of thought leaders brimming with fresh industry insights and visions for data, the Summit will once again be the place to be to meet industry leaders in a a more intimate setting ahead of NBAA-BACE in October. ✈️

<https://www.jetnet.com/summit/>

Rollie Vincent
JETNET iQ Creator/Director



Outlook

While demand signals are mixed, we note clear YoY signals of a slowdown in pre-owned aircraft retail transactions, an increase in for-sale inventory, and mixed U.S. fleet utilization results - up for charter / fractional but down for private / corporate flying. These indicators are somewhat offset by news from some of the OEMs regarding new aircraft orders and backlog increases at Embraer (up 7.0%), Bombardier (up 4.9%), and Textron Aviation (up 2.5%) in Q1 2024 over the end of 2023.

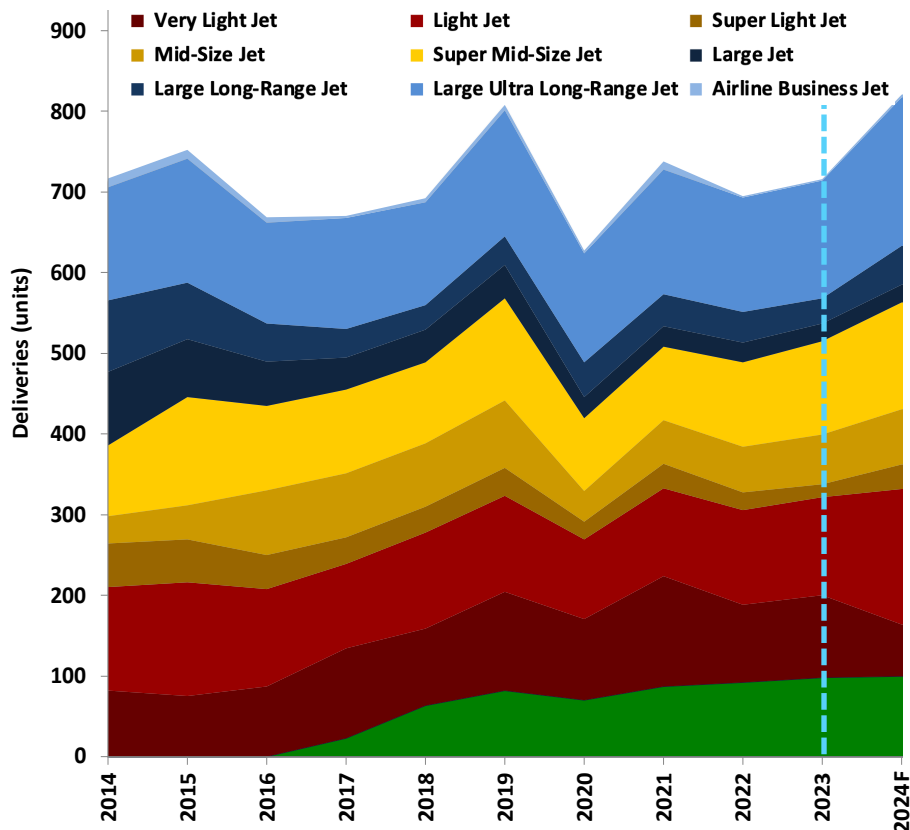
In 2024 and beyond, business aircraft manufacturers are set to increase deliveries out of their bursting backlogs. Dependent as always on fully-functioning supply chains, the OEMs are eliminating chokepoints, which have been the name-of-the-game since 2020 and The Big Shutdown. With Gulfstream poised to deliver up to 50+ of its flagship G700

jets, business aircraft manufacturers are collectively on the path to report significantly higher shipments in 2024 YoY.

Our just-updated outlook is that the industry will deliver almost 1,250 new fixed-wing turbine aircraft in 2024 (including both business jets and turboprops), up ~11% in units over 2023.

