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Gotta Get Back in Time

An instant rock n’ roll classic, Huey Lewis and the News’ *Back in Time* sprang onto the pop charts just like Marty McFly on his skateboard in the 1950s retro film *Back to the Future*. Although aviation is by nature a forward-looking technologically-centric business, we are not alone in feeling a little nostalgic for the “good ol’ days”, when life was a little simpler and gatherings – remember those? – brought us together as friends, families, and colleagues. While the COVID-19 era is far from a thing of the past, there is a growing sense that, wherever we can, it is time to get back to the ways of life that are the foundation of who we are and what we do.

“.....there is a growing sense that it is time to get back to the ways of life that are the foundation of who we are and what we do.”

A few months ago, we began detailed planning for our 2021 JETNET iQ Global Business Aviation Summit. Held annually in New York since 2011, our event never got off the ground like so many others last year due to the pandemic. A few weeks ago, our event planning team made the carefully-considered decision to proceed, and our 10th Summit will be held on September 15-16 at the spectacular and award-winning retro TWA Hotel at JFK Airport.

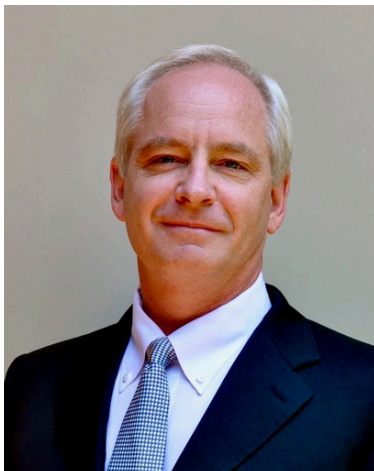
We hope that you can join us at New York City’s gateway to the world to “get back in time” and join industry leaders who are creating the future of business aviation. With our day-and-a-half agenda filled with industry leaders on the podium, it promises to be a Summit to remember, with insights that will recall where we have been and where we are going as an industry.

www.jetnet.com/summit

This issue of JETNET iQ PULSE is sponsored by Romanelli Communications, our Unapologetically Small marketing communications agency. Based on the village green in a heritage building in the leafy New England college town of Clinton, NY, Romanelli Communications has supported JETNET and JETNET iQ since our beginnings. Romanelli helps us capture the attention of customers seeking the latest, most accurate business aircraft data and unique insights into business aviation markets and customers. While scale economies continue to be all the rage in many enterprises, small and medium-sized businesses offer an intriguing alternative that feels reassuringly old fashioned and exactly in step with today’s evolving Work From Anywhere world.

Whether home for you is a big town, little town, or no town, please join us in-person on September 15-16 at the fly-in/fly out TWA Hotel. It’s time to get back together.

Rollie Vincent
JETNET iQ Creator/Director



This issue of JETNET iQ PULSE is sponsored by:



Outlook

The optimism of business aircraft owners / operators continues to rebound from the chasm of Q2 2020, at least based on the results of our recently completed JETNET iQ Q1 2021 Global Business Aviation Survey. For more than 10 years, respondents – who numbered 503 based in 63 countries worldwide in Q1 2021 – represent the ultimate customers of business aviation. Our Surveys provide them a mechanism to share their perspectives, preferences, and intentions with product and service providers across the industry who are eager to hear “voices of the customer.” We analyze these survey results on an on-going basis and launch a new survey every quarter with a very broad range of questions and subjects in order to stay apprised of marketplace changes as they are happening. This gives us unique data that we analyze and convert into insights on market directions – from the customers’ perspective.

