AMSTAT Business Aircraft Preowned Market

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Primer

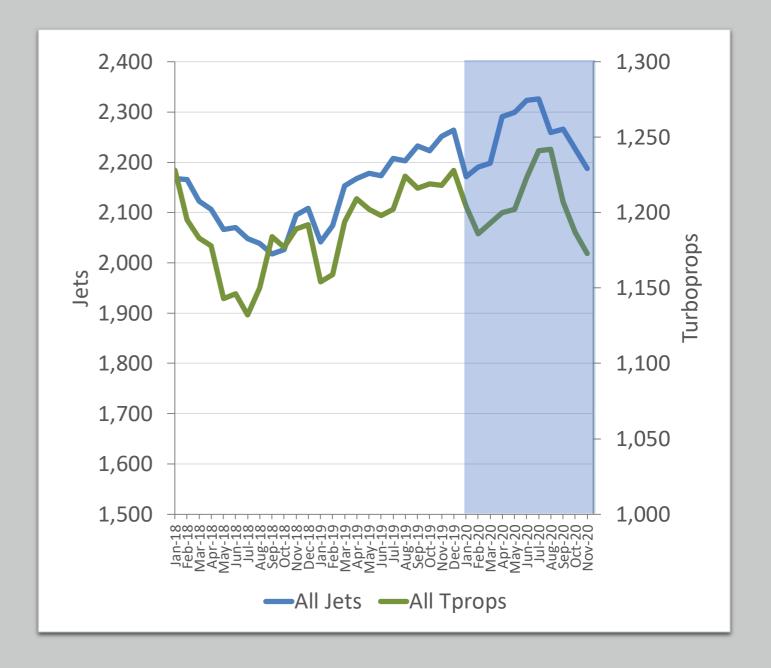
<20,000 lbs.
20,000 – 40,000 lbs.
>40,000 lbs.
<= 10 Years
11-20 Years
20+ Years



Preowned Availability

Units Available For Sale

- Inventory levels have been most recently increasing since 2018.
- Inventory levels did rise in the first half of 2020. However, even at their peak these levels were not as high as in 2016 when as many as 2,500 Jets and 1,350 Turboprops were for sale, and..
- Nowhere near 2009 levels when as many as 3,200 Business Jets and 1,550 Turboprops were for sale.
- Since mid-2020, inventory levels have retreated and are now at or below levels seen at the start of the year.

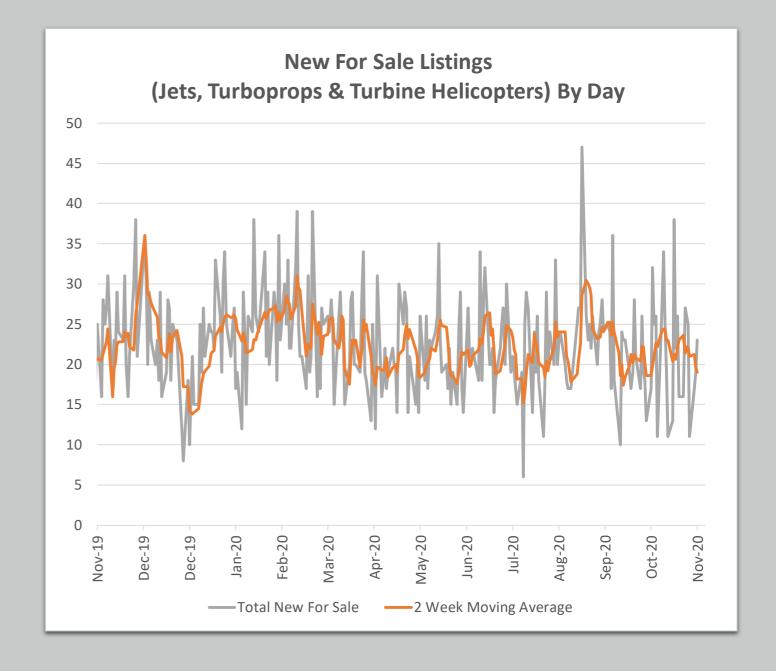




New Resale Listings

Units Per Day (Jets, Tprops, Heli)

- No mass panic to sell.
- Lack of a major inventory spike is critical to the recovery story as there will be few units to sell off. Compare this to the significantly higher levels in 2009 that contributed to the long tail recovery.
- Hopefully, a smaller increase in inventory levels today will mean a faster recovery tomorrow.