We believe that OEMs' success at delivering on the backlog, with orders written at prices that bring smiles to the faces of many in the OEMs' C-suites, will be the story of 2024 and probably again in 2025. With these higher deliveries will come welcome influxes of cash to offset relentless cost inflation and drive stronger bottom-line margins. ✈️

Business Jet Deliveries – Historical and Forecast 2014-2023 Actual Plus 2024 Forecast (in Units)



Sources: Company reports; GAMA; JETNET; JETNET IQ

Business Conditions

GDP

The Economist's **GDP growth estimates** (May 16, 2024) for 2024 are: U.S. +2.0%, Euro Area +0.9%, U.K. +0.4%, Mexico +2.3%, Brazil +2.1%, Canada +2.0%, China +4.7%, Australia +2.0%, and Russia +1.9%



Business jet cycles (take-offs and landings) for Jan.-Apr. 2024 were down 7.7% YoY for U.S. Part 91, up 16.0% YoY for U.S. Part 91K, up 6.3% YoY for U.S. Part 135, and up 7.6% YoY for European operations



Dow Jones Index (U.S.) was up 19.7%,
FTSE 100 (U.K.) was up 8.4%,
CAC 40 (France) was up 9.2%, and
DAX 30 (Germany) was up 15.3%
YoY on May 17, 2024



U.S. Index of Consumer Sentiment was 77.2 in Apr. 2024 vs. 79.4 in Mar. 2024 and 63.5 in Apr. 2023 YoY;
Euro Area Economic Sentiment Indicator was 95.6 in Apr. 2024 vs. 96.2 in Mar. 2024 and 98.9 in Apr. 2023 YoY



U.S. unemployment rate (seasonally adjusted) was 3.9% in Apr. 2024 representing 6.5 million unemployed people, little changed from Mar. 2024 (3.8%)



U.S. Purchasing Manager Index (Manufacturing PMI) was 49.2 in Apr. 2024 vs. 50.3 in Mar. 2024 and 47.1 in Apr. 2023 YoY; **Euro Area Business Climate Indicator** was -0.53 in Apr. 2024 vs. -0.32 in Mar. 2024 and 0.58 in Apr. 2023 YoY



Transactions of pre-owned business aircraft in the first 3 months of 2024 were 415 jets and 209 turboprops, down 17% and 26% respectively YoY (JETNET as of May 1, 2024; whole retail transactions only)



Business aircraft deliveries registered YTD in 2024 are 167 jets (including Cirrus and Boeing / Airbus single-aisle) and 75 turboprops (Source: JETNET – early and preliminary as of May 19, 2024)

Industry Insights. Thought Leadership.

Join us as we gather in the heart of NYC for the 13th JETNET iQ Summit, **September 24-25th** at the New York Marriott Marquis for an unparalleled opportunity to connect with influential leaders and advocates from the business aviation community. Book your tickets today at jetnet.com/summit.

JETNET iQ Summit 2024 NYC

September 24-25th
New York Marriott Marquis

WE'RE FLYING HIGHER WITH THE SUPPORT OF OUR SPONSORS!

Diamond Sponsor:

Gulfstream
A GENERAL DYNAMICS COMPANY

Platinum Sponsors:



GE Aerospace



Gold Sponsors:



GO BEYOND



romanelli.com

Event Sponsors:



Time for a Trans-Atlantic Call?

While North America has a rich and strong European cultural heritage, differences in perspectives and priorities regarding many things in society are not too difficult to uncover. At times amusing while at other times eyebrow-raising, these differences should be expected between places separated by geo-economic, political, and environmental realities.

With awareness as the first step towards understanding, there is great value in conversations to address common challenges and identify shared solutions. Our Q1 2024 JETNET iQ Survey found that respondents in North America (USA and Canada) and Europe are fairly aligned on some but not all key challenges facing the industry over the next 5 years.