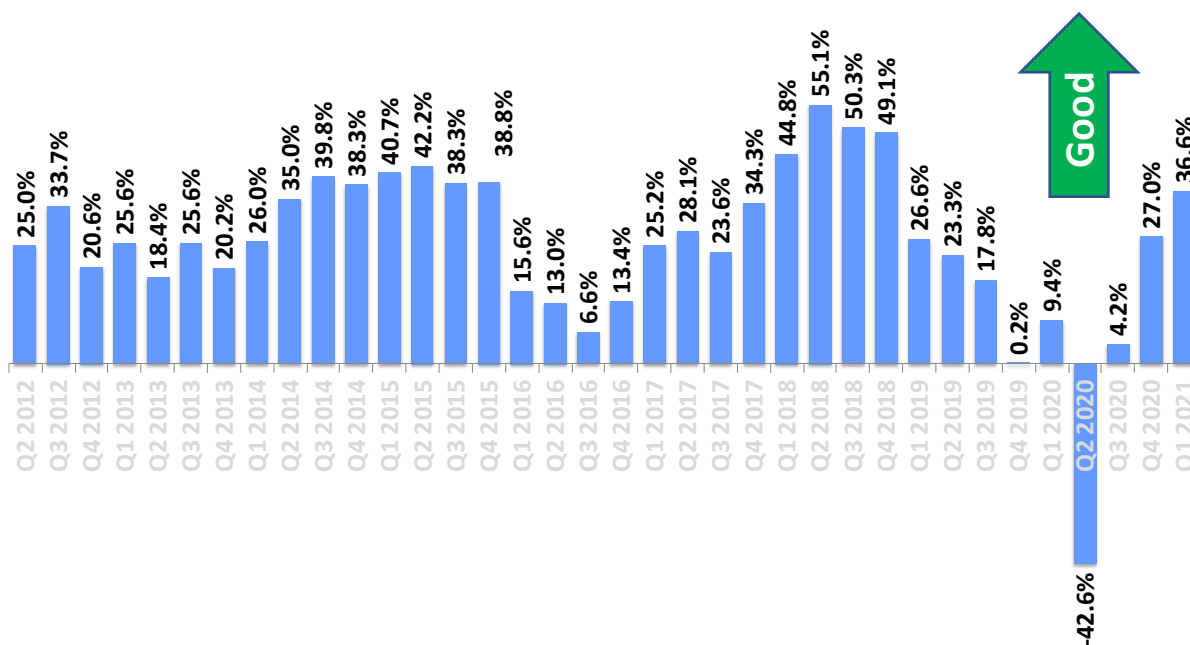
Each quarter since mid-2012, a simple question we ask of Survey respondents is: How would you describe the current market conditions for business aviation? Response choices are:

1. The business aviation industry has NOT YET REACHED the low point in the current business cycle
2. The business aviation industry is AT the low point in the current business cycle
3. The business aviation industry is PAST the low point in the current business cycle

For the purposes of our JETNET iQ Market Sentiment indicator, we then subtract the percentage of respondents who answer 3. above from those who answer 2. This generates a metric between +100% and -100%; the higher the JETNET iQ Market Sentiment, the more “optimistic” is the business aircraft owner / operator community.

JETNET iQ Market Sentiment was +37% in Q1 2021, higher than at any point since the end of 2018, and up from 27% in Q4 2020 and from the chasm of Q2 2020 when it plummeted to -43%. This recovery in sentiment bodes well for industry momentum – think aircraft sales, flight activity, pricing and aircraft value stability (and maybe even strengthening) in the months and quarters ahead.

JETNET iQ Market Sentiment – Continuing the Climb-Out in Q1 2021



Source: JETNET iQ Global Business Aviation Surveys
Scale is -100% to +100%

We're Back in Time...



...and in Person; the JETNET iQ Summit returns with new life, new ideas and a new location at the neo-retro, super swanky TWA Hotel located at the JFK Airport. Reconnect with colleagues, business leaders and old friends in this exciting new space, where the past meets the future. Come and celebrate our 10th iQ Summit...*back in time*. Visit jetnet.com/summit for more info.

JETNET iQ Summit

TWA Hotel at JFK | Sept. 15-16th, 2021



Network
Hob-nob over cocktails with all the right people.



Experience
Dazzling speakers from across the industry.



Inspire
Brainstorm with the biggest brains in BizAv.



Convenient
A single flight from almost anywhere.