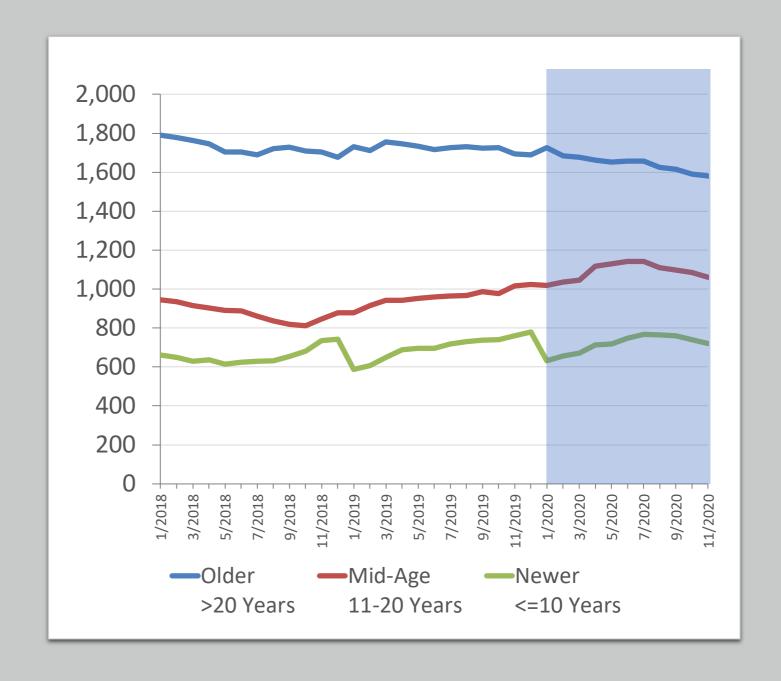




Fixed Wing Preowned Availability

Units Available For Sale By Age

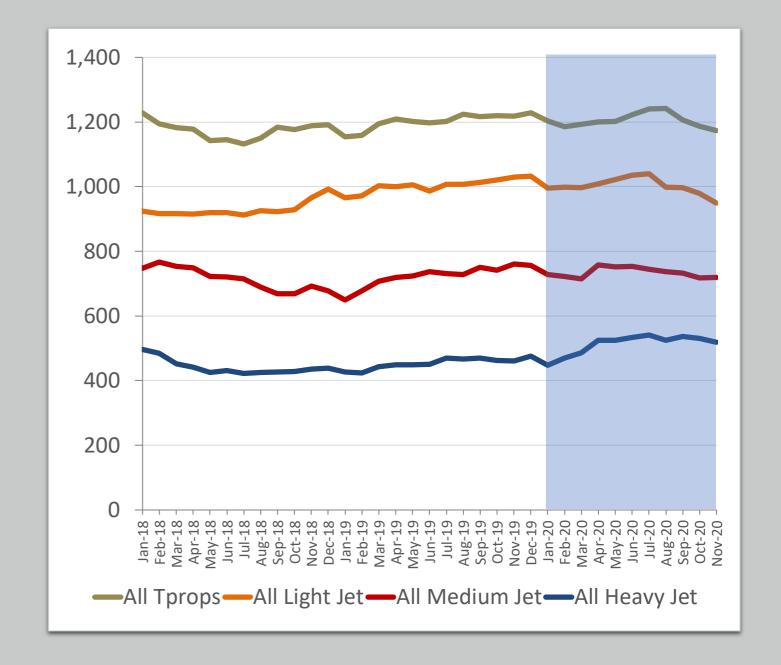
- A contraction in listings of older aircraft has been on-going since 2009.
- The recent increase in mid-age and newer aircraft inventory started in 2018.
- Noticeable upticks in mid-age and newer aircraft during Q2 ending up 12% and 22% since January, but...
- Since July these levels have pulled back. Today the mid-age and newer markets are now up 4% and 14% since the start of 2020 and the current trend is down.



