

# Crystal balls: where is the market heading?



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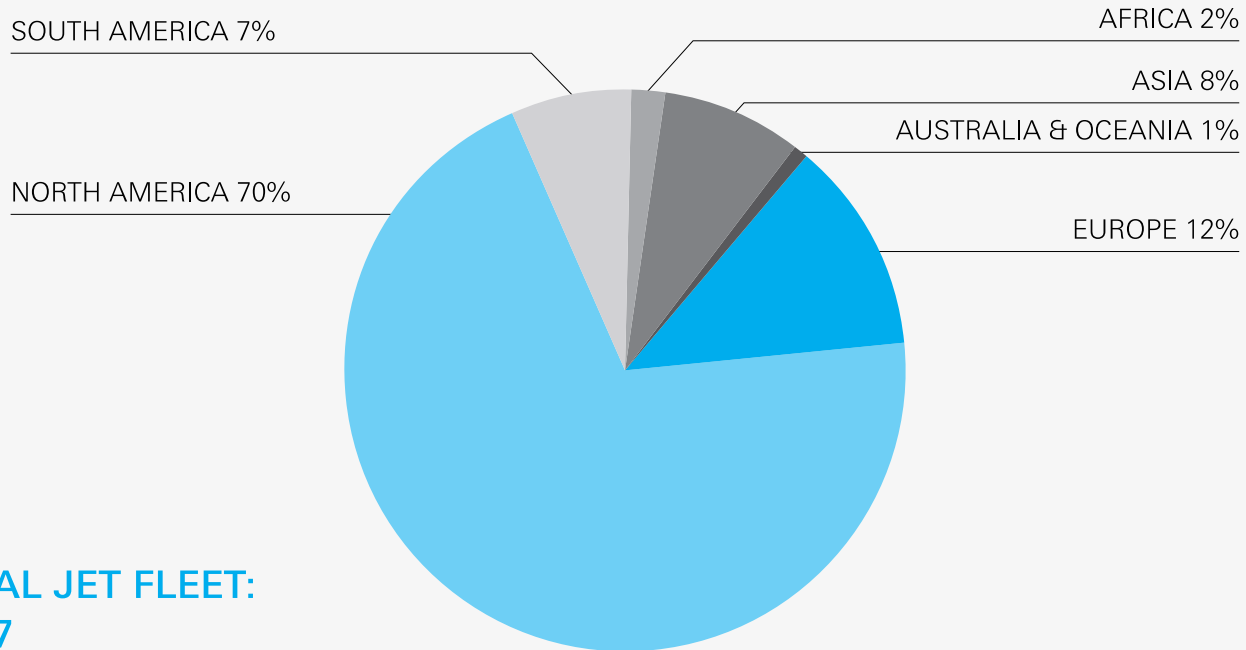
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JETNET IQ