Business Conditions

GDP



The Economist's **GDP growth forecasts** for 2021 are: U.S. +5.5%, Euro Area +4.1%, U.K. +5.1%, Mexico +5.1%, Brazil +3.2%, Canada +4.8%, China +8.5%, Russia +2.7%, and Australia +3.1%



Business jet cycles (take-offs and landings) in April 2021 were *up* by 235% YOY for U.S. Part 91, *up* by 754% YOY for U.S. Part 91K, *up* by 475% YOY for U.S. Part 135, and *up* by 293% at European airports



Dow Jones Index (U.S.) was up 44%,
FTSE 100 (U.K.) was up 21%,
CAC 40 (France) was up 50%, and
DAX 30 (Germany) was up 46%
YOY from May 4, 2020 to May 3, 2021



U.S. Index of **Consumer Sentiment** was 88.3 in Apr. 2021, versus 84.9 in Mar. 2021 and 71.8 in Apr. 2020 YOY;
Euro Area **Economic Sentiment Indicator** was 110.3 in Apr. 2021, versus 100.9 in Mar. 2021 and 67.8 in Apr. 2020



U.S. unemployment rate (seasonally adjusted) was 6.0% in Mar. 2021 (representing ~9.6 million people); Job gains in March of .9M were driven by leisure & hospitality, public and private education, and construction sectors



U.S. **Purchasing Manager Index** (Manufacturing PMI) was 60.7% in Apr. 2021, versus 41.5% in Mar. 2020;
Euro Area **Business Climate Indicator** was 1.13 in Apr. 2021, versus -1.93 in Apr. 2020



Transactions of pre-owned business aircraft (retail sales & leases) in Q1 2021 were 574 jets and 344 turboprops, up 10% and up 15% YOY; days-on-market in March 2021 were 311 days for jets (up 3% YOY) and 320 days for turboprops (up 24% YOY) (JETNET as of May 4, 2021)



Business aircraft deliveries in 2021 YTD are 135 jets (including Cirrus, Boeing, Airbus) and 57 turboprops (JETNET as of May 4, 2021)



When we were small,
we looked to the sky.

As children, we felt wonder
in the vastness of what soared
above. Many of us have never
stopped looking. The sky offers
possibility, hope.

At Romanelli Communications we continue
to look upward. We're proud to have worked
with JETNET since its very beginning and
prouder still to be working with them today, as
a Platinum Sponsor of the 2021 JETNET iQ Global
Business Aviation Summit. We look forward to being
together, in-person, as we all look to the sky again
and chart a course for the future.

The sky is, literally, the limit.

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unapologetically small since 1973.

Recommend a Career in Aviation?

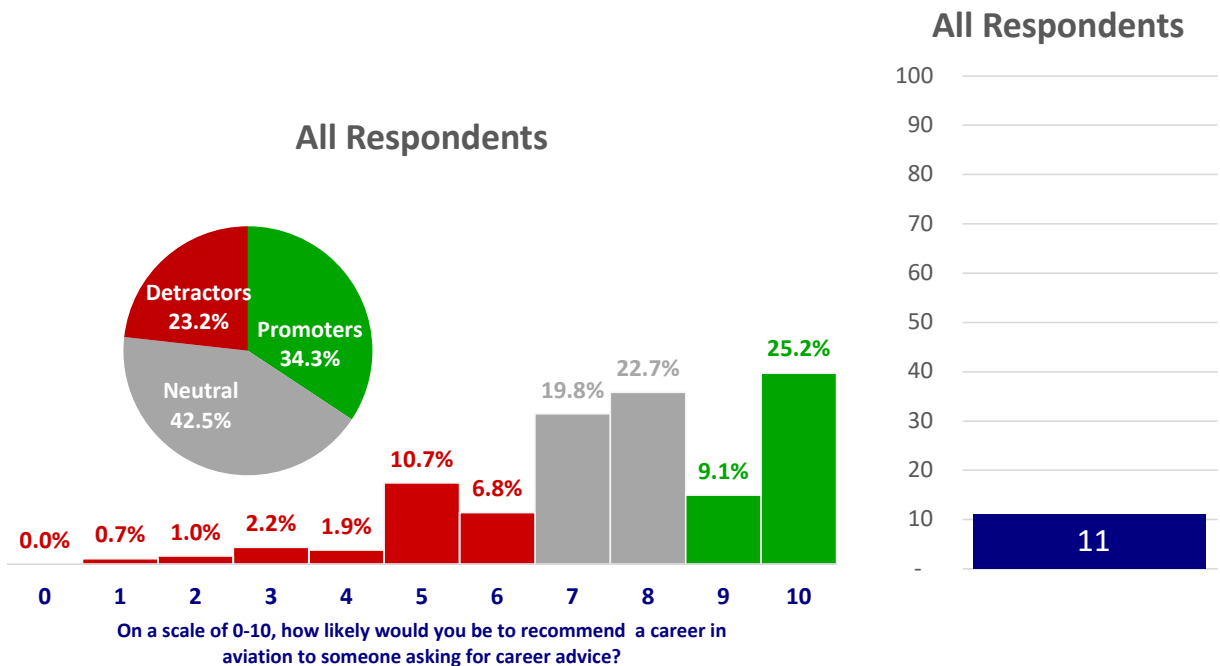
Net Promoter Scores from JETNET iQ Surveys: Q2 2020-Q1 2021