Preowned Availability

Units By Segment Size

- Inventories of Turboprops and Light Jets rose through mid-2020 and then began contracting. The inventories of Turboprops and Light Jets are down 2.6% and 4.5% YTD.
- The inventory of Medium Jets rose 5% at the start of 2020 but have since contracted and this market is now 1.2% below start of the year levels.
- Inventories of Heavy Jets rose most of 2020 although there has been some contraction since September. Overall, the inventory of Heavy Jets is up 15.8% YTD.

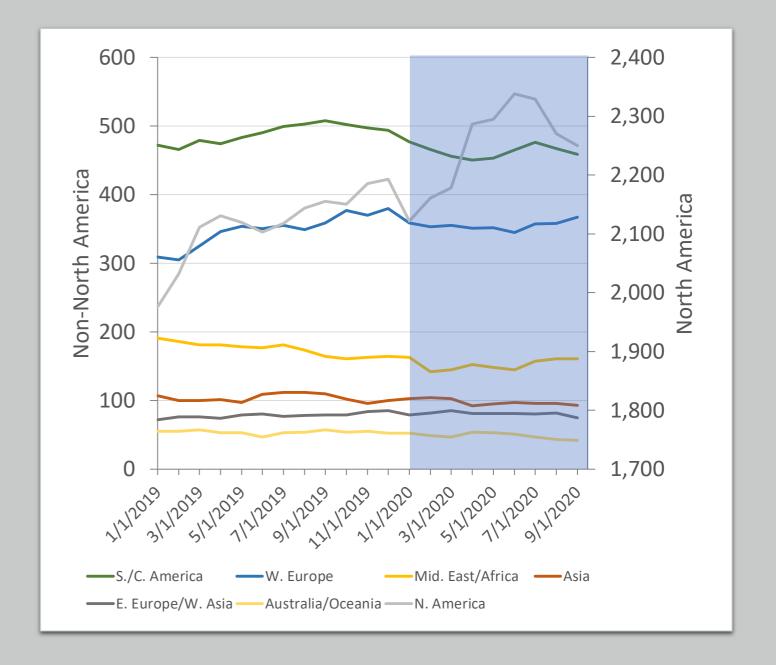




Resale Availability

Units Available For Sale By Region

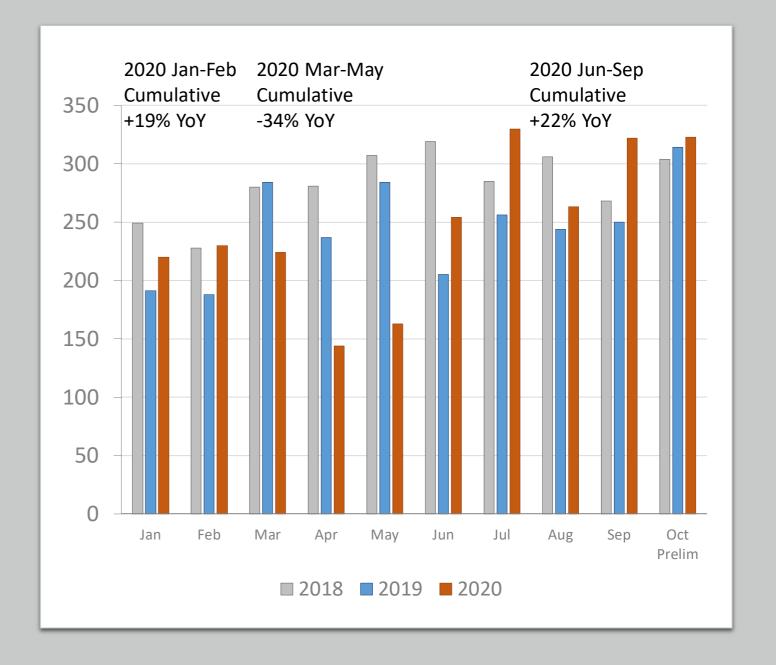
- North American market represents 65% of overall fixed wing preowned availability.
- While North American and South and Central American markets have been contracting since July, Western Europe, Middle East and Africa continue to see their inventories increasing.