## WORLDWIDE BUSINESS JET DISTRIBUTION

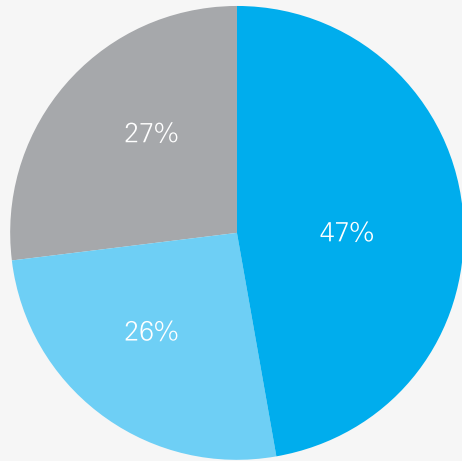


**GLOBAL JET FLEET:  
21,767**

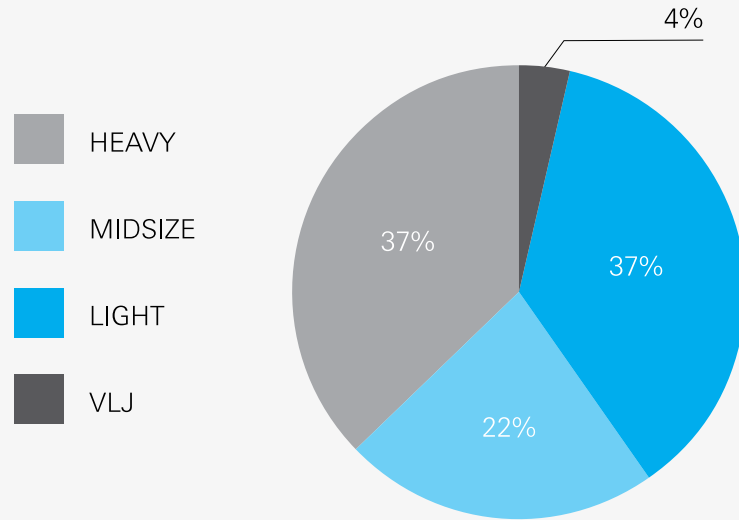


## BUSINESS JET FLEET SPLIT BY SIZE SEGMENT

2005

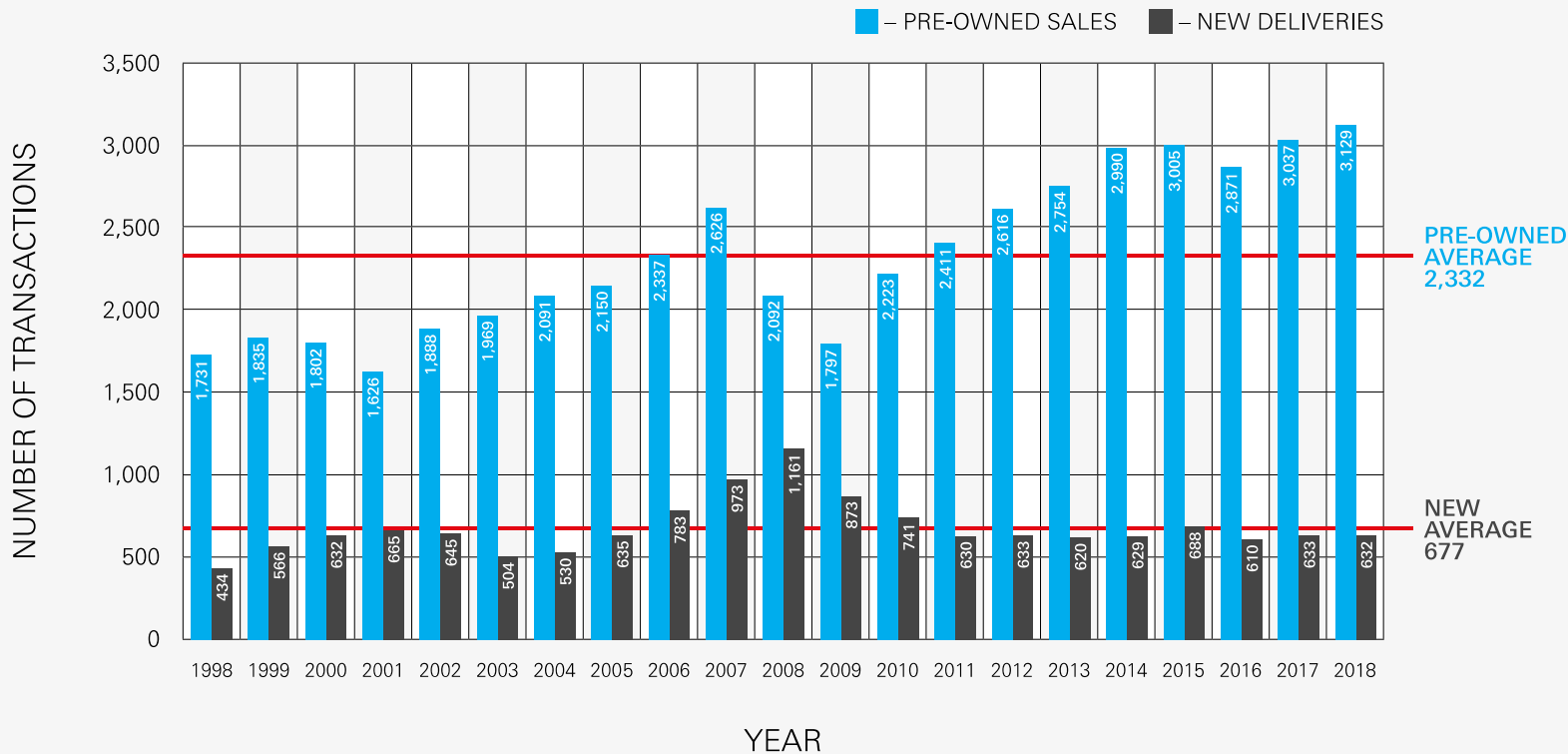


2018



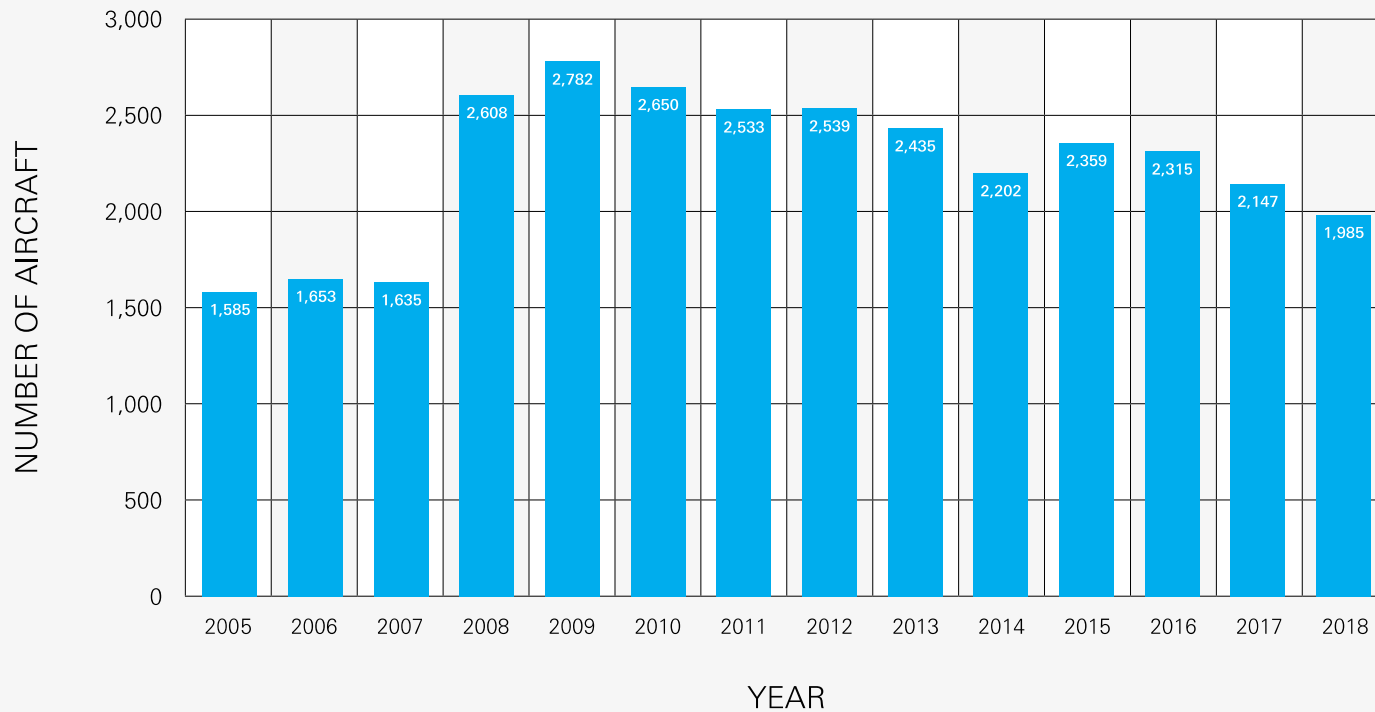


## NEW BUSINESS JET DELIVERIES vs. PRE-OWNED SALES





## PRE-OWNED BUSINESS JETS FOR SALE – YEAR END INVENTORY





## WHY THE 2019 CONFIDENCE CONSENSUS IS 8 TO 9 OUT OF 10?

- U.S. Economy still doing well overall (and represents between 60-70% of the jet sales market)
- 2018 was a great year for most people in our industry/in this room and the panel yesterday all were 8-9 on a 10 scale in confidence for 2019
- New aircraft models being introduced/entering in to service
- Pre-owned inventory levels at all-time lows
- Pre-owned transactions at all time high
- Buyers coming from new and growing markets like tech, green, AI, longevity
- Buyers age on average are lower allowing future growth potential
- Charter flights on the rise
- More first time buyers and they are buying larger
- Chinese more open to buying pre-owned now

## BUT, IS PERCEPTION REALITY?



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## GLOBAL ISSUES WHICH COULD POTENTIALLY HAVE AN IMPACT THIS YEAR

- Stock Market 30% Tech drop last month – Near Term possibility for similar dips?
- U.S. – China Trade War (and Chinese wary of corruption investigations)
- Brexit uncertainty
- European Members financial position weakening
- Russian sanctions/Ukrainian Dispute
- Saudi Corruption Crackdown
- South America - Venezuela/Brazil/Argentina Economy/Currency
- Nigerian corruption crackdown
- Oil price instability
- 2020 Avionics requirements
- Asian airspace restrictions/inconveniences still turning owners off to business aviation
- New aircraft models negatively effecting residual values of existing fleets/models