As the business aviation industry climbs out of the depths of the COVID-19 induced recession, many thought-leaders are focusing on strategic opportunities that have less to do with shiny airplanes that move swiftly through the friendly skies and more to do with talent recruitment, people retention, workforce diversity, and workplace equity and inclusivity. These are topics that may have dimmed temporarily on our industry’s radar but whose importance is once again capturing our attention as businesses focus on a return to growth.

Some of the best sources of talent in many industries are people who already work in it. The question we sought to answer is: Would they recommend a career in aviation to someone seeking career advice? Based on insights gathered over a 4-quarter period from Q2 2020 through Q1 2021, ~77% of JETNET iQ Survey respondents clearly agreed, scoring a 7-on-10 or higher on this question. More than 1/3rd of respondents emphatically agreed, scoring 9-on-10

or a perfect 10-on-10 on this answer. While these results are encouraging, almost 1/4th of respondents suggested they might have more difficulty recommending an aviation career, scoring 6-on-10 or below. There is considerable regional variation in responses, with owners / operators in North America (U.S. and Canada) and to a lesser extent Latin America & Caribbean the most likely to recommend an aviation career.

NPS, a widely used market research metric ranging from -100 to +100, is commonly used to measure loyalty. Net Promoter Scores above 0 are “Good”, while scores above 50 are “Excellent” and greater than 70 “Exceptional.” We calculate a Net Promoter Score (NPS) of 11 for the aviation industry as a career choice, a good result but certainly suggestive that there is much room to improve.



Source: JETNET iQ Q2 2020-Q1 2021 Global Business Aviation Surveys (n=2,031 respondents worldwide)

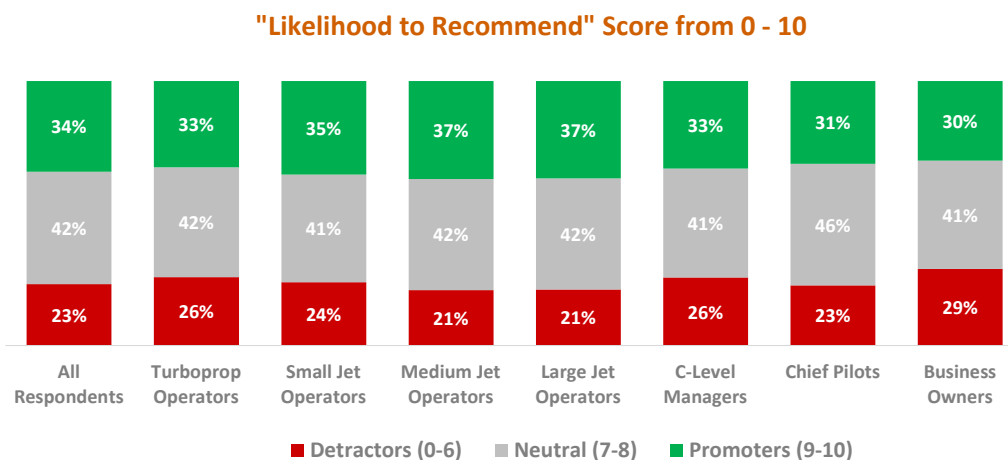
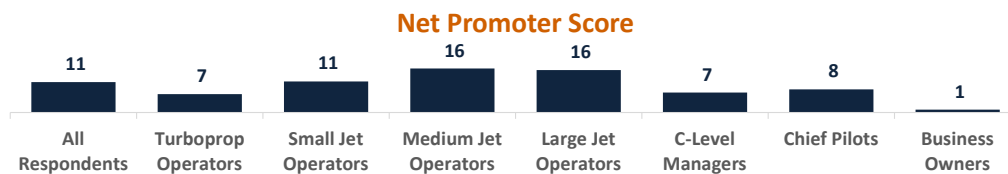
NPS by Fleet and Job Title