Fixed Wing Preowned Retail Transactions January – September # Per Month YoY Comparison

- Cumulatively (Jan Sep) resale retail transaction counts are up 0.5% in 2020 over the same period in 2019, which is amazing given that at the end of May transactions were off 17% YTD compared to the same period in 2019.
- There has been a positive year-overyear trend since the start of June with the cumulative resale transactions between June and September 2020 up 22% over the same months in 2019.
- Preliminary transaction counts for October already exceed 2018 and 2019.

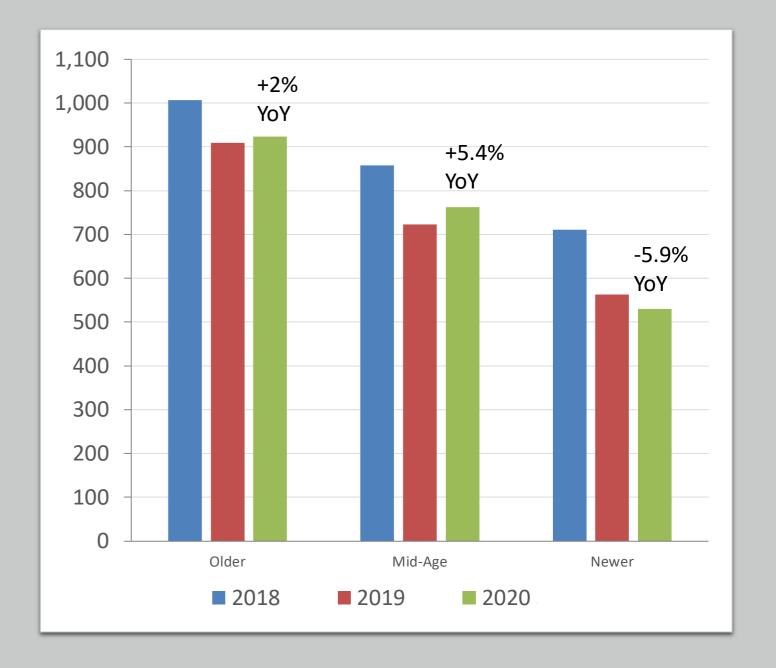




Fixed Wing Preowned Transactions

January – September # Units By Age

- Percentages represent yearover-year change.
- Interestingly, year-to-date there has been a 5.9% contraction in preowned sales of newer aircraft compared to 2019.

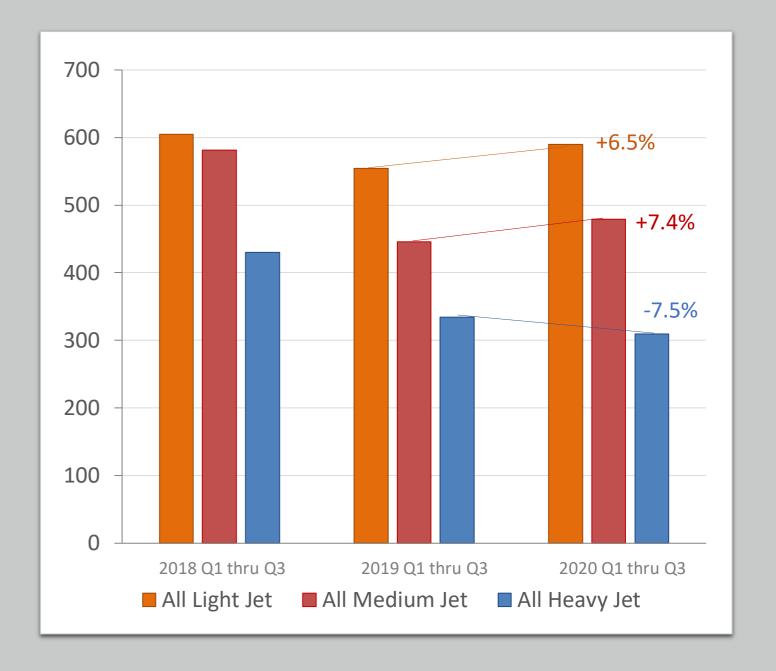




Jet Resale Transactions

January – September # By Size

- Year-to-date there has been an increase in Medium and Light Jet preowned retail transactions over 2019.
- Conversely, we have seen a year-to-date drop in Heavy Jet resale sales versus 2019.