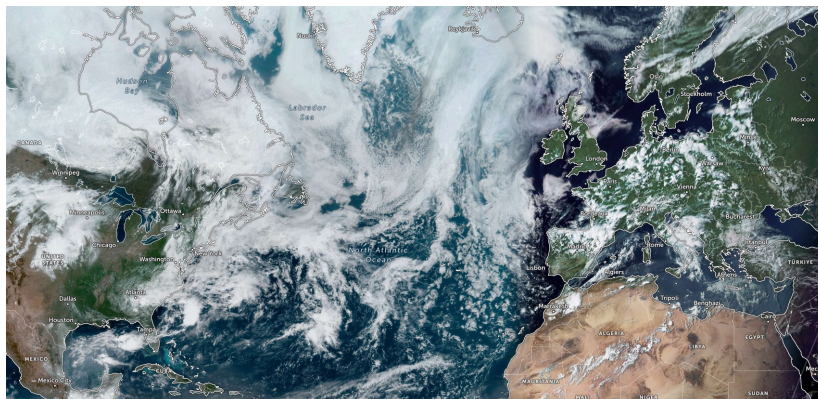
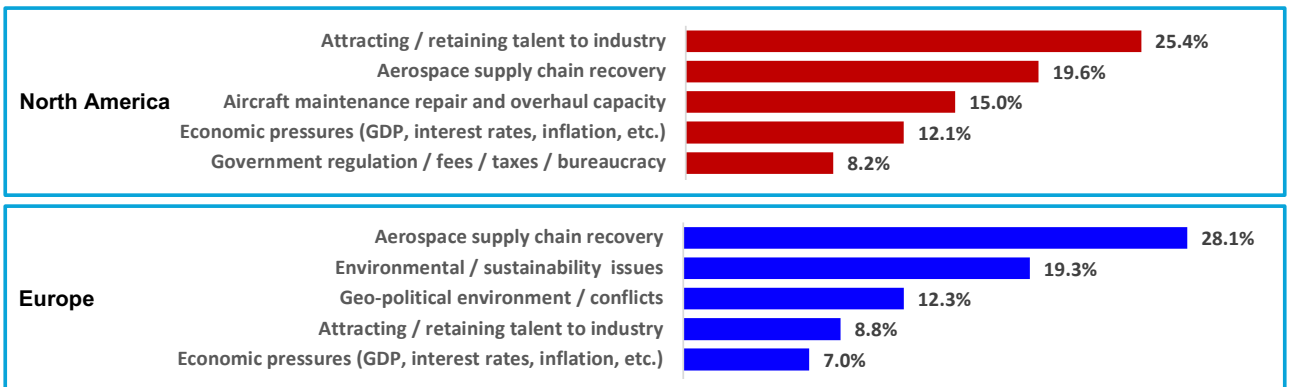
While both regions recognize talent, aerospace supply chain, and economic pressures amongst their “top 5” challenges, European respondents rate environmental / sustainability issues (19.3% vs. 3.6% of mentions) and geo-political conflicts (12.3% vs. 2.5%) much higher than do North Americans, who are more focused on MRO capacity than their European brethren.

While we are big fans of the ways that Zoom, Teams, and mobile devices have completely transformed and accelerated human connectivity, nothing replaces face-to-face interactions made possible over long distances by air transport.

Bon voyage et à bientôt à Genève! ✈️

Top Challenges Facing the Industry Over the Next 5 Years

Q1 2024 JETNET iQ Survey - % of Total Responses Received



Sources: Q1 2024 JETNET iQ Survey (n=436 business aircraft owner / operator respondents from 49 countries; % of total responses; satellite image from <https://zoom.earth/maps/satellite/> of real-time weather on May 11, 2024

Where to Look for Support and Intelligence in Aircraft Purchasing

In late 2018, we asked JETNET iQ respondents about who and where they turned to for support and intelligence in their aircraft purchase decisions. Given the possibility that the intervening 5+ years had impacted the owner / operator community, we decided to return to this same topic in our Q1 2024 Survey.