Net Promoter Scores on Recommending a Career in Aviation: Q2 2020-Q1 2021 Surveys

While overall NPS for the aviation industry as a career was 11 over the period from Q2 2020 through Q1 2021, JETNET iQ Survey results can be stratified and analyzed in different ways. NPS scores appear to be correlated with the size of aircraft owned / operated, with Medium Jet and Large Jet customers

scoring somewhat higher than the overall respondent group. Survey respondents who identify themselves as business owners and shareholders are amongst the least likely to recommend the industry as a career choice, a score that suggests this is an area for additional research.

On a scale of 0-10, how likely would you be to recommend a career in aviation to someone asking for career advice?
Q2 2020 - Q1 2021



Source: JETNET iQ Q2 2020-Q1 2021 Global Business Aviation Surveys (n=2,031 respondents worldwide)

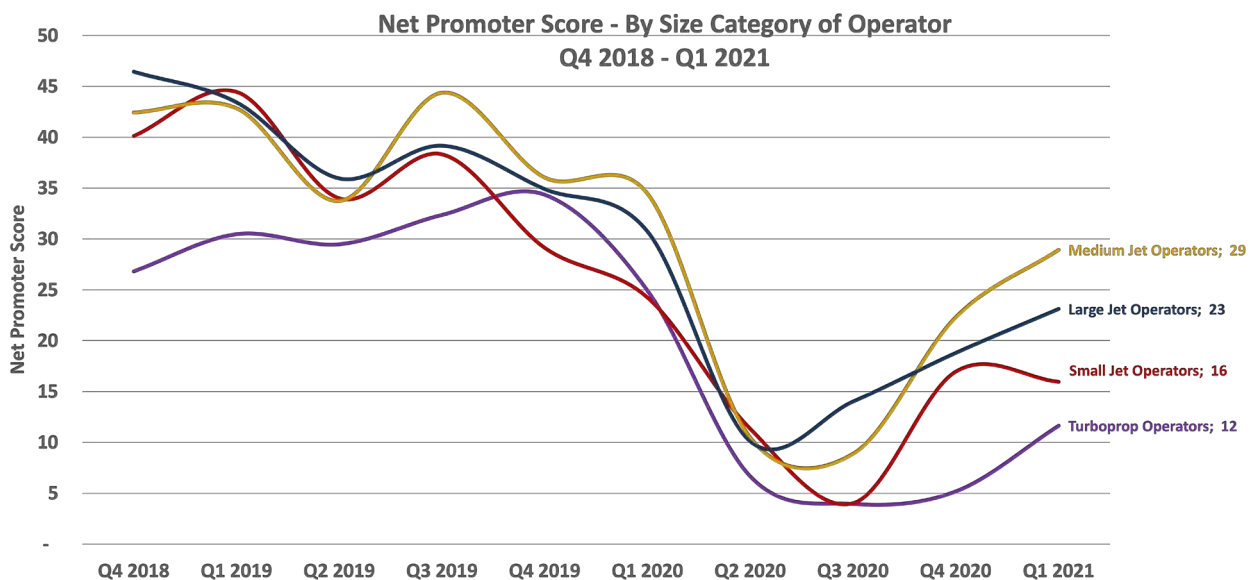
Stratifying NPS by Aircraft Size Category

Net Promoter Scores from 10 Consecutive Quarters of JETNET iQ Surveys: Q4 2018-Q1 2021

So how good is a NPS score of 11 for the aviation industry as a career? While a textbook lookup table would indicate that 11 = “Good”, results from our on-going JETNET iQ Surveys reveal just how much detail can be derived when we stratify these types of data in different ways. In the chart below, NPS scores are summarized over a 10-quarter period, broken out by aircraft size category. We can see that a score of 11 for the last 4 quarters, while “Good” and perhaps interesting, does

not reveal the detail that allows for any meaningful situational analysis. We can see with a more nuanced set of survey data that NPS scores shifted downwards in a coordinated fashion in early 2020 with the sudden onset of economic recession. They have since been rebounding at different rates, led by the group of owners / operators of Medium Jets.