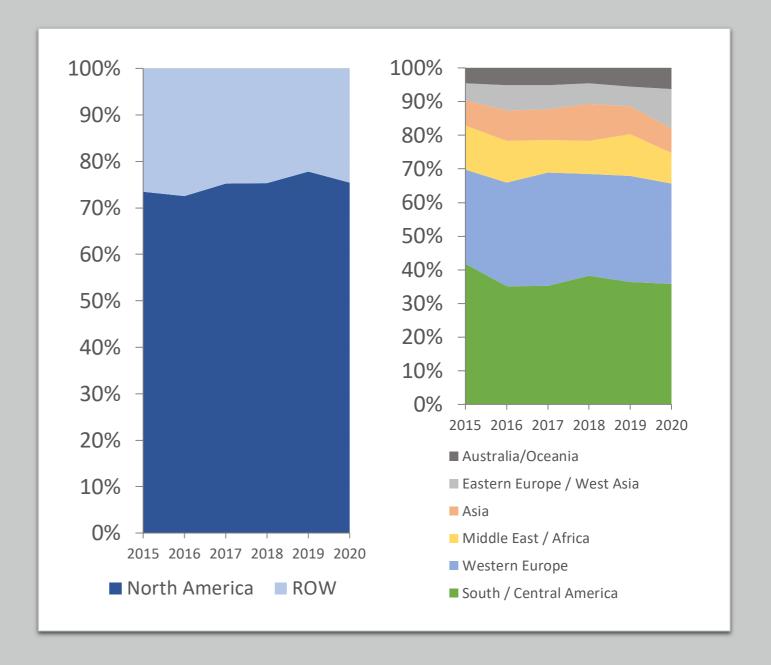




Global Resale Transactions

January – September % Share By Region

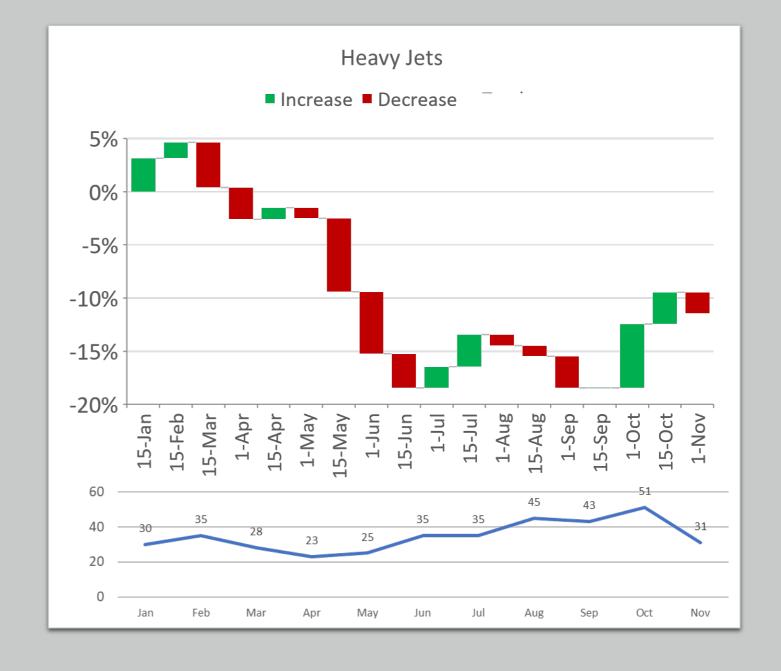
- In the last 5 Years, the North American market has represented 77% of global fixed wing preowned transaction activity.
- Year-to-date there have been only modest changes in the regional contributions to transaction activity.