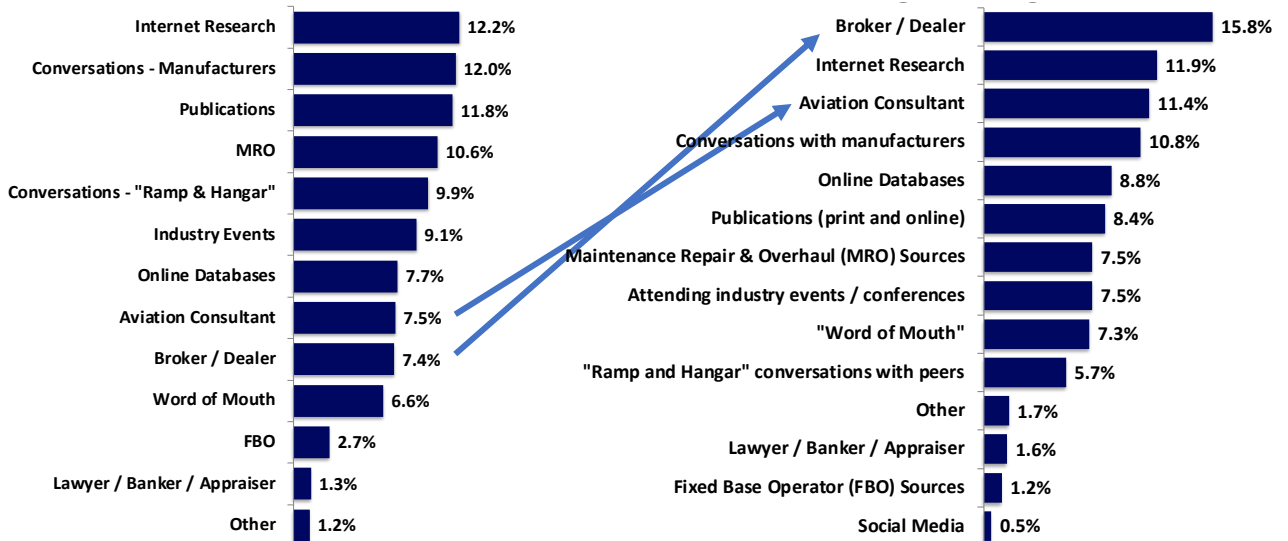
For prospective buyers of that one-of-a-kind pre-flown Citation X with the ideal specification and pedigree, where are they going to look and who are they going to call? Besides the internet, **aircraft brokers / dealers** and **aviation consultants** jump to the top of the new list.

Why so? While we cannot yet be certain, we surmise that a combination of factors – COVID / post-COVID, sharp fluctuations in for-sale inventories, rapid market-based changes in aircraft pricing and valuations, long wait times for pre-buy inspections / MRO slots / next available aircraft – were all key contributors. Taking no back seat to any of these was a **systematic professionalization of business aircraft transaction standards and ethical practices** led by the International Aircraft Dealers Association. IADA has emerged since 2018 as a highly respected and trusted voice – and force - in the business aviation industry. Bravo! ✈️



Sources of Support and Intelligence For Making an Aircraft Purchase Decision

Q4 2018 and Q1 2024 JETNET iQ Surveys - % of Total Responses Received (Weighted Average)



Sources: Q4 2018 and Q1 2024 JETNET iQ Surveys; weighted average based on "Top 3" mentions

Issuing a Speeding Citation

Nothing before and nothing since transformed the image and competitive position of Cessna Aircraft Company and its Citation family of business jets quite like the Citation X. Engineered and built for maximum speed (Mach 0.92), the Rolls-Royce AE3007-powered Citation X was and remains a point-off-the-chart design that defies easy categorization. FAA-certified almost 28 years ago and in continuous production for 22 years, the Citation X was the brainchild of Cessna Chairman and CEO Russ Meyer, an iconic and inspiring business leader who led the company for more than 25 years. Under the steady hand of SVP Engineering Milt Sills and his product engineering team, the Citation X did exactly what it was designed to do – capture the attention of customers seeking simply the best – the fastest civil aircraft in the world. In 1997, Cessna and its product development team were awarded the prestigious Robert Collier Trophy from the National Aeronautic Association for advances in speed and altitude performance.

JETNET records updated through mid-May 2024 indicated that the world Citation X and the Mach 0.935 Citation X+ fleet includes 331 aircraft in 21 countries, about 86% of which are based in the U.S. A cornerstone of NetJets’s super-mid-size fleet offering for many years, the fractional provider ordered