Net Promoter Scores: Recommending a Career in Aviation



Source: JETNET iQ Q2 2020-Q1 2021 Global Business Aviation Surveys (n=2,031 respondents worldwide); respondents may operate aircraft in more than 1 size category; for a de-code of aircraft size categories, please see the Appendix

Stratifying NPS by Job Title

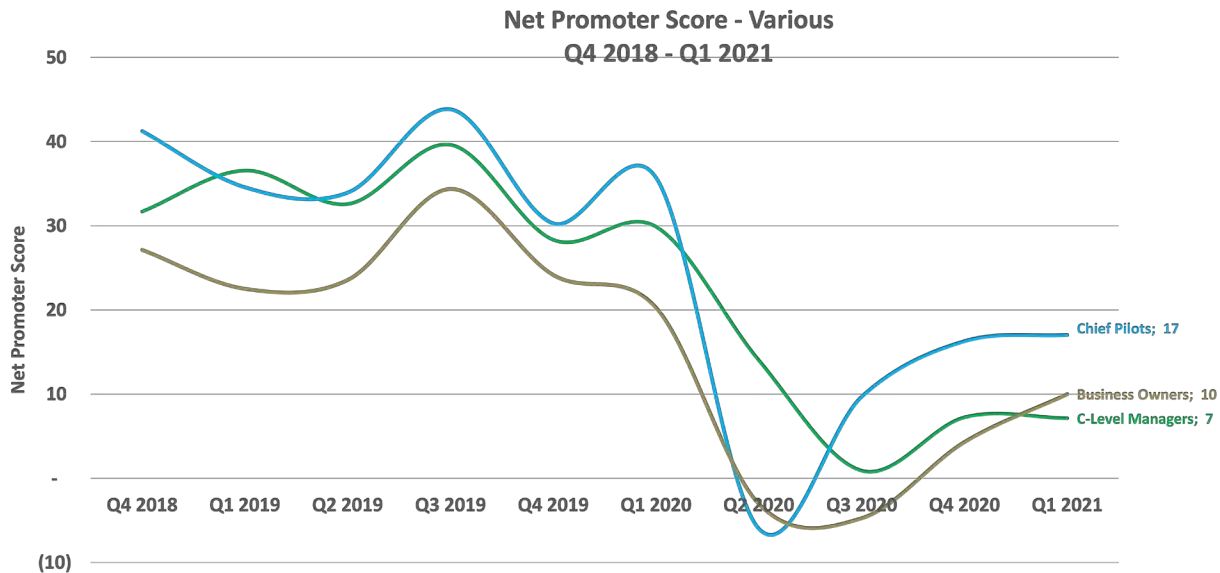
Net Promoter Scores from 10 Consecutive Quarters of JETNET iQ Surveys: Q4 2018-Q1 2021

While airplanes happily go up and down, so apparently does the sentiment of those on board. NPS scores for Chief Pilots, Business Owners, and C-suite leaders have fluctuated wildly, especially in the past year. While industry sentiment was hammered by the COVID-19 pandemic, and the likelihood to recommend aviation as a career choice is muted relative to the pre-COVID era, the trajectories of recovery amongst various demographic categories are quite distinct. Getting “back to the future” – a time when the aviation industry was

seen as a very good place to build a career – is a topic that will no doubt be bright on the radar for industry leaders in the months and probably years to come. Workforce topics will be front-and-center on the agenda of the upcoming JETNET iQ Summit on September 15-16, 2021 in New York.

www.jetnet.com/summit

Net Promoter Scores: Recommending a Career in Aviation



Source: JETNET iQ Q2 2020-Q1 2021 Global Business Aviation Surveys (n=2,031 respondents worldwide); respondents may operate aircraft in more than 1 size category; for a de-code of aircraft size categories, please see the Appendix

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.

For more information on JETNET iQ, please contact:

Rolland Vincent, JETNET iQ Creator/Director

Tel: 1-972-439-2069

e-mail: rollie@jetnet.com

To subscribe to JETNET iQ Reports or inquire into sponsorship of JETNET iQ PULSE, please contact:

Paul Cardarelli, JETNET Vice President of Sales

Tel: 315-797-4420, ext. 254

e-mail: paul@jetnet.com

Appendix

Data sources:

Real GDP growth forecasts (2021): The Economist – May 1, 2021

<https://www.economist.com/economic-and-financial-indicators/2021/05/01/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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