January – November % Value Change

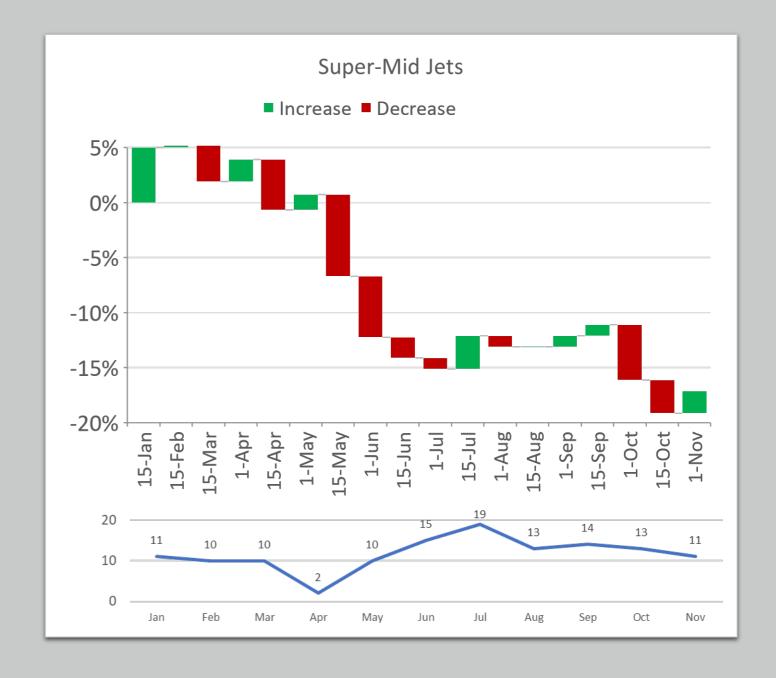
- The value of Heavy Jets is down a net 11% since January.
- After a 5% uptick, the value of Heavy Jets fell 23% by mid-June.
- The Heavy Jet values fluctuated between July and September but ended down 23% from its 2020 high.
- Since October, the value of Heavy Jets have risen 7%.





January – November % Value Change

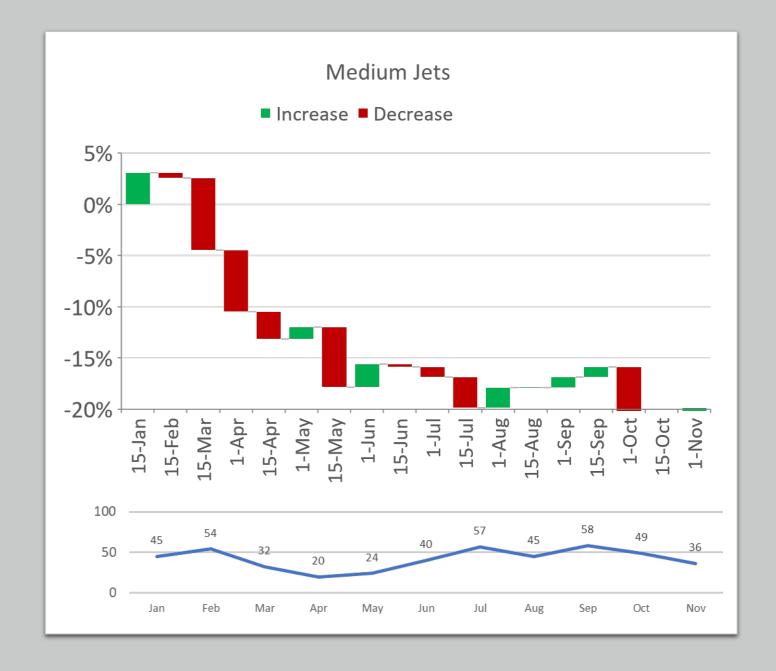
- The value of Super-Mid Jets is down a net 17% since January.
- After a 6% uptick, the value of Super-Mid Jets fell 20% by July.
- After a leveling off during the summer, the Super-Mid Jet value fell a further 8% in October.