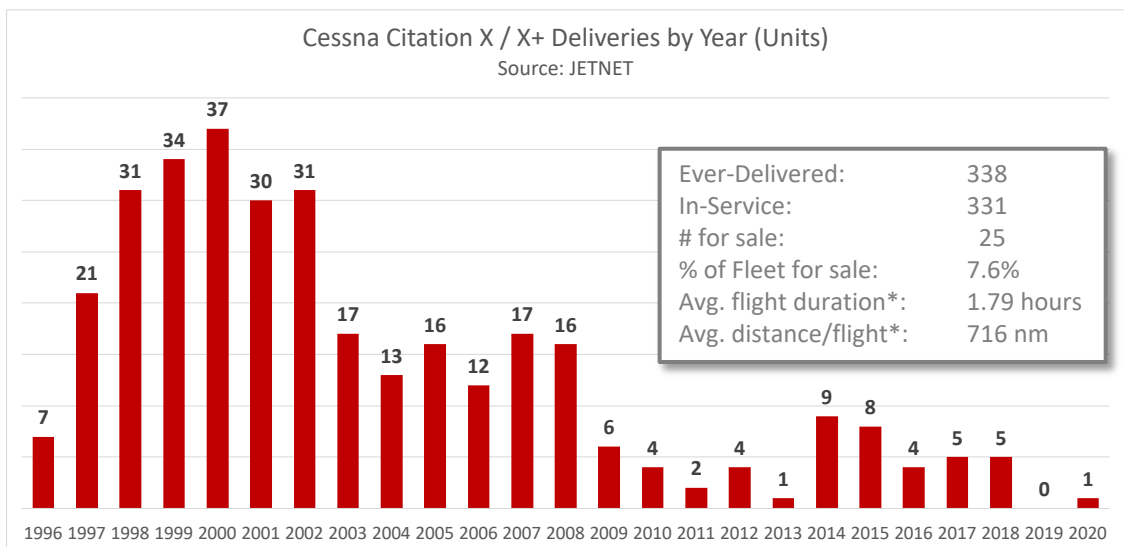
a total of 81 jets from the manufacturer, with 75 in service at the peak. In some ways more of a Learjet than a Citation, the X was ultimately displaced in the Textron Aviation family by the Citation Longitude, offering somewhat less speed and lower altitude performance but more range and cabin volume with lower fuel burn and lower operating costs, all with a comfortable flat-floor interior design.

Of the 331 Citation X and X+ aircraft in service, 25 aircraft were listed as for sale or lease as of mid-May 2024, representing 7.6% of the in-service fleet. Mountain Aviation LLC is listed as the largest current fleet operator (with 34 aircraft), followed by XOJET Aviation, LLC (22 aircraft). ✈️



Citation X – Fleet Analysis

As of May 19, 2024

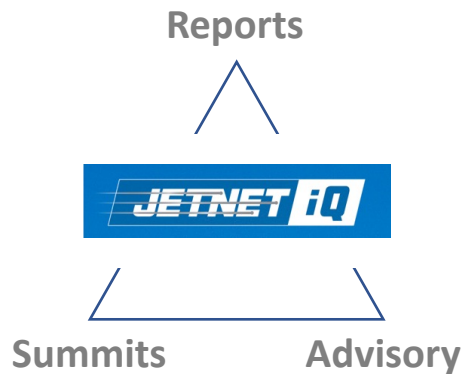


Source: JETNET; * Fleet utilization data from Jan. 1 through May 19, 2024; photo courtesy of jetAVIVA as posted on www.jetnet.com

About JETNET iQ

JETNET iQ is a business aviation industry intelligence service. 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, aircraft owner / operator surveys, and detailed aircraft delivery and fleet forecasts
- **JETNET iQ Summits** are annual industry thought-leadership conferences providing unique data, insights and networking opportunities
- **JETNET iQ Advisory** provides customized research and analysis for clients on a project-by-project basis.



JETNET iQ is a partnership between JETNET LLC of Utica, New York and Rolland Vincent Associates, LLC, of Plano, Texas. JETNET iQ Reports are available in various formats on a subscription basis.

JETNET iQ's proprietary quarterly surveys of the worldwide community of business aircraft owners and operators gauge customer sentiment, brand perceptions, aircraft purchase, selling, and utilization expectations, and areas of topical interest in this fast-changing marketplace. JETNET iQ Surveys are password-protected and by invitation-only. 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 25,000 respondents from more than 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.

For more information on JETNET iQ, please contact:

Rolland Vincent, JETNET iQ Creator/Director

Tel: 1-972-439-2069

e-mail: rollie@jetnet.com

Material in this publication may not be reproduced, stored in a retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording, or otherwise) without the prior written permission of the publisher.

© JETNET iQ 2024