January – November % Value Change

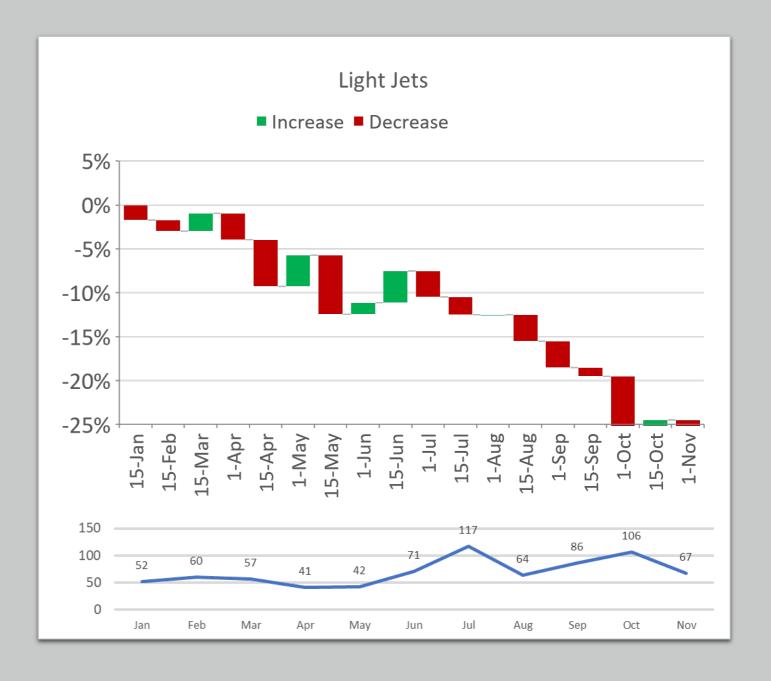
- The value for Medium Jets is down a net of 20% since January.
- After a 3% uptick, the value of Medium Jets fell 23% by July.
- Values staged a brief 4% recovery between August and September but ended down 20% year to date.
- The downward trend has begun to stabilize in October and November.





January – November % Value Change

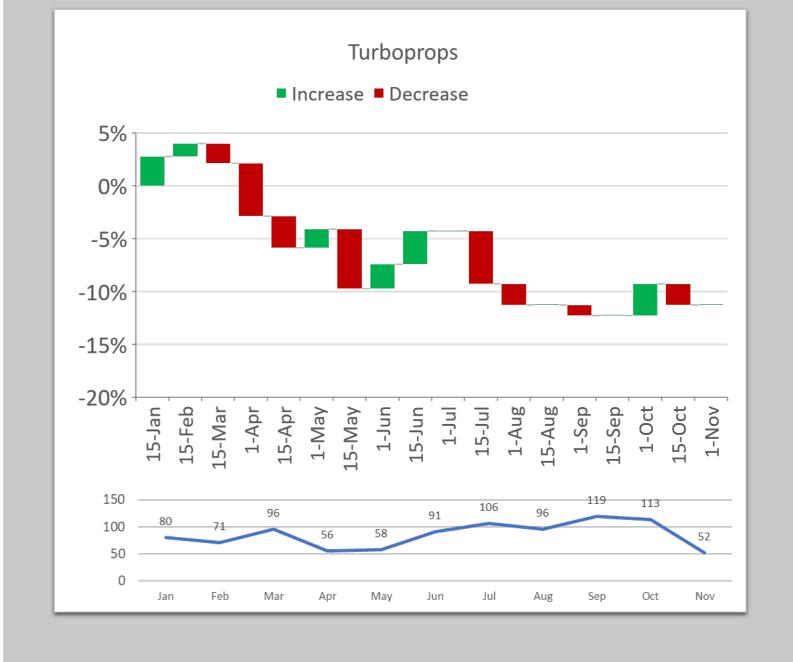
- The value for Light Jets is down 25% since January 2020.
- The year-to-date trend in values has been a steady decline for the year with a small fluctuation from June to July.
- April, May, and October show the biggest declines at -5%, -7%, and -6%.





January – November % Value Change

- The value for Turboprops is down 11% since January 2020.
- After a 4% uptick, values of Turboprops fell 16% by September.
- After staging a brief 4% recovery between September and October, values fell again and are now back down to 11% since January.
- Values have fluctuated in Q3 but stabilized since July.





AMSTAT Business Aircraft Preowned Market – In Summary

- Preowned aircraft inventories have been on the rise since 2018. This trend continued into the first half of 2020 but has since reversed in most market segments. The lack of a large spike in listings for sale bodes well for a quicker recovery.
- There was no panic to sell as a result of Covid.
- Through Q3, total preowned transaction activity is roughly even with 2019. Between June and October, resale transaction activity outperformed 2019 and has recovered from a 17% deficit (year-over-year) for January through May.
- Since the start of the year aircraft estimated average values have fallen between 11% and 26%. Some markets have seen values begin to recover, notably the Heavy Jets. In the Super-Mid and Medium Jet and Turboprop markets the rate of value decline seems to have slowed. The estimated average value for Light Jets continues to trend downwards.

